

VIA Labs, Inc. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2022 and 2021**

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,493,953	38	\$ 1,906,789	47	\$ 1,779,722	48
Financial assets at amortized cost - current	57,150	2	434,000	11	434,000	12
Accounts receivable, net	247,697	6	381,794	9	385,174	10
Accounts receivable - related parties	958	-	1,621	-	2,390	-
Other receivables	1,222	-	504	-	1,982	-
Inventories	910,135	23	454,242	11	442,228	12
Other current assets	23,399	1	8,863	-	9,813	-
Total current assets	<u>2,734,514</u>	<u>70</u>	<u>3,187,813</u>	<u>78</u>	<u>3,055,309</u>	<u>82</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	158,527	4	154,510	4	136,711	4
Financial assets at fair value through other comprehensive income - non-current	667,635	17	468,285	11	271,665	7
Property, plant and equipment	88,477	2	72,889	2	76,795	2
Right-of-use assets	16,717	-	26,728	1	24,415	1
Intangible assets	59,051	2	44,763	1	37,372	1
Deferred tax assets	66,956	2	36,156	1	21,742	1
Refundable deposits	96,251	3	84,041	2	84,551	2
Total non-current assets	<u>1,153,614</u>	<u>30</u>	<u>887,372</u>	<u>22</u>	<u>653,251</u>	<u>18</u>
TOTAL	<u>\$ 3,888,128</u>	<u>100</u>	<u>\$ 4,075,185</u>	<u>100</u>	<u>\$ 3,708,560</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Accounts payable	\$ 222,851	6	\$ 265,381	7	\$ 294,066	8
Accounts payable - related parties	15,762	-	26,028	1	29,785	1
Other payables	359,029	9	329,189	8	267,070	7
Current tax liabilities	103,879	3	174,148	4	110,837	3
Provisions - current	5,633	-	6,901	-	3,423	-
Lease liabilities - current	14,874	-	15,629	-	12,863	-
Other current liabilities	24,663	1	39,459	1	30,462	1
Total current liabilities	<u>746,691</u>	<u>19</u>	<u>856,735</u>	<u>21</u>	<u>748,506</u>	<u>20</u>
NON-CURRENT LIABILITIES						
Lease liabilities - non-current	3,363	-	13,545	-	13,745	1
Net defined benefit liabilities	3,152	-	3,135	-	3,171	-
Total non-current liabilities	<u>6,515</u>	<u>-</u>	<u>16,680</u>	<u>-</u>	<u>16,916</u>	<u>1</u>
Total liabilities	<u>753,206</u>	<u>19</u>	<u>873,415</u>	<u>21</u>	<u>765,422</u>	<u>21</u>
EQUITY						
Share capital	684,970	18	675,000	17	675,000	18
Capital collected in advance	254	-	11,556	-	-	-
Capital surplus	1,570,802	41	1,561,112	38	1,560,318	42
Retained earnings						
Legal reserve	156,817	4	68,781	2	68,781	2
Special reserve	22,209	-	15,757	-	15,757	1
Unappropriated earnings	726,535	19	891,773	22	644,350	17
Total retained earnings	905,561	23	976,311	24	728,888	20
Other equity	(26,665)	(1)	(22,209)	-	(21,068)	(1)
Total equity	<u>3,134,922</u>	<u>81</u>	<u>3,201,770</u>	<u>79</u>	<u>2,943,138</u>	<u>79</u>
TOTAL	<u>\$ 3,888,128</u>	<u>100</u>	<u>\$ 4,075,185</u>	<u>100</u>	<u>\$ 3,708,560</u>	<u>100</u>

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales	\$ 606,227	100	\$ 887,122	99	\$ 2,471,754	100	\$ 2,402,737	99
Other operating revenue	<u>-</u>	<u>-</u>	<u>6,002</u>	<u>1</u>	<u>145</u>	<u>-</u>	<u>18,358</u>	<u>1</u>
Total operating revenue	606,227	100	893,124	100	2,471,899	100	2,421,095	100
OPERATING COSTS	<u>291,693</u>	<u>48</u>	<u>407,913</u>	<u>46</u>	<u>1,164,721</u>	<u>47</u>	<u>1,136,138</u>	<u>47</u>
GROSS PROFIT	<u>314,534</u>	<u>52</u>	<u>485,211</u>	<u>54</u>	<u>1,307,178</u>	<u>53</u>	<u>1,284,957</u>	<u>53</u>
OPERATING EXPENSES								
Selling and marketing expenses	13,660	2	12,274	1	41,439	2	35,938	1
General and administrative expenses	16,656	3	16,753	2	51,128	2	43,013	2
Research and development expenses	179,347	30	172,961	19	555,241	22	456,562	19
Expected credit loss	<u>-</u>	<u>-</u>	<u>196</u>	<u>-</u>	<u>281</u>	<u>-</u>	<u>1,215</u>	<u>-</u>
Total operating expenses	<u>209,663</u>	<u>35</u>	<u>202,184</u>	<u>22</u>	<u>648,089</u>	<u>26</u>	<u>536,728</u>	<u>22</u>
PROFIT FROM OPERATIONS	<u>104,871</u>	<u>17</u>	<u>283,027</u>	<u>32</u>	<u>659,089</u>	<u>27</u>	<u>748,229</u>	<u>31</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	4,672	1	2,601	-	9,624	-	7,312	-
Other gains and losses	54,383	9	2,622	-	143,361	6	(10,299)	-
Finance costs	<u>(79)</u>	<u>-</u>	<u>(110)</u>	<u>-</u>	<u>(278)</u>	<u>-</u>	<u>(367)</u>	<u>-</u>
Total non-operating income and expenses	<u>58,976</u>	<u>10</u>	<u>5,113</u>	<u>-</u>	<u>152,707</u>	<u>6</u>	<u>(3,354)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	163,847	27	288,140	32	811,796	33	744,875	31
INCOME TAX EXPENSE	<u>(26,342)</u>	<u>(4)</u>	<u>(47,737)</u>	<u>(5)</u>	<u>(130,223)</u>	<u>(6)</u>	<u>(111,932)</u>	<u>(5)</u>
NET PROFIT FOR THE PERIOD	<u>137,505</u>	<u>23</u>	<u>240,403</u>	<u>27</u>	<u>681,573</u>	<u>27</u>	<u>632,943</u>	<u>26</u>

(Continued)

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME AND LOSS								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	\$ 2,029	-	\$ (2,077)	-	\$ (6,194)	-	\$ (4,990)	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	826	-	(36)	-	1,738	-	(321)	-
Other comprehensive income and loss for the period, net of income tax	2,855	-	(2,113)	-	(4,456)	-	(5,311)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 140,360</u>	<u>23</u>	<u>\$ 238,290</u>	<u>27</u>	<u>\$ 677,117</u>	<u>27</u>	<u>\$ 627,632</u>	<u>26</u>
EARNINGS PER SHARE								
From continuing operations								
Basic	<u>\$2.01</u>		<u>\$3.56</u>		<u>\$9.96</u>		<u>\$9.38</u>	
Diluted	<u>\$1.94</u>		<u>\$3.41</u>		<u>\$9.63</u>		<u>\$8.97</u>	

(Concluded)

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Share Capital	Capital Collected in Advance	Capital Surplus	Retained Earnings			Other Equity		Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating Foreign Operations	
BALANCE AT JANUARY 1, 2021	\$ 675,000	\$ -	\$ 1,557,933	\$ 36,909	\$ 14,996	\$ 347,790	\$ (15,168)	\$ (589)	\$ 2,616,871
Appropriation of 2020 earnings									
Legal reserve	-	-	-	31,872	-	(31,872)	-	-	-
Special reserve	-	-	-	-	761	(761)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(303,750)	-	-	(303,750)
Compensation cost of employee share options	-	-	2,385	-	-	-	-	-	2,385
Net profit for the nine months ended September 30, 2021	-	-	-	-	-	632,943	-	-	632,943
Other comprehensive loss for the nine months ended September 30, 2021	-	-	-	-	-	-	(4,990)	(321)	(5,311)
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	632,943	(4,990)	(321)	627,632
BALANCE AT SEPTEMBER 30, 2021	<u>\$ 675,000</u>	<u>\$ -</u>	<u>\$ 1,560,318</u>	<u>\$ 68,781</u>	<u>\$ 15,757</u>	<u>\$ 644,350</u>	<u>\$ (20,158)</u>	<u>\$ (910)</u>	<u>\$ 2,943,138</u>
BALANCE AT JANUARY 1, 2022	\$ 675,000	\$ 11,556	\$ 1,561,112	\$ 68,781	\$ 15,757	\$ 891,773	\$ (21,390)	\$ (819)	\$ 3,201,770
Appropriation of 2021 earnings									
Legal reserve	-	-	-	88,036	-	(88,036)	-	-	-
Special reserve	-	-	-	-	6,452	(6,452)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(752,323)	-	-	(752,323)
Compensation cost of employee share options	-	-	998	-	-	-	-	-	998
Issuance of stock from exercise of employee share options	9,970	(11,302)	8,692	-	-	-	-	-	7,360
Net profit for the nine months ended September 30, 2022	-	-	-	-	-	681,573	-	-	681,573
Other comprehensive (loss) income for the nine months ended September 30, 2022	-	-	-	-	-	-	(6,194)	1,738	(4,456)
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	681,573	(6,194)	1,738	677,117
BALANCE AT SEPTEMBER 30, 2022	<u>\$ 684,970</u>	<u>\$ 254</u>	<u>\$ 1,570,802</u>	<u>\$ 156,817</u>	<u>\$ 22,209</u>	<u>\$ 726,535</u>	<u>\$ (27,584)</u>	<u>\$ 919</u>	<u>\$ 3,134,922</u>

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 811,796	\$ 744,875
Adjustments for:		
Depreciation expense	50,710	29,879
Amortization expense	41,611	18,394
Expected credit loss recognized on accounts receivable	281	1,215
Finance costs	278	367
Interest income	(9,624)	(7,312)
Compensation cost of employee share options	998	2,385
Gain on lease modification	-	(8)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(4,017)	(100,000)
Accounts receivable	133,816	(157,475)
Accounts receivable - related parties	663	(905)
Other receivables	-	(37)
Inventories	(455,893)	(175,467)
Other current assets	(14,536)	(1,646)
Accounts payable	(42,530)	132,677
Accounts payable - related parties	(10,266)	14,979
Other payables	21,862	70,741
Provisions	(1,268)	81
Other current liabilities	(14,796)	4,973
Net defined benefit liabilities	17	15
Cash generated from operations	<u>509,102</u>	<u>577,731</u>
Interest received	8,906	5,563
Interest paid	(278)	(367)
Income tax paid	<u>(231,292)</u>	<u>(22,227)</u>
Net cash generated from operating activities	<u>286,438</u>	<u>560,700</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(205,544)	(264,658)
Purchase of financial assets at amortized cost	-	(434,000)
Proceeds from sale of financial assets at amortized cost	376,850	-
Payments for property, plant and equipment	(54,767)	(36,718)
(Increase) decrease in refundable deposits	(12,210)	2,042
Payments for intangible assets	<u>(49,281)</u>	<u>(20,048)</u>
Net cash generated from (used in) investing activities	<u>55,048</u>	<u>(753,382)</u>

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VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ (10,981)	\$ (8,195)
Dividends paid	(752,323)	(303,750)
Proceeds from exercise of employee share options	<u>7,360</u>	<u>-</u>
Net cash used in financing activities	<u>(755,944)</u>	<u>(311,945)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,622</u>	<u>(321)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(412,836)	(504,948)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,906,789</u>	<u>2,284,670</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,493,953</u>	<u>\$ 1,779,722</u>

(Concluded)