

VIA Labs, Inc. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2023 and 2022**

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,652,546	45	\$ 1,513,917	40	\$ 2,591,279	57
Financial assets at fair value through profit or loss - current	-	-	406	-	-	-
Accounts receivable, net	133,163	3	258,642	7	394,436	9
Accounts receivable - related parties	413	-	425	-	1,917	-
Other receivables	3,043	-	2,369	-	461	-
Inventories	803,397	22	957,566	25	564,881	13
Other current assets	3,989	-	15,480	-	6,822	-
Total current assets	<u>2,596,551</u>	<u>70</u>	<u>2,748,805</u>	<u>72</u>	<u>3,559,796</u>	<u>79</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	175,180	5	162,446	4	156,672	3
Financial assets at fair value through other comprehensive income - non-current	640,480	17	638,794	17	494,047	11
Property, plant and equipment	73,158	2	80,828	2	97,260	2
Right-of-use assets	10,001	-	13,355	-	23,392	1
Intangible assets	48,104	1	46,468	1	65,932	1
Deferred tax assets	77,812	2	74,054	2	46,359	1
Prepayments for equipment	21,278	1	7,338	-	-	-
Refundable deposits	55,811	2	56,279	2	86,876	2
Total non-current assets	<u>1,101,824</u>	<u>30</u>	<u>1,079,562</u>	<u>28</u>	<u>970,538</u>	<u>21</u>
TOTAL	<u>\$ 3,698,375</u>	<u>100</u>	<u>\$ 3,828,367</u>	<u>100</u>	<u>\$ 4,530,334</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes and accounts payable	\$ 41,143	1	\$ 125,290	3	\$ 365,313	8
Accounts payable - related parties	3,395	-	5,528	-	20,101	1
Other payables	315,013	9	383,072	10	357,205	8
Dividends payable	516,735	14	-	-	752,323	17
Current tax liabilities	106,263	3	104,343	3	239,213	5
Provisions - current	8,182	-	4,718	-	5,855	-
Lease liabilities - current	11,468	-	14,855	1	15,916	-
Other current liabilities	10,515	-	6,699	-	7,285	-
Total current liabilities	<u>1,012,714</u>	<u>27</u>	<u>644,505</u>	<u>17</u>	<u>1,763,211</u>	<u>39</u>
NON-CURRENT LIABILITIES						
Lease liabilities - non-current	-	-	-	-	10,169	-
Net defined benefit liabilities	2,935	-	2,938	-	3,126	-
Total non-current liabilities	<u>2,935</u>	<u>-</u>	<u>2,938</u>	<u>-</u>	<u>13,295</u>	<u>-</u>
Total liabilities	<u>1,015,649</u>	<u>27</u>	<u>647,443</u>	<u>17</u>	<u>1,776,506</u>	<u>39</u>
EQUITY						
Share capital	687,590	19	685,110	18	681,170	15
Capital collected in advance	4,406	-	4,496	-	6,762	-
Capital surplus	1,573,354	43	1,571,188	41	1,566,830	35
Retained earnings						
Legal reserve	156,817	4	156,817	4	156,817	3
Special reserve	22,209	1	22,209	1	22,209	1
Unappropriated earnings	267,043	7	768,732	20	333,930	7
Total retained earnings	446,069	12	947,758	25	512,956	11
Other equity	(28,693)	(1)	(27,628)	(1)	(13,890)	-
Total equity	<u>2,682,726</u>	<u>73</u>	<u>3,180,924</u>	<u>83</u>	<u>2,753,828</u>	<u>61</u>
TOTAL	<u>\$ 3,698,375</u>	<u>100</u>	<u>\$ 3,828,367</u>	<u>100</u>	<u>\$ 4,530,334</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 March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales	\$ 374,031	100	\$ 984,907	100
Other operating revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenue	374,031	100	984,907	100
OPERATING COSTS	<u>194,162</u>	<u>52</u>	<u>461,142</u>	<u>47</u>
GROSS PROFIT	<u>179,869</u>	<u>48</u>	<u>523,765</u>	<u>53</u>
OPERATING EXPENSES				
Selling and marketing expenses	12,746	3	15,253	1
General and administrative expenses	14,052	4	16,637	2
Research and development expenses	<u>148,845</u>	<u>40</u>	<u>199,471</u>	<u>20</u>
Total operating expenses	<u>175,643</u>	<u>47</u>	<u>231,361</u>	<u>23</u>
PROFIT FROM OPERATIONS	<u>4,226</u>	<u>1</u>	<u>292,404</u>	<u>30</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	7,588	2	2,216	-
Other gains and losses	6,151	2	49,605	5
Finance costs	<u>(51)</u>	<u>-</u>	<u>(106)</u>	<u>-</u>
Total non-operating income and expenses	<u>13,688</u>	<u>4</u>	<u>51,715</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	17,914	5	344,119	35
INCOME TAX EXPENSE	<u>(2,868)</u>	<u>(1)</u>	<u>(55,151)</u>	<u>(6)</u>
NET PROFIT FOR THE PERIOD	<u>15,046</u>	<u>4</u>	<u>288,968</u>	<u>29</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 March 31			
	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ (1,040)	-	\$ 7,539	1
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	<u>(25)</u>	<u>-</u>	<u>780</u>	<u>-</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(1,065)</u>	<u>-</u>	<u>8,319</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 13,981</u>	<u>4</u>	<u>\$ 297,287</u>	<u>30</u>
EARNINGS PER SHARE				
From continuing operations				
Basic	<u>\$ 0.22</u>		<u>\$ 4.23</u>	
Diluted	<u>\$ 0.21</u>		<u>\$ 4.09</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 Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating Foreign Operations	
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	-	-	332	-	-	-	-	-	332
Issuance of stock from exercise of employee share options	6,170	(4,794)	5,386	-	-	-	-	-	6,762
Net profit for the three months ended March 31, 2022	-	-	-	-	-	288,968	-	-	288,968
Other comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	-	7,539	780	8,319
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	288,968	7,539	780	297,287
BALANCE AT MARCH 31, 2022	<u>\$ 681,170</u>	<u>\$ 6,762</u>	<u>\$ 1,566,830</u>	<u>\$ 156,817</u>	<u>\$ 22,209</u>	<u>\$ 333,930</u>	<u>\$ (13,851)</u>	<u>\$ (39)</u>	<u>\$ 2,753,828</u>
BALANCE AT JANUARY 1, 2023	\$ 685,110	\$ 4,496	\$ 1,571,188	\$ 156,817	\$ 22,209	\$ 768,732	\$ (27,997)	\$ 369	\$ 3,180,924
Appropriation of 2022 earnings									
Cash dividends distributed by the Company	-	-	-	-	-	(516,735)	-	-	(516,735)
Compensation cost of employee share options	-	-	150	-	-	-	-	-	150
Issuance of stock from exercise of employee share options	2,480	(90)	2,016	-	-	-	-	-	4,406
Net profit for the three months ended March 31, 2023	-	-	-	-	-	15,046	-	-	15,046
Other comprehensive loss for the three months ended March 31, 2023	-	-	-	-	-	-	(1,040)	(25)	(1,065)
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	15,046	(1,040)	(25)	13,981
BALANCE AT MARCH 31, 2023	<u>\$ 687,590</u>	<u>\$ 4,406</u>	<u>\$ 1,573,354</u>	<u>\$ 156,817</u>	<u>\$ 22,209</u>	<u>\$ 267,043</u>	<u>\$ (29,037)</u>	<u>\$ 344</u>	<u>\$ 2,682,726</u>

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 17,914	\$ 344,119
Adjustments for:		
Depreciation expense	18,196	16,553
Amortization expense	15,146	11,360
Finance costs	51	106
Interest income	(7,588)	(2,216)
Compensation cost of employee share options	150	332
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(12,328)	(2,162)
Accounts receivable	125,479	(12,642)
Accounts receivable - related parties	12	(296)
Inventories	154,169	(110,639)
Other current assets	11,491	2,041
Notes and accounts payable	(84,147)	99,932
Accounts payable - related parties	(2,133)	(5,927)
Other payables	(67,824)	10,594
Provisions	3,464	(1,046)
Other current liabilities	3,816	(32,174)
Net defined benefit liabilities	(3)	(9)
Cash generated from operations	175,865	317,926
Interest received	6,914	2,259
Interest paid	(51)	(106)
Income tax paid	(4,706)	(289)
Net cash generated from operating activities	<u>178,022</u>	<u>319,790</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(2,726)	(18,223)
Proceeds from sale of financial assets at amortized cost	-	434,000
Payments for property, plant and equipment	(6,575)	(36,497)
Increase in refundable deposits	-	(2,835)
Decrease in refundable deposits	468	-
Payments for intangible assets	(17,589)	(16,044)
Increase in prepayments for equipment	(13,940)	-
Net cash (used in) generated from investing activities	<u>(40,362)</u>	<u>360,401</u>

(Continued)

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ (3,385)	\$ (3,101)
Proceeds from exercise of employee share options	<u>4,406</u>	<u>6,762</u>
Net cash generated from financing activities	<u>1,021</u>	<u>3,661</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(52)</u>	<u>638</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	138,629	684,490
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,513,917</u>	<u>1,906,789</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,652,546</u>	<u>\$ 2,591,279</u>

(Concluded)