

VIA Labs, Inc. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2023 and 2022**

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,600,963	46	\$ 1,513,917	40	\$ 1,493,953	38
Financial assets at fair value through profit or loss - current	-	-	406	-	-	-
Financial assets at amortized cost - current	-	-	-	-	57,150	2
Accounts receivable, net	232,623	7	259,067	7	248,655	6
Other receivables	5,061	-	2,369	-	1,222	-
Inventories	430,226	12	957,566	25	910,135	23
Other current assets	10,269	-	15,480	-	23,399	1
Total current assets	<u>2,279,142</u>	<u>65</u>	<u>2,748,805</u>	<u>72</u>	<u>2,734,514</u>	<u>70</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	176,659	5	162,446	4	158,527	4
Financial assets at fair value through other comprehensive income - non-current	687,916	20	638,794	17	667,635	17
Property, plant and equipment	113,077	3	80,828	2	88,477	2
Right-of-use assets	3,295	-	13,355	-	16,717	-
Intangible assets	78,531	2	46,468	1	59,051	2
Deferred tax assets	91,889	3	74,054	2	66,956	2
Other financial assets - non-current	59,086	2	56,278	2	96,250	3
Other non-current assets	188	-	7,339	-	1	-
Total non-current assets	<u>1,210,641</u>	<u>35</u>	<u>1,079,562</u>	<u>28</u>	<u>1,153,614</u>	<u>30</u>
TOTAL	<u>\$ 3,489,783</u>	<u>100</u>	<u>\$ 3,828,367</u>	<u>100</u>	<u>\$ 3,888,128</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes and accounts payable	\$ 136,096	4	\$ 130,818	4	\$ 238,613	6
Other payables	359,921	10	383,072	10	359,029	9
Current tax liabilities	96,797	3	104,343	3	103,879	3
Provisions - current	7,744	-	4,718	-	5,633	-
Lease liabilities - current	4,654	-	14,855	-	14,874	-
Other current liabilities	18,832	1	6,699	-	24,663	1
Total current liabilities	<u>624,044</u>	<u>18</u>	<u>644,505</u>	<u>17</u>	<u>746,691</u>	<u>19</u>
NON-CURRENT LIABILITIES						
Lease liabilities - non-current	-	-	-	-	3,363	-
Net defined benefit liabilities	2,971	-	2,938	-	3,152	-
Total non-current liabilities	<u>2,971</u>	<u>-</u>	<u>2,938</u>	<u>-</u>	<u>6,515</u>	<u>-</u>
Total liabilities	<u>627,015</u>	<u>18</u>	<u>647,443</u>	<u>17</u>	<u>753,206</u>	<u>19</u>
EQUITY						
Share capital	690,090	20	685,110	18	684,970	18
Capital collected in advance	1,136	-	4,496	-	254	-
Capital surplus	1,575,682	45	1,571,188	41	1,570,802	41
Retained earnings						
Legal reserve	229,194	6	156,817	4	156,817	4
Special reserve	27,628	1	22,209	1	22,209	-
Unappropriated earnings	345,988	10	768,732	20	726,535	19
Total retained earnings	602,810	17	947,758	25	905,561	23
Other equity	(6,950)	-	(27,628)	(1)	(26,665)	(1)
Total equity	<u>2,862,768</u>	<u>82</u>	<u>3,180,924</u>	<u>83</u>	<u>3,134,922</u>	<u>81</u>
TOTAL	<u>\$ 3,489,783</u>	<u>100</u>	<u>\$ 3,828,367</u>	<u>100</u>	<u>\$ 3,888,128</u>	<u>100</u>

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales	\$ 557,621	100	\$ 606,227	100	\$ 1,523,443	100	\$ 2,471,754	100
Other operating revenue	-	-	-	-	-	-	145	-
Total operating revenue	557,621	100	606,227	100	1,523,443	100	2,471,899	100
OPERATING COSTS	309,261	55	291,693	48	817,028	54	1,164,721	47
GROSS PROFIT	248,360	45	314,534	52	706,415	46	1,307,178	53
OPERATING EXPENSES								
Selling and marketing expenses	16,204	3	13,660	2	41,336	3	41,439	2
General and administrative expenses	22,781	4	16,656	3	54,535	4	51,128	2
Research and development expenses	153,071	27	179,347	30	480,875	31	555,241	22
Expected credit loss	-	-	-	-	-	-	281	-
Total operating expenses	192,056	34	209,663	35	576,746	38	648,089	26
PROFIT FROM OPERATIONS	56,304	11	104,871	17	129,669	8	659,089	27
NON-OPERATING INCOME AND EXPENSES								
Interest income	8,355	1	4,672	1	24,947	2	9,624	-
Other gains and losses	27,691	5	54,383	9	50,993	3	143,361	6
Finance costs	(23)	-	(79)	-	(111)	-	(278)	-
Total non-operating income and expenses	36,023	6	58,976	10	75,829	5	152,707	6
PROFIT BEFORE INCOME TAX	92,327	17	163,847	27	205,498	13	811,796	33
INCOME TAX EXPENSE	(14,963)	(3)	(26,342)	(4)	(33,711)	(2)	(130,223)	(6)
NET PROFIT FOR THE PERIOD	77,364	14	137,505	23	171,787	11	681,573	27

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VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (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	\$ 9,839	2	\$ 2,029	-	\$ 19,830	2	\$ (6,194)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	1,022	-	826	-	848	-	1,738	-
Other comprehensive income and loss for the period, net of income tax	10,861	2	2,855	-	20,678	2	(4,456)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 88,225</u>	<u>16</u>	<u>\$ 140,360</u>	<u>23</u>	<u>\$ 192,465</u>	<u>13</u>	<u>\$ 677,117</u>	<u>27</u>
EARNINGS PER SHARE								
From continuing operations								
Basic	<u>\$1.12</u>		<u>\$2.01</u>		<u>\$2.49</u>		<u>\$9.96</u>	
Diluted	<u>\$1.10</u>		<u>\$1.94</u>		<u>\$2.44</u>		<u>\$9.63</u>	

(Concluded)

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	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	-	-	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	\$ 684,970	\$ 254	\$ 1,570,802	\$ 156,817	\$ 22,209	\$ 726,535	\$ (27,584)	\$ 919	\$ 3,134,922
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									
Legal reserve	-	-	-	72,377	-	(72,377)	-	-	-
Special reserve	-	-	-	-	5,419	(5,419)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(516,735)	-	-	(516,735)
Compensation cost of employee share options	-	-	450	-	-	-	-	-	450
Issuance of stock from exercise of employee share options	4,980	(3,360)	4,044	-	-	-	-	-	5,664
Net profit for the nine months ended September 30, 2023	-	-	-	-	-	171,787	-	-	171,787
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	-	19,830	848	20,678
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	171,787	19,830	848	192,465
BALANCE AT SEPTEMBER 30, 2023	\$ 690,090	\$ 1,136	\$ 1,575,682	\$ 229,194	\$ 27,628	\$ 345,988	\$ (8,167)	\$ 1,217	\$ 2,862,768

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 205,498	\$ 811,796
Adjustments for:		
Depreciation expense	60,635	50,710
Amortization expense	40,178	41,611
Expected credit loss recognized on accounts receivable	-	281
Finance costs	111	278
Interest income	(24,947)	(9,624)
Compensation cost of employee share options	450	998
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(13,807)	(4,017)
Accounts receivable	26,444	134,479
Inventories	527,340	(455,893)
Other current assets	5,211	(14,536)
Notes and accounts payable	5,278	(52,796)
Other payables	(47,717)	21,862
Provisions	3,026	(1,268)
Other current liabilities	12,133	(14,796)
Net defined benefit liabilities	33	17
Cash generated from operations	799,866	509,102
Interest received	22,255	8,906
Interest paid	(111)	(278)
Income tax paid	(59,092)	(231,292)
Net cash generated from operating activities	<u>762,918</u>	<u>286,438</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(29,292)	(205,544)
Proceeds from sale of financial assets at amortized cost	-	376,850
Payments for property, plant and equipment	(75,773)	(54,767)
Payments for intangible assets	(47,506)	(49,281)
Increase in other financial assets	(2,808)	(12,210)
Net cash (used in) generated from investing activities	<u>(155,379)</u>	<u>55,048</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(10,203)	(10,981)
Dividends paid	(516,735)	(752,323)
Proceeds from exercise of employee share options	5,664	7,360
Net cash used in financing activities	<u>(521,274)</u>	<u>(755,944)</u>

(Continued)

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ <u>781</u>	\$ <u>1,622</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	87,046	(412,836)
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>\$ 1,600,963</u>	<u>\$ 1,493,953</u>

(Concluded)