

VIA Labs, Inc. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2024 and 2023**

VIA LABS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,298,815	34	\$ 1,389,385	38	\$ 1,352,289	40
Financial assets at amortized cost - current	380,000	10	310,000	9	-	-
Accounts receivable	214,771	6	202,640	6	240,870	7
Other receivables	6,461	-	3,611	-	3,755	-
Inventories	130,631	3	313,371	9	598,213	18
Other current assets	7,893	-	10,729	-	6,200	-
Total current assets	<u>2,038,571</u>	<u>53</u>	<u>2,229,736</u>	<u>62</u>	<u>2,201,327</u>	<u>65</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	206,622	6	177,913	5	175,802	5
Financial assets at fair value through other comprehensive income - non-current	892,444	23	778,038	22	667,803	20
Financial assets at amortized cost - non-current	262,574	7	-	-	-	-
Property, plant and equipment	126,877	3	115,789	3	107,848	3
Right-of-use assets	34,051	1	43,441	1	6,649	-
Intangible assets	152,828	4	127,988	3	77,101	2
Deferred tax assets	87,342	2	94,024	3	85,291	3
Other financial assets - non-current	39,940	1	37,846	1	57,052	2
Other non-current assets	1	-	188	-	7,339	-
Total non-current assets	<u>1,802,679</u>	<u>47</u>	<u>1,375,227</u>	<u>38</u>	<u>1,184,885</u>	<u>35</u>
TOTAL	<u>\$ 3,841,250</u>	<u>100</u>	<u>\$ 3,604,963</u>	<u>100</u>	<u>\$ 3,386,212</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term bills payable	\$ 208,000	6	\$ -	-	\$ -	-
Notes and accounts payable	151,885	4	151,665	4	104,305	3
Other payables	466,290	12	445,293	12	404,169	12
Current tax liabilities	39,429	1	81,700	2	76,170	2
Provisions - current	7,909	-	8,538	-	7,684	-
Lease liabilities - current	13,644	-	15,284	1	8,069	-
Other current liabilities	15,331	-	14,975	1	9,597	1
Total current liabilities	<u>902,488</u>	<u>23</u>	<u>717,455</u>	<u>20</u>	<u>609,994</u>	<u>18</u>
NON-CURRENT LIABILITIES						
Lease liabilities - non-current	20,675	1	29,482	1	-	-
Net defined benefit liabilities	3,157	-	3,137	-	2,961	-
Total non-current liabilities	<u>23,832</u>	<u>1</u>	<u>32,619</u>	<u>1</u>	<u>2,961</u>	<u>-</u>
Total liabilities	<u>926,320</u>	<u>24</u>	<u>750,074</u>	<u>21</u>	<u>612,955</u>	<u>18</u>
EQUITY						
Equity attributable to owners of the Company						
Share capital	695,610	18	690,740	19	690,020	20
Capital collected in advance	224	-	5,191	-	122	-
Capital surplus	1,579,911	41	1,576,268	44	1,575,480	47
Retained earnings						
Legal reserve	247,237	6	229,194	6	229,194	7
Special reserve	28,865	1	27,628	1	27,628	1
Unappropriated earnings	299,633	8	354,629	10	268,624	8
Total retained earnings	575,735	15	611,451	17	525,446	16
Other equity	(12,398)	-	(28,761)	(1)	(17,811)	(1)
Total equity attributable to owners of the Company	2,839,082	74	2,854,889	79	2,773,257	82
Non-controlling interests	75,848	2	-	-	-	-
Total equity	<u>2,914,930</u>	<u>76</u>	<u>2,854,889</u>	<u>79</u>	<u>2,773,257</u>	<u>82</u>
TOTAL	<u>\$ 3,841,250</u>	<u>100</u>	<u>\$ 3,604,963</u>	<u>100</u>	<u>\$ 3,386,212</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 June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$ 495,028	100	\$ 591,791	100	\$ 886,689	100	\$ 965,822	100
OPERATING COSTS	<u>231,961</u>	<u>47</u>	<u>313,605</u>	<u>53</u>	<u>467,057</u>	<u>53</u>	<u>507,767</u>	<u>52</u>
GROSS PROFIT	<u>263,067</u>	<u>53</u>	<u>278,186</u>	<u>47</u>	<u>419,632</u>	<u>47</u>	<u>458,055</u>	<u>48</u>
OPERATING EXPENSES								
Selling and marketing expenses	23,878	5	12,386	2	36,305	4	25,132	3
General and administrative expenses	16,843	3	17,702	3	34,004	4	31,754	3
Research and development expenses	<u>170,404</u>	<u>34</u>	<u>178,959</u>	<u>30</u>	<u>331,800</u>	<u>37</u>	<u>327,804</u>	<u>34</u>
Total operating expenses	<u>211,125</u>	<u>42</u>	<u>209,047</u>	<u>35</u>	<u>402,109</u>	<u>45</u>	<u>384,690</u>	<u>40</u>
PROFIT FROM OPERATIONS	<u>51,942</u>	<u>11</u>	<u>69,139</u>	<u>12</u>	<u>17,523</u>	<u>2</u>	<u>73,365</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	9,514	2	9,004	1	19,056	2	16,592	2
Other income	-	-	-	-	16,227	2	-	-
Other gains and losses	(2,695)	(1)	17,151	3	59,654	7	23,302	2
Finance costs	<u>(647)</u>	<u>-</u>	<u>(37)</u>	<u>-</u>	<u>(859)</u>	<u>-</u>	<u>(88)</u>	<u>-</u>
Total non-operating income and expenses	<u>6,172</u>	<u>1</u>	<u>26,118</u>	<u>4</u>	<u>94,078</u>	<u>11</u>	<u>39,806</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	58,114	12	95,257	16	111,601	13	113,171	12
INCOME TAX EXPENSE	<u>(5,805)</u>	<u>(1)</u>	<u>(15,880)</u>	<u>(3)</u>	<u>(8,296)</u>	<u>(1)</u>	<u>(18,748)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>52,309</u>	<u>11</u>	<u>79,377</u>	<u>13</u>	<u>103,305</u>	<u>12</u>	<u>94,423</u>	<u>10</u>
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	(6,562)	(1)	11,031	2	11,441	1	9,991	1
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of the financial statements of foreign operations	<u>1,911</u>	<u>-</u>	<u>(149)</u>	<u>-</u>	<u>7,806</u>	<u>1</u>	<u>(174)</u>	<u>-</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(4,651)</u>	<u>(1)</u>	<u>10,882</u>	<u>2</u>	<u>19,247</u>	<u>2</u>	<u>9,817</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 47,658</u>	<u>10</u>	<u>\$ 90,259</u>	<u>15</u>	<u>\$ 122,552</u>	<u>14</u>	<u>\$ 104,240</u>	<u>11</u>

(Continued)

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 June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 52,272	11	\$ 79,377	13	\$ 103,268	12	\$ 94,423	10
Non-controlling interests	<u>37</u>	-	<u>-</u>	-	<u>37</u>	-	<u>-</u>	-
	<u>\$ 52,309</u>	<u>11</u>	<u>\$ 79,377</u>	<u>13</u>	<u>\$ 103,305</u>	<u>12</u>	<u>\$ 94,423</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 46,905	10	\$ 90,259	15	\$ 119,631	14	\$ 104,240	11
Non-controlling interests	<u>753</u>	-	<u>-</u>	-	<u>2,921</u>	-	<u>-</u>	-
	<u>\$ 47,658</u>	<u>10</u>	<u>\$ 90,259</u>	<u>15</u>	<u>\$ 122,552</u>	<u>14</u>	<u>\$ 104,240</u>	<u>11</u>
EARNINGS PER SHARE								
From continuing operations								
Basic	<u>\$ 0.75</u>		<u>\$ 1.15</u>		<u>\$ 1.49</u>		<u>\$ 1.37</u>	
Diluted	<u>\$ 0.74</u>		<u>\$ 1.13</u>		<u>\$ 1.47</u>		<u>\$ 1.34</u>	

(Concluded)

VIA LABS, INC. AND SUBSIDIARIES

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

	Equity attributable to owners of the Company						Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Collected in Advance	Capital Surplus	Retained Earnings			Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translation of the Financial Statements of Foreign Operations			
				Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2023	\$ 685,110	\$ 4,496	\$ 1,571,188	\$ 156,817	\$ 22,209	\$ 768,732	\$ (27,997)	\$ 369	\$ 3,180,924	\$ -	\$ 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)	-	(516,735)
Compensation cost of employee share options	-	-	300	-	-	-	-	-	300	-	300
Issuance of stock from exercise of employee share options	4,910	(4,374)	3,992	-	-	-	-	-	4,528	-	4,528
Net profit for the six months ended June 30, 2023	-	-	-	-	-	94,423	-	-	94,423	-	94,423
Other comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	9,991	(174)	9,817	-	9,817
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	94,423	9,991	(174)	104,240	-	104,240
BALANCE AT JUNE 30, 2023	<u>\$ 690,020</u>	<u>\$ 122</u>	<u>\$ 1,575,480</u>	<u>\$ 229,194</u>	<u>\$ 27,628</u>	<u>\$ 268,624</u>	<u>\$ (18,006)</u>	<u>\$ 195</u>	<u>\$ 2,773,257</u>	<u>\$ -</u>	<u>\$ 2,773,257</u>
BALANCE AT JANUARY 1, 2024	\$ 690,740	\$ 5,191	\$ 1,576,268	\$ 229,194	\$ 27,628	\$ 354,629	\$ (28,866)	\$ 105	\$ 2,854,889	\$ -	\$ 2,854,889
Appropriation of 2023 earnings											
Legal reserve	-	-	-	18,043	-	(18,043)	-	-	-	-	-
Special reserve	-	-	-	-	1,237	(1,237)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(138,984)	-	-	(138,984)	-	(138,984)
Issuance of stock from exercise of employee share options	4,870	(4,967)	3,643	-	-	-	-	-	3,546	-	3,546
Net profit for the six months ended June 30, 2024	-	-	-	-	-	103,268	-	-	103,268	37	103,305
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	11,441	4,922	16,363	2,884	19,247
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	103,268	11,441	4,922	119,631	2,921	122,552
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	72,927	72,927
BALANCE AT JUNE 30, 2024	<u>\$ 695,610</u>	<u>\$ 224</u>	<u>\$ 1,579,911</u>	<u>\$ 247,237</u>	<u>\$ 28,865</u>	<u>\$ 299,633</u>	<u>\$ (17,425)</u>	<u>\$ 5,027</u>	<u>\$ 2,839,082</u>	<u>\$ 75,848</u>	<u>\$ 2,914,930</u>

VIA LABS, INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 111,601	\$ 113,171
Adjustments for:		
Depreciation expense	44,439	39,258
Amortization expense	48,245	26,587
Finance costs	859	88
Interest income	(19,056)	(16,592)
Dividend income	(16,227)	-
Gain on lease modification	(65)	-
Compensation cost of employee share options	-	300
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(28,709)	(12,950)
Accounts receivable	(12,131)	18,197
Inventories	182,740	359,353
Other current assets	2,836	9,280
Notes and accounts payable	220	(26,513)
Other payables	9,396	(6,959)
Provisions	(629)	2,966
Other current liabilities	356	2,898
Net defined benefit liabilities	20	23
Cash generated from operations	323,895	509,107
Interest received	16,232	15,206
Dividends received	16,227	-
Interest paid	(358)	(88)
Income tax paid	(43,885)	(58,158)
Net cash generated from operating activities	<u>312,111</u>	<u>466,067</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(102,965)	(19,018)
Purchase of financial assets at amortized cost	(332,600)	-
Payments for property, plant and equipment	(48,574)	(58,732)
Payments for intangible assets	(61,654)	(30,088)
Increase in other financial assets	(2,094)	(774)
Net cash used in investing activities	<u>(547,887)</u>	<u>(108,612)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bills payable	208,000	-
Repayment of the principal portion of lease liabilities	(7,979)	(6,786)
Dividends paid	(138,984)	(516,735)

(Continued)

VIA LABS, INC. AND SUBSIDIARIES

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

	For the Six Months Ended	
	June 30	
	2024	2023
Proceeds from exercise of employee share options	\$ 3,546	\$ 4,528
Change in non-controlling interests	<u>72,927</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>137,510</u>	<u>(518,993)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>7,696</u>	<u>(90)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(90,570)	(161,628)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,389,385</u>	<u>1,513,917</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,298,815</u>	<u>\$ 1,352,289</u>

(Concluded)