

VIA Technologies, Inc. and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report**

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

| ASSETS | 2022 | | 2021 | |
|---|----------------------|------------|----------------------|------------|
| | Amount | % | Amount | % |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents (Notes 4 and 6) | \$ 11,850,296 | 49 | \$ 10,479,747 | 48 |
| Financial assets at fair value through profit or loss - current (Notes 4 and 7) | 382,613 | 2 | 538,496 | 3 |
| Financial assets at amortized cost - current (Notes 4 and 9) | 103,071 | - | 1,546,144 | 7 |
| Notes receivables and accounts receivable (Notes 4 and 10) | 443,715 | 2 | 654,595 | 3 |
| Accounts receivable - related parties (Notes 4, 10 and 34) | 1,930 | - | 2,750 | - |
| Other receivables (Notes 4, 10 and 34) | 34,492 | - | 30,375 | - |
| Inventories (Notes 4, 5 and 11) | 2,857,115 | 12 | 1,611,635 | 7 |
| Other current assets (Note 18) | <u>1,313,929</u> | <u>5</u> | <u>265,390</u> | <u>1</u> |
| Total current assets | <u>16,987,161</u> | <u>70</u> | <u>15,129,132</u> | <u>69</u> |
| NON-CURRENT ASSETS | | | | |
| Financial assets at fair value through profit or loss - non-current (Notes 4 and 7) | 1,769,876 | 7 | 1,636,818 | 8 |
| Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8) | 1,072,567 | 5 | 670,115 | 3 |
| Investments accounted for using the equity method (Notes 4 and 13) | 244,482 | 1 | 131,681 | 1 |
| Property, plant and equipment (Notes 4, 14 and 35) | 1,989,134 | 8 | 1,979,612 | 9 |
| Right-of-use assets (Notes 4 and 15) | 239,587 | 1 | 280,968 | 1 |
| Investment properties, net (Notes 4, 5, 16 and 35) | 1,847,568 | 8 | 1,852,026 | 8 |
| Intangible assets (Notes 4 and 17) | 72,016 | - | 64,223 | - |
| Deferred tax assets (Notes 4 and 27) | 79,143 | - | 36,269 | - |
| Refundable deposits (Note 18) | 77,727 | - | 104,282 | 1 |
| Other assets - non-current (Note 18) | <u>3,086</u> | <u>-</u> | <u>15,824</u> | <u>-</u> |
| Total non-current assets | <u>7,395,186</u> | <u>30</u> | <u>6,771,818</u> | <u>31</u> |
| TOTAL | <u>\$ 24,382,347</u> | <u>100</u> | <u>\$ 21,900,950</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Financial liabilities at fair value through profit or loss - current (Notes 4 and 7) | \$ 1,861 | - | \$ - | - |
| Notes payable (Note 20) | 678 | - | 729 | - |
| Accounts payable (Note 20) | 891,369 | 4 | 920,756 | 4 |
| Accounts payable - related parties (Notes 20 and 34) | 34,464 | - | 33,695 | - |
| Other payables (Notes 21 and 34) | 1,731,268 | 7 | 1,724,845 | 8 |
| Current tax liabilities (Notes 4 and 27) | 303,715 | 1 | 349,695 | 2 |
| Provisions - current (Notes 4 and 22) | 290,786 | 1 | 139,684 | 1 |
| Lease liabilities - current (Notes 4, 15 and 34) | 52,466 | - | 86,420 | - |
| Current portion of long-term borrowings (Note 19) | 1,399,352 | 6 | 950,000 | 4 |
| Other current liabilities (Note 21) | <u>2,352,359</u> | <u>10</u> | <u>500,744</u> | <u>2</u> |
| Total current liabilities | <u>7,058,318</u> | <u>29</u> | <u>4,706,568</u> | <u>21</u> |
| NON-CURRENT LIABILITIES | | | | |
| Long-term borrowings (Note 19) | 2,010,000 | 8 | 1,165,000 | 5 |
| Long-term bills payable (Note 19) | - | - | 1,101,484 | 5 |
| Deferred tax liabilities (Notes 4 and 27) | 192,906 | 1 | 195,270 | 1 |
| Lease liabilities - non-current (Notes 4, 15 and 34) | 114,530 | - | 178,306 | 1 |
| Net defined benefit liabilities (Notes 4 and 23) | 308,755 | 1 | 353,817 | 2 |
| Credit balance of investments accounted for using the equity method (Notes 13 and 21) | - | - | 32 | - |
| Other non-current liabilities (Note 21) | <u>141,130</u> | <u>1</u> | <u>50,866</u> | <u>-</u> |
| Total non-current liabilities | <u>2,767,321</u> | <u>11</u> | <u>3,044,775</u> | <u>14</u> |
| Total liabilities | <u>9,825,639</u> | <u>40</u> | <u>7,751,343</u> | <u>35</u> |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24) | | | | |
| Share capital | 4,970,099 | 20 | 4,944,109 | 23 |
| Capital collected in advance | 12,037 | - | 24,881 | - |
| Capital surplus | 1,241,826 | 5 | 1,209,690 | 6 |
| Retained earnings | | | | |
| Legal reserve | 749,725 | 3 | 354,878 | 1 |
| Special reserve | 910,285 | 4 | 595,929 | 3 |
| Unappropriated earnings | 4,908,847 | 20 | 6,150,928 | 28 |
| Other equity | <u>207,098</u> | <u>1</u> | <u>(689,468)</u> | <u>(3)</u> |
| Total equity attributable to owners of the Company | 12,999,917 | 53 | 12,590,947 | 58 |
| NON-CONTROLLING INTERESTS (Note 24) | <u>1,556,791</u> | <u>7</u> | <u>1,558,660</u> | <u>7</u> |
| Total equity | <u>14,556,708</u> | <u>60</u> | <u>14,149,607</u> | <u>65</u> |
| TOTAL | <u>\$ 24,382,347</u> | <u>100</u> | <u>\$ 21,900,950</u> | <u>100</u> |

The accompanying notes are an integral part of the consolidated financial statements.

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2022 | | 2021 | |
|---|------------------|------------|--------------------|-------------|
| | Amount | % | Amount | % |
| OPERATING REVENUE (Notes 4, 25 and 34) | \$ 9,296,632 | 100 | \$ 7,001,135 | 100 |
| OPERATING COSTS (Notes 11, 23, 26 and 34) | <u>5,980,510</u> | <u>64</u> | <u>4,013,531</u> | <u>58</u> |
| GROSS PROFIT | <u>3,316,122</u> | <u>36</u> | <u>2,987,604</u> | <u>42</u> |
| OPERATING EXPENSES (Notes 10, 23, 26 and 34) | | | | |
| Selling and marketing expenses | 764,478 | 8 | 735,954 | 10 |
| General and administrative expenses | 618,862 | 7 | 598,880 | 9 |
| Research and development expenses | 1,928,797 | 21 | 3,091,760 | 44 |
| Expected credit loss | <u>653</u> | <u>-</u> | <u>3,091</u> | <u>-</u> |
| Total operating expenses | <u>3,312,790</u> | <u>36</u> | <u>4,429,685</u> | <u>63</u> |
| PROFIT (LOSS) FROM OPERATIONS | <u>3,332</u> | <u>-</u> | <u>(1,442,081)</u> | <u>(21)</u> |
| NON-OPERATING INCOME AND EXPENSES (Notes 13, 26 and 34) | | | | |
| Interest income | 136,251 | 2 | 17,734 | - |
| Other income | 410,007 | 4 | 3,693,668 | 53 |
| Other gains and losses | 59,029 | 1 | 2,483,324 | 36 |
| Finance costs | (65,340) | (1) | (53,187) | (1) |
| Share of profit or loss of associates | <u>(12,802)</u> | <u>-</u> | <u>(6,146)</u> | <u>-</u> |
| Total non-operating income and expenses | <u>527,145</u> | <u>6</u> | <u>6,135,393</u> | <u>88</u> |
| PROFIT BEFORE INCOME TAX | 530,477 | 6 | 4,693,312 | 67 |
| INCOME TAX EXPENSE (Notes 4 and 27) | <u>(308,055)</u> | <u>(4)</u> | <u>(338,225)</u> | <u>(5)</u> |
| NET (LOSS) PROFIT FOR THE YEAR | <u>222,422</u> | <u>2</u> | <u>4,355,087</u> | <u>62</u> |
| OTHER COMPREHENSIVE INCOME (LOSS) (Notes 23 and 24) | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| Remeasurement of defined benefit plans | 46,208 | - | (12,445) | - |
| Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income | (45,359) | - | (15,291) | (1) |

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VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2022 | | 2021 | |
|---|---------------------|-----------|---------------------|------------|
| | Amount | % | Amount | % |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Exchange differences on translating foreign operations | \$ 932,373 | 10 | \$ (303,525) | (4) |
| Share of the other comprehensive income (loss) of associates | <u>1,699</u> | <u>-</u> | <u>(2,681)</u> | <u>-</u> |
| Other comprehensive income (loss) for the year, net of income tax | <u>934,921</u> | <u>10</u> | <u>(333,942)</u> | <u>(5)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>\$ 1,157,343</u> | <u>12</u> | <u>\$ 4,021,145</u> | <u>57</u> |
| NET (LOSS) PROFIT ATTRIBUTABLE TO: | | | | |
| Owners of the Company | \$ (83,635) | (1) | \$ 3,960,944 | 56 |
| Non-controlling interests | <u>306,057</u> | <u>3</u> | <u>394,143</u> | <u>6</u> |
| | <u>\$ 222,422</u> | <u>2</u> | <u>\$ 4,355,087</u> | <u>62</u> |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| Owners of the Company | \$ 860,081 | 9 | \$ 3,629,716 | 52 |
| Non-controlling interests | <u>297,262</u> | <u>3</u> | <u>391,429</u> | <u>5</u> |
| | <u>\$ 1,157,343</u> | <u>12</u> | <u>\$ 4,021,145</u> | <u>57</u> |
| (LOSS) EARNINGS PER SHARE (Note 28) | | | | |
| From continuing operations | | | | |
| Basic | \$ (0.17) | | \$ 8.01 | |
| Diluted | | | \$ 7.84 | |

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

| | Equity Attributable to Owners of the Company | | | | | | | | | | Non-controlling Interests | Total Equity |
|--|--|------------------------------|-----------------|-------------------|-----------------|-------------------------|--|--|----------------------------|--|---------------------------|---------------|
| | Share Capital | Capital Collected in Advance | Capital Surplus | Retained Earnings | | | Exchange Differences on Translating Foreign Operations | Other Equity | | Total Equity Attributable to Owners of the Company | | |
| | | | | Legal Reserve | Special Reserve | Unappropriated Earnings | | Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income | Unearned Employee Benefits | | | |
| BALANCE, JANUARY 1, 2021 | \$ 4,933,034 | \$ 18,824 | \$ 1,168,504 | \$ - | \$ - | \$ 3,548,777 | \$ (360,861) | \$ (9,848) | \$ - | \$ 9,298,430 | \$ 1,275,997 | \$ 10,574,427 |
| Appropriation of 2020 earnings | - | - | - | 354,878 | - | (354,878) | - | - | - | - | - | - |
| Legal reserve | - | - | - | - | 595,929 | (595,929) | - | - | - | - | - | - |
| Special reserve | - | - | - | - | - | (395,517) | - | - | - | (395,517) | - | (395,517) |
| Cash dividends | - | - | - | - | - | - | - | - | - | - | - | - |
| Net profit for the year ended December 31, 2021 | - | - | - | - | - | 3,960,944 | - | - | - | 3,960,944 | 394,143 | 4,355,087 |
| Other comprehensive loss for the year ended December 31, 2021 | - | - | - | - | - | (12,462) | (306,109) | (12,650) | - | (331,228) | (2,714) | (333,942) |
| Total comprehensive income (loss) for the year ended December 31, 2021 | - | - | - | - | - | 3,948,475 | (306,109) | (12,650) | - | 3,629,716 | 391,429 | 4,021,145 |
| Cash dividends distributed by the subsidiary | - | - | - | - | - | - | - | - | - | - | (128,956) | (128,956) |
| Change in capital surplus from investments in associates | - | - | 252 | - | - | - | - | - | - | 252 | - | 252 |
| Share-based payment transaction (Note 29) | - | - | 29,887 | - | - | - | - | - | - | 29,887 | - | 29,887 |
| Issuance of stock from exercise of employee stock options | 11,075 | 6,057 | 16,502 | - | - | - | - | - | - | 33,634 | - | 33,634 |
| Changes in percentage of ownership interests in the subsidiary (Note 30) | - | - | (7,284) | - | - | - | - | - | - | (7,284) | 18,840 | 11,556 |
| Recognition of employee share options issued by the subsidiary (Note 29) | - | - | 1,829 | - | - | - | - | - | - | 1,829 | 1,350 | 3,179 |
| BALANCE AT DECEMBER 31, 2021 | 4,944,109 | 24,881 | 1,209,690 | 354,878 | 595,929 | 6,150,928 | (666,970) | (22,498) | - | 12,590,947 | 1,558,660 | 14,149,607 |
| Appropriation of 2021 earnings | - | - | - | 394,847 | - | (394,847) | - | - | - | - | - | - |
| Legal reserve | - | - | - | - | 314,356 | (314,356) | - | - | - | - | - | - |
| Special reserve | - | - | - | - | - | (495,350) | - | - | - | (495,350) | - | (495,350) |
| Cash dividends | - | - | - | - | - | - | - | - | - | - | - | - |
| Net profit for the year ended December 31, 2022 | - | - | - | - | - | (83,635) | - | - | - | (83,635) | 306,057 | 222,422 |
| Other comprehensive loss for the year ended December 31, 2022 | - | - | - | - | - | 46,107 | 933,556 | (35,947) | - | 943,716 | (8,795) | 934,921 |
| Total comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | - | (37,528) | 933,556 | (35,947) | - | 860,081 | 297,262 | 1,157,343 |
| Cash dividends distributed by the subsidiary | - | - | - | - | - | - | - | - | - | - | (325,580) | (325,580) |
| Change in capital surplus from investments in associates | - | - | 399 | - | - | - | - | - | (1,043) | (644) | - | (644) |
| Share-based payment transaction (Note 29) | - | - | 13,349 | - | - | - | - | - | - | 13,349 | - | 13,349 |
| Issuance of stock from exercise of employee stock options | 25,990 | (12,844) | 31,711 | - | - | - | - | - | - | 44,857 | - | 44,857 |
| Changes in percentage of ownership interests in the subsidiary (Note 30) | - | - | (14,040) | - | - | - | - | - | - | (14,040) | 25,896 | 11,856 |
| Recognition of employee share options issued by the subsidiary (Note 29) | - | - | 717 | - | - | - | - | - | - | 717 | 553 | 1,270 |
| BALANCE AT DECEMBER 31, 2022 | \$ 4,970,099 | \$ 12,037 | \$ 1,241,826 | \$ 749,725 | \$ 910,285 | \$ 4,908,847 | \$ 266,586 | \$ (58,445) | \$ (1,043) | \$ 12,999,917 | \$ 1,556,791 | \$ 14,556,708 |

The accompanying notes are an integral part of the consolidated financial statements.

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

| | 2022 | 2021 |
|---|-------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before income tax | \$ 530,477 | \$ 4,693,312 |
| Adjustments for: | | |
| Depreciation expense | 235,179 | 254,193 |
| Amortization expense | 75,948 | 36,629 |
| Expected credit loss recognized on accounts receivable | 653 | 3,091 |
| Finance costs | 65,340 | 53,187 |
| Interest income | (136,251) | (17,734) |
| Dividend income | (5,670) | (3,891) |
| Compensation costs of employee share options | 14,619 | 33,066 |
| Share of profit or loss of associates | 12,802 | 6,146 |
| (Gain) loss on disposal of property, plant and equipment | (5,562) | 5,552 |
| Loss (gain) on disposal of intangible assets | 27 | (1,081,258) |
| Impairment loss recognized on property, plant and equipment and right-of-use assets | - | 73,231 |
| Loss on changes in fair value of investment properties | 29,679 | 27,264 |
| Gain on bargain purchase | (327) | - |
| Gain on lease modification | (24,325) | (12) |
| Changes in operating assets and liabilities | | |
| Financial assets mandatorily classified as at fair value through profit or loss | 108,663 | (1,922,737) |
| Notes receivable and accounts receivable | 210,227 | (231,548) |
| Accounts receivable - related parties | 820 | 531 |
| Other receivables | (2,066) | 9,288 |
| Inventories | (1,245,480) | (770,619) |
| Other current assets | (1,048,565) | (81,180) |
| Other non-current assets | 12,738 | 9,962 |
| Financial liabilities at fair value through profit or loss | 1,861 | - |
| Notes payable | (51) | 188 |
| Accounts payable | (29,387) | 399,043 |
| Accounts payable - related parties | 769 | 14,409 |
| Other payables | 15,322 | 283,169 |
| Provisions | 151,102 | 129,352 |
| Other current liabilities | 1,851,615 | 394,948 |
| Net defined benefit liabilities | 1,146 | 1,425 |
| Cash generated from operations | 821,303 | 2,319,007 |
| Interest received | 134,200 | 17,430 |
| Dividends received | 5,670 | 3,891 |
| Interest paid | (64,882) | (52,650) |
| Income tax paid | (401,765) | (762,757) |
| Net cash generated from operating activities | 494,526 | 1,524,921 |
| | | (Continued) |

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

| | 2022 | 2021 |
|---|----------------------|----------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of financial assets at fair value through other comprehensive income | \$ (447,811) | \$ (575,052) |
| Purchase of financial assets at amortized cost | (131,971) | (3,165,064) |
| Proceeds from sale of financial assets at amortized cost | 1,575,044 | 1,678,920 |
| Purchase of long-term equity investments using the equity method | (165,760) | - |
| Payments for property, plant and equipment | (155,397) | (153,361) |
| Proceeds from disposal of property, plant and equipment | 7,192 | 2,354 |
| Increase in refundable deposits | (13,546) | (5,376) |
| Decrease in refundable deposits | 40,478 | 23,865 |
| Payments for intangible assets | (89,030) | (45,683) |
| Proceeds from disposal of intangible assets | - | 7,188,162 |
| Payments for investment properties | (644) | - |
| Decrease in other financial assets | - | 112,044 |
| Dividends received from associates | <u>41,507</u> | <u>93,260</u> |
| Net cash generated from investing activities | <u>660,062</u> | <u>5,154,069</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in long-term bills payable | 298,000 | 248,000 |
| Decrease in long-term bills payable | (692,000) | (336,000) |
| Proceeds from long-term borrowings | 1,465,000 | 1,142,000 |
| Repayments of long-term borrowings | (878,000) | (872,000) |
| Increase in guarantee deposits | 393,814 | 1,162 |
| Decrease in guarantee deposits | (303,501) | (1,188) |
| Decrease in other payables - related parties | - | (96,925) |
| Repayment of the principal portion of lease liabilities | (113,167) | (98,086) |
| Distribution of cash dividends | (495,350) | (395,517) |
| Proceeds from exercise of employee share options | 44,857 | 33,634 |
| Partial disposal of interests in the subsidiary without a loss of control | 11,856 | 171,682 |
| Dividends paid to non-controlling interests | <u>(325,580)</u> | <u>(128,956)</u> |
| Net cash used in financing activities | <u>(594,071)</u> | <u>(332,194)</u> |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | <u>810,032</u> | <u>(218,709)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | <u>1,370,549</u> | <u>6,128,087</u> |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>10,479,747</u> | <u>4,351,660</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>\$ 11,850,296</u> | <u>\$ 10,479,747</u> |

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)