

VIA Technologies, Inc. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2023 and 2022**

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023		December 31, 2022		June 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 12,156,935	47	\$ 11,850,296	49	\$ 11,835,861	52
Financial assets at fair value through profit or loss - current	375,680	2	382,613	2	317,190	2
Financial assets at amortized cost - current	294,641	1	103,071	-	60,000	-
Notes and accounts receivable	557,634	2	445,645	2	631,982	3
Other receivables	116,020	-	34,492	-	40,562	-
Inventories	3,250,785	13	2,857,115	12	1,887,463	8
Other current assets	<u>1,497,303</u>	<u>6</u>	<u>1,313,929</u>	<u>5</u>	<u>952,160</u>	<u>4</u>
Total current assets	<u>18,248,998</u>	<u>71</u>	<u>16,987,161</u>	<u>70</u>	<u>15,725,218</u>	<u>69</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	1,813,600	7	1,769,876	7	1,694,447	7
Financial assets at fair value through other comprehensive income - non-current	1,110,859	4	1,072,567	5	1,024,766	5
Investments accounted for using the equity method	225,669	1	244,482	1	92,884	-
Property, plant and equipment	1,993,245	8	1,989,134	8	1,983,215	9
Right-of-use assets	206,166	1	239,587	1	268,593	1
Investment properties, net	1,794,824	7	1,847,568	8	1,884,594	8
Intangible assets	110,516	1	72,016	-	82,743	-
Deferred tax assets	90,380	-	79,143	-	57,039	-
Other assets - non-current	<u>74,763</u>	<u>-</u>	<u>80,813</u>	<u>-</u>	<u>120,886</u>	<u>1</u>
Total non-current assets	<u>7,420,022</u>	<u>29</u>	<u>7,395,186</u>	<u>30</u>	<u>7,209,167</u>	<u>31</u>
TOTAL	<u>\$ 25,669,020</u>	<u>100</u>	<u>\$ 24,382,347</u>	<u>100</u>	<u>\$ 22,934,385</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - current	\$ -	-	\$ 1,861	-	\$ -	-
Contract liabilities - current	4,271,877	17	2,080,007	9	1,322,904	6
Notes and accounts payable	652,033	2	926,511	4	831,626	4
Other payables	1,737,193	7	1,731,268	7	1,701,624	7
Current tax liabilities	200,361	1	303,715	1	326,005	1
Provisions - current	112,031	-	290,786	1	114,754	1
Lease liabilities - current	42,897	-	52,466	-	98,284	-
Current portion of long-term borrowings	1,019,274	4	1,399,352	6	860,000	4
Other current liabilities	<u>199,144</u>	<u>1</u>	<u>272,352</u>	<u>1</u>	<u>190,844</u>	<u>1</u>
Total current liabilities	<u>8,234,810</u>	<u>32</u>	<u>7,058,318</u>	<u>29</u>	<u>5,446,041</u>	<u>24</u>
NON-CURRENT LIABILITIES						
Long-term borrowings	2,330,000	9	2,010,000	8	1,792,000	8
Long-term bills payable	-	-	-	-	986,753	4
Deferred tax liabilities	189,318	1	192,906	1	198,576	1
Lease liabilities - non-current	94,726	-	114,530	-	149,744	1
Net defined benefit liabilities	310,033	1	308,755	1	354,483	1
Other non-current liabilities	<u>123,661</u>	<u>1</u>	<u>141,130</u>	<u>1</u>	<u>45,725</u>	<u>-</u>
Total non-current liabilities	<u>3,047,738</u>	<u>12</u>	<u>2,767,321</u>	<u>11</u>	<u>3,527,281</u>	<u>15</u>
Total liabilities	<u>11,282,548</u>	<u>44</u>	<u>9,825,639</u>	<u>40</u>	<u>8,973,322</u>	<u>39</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital	4,982,699	20	4,970,099	20	4,954,539	22
Capital collected in advance	2,249	-	12,037	-	20,949	-
Capital surplus	1,254,113	5	1,241,826	5	1,229,124	5
Retained earnings						
Legal reserve	749,725	3	749,725	3	749,725	3
Special reserve	176,605	-	910,285	4	910,285	4
Unappropriated earnings	5,585,815	22	4,908,847	20	4,652,347	20
Other equity	<u>259,272</u>	<u>1</u>	<u>207,098</u>	<u>1</u>	<u>(36,687)</u>	<u>-</u>
Total equity attributable to owners of the Company	13,010,478	51	12,999,917	53	12,480,282	54
NON-CONTROLLING INTERESTS	<u>1,375,994</u>	<u>5</u>	<u>1,556,791</u>	<u>7</u>	<u>1,480,781</u>	<u>7</u>
Total equity	<u>14,386,472</u>	<u>56</u>	<u>14,556,708</u>	<u>60</u>	<u>13,961,063</u>	<u>61</u>
TOTAL	<u>\$ 25,669,020</u>	<u>100</u>	<u>\$ 24,382,347</u>	<u>100</u>	<u>\$ 22,934,385</u>	<u>100</u>

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$ 3,150,779	100	\$ 2,289,001	100	\$ 5,195,346	100	\$ 4,497,220	100
OPERATING COSTS	<u>2,259,629</u>	<u>72</u>	<u>1,458,494</u>	<u>64</u>	<u>3,720,151</u>	<u>72</u>	<u>2,726,445</u>	<u>61</u>
GROSS PROFIT	<u>891,150</u>	<u>28</u>	<u>830,507</u>	<u>36</u>	<u>1,475,195</u>	<u>28</u>	<u>1,770,775</u>	<u>39</u>
OPERATING EXPENSES								
Selling and marketing expenses	195,045	6	191,874	8	380,913	7	365,252	8
General and administrative expenses	172,698	5	148,545	7	323,122	6	294,889	6
Research and development expenses	496,185	16	484,080	21	937,599	18	1,022,907	23
Expected credit loss	<u>-</u>	<u>-</u>	<u>339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,579</u>	<u>-</u>
Total operating expenses	<u>863,928</u>	<u>27</u>	<u>824,838</u>	<u>36</u>	<u>1,641,634</u>	<u>31</u>	<u>1,685,627</u>	<u>37</u>
PROFIT (LOSS) FROM OPERATIONS	<u>27,222</u>	<u>1</u>	<u>5,669</u>	<u>-</u>	<u>(166,439)</u>	<u>(3)</u>	<u>85,148</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	117,456	4	11,024	1	233,198	4	17,235	1
Other income	74,150	2	91,498	4	111,792	2	190,319	4
Other gains and losses	23,853	1	16,922	1	35,144	1	(89,058)	(2)
Finance costs	(19,946)	(1)	(16,497)	(1)	(39,036)	(1)	(31,321)	(1)
Share of profit or loss of associates	<u>(3,625)</u>	<u>-</u>	<u>1,303</u>	<u>-</u>	<u>(15,729)</u>	<u>-</u>	<u>77</u>	<u>-</u>
Total non-operating income and expenses	<u>191,888</u>	<u>6</u>	<u>104,250</u>	<u>5</u>	<u>325,369</u>	<u>6</u>	<u>87,252</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	219,110	7	109,919	5	158,930	3	172,400	4
INCOME TAX EXPENSE	<u>(87,366)</u>	<u>(3)</u>	<u>(160,225)</u>	<u>(7)</u>	<u>(105,000)</u>	<u>(2)</u>	<u>(228,918)</u>	<u>(5)</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>131,744</u>	<u>4</u>	<u>(50,306)</u>	<u>(2)</u>	<u>53,930</u>	<u>1</u>	<u>(56,518)</u>	<u>(1)</u>

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VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 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	\$ 24,219	1	\$ (17,988)	(1)	\$ 6,291	-	\$ (12,815)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	108,760	3	261,287	11	47,529	1	656,775	14
Share of the other comprehensive (loss) income of associates	(1,476)	-	(821)	-	(1,240)	-	1,787	-
Other comprehensive income for the period, net of income tax	131,503	4	242,478	10	52,580	1	645,747	14
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 263,247</u>	<u>8</u>	<u>\$ 192,172</u>	<u>8</u>	<u>\$ 106,510</u>	<u>2</u>	<u>\$ 589,229</u>	<u>13</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 97,558	3	\$ (163,006)	(7)	\$ 18,040	-	\$ (294,028)	(6)
Non-controlling interests	34,186	1	112,700	5	35,890	1	237,510	5
	<u>\$ 131,744</u>	<u>4</u>	<u>\$ (50,306)</u>	<u>(2)</u>	<u>\$ 53,930</u>	<u>1</u>	<u>\$ (56,518)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 224,305	7	\$ 88,360	4	\$ 69,914	1	\$ 358,753	8
Non-controlling interests	38,942	1	103,812	4	36,596	1	230,476	5
	<u>\$ 263,247</u>	<u>8</u>	<u>\$ 192,172</u>	<u>8</u>	<u>\$ 106,510</u>	<u>2</u>	<u>\$ 589,229</u>	<u>13</u>
EARNINGS (LOSS) PER SHARE								
From continuing operations								
Basic	<u>\$ 0.20</u>		<u>\$ (0.33)</u>		<u>\$ 0.04</u>		<u>\$ (0.59)</u>	
Diluted	<u>\$ 0.19</u>		<u>\$ (0.33)</u>		<u>\$ 0.04</u>		<u>\$ (0.59)</u>	

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VIA TECHNOLOGIES, 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 Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	Share Capital	Capital Collected in Advance	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits			
				Legal Reserve	Special Reserve							
BALANCE, JANUARY 1, 2022	\$ 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												
Legal reserve	-	-	-	394,847	-	(394,847)	-	-	-	-	-	-
Special reserve	-	-	-	-	314,356	(314,356)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(495,350)	-	-	-	(495,350)	-	(495,350)
Net (loss) profit for the six months ended June 30, 2022	-	-	-	-	-	(294,028)	-	-	-	(294,028)	237,510	(56,518)
Other comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	-	658,167	(5,386)	-	652,781	(7,034)	645,747
Total comprehensive (loss) income for the six months ended June 30, 2022	-	-	-	-	-	(294,028)	658,167	(5,386)	-	358,753	230,476	589,229
Cash dividends distributed by the subsidiary	-	-	-	-	-	-	-	-	-	-	(325,580)	(325,580)
Change in capital surplus from investments in associates	-	-	102	-	-	-	-	-	-	102	-	102
Share-based payment transaction	-	-	10,539	-	-	-	-	-	-	10,539	-	10,539
Issuance of shares from exercise of employee share options	10,430	(3,932)	18,247	-	-	-	-	-	-	24,745	-	24,745
Changes in percentage of ownership interests in the subsidiary	-	-	(9,831)	-	-	-	-	-	-	(9,831)	16,937	7,106
Recognition of employee share options issued by the subsidiary	-	-	377	-	-	-	-	-	-	377	288	665
BALANCE, JUNE 30, 2022	<u>\$ 4,954,539</u>	<u>\$ 20,949</u>	<u>\$ 1,229,124</u>	<u>\$ 749,725</u>	<u>\$ 910,285</u>	<u>\$ 4,652,347</u>	<u>\$ (8,803)</u>	<u>\$ (27,884)</u>	<u>\$ -</u>	<u>\$ 12,480,282</u>	<u>\$ 1,480,781</u>	<u>\$ 13,961,063</u>
BALANCE, JANUARY 1, 2023	\$ 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
Appropriation of 2022 earnings												
Special reserve	-	-	-	-	(733,680)	733,680	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(74,752)	-	-	-	(74,752)	-	(74,752)
Net profit for the six months ended June 30, 2023	-	-	-	-	-	18,040	-	-	-	18,040	35,890	53,930
Other comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	-	46,365	5,509	-	51,874	706	52,580
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	18,040	46,365	5,509	-	69,914	36,596	106,510
Cash dividends distributed by the subsidiary	-	-	-	-	-	-	-	-	-	-	(225,851)	(225,851)
Change in capital surplus from investments in associates	-	-	(2,144)	-	-	-	-	-	300	(1,844)	-	(1,844)
Share-based payment transaction	-	-	2,684	-	-	-	-	-	-	2,684	-	2,684
Issuance of shares from exercise of employee share options	12,600	(9,788)	15,377	-	-	-	-	-	-	18,189	-	18,189
Changes in percentage of ownership interests in the subsidiary	-	-	(3,799)	-	-	-	-	-	-	(3,799)	8,327	4,528
Recognition of employee share options issued by the subsidiary	-	-	169	-	-	-	-	-	-	169	131	300
BALANCE, JUNE 30, 2023	<u>\$ 4,982,699</u>	<u>\$ 2,249</u>	<u>\$ 1,254,113</u>	<u>\$ 749,725</u>	<u>\$ 176,605</u>	<u>\$ 5,585,815</u>	<u>\$ 312,951</u>	<u>\$ (52,936)</u>	<u>\$ (743)</u>	<u>\$ 13,010,478</u>	<u>\$ 1,375,994</u>	<u>\$ 14,386,472</u>

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 158,930	\$ 172,400
Adjustments for:		
Depreciation expense	113,671	118,168
Amortization expense	32,484	32,037
Expected credit loss	-	2,579
Finance costs	39,036	31,321
Interest income	(233,198)	(17,235)
Dividend income	(2,762)	(3,693)
Compensation costs of employee share options	2,984	11,204
Share of profit or loss of associates	15,729	(77)
Loss (gain) on disposal of property, plant and equipment	3,683	(5,984)
Loss on changes in fair value of investment properties	17,491	-
Loss on disposal of intangible assets	-	27
Gain on lease modification	(2)	(2,713)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(42,324)	205,788
Notes and accounts receivable	(111,989)	22,784
Other receivables	(54,606)	(10,117)
Inventories	(393,670)	(275,828)
Other current assets	(183,374)	(686,770)
Other non-current assets	3,086	5,986
Financial liabilities at fair value through profit or loss	(1,861)	-
Contract liabilities	2,191,870	962,617
Notes and accounts payable	(274,478)	(123,554)
Other payables	(98,690)	(21,226)
Provisions	(178,755)	(24,930)
Other current liabilities	(73,208)	50,387
Net defined benefit liabilities	1,278	666
Cash generated from operations	931,325	443,837
Interest received	206,276	17,165
Dividends received	2,762	3,693
Interest paid	(38,736)	(31,905)
Income tax paid	(219,591)	(273,378)
Net cash generated from operating activities	882,036	159,412
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(32,001)	(367,466)
Purchase of financial assets at amortized cost	(194,641)	-
Proceeds from sale of financial assets at amortized cost	3,071	1,486,144
Payments for property, plant and equipment	(104,195)	(84,438)

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VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2023	2022
Proceeds from disposal of property, plant and equipment	\$ 1,369	\$ 6,722
Increase in refundable deposits	(129)	(6,990)
Decrease in refundable deposits	4,198	6,468
Payments for intangible assets	(44,812)	(44,934)
Payments for investment properties	-	(247)
Increase in other financial assets	(192)	(6,120)
Dividends received from associates	-	40,787
Net cash (used in) generated from investing activities	<u>(367,332)</u>	<u>1,029,926</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long-term bills payable	-	298,000
Decrease in long-term bills payable	-	(412,000)
Proceeds from long-term borrowings	300,000	1,115,000
Repayments of long-term borrowings	(360,000)	(578,000)
Increase in guarantee deposits	152,317	93
Decrease in guarantee deposits	(166,338)	(4,280)
Repayment of the principal portion of lease liabilities	(28,755)	(42,983)
Distribution of cash dividends	-	(495,350)
Proceeds from exercise of employee share options	18,189	24,745
Partial disposal of interests in the subsidiary without a loss of control	4,528	7,106
Dividends paid to non-controlling interests	<u>(225,851)</u>	<u>(325,580)</u>
Net cash used in financing activities	<u>(305,910)</u>	<u>(413,249)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>97,845</u>	<u>580,025</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	306,639	1,356,114
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>11,850,296</u>	<u>10,479,747</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 12,156,935</u>	<u>\$ 11,835,861</u>

(Concluded)