

VIA Technologies, Inc. and Subsidiaries

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

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	September 30, 2023		December 31, 2022		September 30, 2022	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 11,763,789	47	\$ 11,850,296	49	\$ 12,253,645	50
Financial assets at fair value through profit or loss - current	322,919	1	382,613	2	373,404	1
Financial assets at amortized cost - current	751,854	3	103,071	-	168,900	1
Notes and accounts receivable	439,144	2	445,645	2	459,678	2
Other receivables	136,908	-	34,492	-	20,915	-
Inventories	2,979,991	12	2,857,115	12	2,270,089	9
Other current assets	<u>920,897</u>	<u>4</u>	<u>1,313,929</u>	<u>5</u>	<u>1,372,799</u>	<u>6</u>
Total current assets	<u>17,315,502</u>	<u>69</u>	<u>16,987,161</u>	<u>70</u>	<u>16,919,430</u>	<u>69</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	1,868,351	8	1,769,876	7	1,749,544	7
Financial assets at fair value through other comprehensive income - non-current	1,195,095	5	1,072,567	5	1,112,199	5
Investments accounted for using the equity method	234,459	1	244,482	1	261,173	1
Property, plant and equipment	1,992,448	8	1,989,134	8	1,974,400	8
Right-of-use assets	204,389	1	239,587	1	260,117	1
Investment properties, net	1,862,408	8	1,847,568	8	1,901,360	8
Intangible assets	108,597	-	72,016	-	72,841	-
Deferred tax assets	96,978	-	79,143	-	67,069	-
Other assets - non-current	<u>76,979</u>	<u>-</u>	<u>80,813</u>	<u>-</u>	<u>123,759</u>	<u>1</u>
Total non-current assets	<u>7,639,704</u>	<u>31</u>	<u>7,395,186</u>	<u>30</u>	<u>7,522,462</u>	<u>31</u>
TOTAL	<u>\$ 24,955,206</u>	<u>100</u>	<u>\$ 24,382,347</u>	<u>100</u>	<u>\$ 24,441,892</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - current	\$ -	-	\$ 1,861	-	\$ -	-
Contract liabilities - current	3,016,758	12	2,080,007	9	1,949,442	8
Notes and accounts payable	913,405	4	926,511	4	664,753	3
Other payables	1,572,146	6	1,731,268	7	1,556,281	6
Current tax liabilities	218,618	1	303,715	1	280,379	1
Provisions - current	164,673	1	290,786	1	239,898	1
Lease liabilities - current	43,374	-	52,466	-	89,888	1
Current portion of long-term borrowings	1,135,495	4	1,399,352	6	530,000	2
Other current liabilities	<u>265,370</u>	<u>1</u>	<u>272,352</u>	<u>1</u>	<u>308,344</u>	<u>1</u>
Total current liabilities	<u>7,329,839</u>	<u>29</u>	<u>7,058,318</u>	<u>29</u>	<u>5,618,985</u>	<u>23</u>
NON-CURRENT LIABILITIES						
Long-term borrowings	1,970,000	8	2,010,000	8	2,172,000	9
Long-term bills payable	-	-	-	-	707,320	3
Deferred tax liabilities	196,170	1	192,906	1	200,276	1
Lease liabilities - non-current	91,340	-	114,530	-	134,041	-
Net defined benefit liabilities	310,623	1	308,755	1	354,792	1
Other non-current liabilities	<u>121,282</u>	<u>1</u>	<u>141,130</u>	<u>1</u>	<u>436,260</u>	<u>2</u>
Total non-current liabilities	<u>2,689,415</u>	<u>11</u>	<u>2,767,321</u>	<u>11</u>	<u>4,004,689</u>	<u>16</u>
Total liabilities	<u>10,019,254</u>	<u>40</u>	<u>9,825,639</u>	<u>40</u>	<u>9,623,674</u>	<u>39</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital	4,983,832	20	4,970,099	20	4,966,029	21
Capital collected in advance	16,377	-	12,037	-	8,075	-
Capital surplus	1,256,114	5	1,241,826	5	1,242,397	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	5,677,799	23	4,908,847	20	4,856,577	20
Other equity	<u>658,246</u>	<u>3</u>	<u>207,098</u>	<u>1</u>	<u>547,119</u>	<u>2</u>
Total equity attributable to owners of the Company	13,518,698	54	12,999,917	53	13,280,207	55
NON-CONTROLLING INTERESTS	<u>1,417,254</u>	<u>6</u>	<u>1,556,791</u>	<u>7</u>	<u>1,538,011</u>	<u>6</u>
Total equity	<u>14,935,952</u>	<u>60</u>	<u>14,556,708</u>	<u>60</u>	<u>14,818,218</u>	<u>61</u>
TOTAL	<u>\$ 24,955,206</u>	<u>100</u>	<u>\$ 24,382,347</u>	<u>100</u>	<u>\$ 24,441,892</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 September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$ 3,238,600	100	\$ 2,595,420	100	\$ 8,433,946	100	\$ 7,092,640	100
OPERATING COSTS	<u>2,472,346</u>	<u>76</u>	<u>1,736,924</u>	<u>67</u>	<u>6,192,497</u>	<u>73</u>	<u>4,463,369</u>	<u>63</u>
GROSS PROFIT	<u>766,254</u>	<u>24</u>	<u>858,496</u>	<u>33</u>	<u>2,241,449</u>	<u>27</u>	<u>2,629,271</u>	<u>37</u>
OPERATING EXPENSES								
Selling and marketing expenses	186,163	6	187,212	7	567,076	7	552,464	8
General and administrative expenses	159,184	5	151,425	6	482,306	6	446,314	6
Research and development expenses	418,237	13	447,106	17	1,355,836	16	1,470,013	21
Expected credit loss	<u>-</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,624</u>	<u>-</u>
Total operating expenses	<u>763,584</u>	<u>24</u>	<u>785,788</u>	<u>30</u>	<u>2,405,218</u>	<u>29</u>	<u>2,471,415</u>	<u>35</u>
PROFIT (LOSS) FROM OPERATIONS	<u>2,670</u>	<u>-</u>	<u>72,708</u>	<u>3</u>	<u>(163,769)</u>	<u>(2)</u>	<u>157,856</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	132,512	4	37,540	1	365,710	4	54,775	1
Other income	59,793	2	74,555	3	171,585	2	264,874	4
Other gains and losses	7,627	-	129,070	5	42,771	1	40,012	1
Finance costs	(18,429)	-	(16,529)	(1)	(57,465)	(1)	(47,850)	(1)
Share of profit or loss of associates	<u>(6,226)</u>	<u>-</u>	<u>2,124</u>	<u>-</u>	<u>(21,955)</u>	<u>-</u>	<u>2,201</u>	<u>-</u>
Total non-operating income and expenses	<u>175,277</u>	<u>6</u>	<u>226,760</u>	<u>8</u>	<u>500,646</u>	<u>6</u>	<u>314,012</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	177,947	6	299,468	11	336,877	4	471,868	7
INCOME TAX EXPENSE	<u>(50,504)</u>	<u>(2)</u>	<u>(37,129)</u>	<u>(1)</u>	<u>(155,504)</u>	<u>(2)</u>	<u>(266,047)</u>	<u>(4)</u>
NET PROFIT FOR THE PERIOD	<u>127,443</u>	<u>4</u>	<u>262,339</u>	<u>10</u>	<u>181,373</u>	<u>2</u>	<u>205,821</u>	<u>3</u>
OTHER COMPREHENSIVE INCOME AND LOSS								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(27,123)	(1)	(2,435)	-	(20,832)	-	(15,250)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	414,812	13	584,044	23	462,341	6	1,240,819	17
Share of the other comprehensive income of associates	<u>14,986</u>	<u>-</u>	<u>764</u>	<u>-</u>	<u>13,746</u>	<u>-</u>	<u>2,551</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>402,675</u>	<u>12</u>	<u>582,373</u>	<u>23</u>	<u>455,255</u>	<u>6</u>	<u>1,228,120</u>	<u>17</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 530,118</u>	<u>16</u>	<u>\$ 844,712</u>	<u>33</u>	<u>\$ 636,628</u>	<u>8</u>	<u>\$ 1,433,941</u>	<u>20</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 September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT (LOSS)								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 91,984	3	\$ 204,230	8	\$ 110,024	1	\$ (89,798)	(1)
Non-controlling interests	<u>35,459</u>	<u>1</u>	<u>58,109</u>	<u>2</u>	<u>71,349</u>	<u>1</u>	<u>295,619</u>	<u>4</u>
	<u>\$ 127,443</u>	<u>4</u>	<u>\$ 262,339</u>	<u>10</u>	<u>\$ 181,373</u>	<u>2</u>	<u>\$ 205,821</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 491,080	15	\$ 788,036	31	\$ 560,994	7	\$ 1,146,789	16
Non-controlling interests	<u>39,038</u>	<u>1</u>	<u>56,676</u>	<u>2</u>	<u>75,634</u>	<u>1</u>	<u>287,152</u>	<u>4</u>
	<u>\$ 530,118</u>	<u>16</u>	<u>\$ 844,712</u>	<u>33</u>	<u>\$ 636,628</u>	<u>8</u>	<u>\$ 1,433,941</u>	<u>20</u>
EARNINGS (LOSS) PER SHARE								
From continuing operations								
Basic	<u>\$ 0.18</u>		<u>\$ 0.41</u>		<u>\$ 0.22</u>		<u>\$ (0.18)</u>	
Diluted	<u>\$ 0.18</u>		<u>\$ 0.41</u>		<u>\$ 0.22</u>		<u>\$ (0.18)</u>	

(Concluded)

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 nine months ended September 30, 2022	-	-	-	-	-	(89,798)	-	-	-	(89,798)	295,619	205,821
Other comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	-	1,242,618	(6,031)	-	1,236,587	(8,467)	1,228,120
Total comprehensive (loss) income for the nine months ended September 30, 2022	-	-	-	-	-	(89,798)	1,242,618	(6,031)	-	1,146,789	287,152	1,433,941
Cash dividends distributed by the subsidiary	-	-	-	-	-	-	-	-	-	-	(325,580)	(325,580)
Change in capital surplus from investments in associates	-	-	132	-	-	-	-	-	-	132	-	132
Share-based payment transaction	-	-	14,290	-	-	-	-	-	-	14,290	-	14,290
Issuance of shares from exercise of employee share options	21,920	(16,806)	27,706	-	-	-	-	-	-	32,820	-	32,820
Changes in percentage of ownership interests in the subsidiary	-	-	(9,987)	-	-	-	-	-	-	(9,987)	17,347	7,360
Recognition of employee share options issued by the subsidiary	-	-	566	-	-	-	-	-	-	566	432	998
BALANCE, SEPTEMBER 30, 2022	\$ 4,966,029	\$ 8,075	\$ 1,242,397	\$ 749,725	\$ 910,285	\$ 4,856,577	\$ 575,648	\$ (28,529)	\$ -	\$ 13,280,207	\$ 1,538,011	\$ 14,818,218
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 nine months ended September 30, 2023	-	-	-	-	-	110,024	-	-	-	110,024	71,349	181,373
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	475,717	(24,747)	-	450,970	4,285	455,255
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	110,024	475,717	(24,747)	-	560,994	75,634	636,628
Change in capital surplus from investments in associates	-	-	(1,272)	-	-	-	-	-	178	(1,094)	-	(1,094)
Share-based payment transaction	-	-	3,632	-	-	-	-	-	-	3,632	-	3,632
Issuance of shares from exercise of employee share options	13,733	4,340	16,494	-	-	-	-	-	-	34,567	-	34,567
Changes in percentage of ownership interests in the subsidiary	-	-	(4,819)	-	-	-	-	-	-	(4,819)	10,483	5,664
Recognition of employee share options issued by the subsidiary	-	-	253	-	-	-	-	-	-	253	197	450
Cash dividends distributed by the subsidiary	-	-	-	-	-	-	-	-	-	-	(225,851)	(225,851)
BALANCE, SEPTEMBER 30, 2023	\$ 4,983,832	\$ 16,377	\$ 1,256,114	\$ 749,725	\$ 176,605	\$ 5,677,799	\$ 742,303	\$ (83,192)	\$ (865)	\$ 13,518,698	\$ 1,417,254	\$ 14,935,952

VIA TECHNOLOGIES, 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	\$ 336,877	\$ 471,868
Adjustments for:		
Depreciation expense	171,218	175,848
Amortization expense	50,893	52,026
Expected credit loss	-	2,624
Finance costs	57,465	47,850
Interest income	(365,710)	(54,775)
Dividend income	(3,396)	(5,612)
Compensation costs of employee share options	4,082	15,288
Share of profit or loss of associates	21,955	(2,201)
Loss (gain) on disposal of property, plant and equipment	9,894	(6,087)
Loss on disposal of intangible assets	-	27
Reversal of impairment loss on non-financial assets	(8,393)	-
Loss on changes in fair value of investment properties	17,491	-
Gain on lease modification	(14)	(3,328)
Gain on bargain purchase	-	(327)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	9,898	167,376
Notes and accounts receivable	6,501	195,043
Other receivables	(62,486)	10,183
Inventories	(122,876)	(658,454)
Other current assets	393,032	(1,107,435)
Other non-current assets	3,086	9,514
Financial liabilities at fair value through profit or loss	(1,861)	-
Contract liabilities	936,751	1,589,155
Notes and accounts payable	(13,106)	(290,427)
Other payables	(175,658)	(162,060)
Provisions	(126,113)	100,214
Other current liabilities	(6,982)	167,887
Net defined benefit liabilities	1,868	975
Cash generated from operations	1,134,416	715,172
Interest received	325,780	54,052
Dividends received	3,396	5,612
Interest paid	(57,626)	(47,820)
Income tax paid	(258,436)	(366,137)
Net cash generated from operating activities	1,147,530	360,879

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of financial assets at fair value through other comprehensive income	(143,360)	(457,334)
Purchase of financial assets at amortized cost	(942,198)	(108,900)
		(Continued)

VIA TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
Proceeds from sale of financial assets at amortized cost	\$ 293,415	\$ 1,486,144
Purchase of long-term equity investments using the equity method	-	(165,760)
Payments for property, plant and equipment	(139,238)	(109,617)
Proceeds from disposal of property, plant and equipment	3,698	6,953
Increase in refundable deposits	(219)	(537)
Decrease in refundable deposits	4,198	371
Payments for intangible assets	(59,744)	(59,330)
Payments for investment properties	(272)	(394)
Increase in other financial assets	(2,226)	(12,560)
Dividends received from associates	<u>720</u>	<u>41,507</u>
Net cash (used in) generated from investing activities	<u>(985,226)</u>	<u>620,543</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long-term bills payable	-	298,000
Decrease in long-term bills payable	(36,000)	(692,000)
Proceeds from long-term borrowings	300,000	1,425,000
Repayments of long-term borrowings	(568,000)	(838,000)
Increase in guarantee deposits	164,440	391,159
Decrease in guarantee deposits	(243,768)	(4,282)
Repayment of the principal portion of lease liabilities	(42,396)	(79,259)
Distribution of cash dividends	(74,752)	(495,350)
Proceeds from exercise of employee share options	34,567	32,820
Partial disposal of interests in the subsidiary without a loss of control	5,664	7,360
Dividends paid to non-controlling interests	<u>(225,851)</u>	<u>(325,580)</u>
Net cash used in financing activities	<u>(686,096)</u>	<u>(280,132)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>437,285</u>	<u>1,072,608</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(86,507)</u>	<u>1,773,898</u>
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>\$ 11,763,789</u>	<u>\$ 12,253,645</u>

(Concluded)