

CIPHERLAB CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

Code	Accounting Title	2021/9/30	2020/12/31	2020/9/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	112,775	156,820	127,101
1150	Notes receivable, net	2,058	2	269
1170	Accounts receivable, net	258,600	213,213	215,191
1200	Other receivables	48,067	7,430	3,678
1220	Current tax assets	0	7,565	7,596
130X	Current inventories	639,108	417,425	420,668
1470	Other current assets	31,242	29,424	29,398
1476	Other current financial assets	1,500	587	587
1479	Other current assets, others	29,742	28,837	28,811
11XX	Total current assets	1,091,850	831,879	803,901
	Non-current assets			
1600	Property, plant and equipment	126,196	135,093	137,231
1755	Right-of-use assets	39,704	54,409	58,905
1780	Intangible assets	8,311	11,404	11,034
1840	Deferred tax assets	76,319	80,221	76,215
1900	Other non-current assets	16,405	14,582	14,421
1990	Other non-current assets, others	16,405	14,582	14,421
15XX	Total non-current assets	266,935	295,709	297,806
1XXX	Total assets	1,358,785	1,127,588	1,101,707
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	210,000	101,000	141,000
2150	Notes payable	0	46	46
2170	Accounts payable	167,104	98,483	60,406
2200	Other payables	97,570	73,083	61,129
2219	Other payables, others	97,570	73,083	61,129
2280	Current lease liabilities	15,873	24,613	23,791
2300	Other current liabilities	29,931	17,701	6,937
2320	Long-term liabilities, current portion	7,505	1,876	500
2399	Other current liabilities, others	22,426	15,825	6,437
21XX	Total current liabilities	520,478	314,926	293,309

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	Non-current liabilities			
2540	Non-current portion of non-current borrowings	6,661	9,124	10,500
2570	Deferred tax liabilities	2,434	1,274	1,066
2580	Non-current lease liabilities	25,733	31,084	36,163
2600	Other non-current liabilities	27,384	19,893	20,223
2640	Net defined benefit liability, non-current	13,434	13,435	13,765
2670	Other non-current liabilities, others	13,950	6,458	6,458
25XX	Total non-current liabilities	62,212	61,375	67,952
2XXX	Total liabilities	582,690	376,301	361,261
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	684,891	684,891	684,891
3100	Total Share Capital	684,891	684,891	684,891
	Capital surplus			
3210	Capital surplus, additional paid-in capital	1,144	1,144	1,144
3200	Total capital surplus	1,144	1,144	1,144
	Retained earnings			
3310	Legal reserve	70,936	133,053	133,053
3320	Special reserve	3,062	3,062	3,062
3350	Unappropriated retained earnings (accumulated deficit)	26,539	-62,117	-73,796
3300	Total retained earnings	100,537	73,998	62,319
	Other equity interest			
3410	Exchange differences on translation of foreign financial statements	-9,208	-6,808	-5,986
3420	Unrealised gains (losses) from financial assets measured at fair value	-2,180	-2,180	-2,180
3400	Total other equity interest	-11,388	-8,988	-8,166
31XX	Total equity attributable to owners of parent	775,184	751,045	740,188
36XX	Non-controlling interests	911	242	258
3XXX	Total equity	776,095	751,287	740,446
3X2X	Total liabilities and equity	1,358,785	1,127,588	1,101,707
3998	Equivalent issue shares of advance receipts for ordinary share	0	0	0
3999	Number of shares in entity held by entity and by its subsidiaries	0	0	0

CIPHERLAB CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounting Title	2021/7/1To9/30	2020/7/1To9/30	2021/1/1To9/30	2020/1/1To9/30
	Operating revenue				
	Net sales revenue				
4100	Net sales revenue	344,315	294,013	982,558	698,667
	Service revenue				
4600	Total service revenue	9,873	4,682	26,554	16,434
4000	Total operating revenue	354,188	298,695	1,009,112	715,101
	Operating costs				
	Cost of sales				
5110	Total cost of sales	243,258	183,377	644,403	441,164
	Cost of services				
5600	Total cost of services	769	863	2,707	2,348
5000	Total operating costs	244,027	184,240	647,110	443,512
5900	Gross profit (loss) from operations	110,161	114,455	362,002	271,589
5950	Gross profit (loss) from operations	110,161	114,455	362,002	271,589
	Operating expenses				
6100	Selling expenses	51,850	48,049	161,698	162,675
6200	Administrative expenses	16,575	16,875	52,043	49,853
6300	Research and development expenses	41,100	42,182	115,404	162,595
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(394)	(843)	1,820	(365)
6000	Total operating expenses	109,131	106,263	330,965	374,758
6900	Net operating income (loss)	1,030	8,192	31,037	(103,169)
	Non-operating income and expenses				
	Interest income				
7100	Total interest income	89	70	315	383
	Other income				
7010	Total other income	328	4,828	4,920	17,017
	Other gains and losses				
7020	Other gains and losses, net	1,164	(2,072)	(897)	(4,144)
	Finance costs				
7050	Finance costs, net	948	887	2,557	2,451
7000	Total non-operating income and expenses	633	1,939	1,781	10,805
7900	Profit (loss) from continuing operations before tax	1,663	10,131	32,818	(92,364)



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Code	Accounting Title	2021/7/1To9/30	2020/7/1To9/30	2021/1/1To9/30	2020/1/1To9/30
7950	Tax expense (income) Total tax expense (income)	302	1,156	5,610	(18,456)
8000	Profit (loss) from continuing operations	1,361	8,975	27,208	(73,908)
8200	Profit (loss)	1,361	8,975	27,208	(73,908)
	Other comprehensive income				
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(236)	(724)	(3,000)	(1,206)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(47)	(145)	(600)	(241)
8360	Components of other comprehensive income that will be reclassified to profit or loss	(189)	(579)	(2,400)	(965)
8300	Total other comprehensive income	(189)	(579)	(2,400)	(965)
8500	Total comprehensive income	1,172	8,396	24,808	(74,873)
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	1,420	8,997	26,539	(73,796)
8620	Profit (loss), attributable to non-controlling interests	(59)	(22)	669	(112)
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	1,231	8,418	24,139	(74,761)
8720	Comprehensive income, attributable to non-controlling interests	(59)	(22)	669	(112)
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	0.02	0.13	0.39	(1.08)
9750	Total basic earnings per share	0.02	0.13	0.39	(1.08)
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	0.02	0.13	0.39	(1.08)
9850	Total diluted earnings per share	0.02	0.13	0.39	(1.08)

CIPHERLAB CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

Code	Accounting Title	2021/1/1To9/30	2020/1/1To9/30
	Cash flows from (used in) operating activities, indirect method		
A00010	Profit (loss) from continuing operations before tax	32,818	(92,364)
A10000	Profit (loss) before tax	32,818	(92,364)
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	40,994	41,084
A20200	Amortization expense	3,834	3,901
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt	1,820	(365)
A20900	Interest expense	2,557	2,451
A21200	Interest income	(315)	(383)
A22500	Loss (gain) on disposal of property, plan and equipment	(369)	204
A23700	Impairment loss on non-financial assets	12,398	14,956
A24100	Unrealized foreign exchange loss (gain)	(525)	(1,963)
A29900	Other adjustments to reconcile profit (loss)	0	2,006
A20010	Total adjustments to reconcile profit (loss)	60,394	61,891
	Changes in operating assets and liabilities		
	Changes in operating assets		
A31130	Decrease (increase) in notes receivable	(2,056)	1,045
A31150	Decrease (increase) in accounts receivable	(48,231)	7,849
A31180	Decrease (increase) in other receivable	(40,650)	4,044
A31200	Adjustments for decrease (increase) in inventories	(236,046)	(35,978)
A31240	Adjustments for decrease (increase) in other current assets	(967)	16,470
A31000	Total changes in operating assets	(327,950)	(6,570)
	Changes in operating liabilities		
A32130	Increase (decrease) in notes payable	(46)	46
A32150	Increase (decrease) in accounts payable	68,492	(25,853)
A32180	Increase (decrease) in other payable	26,464	(46,723)
A32230	Adjustments for increase (decrease) in other current liabilities	6,601	(1,403)
A32240	Increase (decrease) in net defined benefit liability	(1)	(7)
A32990	Increase (decrease) in other operating liabilities	7,492	0
A32000	Total changes in operating liabilities	109,002	(73,940)
A30000	Total changes in operating assets and liabilities	(218,948)	(80,510)
A20000	Total adjustments	(158,554)	(18,619)
A33000	Cash inflow (outflow) generated from operations	(125,736)	(110,983)
A33100	Interest received	328	678

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Code	Accounting Title	2021/1/1To9/30	2020/1/1To9/30
A33500	Income taxes refund (paid)	7,565	(1,462)
AAAA	Net cash flows from (used in) operating activities	(117,843)	(111,767)
	Cash flows from (used in) investing activities		
B00050	Proceeds from disposal of financial assets at amortised cost	0	38,767
B02700	Acquisition of property, plant and equipment	(9,310)	(9,888)
B02800	Proceeds from disposal of property, plant and equipment	726	0
B04500	Acquisition of intangible assets	(741)	(1,072)
B06500	Increase in other financial assets	(913)	(6)
B06700	Increase in other non-current assets	(6,917)	(8,316)
BBBB	Net cash flows from (used in) investing activities	(17,155)	19,485
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	109,000	61,000
C01600	Proceeds from long-term debt	4,000	11,000
C01700	Repayments of long-term debt	(834)	0
C04020	Payments of lease liabilities	-19,366	(18,834)
C04400	Decrease in other non-current liabilities	0	(1,615)
C05600	Interest paid	(2,538)	(2,437)
CCCC	Net cash flows from (used in) financing activities	90,262	49,114
DDDD	Effect of exchange rate changes on cash and cash equivalents	691	1,306
EEEE	Net increase (decrease) in cash and cash equivalents	(44,045)	(41,862)
E00100	Cash and cash equivalents at beginning of period	156,820	168,963
E00200	Cash and cash equivalents at end of period	112,775	127,101
E00210	Cash and cash equivalents reported in the statement of financial position	112,775	127,101