



Report on the operations of the TOYA Group in the first half of 2025, prepared together with the Management Board's report on the operations of TOYA S.A.

## Contents

1. PROFILE OF THE PARENT COMPANY .....	3
2. ORGANIZATIONAL STRUCTURE OF THE CAPITAL GROUP AND ITS CHANGES.....	6
3. POSITION OF THE MANAGEMENT BOARD ON THE POSSIBILITY OF FULFILLING PREVIOUSLY PUBLISHED FORECASTS .....	6
4. DESCRIPTION OF THE MOST IMPORTANT EVENTS DURING THE FIRST HALF OF 2025, SIGNIFICANT ACHIEVEMENTS OR FAILURES .....	6
5. DESCRIPTION OF THE EVENTS, INCLUDING THOSE OF UNUSUAL NATURE, WHICH HAVE A SIGNIFICANT IMPACT ON THE CONDENSED STAND-ALONE AND CONSOLIDATED FINANCIAL STATEMENTS .....	8
6. DESCRIPTION OF BASIC RISKS, THREATS AND FACTORS WHICH WILL AFFECT THE RESULTS ACHIEVED IN THE NEXT HALF YEAR .....	18
7. DISPUTES .....	22
8. TRANSACTIONS WITH RELATED PARTIES .....	22
9. GUARANTEES GRANTED AND RECEIVED .....	22
10. CONTINGENT ASSETS AND LIABILITIES.....	23
11. INFORMATION ON SIGNIFICANT EVENTS AFTER 30 JUNE 2025 .....	23

# 1. PROFILE OF THE PARENT COMPANY

## 1.1 GENERAL INFORMATION – TOYA S.A.

TOYA S.A. (the “Company” or the “Parent Company”) is a joint stock company established under the Commercial Companies Code. The Parent Company has its registered office in Wrocław at ul. Sołtysowicka 13/15.

TOYA S.A. was formed on the basis of a Notarial Deed drawn up on 17 November 1999 by the Notary Public Jolanta Ołpińska in the Notarial Office in Wrocław (Rep. A No 5945/99). Pursuant to a decision of 3 December 1999, the Company was entered in the Commercial Register maintained by the District Court for Wrocław-Fabryczna, 6th Commercial Division, with the reference number RHB 9053. By virtue of a decision of 4 December 2001, the District Court for Wrocław-Fabryczna, 6th Commercial Division of the National Court Register, decided to enter the Parent Company in the Register of Entrepreneurs, with the reference number KRS 0000066712. The entry in the Register took place on 5 December 2001.

The duration of the Company is unlimited.

As at the date of submission of the annual report, the Parent Company has 1 branch located outside the registered office, in Nadarzyn.

The core business activities of TOYA S.A. include import and distribution of industrial goods, including primarily hand and power tools for professional and DIY use. The Group distributes goods manufactured and supplied mainly by companies located in China. For many years, the Group has been implementing its strategy of expanding onto international markets. It focuses primarily on Central, Southern and Eastern Europe (Ukraine, Romania, Hungary, Baltics Countries, Belarus, Czech Republic).

## 1.2 MANAGEMENT BOARD AND SUPERVISORY BOARD

In the period from 1 January to 30 June 2025 and as at the date of approval of this report for publication, the Management Board was composed of the following members:

• Grzegorz Pinkosz	President of the Management Board;
• Maciej Lubnauer	Vice-President of the Management Board;
• Robert Borys	Vice-President of the Management Board;
• Jan Jakub Szmidt	Vice-President of the Management Board.

In the period from 1 January to 30 June 2025 and until the date of approval of this report for publication, the Supervisory Board of the Company consisted of:

• Piotr Mondalski	President of the Supervisory Board;
• Jan Szmidt	Vice-President of the Supervisory Board;
• Dariusz Górką	Member of the Supervisory Board;
• Grzegorz Maciąg	Member of the Supervisory Board;
• Wojciech Bartłomiej Papierak	Member of the Supervisory Board;
• Beata Szmidt	Member of the Supervisory Board;
• Zenon Beker	Member of the Supervisory Board.

## 1.3 SHARE CAPITAL

As at 30 June 2025, the share capital of the Parent Company amounted to PLN 7,504,222.60 and comprises 75,042,226 shares with a par value of PLN 0.10 each.

In the first half of 2025, there were no changes in share capital.

## 1.4 SHAREHOLDERS STRUCTURE AND INDICATION OF SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE GENERAL MEETING

According to information possessed by TOYA S.A., the Parent Company's ownership structure as of 30 June 2025 was as follows:

Name	Status	Number of shares	Type of shares	Par value per share (PLN)	Par value of the shares (PLN)	Structure (%)
Jan Szmidt	natural person	28,284,304	ordinary bearer	0.1	2,828,430.40	37.69%
Romuald Szalagan	natural person	9,652,290	ordinary bearer	0.1	965,229.00	12.86%
Generali OFE	legal person	5,001,147	ordinary bearer	0.1	500,114.70	6.66%
Other – share below 5% (*)	not applicable	32,104,485	ordinary bearer	0.1	3,210,448.50	42.79%
<b>TOTAL</b>		<b>75,042,226</b>			<b>7,504,222.60</b>	<b>100.00%</b>

(\*). As part of the share buyback announced on 3 June 2025, the Company acquired 1,004,979 shares at PLN 8.00 per share. The total value of the shares acquired amounted to PLN 8,040 thousand (see point 1.6).

## 1.5 SHARES HELD BY MANAGERS AND SUPERVISORS

### 1.5.1 Shares held by members of the Management Board

The number of shares as at the date of submitting the report and changes in the shares held by the Management Board Members from the date of submitting the last report (quarterly report for the 1st quarter of 2025 published on 8 May 2025), in accordance with the information possessed by the Company is presented in the table below:

	According to information possessed as of 8 May 2025	Increases/decreases due to transactions	According to information possessed on 13 August 2025
Grzegorz Pinkosz	146,812	-	146,812
Maciej Lubnauer	61,831	-	61,831
Robert Borys	8,528	-	8,528
Jan Jakub Szmidt	241,094	-	241,094
<b>TOTAL</b>	<b>458,265</b>	<b>-</b>	<b>458,265</b>

### 1.5.2 Shares held by members of the Supervisory Board

The number of shares as at the date of submitting the consolidated semi-annual report and changes in the shares held by the Supervisory Board Members from the date of submitting the last report (quarterly report for the 1st quarter of 2025 published on 8 May 2025), in accordance with the information possessed by the Company is presented in the table below:

	According to information possessed as of 8 May 2025	Increases/decreases due to transactions	According to information possessed on 13 August 2025
Jan Szmidt	28,284,304	-	28,284,304
Beata Szmidt	3,239,253	-	3,239,253
Grzegorz Maciąg	2,800	-	2,800
<b>TOTAL</b>	<b>31,528,832</b>	-	<b>31,528,832</b>

### 1.5.3 Share option plans

There are no share option plans in the Company and in the Group.

## 1.6 OWN SHARES

On 26 June 2024, the General Meeting of Shareholders of Toya S.A. adopted a resolution to establish a reserve capital of PLN 100,000 thousand for the purchase of the Company's own shares.

As part of the invitation to submit offers for the sale of shares announced on 3 June 2025, and running from 5 to 13 June 2025, the Company purchased **1,004,979** shares at **PLN 8.00 per** share. The total value of the purchased shares amounted to **PLN 8,040 thousand**.



## 2. ORGANIZATIONAL STRUCTURE OF THE CAPITAL GROUP AND ITS CHANGES

As at the date of approval of the consolidated semi-annual report for publication, the Group consists of the following entities:

Entity name	Registered office	Business profile	Type of equity link	% of shares and votes held	Link establishment date	Method of Consolidation as at the end of the reporting period
TOYA S.A.	Wrocław, Poland	Distribution of tools and power tools	Parent Company	Not applicable	Not applicable	Full consolidation method
Toya Romania S.A.	Bucharest, Romania	Distribution of tools and power tools	Subsidiary	99.99	November 2003	Full consolidation method
Yato Tools (Shanghai) Co., Ltd.	Shanghai, China	Distribution of tools and power tools	Subsidiary	100.00	January 2013	Full consolidation method
Yato Tools (Jiaxing) Co., Ltd.	Baibu, China	Distribution of tools and power tools	Subsidiary	100.00	December 2019	Full consolidation method

In the first half of 2025, there were no changes in the organizational structure of the TOYA S.A. Capital Group.

## 3. POSITION OF THE MANAGEMENT BOARD ON THE POSSIBILITY OF FULFILLING PREVIOUSLY PUBLISHED FORECASTS

The Management Board of Toya S.A. did not publish forecasts of the Company's or the Group's results for 2025.

## 4. DESCRIPTION OF THE MOST IMPORTANT EVENTS DURING THE FIRST HALF OF 2025, SIGNIFICANT ACHIEVEMENTS OR FAILURES

### 4.1 CONCLUSION OF THE CREDIT AGREEMENT BY THE SUBSIDIARY YATO TOOLS (JIAXING) CO., LTD.

On 29 January 2025, TOYA S.A. received notice that YATO TOOLS (JIAXING) Co., Ltd. had applied for a working capital loan in an amount not exceeding CNY 100,000,000. On 28 February 2025, TOYA S.A. received notice of the conclusion of a Loan Agreement with Bank of Ningbo Co., Ltd., Jiaxing Branch, based in the People's Republic of China.



The subsidiary issued a loan for import and export activities up to CNY 80,000,000 for a period of one year, with the possibility of extension. The remaining terms of the Agreement do not differ from those commonly used in such agreements.

## 4.2 ANNEX TO THE OVERDRAFT AGREEMENT

On 19 March 2025, TOYA S.A. entered into Annex No. 7 to Overdraft Agreement No. 09/030/19/Z/VV with mBank S.A. with its registered office in Warsaw. Under the Annex, the final repayment date of the loan was set at 26 March 2026. The remaining terms of the Agreement do not differ from those commonly used in this type of agreements.

## 4.3 CONCLUSION OF A LOAN AGREEMENT

On 22 April 2025, TOYA S.A. entered into a loan agreement with TOYA Romania S.A. The subject of the agreement is that TOYA S.A. granted a loan of USD 4,500,000 to its subsidiary. The loan was granted to finance the subsidiary's ongoing operations.

TOYA Romania S.A. agreed to repay the loan in full by 31 March 2026.

## 4.4 CHANGE IN CUSTOMS POLICY BY THE U.S. GOVERNMENT

On 2 April 2025, the US government announced a change in customs policy for most countries around the world, and after the end of the reporting period, on 27 July 2025, a change in customs policy was announced for relations with the European Union. None of the Group's companies have customers in the US, and no deliveries are made from that market. The Management Board of Toya S.A. estimates that, as of the date of this report, the change in US customs policy has no direct impact on the Group's operations. The Management Board is closely monitoring the situation regarding changes in customs policy in the US and other countries, as this assessment is subject to change given the global reach of the Group's operations.

## 4.5 BUY-BACK OF OWN SHARES

On 3 June 2025 the Management Board of TOYA S.A. published an invitation to submit offers for the sale of shares in TOYA S.A. The invitation covered up to 9,850,000 shares in TOYA S.A. with a nominal value of PLN 0.10 each. The offered purchase price was PLN 8.00, and offers were accepted from 5-13 June 2025.

As part of the announced general share buyback, shareholders submitted offers for the sale of shares in the Company for a total of 1,004,979 shares with a total nominal value of PLN 100,497.90, representing approximately 1.34% of the share capital.

## 4.6 RESOLUTIONS ADOPTED BY THE ORDINARY GENERAL MEETING OF SHAREHOLDERS ON 24 JUNE 2025

On 24 June 2025, the Annual General Meeting of Shareholders of Toya S.A. approved the financial statements of TOYA S.A. for 2024 and the consolidated financial statements of the TOYA Group, and also decided to allocate the profit for 2024 in the amount of PLN 55,653 thousand to supplementary capital.

## 4.7 IMPACT OF THE WAR BETWEEN URAINE AND RUSSIA ON THE GROUP'S OPERATIONS

The Group has been present on the markets of Eastern Europe for a long time, in particular in Ukraine, Belarus and Russia. Despite its long presence on these markets, the Group did not have any assets there and transactions with local customers were of a short-term nature. The Russian-Ukrainian conflict that started with hostilities on 24 February 2022 disrupted trade relations in these markets, resulting in a temporary freezing of relations with some clients or suspension of cooperation. It should be emphasized that the Parent Entity complied with all sanctions imposed by the Polish government, European Union structures, governments of other countries and international institutions on entities, persons and goods indicated in the relevant legal acts. TOYA S.A. has implemented appropriate procedures in this regard. However, the implemented procedures and the need to verify and comply with all economic sanctions resulted in a slowdown in trade with customers from these markets, which is, however, beyond the Group's control. This may impact trade with customers present in these markets in future quarters.

# 5. DESCRIPTION OF THE EVENTS, INCLUDING THOSE OF UNUSUAL NATURE, WHICH HAVE A SIGNIFICANT IMPACT ON THE CONDENSED STAND-ALONE AND CONSOLIDATED FINANCIAL STATEMENTS

## 5.1 COMMENT ON THE FINANCIAL RESULTS ACHIEVED BY TOYA S.A.

### Revenue and profitability of TOYA S.A. (PLN '000)

	6 month period ended June 30	
	2025	2024
Sales revenue	344,370	302,974
Gross sales profit	108,852	93,229
Operating profit	46,109	33,664
Profit before tax	45,983	33,882
Net profit	37,156	27,367

In the first half of 2025, sales revenues amounted to PLN 344,370 thousand, which was 13.7% higher than revenues achieved in the first half of 2024. The increase in sales was recorded mainly in the wholesale channel (an increase by

PLN 27,426 thousand, i.e. 21.9%) and in the retail chain channel (an increase by PLN 22,015 thousand, i.e. 61.22%). A slight increase, by PLN 1,886 thousand, i.e. 1.9%, was recorded by the export channel, which was primarily the result of higher sales to the Ukrainian, Hungarian and Lithuanian markets with a simultaneous decrease in sales to the subsidiary in Romania. The retail channel recorded a decrease in sales, mainly caused by a change in pricing strategy compared to the previous year (change by PLN 9,931 thousand, i.e. 22.3%). Higher gross profit on sales by PLN 15,623 thousand (16.8%) in the analysed period of 2025 as compared to the same period in 2024 was primarily due to higher revenues and a slightly higher gross margin.

Operating profit was PLN 12,445 thousand higher as compared to the first half of 2024. Higher sales volume resulted in higher transportation costs, while lower online sales volume translated into lower costs of using online sales platforms.

The Company used bank loan financing minimally in both the first half of 2025 and 2024. Interest costs incurred resulted from concluded leasing agreements.

Net profit in the first half of 2025 increased by PLN 9,789 thousand, or 35.8%, as compared to the first six months of 2024, and amounted to PLN 37,156 thousand.

#### Profitability ratios

	6 month period ended June 30	
	2025	2024
Sales profit margin	31.6%	30.8%
Operating profit margin	13.4%	11.1%
Pre-tax profit margin	13.4%	11.2%
Net profit margin	10.8%	9.0%

Key:

Sales profit margin – the ratio of gross profit to sales revenue

Operating profit margin – the ratio of operating profit to sales revenue

Pre-tax profit margin – the ratio of pre-tax profit to sales revenue

Net profit margin – the ratio of net profit to sales revenue

For TOYA S.A., return on sales is a key indicator of the Company's market competitiveness and has a decisive impact on its financial situation. Analysis of this indicator for the first half of 2025 shows that return on sales increased to 31.6%, primarily due to a modification of the pricing strategy this year. It should be noted that this profitability remains at a very good level.

#### Cash flows of the Company (PLN '000)

	6 month period ended June 30	
	2025	2024
Cash flows from operating activities	47,392	(29,245)
Cash flows from investment activities	(11,734)	(4,480)
Cash flows from financial activities	(12,027)	(2,337)
<b>Change in net cash</b>	<b>23,631</b>	<b>(36,062)</b>
Cash and cash equivalents at the beginning of the period	7,711	49,107
Cash and cash equivalents at the end of the period	31,335	13,052

During the first six months of 2025, the Company reported positive cash flows from operating activities, which amounted to PLN 47,392 thousand, primarily due to a decrease in inventory levels due to dynamic sales growth.

In the first half of 2025, the Company did not conduct any significant investment activities in property, plant and equipment. Expenditures incurred during this period primarily related to the completion of the modernization of the warehouse in Wrocław and the purchase of IT equipment. At the same time, the Company generated proceeds from the sale of passenger cars, which were repurchased from leases in 2024. Another significant investment transaction was the granting of a loan to the subsidiary Toya Romania S.A. in the amount of USD 4,500 thousand.

In the six-month period of 2025 under review, the Company generated negative cash flows from financing activities, primarily due to expenses related to the share buyback incurred in June 2025 and the repayment of liabilities and interest on finance leases.

TOYA S.A. liquidity in the analysed period was at the appropriate level. The net working capital of the Company was positive, covering the demand resulting from the amount of realized revenues from sales. The Company did not finance tangible fixed assets with short-term liabilities and was able to pay its short-term liabilities on time.

#### Liquidity ratios

	30.06.2025	30.06.2024
Current ratio	8.18	6.12
Quick ratio	2.26	1.19

#### Key:

Current ratio – the ratio of current assets to short-term liabilities

Quick ratio – the ratio of current assets less inventories to short-term liabilities

The current and quick liquidity ratios increased compared to the same period in 2024, primarily due to a decrease in inventory levels. Both ratios remain at very good levels.

## 5.2 STRUCTURE OF TOYA S.A. ASSETS AND LIABILITIES

#### The structure of assets of TOYA S.A. (PLN '000)

	30.06.2025	31.12.2024
<b>Non-current assets, including:</b>	<b>110,641</b>	<b>113,608</b>
Property, plant and equipment	21,044	21,033
Intangible assets	3,042	3,241
Right-of-use assets	13,131	16,100
Investments in subsidiaries	70,803	70,803
<b>Current assets, including:</b>	<b>371,425</b>	<b>388,774</b>
Inventory	268,924	328,095
Trade and other receivables	60,341	52,968
<b>Total assets</b>	<b>482,066</b>	<b>502,382</b>

**% asset structure of TOYA S.A.**

	30.06.2025	31.12.2024
Non-current assets / Assets	23%	23%
Property, plant and equipment / Assets	4%	4%
Intangible assets / Assets	1%	1%
Right-of-use assets / Assets	3%	3%
Investments in subsidiaries / Assets	15%	14%
Current assets / Assets	77%	77%
Inventory / Assets	56%	65%
Trade and other receivables / Assets	13%	11%

**The structure of equity and liabilities of TOYA S.A. (PLN '000)**

	30.06.2025	31.12.2024
Equity	429,139	400,073
Long-term liabilities	7,285	10,425
Short-term liabilities, including:	45,642	91,884
Short term trade and other liabilities	26,195	71,005
<b>Total equity and liabilities</b>	<b>482,066</b>	<b>502,382</b>

**% equity and liability structure of TOYA S.A.**

	30.06.2025	31.12.2024
Equity / Equity and liabilities	89%	80%
Short-term liabilities / Equity and liabilities	9%	18%
Long-term liabilities / Equity and liabilities	2%	2%
Short-term liabilities / Liabilities	86%	90%
Long-term liabilities / Liabilities	14%	10%

**Ratios of return on equity, assets and current assets**

	For the 6-month period ended 30 June	
	2025	2024
Return on assets (ROA)	8%	6%
Return on equity (ROE)	9%	7%
Return on current assets	10%	8%

**Key:**

Return on assets (ROA) – the ratio of net profit to total assets as at the end of the period  
Equity ratio (ROE) – the ratio of net profit to equity as at the end of the period  
Return on current assets – the ratio of net profit to current assets as at the end of the period



As of 30 June 2025, the Company's property, plant, and equipment represented 4% of total assets. Property, plant, and equipment primarily consist of land, buildings, and structures necessary for the Company's commercial operations. Right-of-use assets also constitute a significant component of fixed assets, accounting for 3% of total assets (3% as of 31 December 2024).

The structure of TOYA S.A.'s current assets, which as at 30 June 2025 account for 77% of total assets, is dominated by inventories and trade and other receivables, which is typical for type of business activity conducted by TOYA S.A. Both these items together account for over 69% of current assets as at 30 June 2025 and 76% as at 31 December 2024.

#### Equity structure and debt ratios

	30.06.2025	31.12.2024
Total debt ratio	13%	12%
Equity debt ratio	12%	26%
Long-term debt ratio	1%	2%
Short-term debt ratio	9%	20%
The ratio of coverage of non-current assets with equity and long-term liabilities	402%	361%

Key:

Total debt ratio – the ratio of long- and short-term liabilities to total equity and liabilities

Debt to equity ratio – the ratio of long- and short-term liabilities to equity

Long-term debt ratio – the ratio of long-term liabilities to total equity and liabilities

Short-term debt ratio – the ratio of short-term liabilities to total equity and liabilities

The ratio of coverage of non-current assets with equity and long-term liabilities – the ratio of total equity and long-term liabilities to non-current assets

As at 30 June 2025, retained earnings totalling PLN 301,848 thousand were the main item in the equity of TOYA S.A. The Company's share capital as at 30 June 2025 amounted to PLN 7,504 thousand.

The main sources of financing for operating activities, and in particular current assets, are equity capital, as well as trade credit. As of 30 June 2025, the Company financed its operations in 87% with equity. As of that date, the Company had short-term trade and other liabilities in the amount of PLN 16,360 thousand.

#### TOYA S.A. management effectiveness ratios

	For the 6-month period ended 30 June 2025	For the 6-month period ended 30 June 2024
Inventories turnover period (days)	141	154
Receivables inflow period (days)	32	30
Liabilities repayment period (days)	14	22

Key:

Inventories turnover period (days) – the ratio of inventories as at the end of the period, multiplied by 180 days, to revenue from sales

Receivables inflow period (days) – the ratio of short-term trade and other receivables as at the end of the period, multiplied by 180 days, to revenue from sales

Liabilities repayment period (days) – the ratio of trade and other liabilities as at the end of the period, multiplied by 180 days, to revenue from sales

In the first half of 2025, the liabilities repayment period was shorter than the receivables collection period. This means that the Company granted a longer trade credit to customers than it received from suppliers itself. Such a situation means an increase in the demand for working capital, which is typical for the industry in which the Company conducts its commercial activities.

### 5.3 COMMENTARY ON THE FINANCIAL RESULTS ACHIEVED BY TOYA GROUP

#### Revenue and profitability of TOYA S.A. GROUP (PLN '000).

	6 month period ended June 30	
	2025	2024
Sales revenue	463,217	397,867
Gross sales profit	155,945	135,526
Operating profit	62,512	45,716
Profit before tax	61,432	45,804
Net profit	49,479	36,642

In the first half of 2025, sales revenue amounted to PLN 463,217 thousand, which was PLN 65,350 thousand higher than the revenue generated in the first half of 2024. The increase in gross profit on sales by PLN 20,419 thousand (or 15.1%) in the analysed period of 2025 as compared to the same period in 2024 was primarily due to higher sales volume.

Sales growth was primarily recorded in the wholesale channel (an increase of PLN 32,556 thousand, or 19.0%), the retail chain channel (an increase of PLN 22,725 thousand, or 54.3%), and the export channel (an increase of PLN 19,070 thousand, or 13.8%). The retail channel recorded a decline in sales, primarily due to a change in pricing strategy compared to the previous year (a change of PLN 9,001 thousand, i.e. 22.3%).

Operating profit was PLN 16,796 thousand higher as compared to the first half of 2024. Higher sales volume resulted in higher transportation costs, while lower online sales volume translated into lower costs of using online sales platforms.

Net profit in the first half of 2025 increased by PLN 12,837 thousand, i.e. 35.0%, as compared to the first six months of 2024 and amounted to PLN 49,479 thousand.

#### Profitability ratios

	6 month period ended June 30	
	2025	2024
Sales profit margin	33.7%	34.1%
Operating profit margin	13.5%	11.5%
Pre-tax profit margin	13.3%	11.5%
Net profit margin	10.7%	9.2%

Key:

- Sales profit margin – the ratio of gross profit to sales revenue
- Operating profit margin – the ratio of operating profit to sales revenue
- Pre-tax profit margin — the ratio of pre-tax profit to sales revenue
- Net profit margin — the ratio of net profit to sales revenue



Return on sales is a key indicator of the Group's market competitiveness and has a decisive impact on its financial situation. Analysis of this indicator for the first half of 2025 shows that return on sales decreased slightly compared to the first half of 2024, primarily due to lower profitability at subsidiaries. It should be noted that this profitability remains at a very good level.

**Cash flows of the Group (PLN '000)**

	6 month period ended June 30	
	2025	2024
Cash flows from operating activities	67,367	(3,752)
Cash flows from investment activities	(1,342)	(8,962)
Cash flows from financial activities	(14,810)	(3,777)
<b>Net change in cash before foreign exchange differences</b>	<b>51,215</b>	<b>(16,491)</b>
Cash and cash equivalents at the beginning of the period	39,128	69,927
Cash and cash equivalents at the end of the period	85,411	53,721

In the first six months of 2025, the Group reported positive cash flows from operating activities, which amounted to PLN 67,367 thousand, primarily due to a decrease in inventory levels due to dynamic sales growth.

Capital expenditures in the first half of 2025 amounted to PLN 1,342 thousand, primarily driven by expenses related to the modernization of the warehouse in Wrocław and the purchase of IT equipment, as well as proceeds from the sale of passenger cars, which were repurchased from leases in 2024.

In the six-month period under review in 2025, the Group generated negative cash flows from financing activities, primarily due to expenses related to the Parent Company's share buyback incurred in June 2025 and the repayment of liabilities and interest on finance leases. In the first half of 2025, the Group used bank loans, to a small extent in Poland, but to a greater extent in its subsidiaries in China. Interest costs on bank loans amounted to PLN 559 thousand in the first half of 2025, compared to PLN 7 thousand in the first half of 2024.

Liquidity of the TOYA S.A. Capital Group in the analysed period was at an appropriate level. The Group's net working capital was positive, covering the demand resulting from the volume of sales revenues. The Group did not finance property, plant and equipment with short-term liabilities and was able to settle short-term liabilities on time.

### Liquidity ratios

	30.06.2025	30.06.2024
Current ratio	3.24	2.92
Quick ratio	1.15	1.02

Key:

Current ratio – the ratio of current assets to short-term liabilities

Quick ratio – the ratio of current assets less inventories to short-term liabilities

The current ratio and quick payment ratio increased compared to the same period in 2024, primarily due to a decrease in inventory levels. Both indicators remain at good levels.

### 5.4 STRUCTURE OF TOYA S.A. GROUP ASSETS AND LIABILITIES

#### The structure of assets of TOYA S.A. Capital Group (PLN '000)

	30.06.2025	31.12.2024
<b>Non-current assets, including:</b>	<b>100,518</b>	<b>113,255</b>
Property, plant and equipment	63,848	70,621
Intangible assets	3,766	4,156
Right-of-use assets	26,429	31,995
<b>Current assets, including:</b>	<b>626,101</b>	<b>673,900</b>
Inventory	404,629	497,101
Trade and other receivables	136,061	137,671
<b>Total assets</b>	<b>726,619</b>	<b>787,155</b>

#### % asset structure of TOYA S.A. Capital Group

	30.06.2025	31.12.2024
Non-current assets / Assets	14%	14%
Property, plant and equipment / Assets	9%	9%
Intangible assets / Assets	1%	1%
Right-of-use assets / Assets	4%	4%
Current assets / Assets	86%	86%
Inventory / Assets	56%	63%
Trade and other receivables / Assets	19%	17%

**The structure of equity and liabilities of TOYA S.A. Capital Group (PLN '000)**

	<b>30.06.2025</b>	<b>31.12.2024</b>
Equity attributable to shareholders of the Parent Company	516,760	489,891
Long-term liabilities	16,728	20,822
Short-term liabilities, including:	193,131	276,442
Short-term trade and other liabilities	135,435	212,088
<b>Total equity and liabilities</b>	<b>726,619</b>	<b>787,155</b>

**% equity and liability structure of TOYA S.A. Capital Group**

	<b>30.06.2025</b>	<b>31.12.2024</b>
Equity attributable to shareholders of the Parent Company / Equity and liabilities	71%	62%
Short-term liabilities / Equity and liabilities	27%	35%
Long-term liabilities / Equity and liabilities	2%	3%
Short-term liabilities / Liabilities	92%	93%
Long-term liabilities / Liabilities	8%	7%

**Ratios of return on equity, assets and current assets**

	<b>6 month period ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Return on assets (ROA)	7%	5%
Return on equity attributable to shareholders of the Parent Company ROE	10%	8%
Return on current assets	8%	7%

## Key:

Return on assets (ROA) – the ratio of net profit to total assets as at the end of the period

Equity ratio (ROE) – the ratio of net profit to equity attributable to shareholders of the Parent Company at the end of the period

Return on current assets – the ratio of net profit to current assets as at the end of the period

The largest item of non-current assets is tangible fixed assets, which constitute 9% of total assets (9% as of 31 December 2024). Tangible fixed assets mainly consist of land, buildings and structures necessary for the Group to conduct commercial activities, primarily the new warehouse in Yato Jiaixng Co. Ltd., which commenced operations in 2022.

Another significant item are the right of use assets, which constitute 5% of non-current assets. This item mainly includes assets resulting from warehouse lease agreements in Poland, Romania and China, perpetual usufruct of land, as well as computer equipment and car leasing agreements in the Parent Company.

The structure of current assets of the TOYA S.A. Capital Group, which as at 30 June 2025 constitutes 86% of total assets, is dominated by inventories and trade receivables and other receivables, which is typical of the business run by TOYA S.A. and its business Capital Group. Both of these items together constitute 86% of total current assets as of 30 June 2025 (94% as of 31 December 2024).

### Equity structure and debt ratios

	30.06.2025	31.12.2024
Total debt ratio	29%	38%
Equity debt ratio	40%	61%
Long-term debt ratio	2%	3%
Short-term debt ratio	26%	35%
The ratio of coverage of non-current assets with equity and long-term liabilities	539%	451%

Key:

Total debt ratio – the ratio of long- and short-term liabilities to total equity and liabilities

Equity debt ratio attributable to shareholders of the Parent Company – the ratio of long-term and short-term liabilities to equity attributable to shareholders of the Parent Company

Long-term debt ratio – the ratio of long-term liabilities to total equity and liabilities

Short-term debt ratio – the ratio of short-term liabilities to total equity and liabilities

The ratio of coverage of non-current assets with equity attributable to shareholders of the Parent Company and long-term liabilities – the ratio of total equity attributable to shareholders of the Parent Company and long-term liabilities to non-current assets

As of 30 June 2025, the main component of the Group's equity attributable to shareholders of the Parent Company was retained earnings in the amount of PLN 410,969 thousand. TOYA S.A.'s share capital as of 30 June 2025, amounted to PLN 7,504 thousand.

The main sources of financing for operating activities, and in particular current assets, are equity capital and short-term financing, which in the first half of 2025 was primarily trade credit. As of 30 June 2025, the Group financed its operations with equity for 71.4%. As of that date, the Group had short-term trade liabilities of PLN 193,131 thousand.

### Group management effectiveness ratios

	For the 6-month period ended 30 June 2025	For the 6-month period ended 30 June 2024
Inventories turnover period (days)	157	166
Receivables inflow period (days)	53	65
Liabilities repayment period (days)	53	77

Key:

Inventories turnover period (days) – the ratio of inventories as at the end of the period, multiplied by 180 days, to revenue from sales

Receivables inflow period (days) – the ratio of short-term trade and other receivables as at the end of the period, multiplied by 180 days, to revenue from sales

Liabilities repayment period (days) – the ratio of trade and other liabilities as at the end of the period, multiplied by 180 days, to revenue from sales

In the first half of 2025, the payables repayment period remained similar to the receivables collection period. This means that the Group extended trade credit to its customers on terms comparable to those it received from its suppliers. At the same time, the inventory turnover period shortened slightly, resulting from a decline in inventory levels due to the dynamic sales growth in the first half of 2025.

## 5.5 ASSESSMENT OF THE COMPANY'S AND GROUP'S ABILITY TO MEET THEIR OBLIGATIONS

At present, there are no events that, in the opinion of the Management Board, may adversely affect the ability of the Parent and the Group to meet their obligations.

## 6. DESCRIPTION OF BASIC RISKS, THREATS AND FACTORS WHICH WILL AFFECT THE RESULTS ACHIEVED IN THE NEXT HALF YEAR

### 6.1 BASIC RISKS AND THREATS

#### Macroeconomic situation

The Group is present in markets across the world, although most of its clients operate in Poland. Due to the Polish economy's interconnectedness with the global economic system and its extensive operations outside the local market, the global economic climate influences the Group's client turnover. In 2025, continued volatility in global markets, resulting from geopolitical tensions, rising commodity prices, and the consequences of central bank actions, periodically hindered the Group's expansion into international markets, forcing it to seek new clients and adapt its market strategies.

Several factors influence the current macroeconomic situation:

- Rising interest rates and monetary policy:** Many central banks, including the National Bank of Poland, are continuing their high interest rate policy in 2025 to keep inflation under control. These actions are affecting borrowing costs, which could limit the pace of consumption and investment growth.
- Inflation:** Although inflation is beginning to stabilize in many countries, it remains higher than in the years before the pandemic. Prices of raw materials, energy, and wages may continue to impact the cost of living. In Poland, inflation is gradually declining in 2025 but may still remain above the National Bank of Poland's inflation target.
- Economic slowdown:** Many developed economies face the risk of recession or a slowdown in economic growth in 2025. Economic growth in the eurozone and the United States remains subdued, which may be due to high interest rates and uncertainty surrounding financial markets.
- Labour market:** In many labour markets (especially in developed countries), we may still observe low unemployment, but amid the economic slowdown, employment growth may slow. In Poland, the labour market may still be characterized by relatively low unemployment, but the corporate sector may face challenges related to rising labour costs.
- Supply Chain Issues:** Despite the partial stabilization of global supply chains, periodic disruptions related to transportation, energy, and raw material costs will continue into 2025. Further challenges with international political tensions can also be expected, potentially impacting international trade.

The economic situation in the Asian market, linked to the current GDP growth in these countries, remains a significant factor influencing the financial situation of the entire Group, as the Group primarily purchases goods from local manufacturers. In 2025, the economic situation in Asia will be influenced by uncertainties in the Chinese market, including a slowdown in the real estate sector, weakening import and export growth, and disruptions in supply chains.

Prices of purchased goods, trading terms, order fulfilment times, and logistics costs between Asia and Europe may continue to fluctuate, particularly in the context of high energy prices and possible transport disruptions.

However, the impact of these factors is difficult to estimate, as the future economic and regulatory situation may differ from the expectations of the Parent Company's Management Board. The Group's management is closely monitoring developments and adapting its strategic plans to minimize these risks.

## Competition

The global manufacturer market is quite fragmented. The seven largest players, such as Bosch, Stanley Black & Decker, Hilti, and Makita, account for slightly more than half of the market. The primary share of market value comes from tools and power tools imported by distributors who have outsourced production to foreign, primarily Asian, subcontractors.

The Polish industrial goods distribution market, where the Group primarily operates, is characterized by considerable fragmentation despite the presence of several dominant players. Competition in this market is stable. The Group's competitors continue to take steps to intensify their growth by adopting aggressive pricing policies aimed at current, target, and potential customers. Such actions may negatively impact the Group's financial situation, as further market expansion may be slowed, hindered, or even impossible. The Group will monitor the market and its environment, conducting various activities aimed at maintaining and increasing its competitive advantage.

## Changes in currency markets

The Group's strong ties with foreign suppliers and settlements with them in USD and CNY make its financial results sensitive to exchange rate fluctuations. Exchange rate fluctuations in 2025 were the result of complex macroeconomic factors, including the monetary policy of major central banks, the economic situation in the US and China, and geopolitical tensions. The Group closely monitors the currency situation and trends in global markets and periodically updates its product prices. Consequently, margins may be subject to periodic fluctuations.

It should be emphasized, however, that since a significant portion of the Group's revenue is generated through exports, at prices denominated in foreign currencies, this protects the Group to some extent against significant exchange rate fluctuations. However, this hedging does not completely eliminate the impact of exchange rate fluctuations, which may negatively impact the Group's financial results.

The Group relies on external capital financing. An increase in interest rates on the financial market may have a negative impact on financing costs and reduce the Group's profitability, as the Parent Company and its subsidiary in China conclude loan agreements with variable interest rates in their functional currencies (PLN and CNY).

In the first half of 2025, the NBP reference rate remained unchanged at 5.75% for a significant period (unchanged since October 2023). In May 2025, the Monetary Policy Council lowered the reference rate to 5.25%, and then, after the end of the reporting period, in July, to 5.00% on an annual basis. This was in response to weakening inflationary pressures, despite market expectations that rates would remain unchanged.

The annual Loan Prime Rate (LPR) in China stood at 3.10% at the beginning of 2024. To further support economic growth and mitigate the impact of US tariffs on the economy, the People's Bank of China (PBoC) continued to ease monetary policy, lowering this rate to 3.0%.

Interest rates on loans in China are typically lower than in Poland, reflecting differences in the monetary policies and economies of the two countries. In China, the government is pursuing a more expansionary monetary policy,

maintaining lower interest rates, while in Poland, higher interest rates are used to control inflation and stabilize the economy.

To minimize the risk of negative impact of interest rate changes on the Group's financial position, the Parent Company simulates various scenarios to select optimal financing sources, taking into account refinancing, renewal of existing positions, alternative financing, and medium-term trends in the debt market.

### **Legal environment**

The Group's operations are hampered by changing legal regulations and their various interpretations. Changes in legal provisions, in particular tax, customs, labour and social security law and introducing new burdens may have negative effects on the business. Particularly burdensome are frequent changes in the interpretation of tax regulations and the lack of uniformity in the practice of tax administration and court decisions in the field of application of tax regulations. This may involve with the risk of claims from third parties and proceedings of various state authorities. Moreover, due to the complex nature and non-uniform tax practice, interpretations are often the subject of disputes with tax authorities. Although the Parent Company makes every effort to ensure the correctness of transactions in terms of their compliance with legal provisions, in particular tax law, the risk of claims from third parties, possible disputes with tax authorities or proceedings of other state authorities cannot be ruled out. Such claims, disputes or proceedings, as well as the adoption by the tax administration or court decisions of interpretations of tax regulations, tax classification of events and transactions in which the Parent Company participated, other than the Parent Company, may have a negative impact on the Group's financial results.

It should be emphasized, however, that the Group takes actions to limit the effects of changing law. The Parent Entity uses external services of reputable law and tax firms that facilitate ongoing operations.

### **Supply chain**

The Group purchases goods from suppliers located in various parts of the world, primarily in Asia. These goods are transported by sea. In 2025, disruptions in supply chains between Asia and Europe, resulting from logistical issues, infrastructure constraints, and pressure on transportation costs, continue to highlight the vulnerability of such solutions to global challenges. Any adverse events affecting production and transportation resources, labour, infrastructure, or natural phenomena or events of a widespread nature, among others, could significantly impact supply stability. The Group mitigates this risk by cooperating with multiple contractors located in various regions of many countries. However, in the event of disruptions with a broad geographic scope, such as congestion at Asian ports or trade restrictions, even this strategy may prove insufficient.

## 6.2 FACTORS INFLUENCING THE RESULTS IN THE NEXT SIX MONTHS

The Capital Group attaches great importance to the quality of customer service. This is a key factor in maintaining a competitive advantage on the market, and one of its most important elements is ensuring full availability of the product offer to every customer in any region of the world. In support of these goals, the Group improves logistics processes and maintains good relationships with suppliers, taking into account the need to minimize delivery costs. The Group will strengthen its market position and look for new, attractive expansion opportunities.

The most important activities for the implementation of this program are:

- Development of the capital group

The subsidiary Yato Tools (Jiaxing) headquartered in Baibu Town, a town in the Zhejiang Province of the People's Republic of China, manages a high-bay warehouse located close to two seaports, which are among the largest transshipment centres in the world, as well as relatively close to the Group's largest suppliers. It serves as the Group's central warehouse, where shipments to warehouses in Poland and Romania are consolidated, and it also serves as a local warehouse for the needs of companies located in China. The warehouse is equipped with modern warehouse automation, enabling the optimization of logistics processes, while not requiring the involvement of significant human resources. The process of supporting and developing logistics capabilities will be continued, as it is an important element of building the Group's competitive advantage in the long term.

- Development of the export channel

The military conflict between Russia, Belarus, and Ukraine is affecting sales in the export channel, primarily due to the inability to expand its sales network in these markets. Despite this situation, the Group achieved good sales growth in Ukraine in the first half of 2025. It should be emphasized that a necessary condition for maintaining this trend in the future is the stabilization of the political and macroeconomic situation in this market.

Regardless of the situation mentioned above, the Group will strengthen its position in other markets where it is present. This applies to markets where the Group has traditionally been present for many years, such as Hungary, but also in southern European countries, where the Group has previously been less visible.

The Group will also strengthen its presence outside of Europe. In these markets, the Chinese subsidiary Yato Tools (Jiaxing) will expand sales and acquire new customers. This applies primarily to South American markets, where the Group is strengthening its position, as well as African markets, which are a natural destination for expansion for Chinese companies. This subsidiary will be supported by the development of logistics processes within the Capital Group, based on a newly built warehouse in China, equipped with modern infrastructure.

- Effective product management

The Group attaches great importance to effective product management from the moment it enters the market until it is withdrawn from the offer. Currently, the Group has a very wide range of products in its portfolio, consisting of several thousand products addressed to a wide range of recipients. The Group is constantly developing its product offer with the participation of a team of Product Managers, so that it is attractive, modern and very well adapted to the expectations of a wide range of customers, both in Europe and other parts of the world, where the Group sees development potential. The team is supported by modern IT technology and systems and devices supporting product management.

This process will continue in the coming quarters.

- Development of logistics processes

The Group is working to optimize its logistics processes. Analytical work aims to identify and implement solutions that will increase the Group's competitive advantage in the long term. Operational activities that will yield short-term results primarily include equipping existing warehouses with modern tools, which will increase the efficiency of logistics processes and workplace safety. This automation will primarily support the most time-consuming warehouse operations, enabling a flexible response to fluctuating demand, minimizing process management costs while respecting the environment.

- Capital investments

The Group monitors the market in search of an attractive acquisition target that will provide added value for shareholders.

## 7. DISPUTES

As at 30 June 2025, TOYA S.A. is not a party to significant proceedings pending before a court, a body competent for arbitration proceedings or a public administration body.

## 8. TRANSACTIONS WITH RELATED PARTIES

Transactions with related entities are concluded in the normal course of the Group's business and are made on market terms. These transactions are presented in note 27 of the condensed interim consolidated financial statements and note 28 of the separate condensed interim stand-alone financial statements.

## 9. GUARANTEES GRANTED AND RECEIVED

No	Counterparty	Guarantor	Type of guarantee	Subject matter and value	Date of expiry
1	TOYA S.A.	Bank Handlowy S.A. w Warszawie	Guarantee of proper execution and timely payment for the lease of warehouses in Nadarzyn by TOYA S.A.	EUR 638,698.83	28 February 2026
2	TOYA S.A.	Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A.	Security for amounts due for customs duties, taxes and other fees in relation to goods subject to release for circulation on the basis of a customs declaration by TOYA S.A.	PLN 270,000	31 December 2025
3	TOYA Romania S.A.	BRD Groupe Societe Generale	Guarantee of payment for warehouse rental in Bucharest	EUR 335,491	3 August 2025 (*)

(\*) after the reporting period, the warranty was extended until 3 August 2026, and the amount was increased to EUR 341,601.52.



On 12 June 2019, TOYA S.A. granted a guarantee of payment of liabilities arising from warehouse and office rental agreement by Toya Romania S.A. to the landlord up to the amount of EUR 115 thousand. The lease agreement was concluded on 8 February 2019 and covers a period of 10 years, with the option of changing this period. The warranty expires 3 months after the date of termination of the lease.

On 29 March 2024, TOYA S.A. entered into a guarantee agreement with Citibank (China) Company Limited-Shanghai Branch, headquartered in the People's Republic of China, to secure the repayment of the bank's receivables arising from the agreement concluded by YATO TOOLS (Shanghai) Co., Ltd., for a short-term revolving credit facility in the amount of CNY 60,000 thousand. The agreement provides for TOYA S.A. to guarantee the liabilities of the subsidiary up to an amount of CNY 72,000 thousand. The guarantee is valid until 31 August 2025. The guarantee was measured at fair value. As of 30 June 2025, the loan obligation was fully repaid (see Note 18).

## 10. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2025, the Group had no significant contingent liabilities or contingent assets.

## 11. INFORMATION ON SIGNIFICANT EVENTS AFTER 30 JUNE 2025

No significant events occurred after 30 June 2025.

Management Board of Toya S.A.

Date	Name and surname	Position	Signature
13 August 2025	Grzegorz Pinkosz	President of the Management Board	
13 August 2025	Maciej Lubnauer	Vice-President of the Management Board	
13 August 2025	Robert Borys	Vice-President of the Management Board	
13 August 2025	Jan Jakub Szmidt	Vice-President of the Management Board	