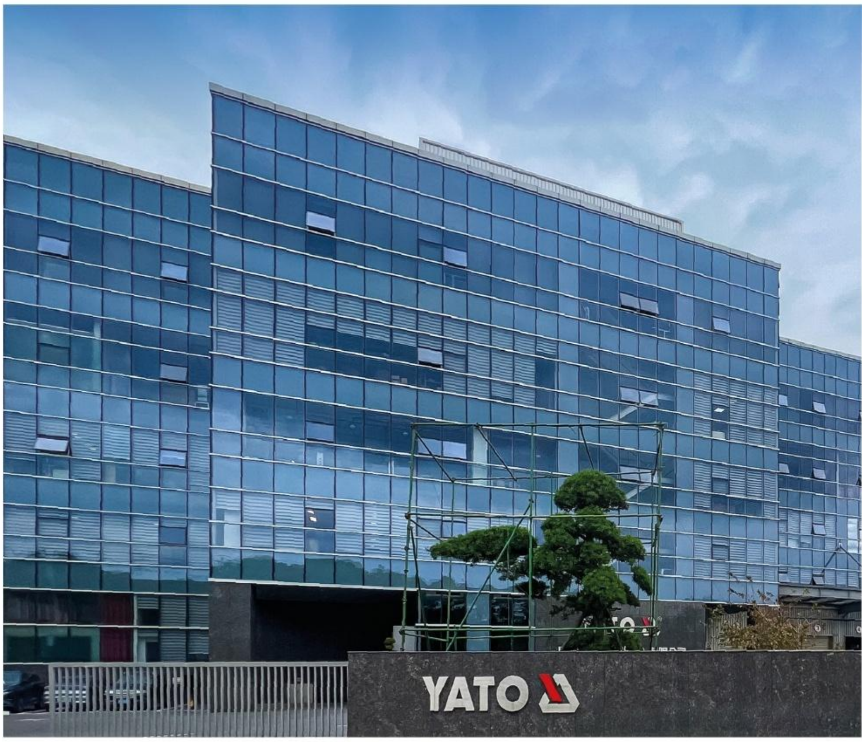

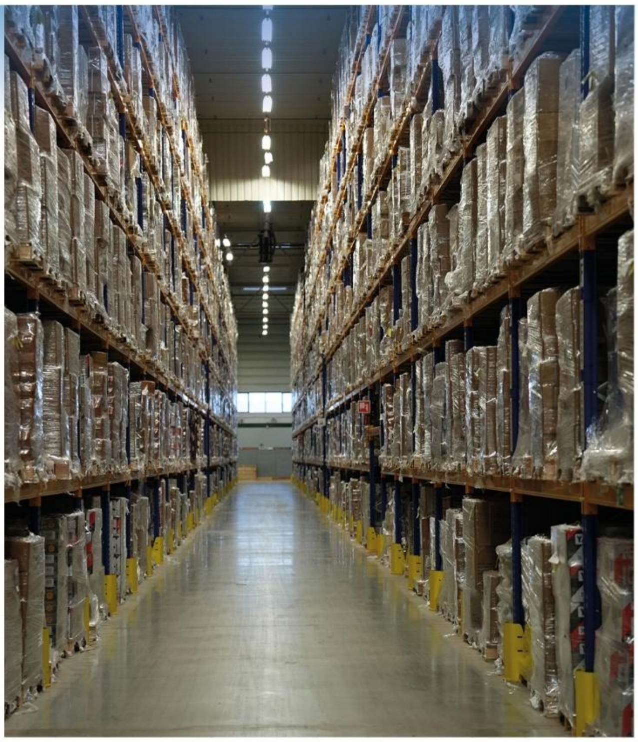


TOYA S.A.
Financial Statements for the Year Ended 31 December 2024

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(Amounts are expressed in PLN thousand, unless specified otherwise)

Statement of financial position

	Note	31 December 2024	31 December 2023
ASSETS			
Property, plant and equipment	7	21 033	18 302
Intangible assets	8	3 241	3 600
Right-of-use assets	9	16 100	19 848
Investments in subsidiaries	10	70 803	70 803
Deferred income tax assets	28	2 431	1 885
Non-current assets		113 608	114 438
Inventory	11	328 095	204 455
Trade and other receivables	12	52 968	33 290
Cash and cash equivalents	13	7 711	49 107
Current assets		388 774	286 852
Total assets		**502 382**	**401 290**
EQUITY AND LIABILITIES			
Share capital	15	7 504	7 504
Share premium		35 677	35 677
Reserve capital		329	329
Other capitals		(89)	(104)
Retain earnings	16	356 652	300 999
Equity		400 073	344 405
Lease liabilities	20	9 647	15 417
Liabilities from employee benefits	19	756	678
Other long-term liabilities		22	27
Long-term liabilities		10 425	16 122
Trade and other payables	18	71 005	25 026
Liabilities from employee benefits	19	9 495	8 180
Lease liabilities	20	6 770	4 156
Liabilities from current income tax		3 182	2 396
Provisions	21	1 432	1 005
Short-term liabilities		91 884	40 763
Total liabilities		102 309	56 885
Total equity and liabilities		**502 382**	**401 290**

(Amounts are expressed in PLN thousand, unless specified otherwise)

Statement of profit or loss

	Note	12 months ended 31 December 2024	12 months ended 31 December 2023
Revenue from sales of goods	22,23	627 541	571 836
Cost of goods sold	22, 24	(434 874)	(407 643)
Gross profit		**192 667**	**164 193**
Selling costs	24	(100 007)	(74 142)
Administrative expenses	24	(27 265)	(23 592)
Expected credit losses	12	(88)	81
Other operating revenue	26	5 329	2 739
Other operating expenses	26	(748)	(307)
Operating profit		**69 888**	**68 972**
Financial revenue	27	769	221
Financial expenses	27	(1 727)	(3 602)
Profit before tax		**68 930**	**65 591**
Income tax	28	(13 277)	(12 696)
Net profit		**55 653**	**52 895**
Net profit for the period attributable to shareholders of the Company		**55 653**	**52 895**

Earnings per share

		12 months ended 31 December 2024	12 months ended 31 December 2023
Basic earnings per share in PLN	29	**0,74**	**0,70**
- from continuing operations		0,74	0,70
- from discontinued operations		-	-
Diluted earnings per share in PLN	29	**0,74**	**0,70**
- from continuing operations		0,74	0,70
- from discontinued operations		-	-

(Amounts are expressed in PLN thousand, unless specified otherwise)

Statement of comprehensive income

	Nota	12 months ended 31 December 2024	12 months ended 31 December 2023
Net profit		**55 653**	**52 895**
Items that cannot be transferred to profit or loss			
Actuarial gains or losses	19	18	(38)
Income tax on other comprehensive income		(3)	7
Other net comprehensive income		**15**	**(31)**
Total net comprehensive income for the financial year		**55 668**	**52 864**

Total comprehensive income for the period attributable to shareholders of the Company	**55 668**	**52 864**
Other comprehensive income attributable to shareholders of the Company	**15**	**(31)**

(Amounts are expressed in PLN thousand, unless specified otherwise)

Statement of changes in equity

	Share capital	Share premium	Reserve capital	Other capitals	Retained earnings	Total equity
As at 1 January 2024	**7 504**	**35 677**	**329**	**(104)**	**300 999**	**344 405**
Comprehensive income						
Net profit	-	-	-	-	55 653	55 653
Other comprehensive income	-	-	-	15	-	15
Total comprehensive income	**-**	**-**	**-**	**15**	**55 653**	**55 668**
Transactions with owners						
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2024	**7 504**	**35 677**	**329**	**(89)**	**356 652**	**400 073**
As at 1 January 2023	**7 504**	**35 677**	**329**	**(73)**	**248 104**	**291 541**
Comprehensive income						
Net profit	-	-	-	-	52 895	52 895
Other comprehensive income	-	-	-	(31)	-	(31)
Total comprehensive income	**-**	**-**	**-**	**(31)**	**52 895**	**52 864**
Transactions with owners						
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2023	**7 504**	**35 677**	**329**	**(104)**	**300 999**	**344 405**

(Amounts are expressed in PLN thousand, unless specified otherwise)

Statement of cash flows

	Note	12 months ended 31 December 2024	12 months ended 31 December 2023
Cash flows from operating activities			
Profit before tax		**68 930**	**65 591**
Adjustments for:			
Amortisation and depreciation	24	11 208	9 219
Net interest	27	923	3 387
Profit/Loss on investing activities	26	(1 344)	(25)
Foreign exchange gains/losses		(247)	(638)
Other adjustments		35	(5)
Changes in balance sheet items:			
Change in trade and other receivables	14	(19 678)	26 896
Change in inventories	14	(123 640)	43 415
Change in provisions	14	427	(118)
Change in trade and other payables	14	45 939	2 362
Change in employee benefit liabilities	14	1 411	990
Income tax paid		(13 040)	(9 377)
Net cash from operating activities		**(29 076)**	**141 697**
Cash flows from investing activities			
Sale of property, plant and equipment		2 114	25
Purchase of property, plant and equipment and intangible assets		(8 101)	(2 076)
Purchase of shares in subsidiaries		-	-
Interest received		764	215
Net cash from investing activities		**(5 223)**	**(1 836)**
Cash flows from financing activities			
Proceeds from loans	17	31 971	-
Repayments of loans	17	(31 971)	(81 722)
Repayment of lease liabilities	20	(5 419)	(6 364)
Interest paid on loans	17	(451)	(3 249)
Interests paid on leases	20	(1 236)	(798)
Net cash from financing activities		**(7 106)**	**(92 133)**
Change in net cash and cash equivalents			
Balance sheet change in cash and cash equivalents, including:		**(41 405)**	**47 728**
- change in cash due to exchange rate differences		(41 396)	47 721
Cash and cash equivalents at the beginning of the period		9	(7)
Cash and cash equivalents at the beginning of the period	*13*	**49 107**	**1 386**
Cash and cash equivalents at the end of the period	*13*	**7 711**	**49 107**

Accounting policy and other explanatory notes

1. General information

Name of the reporting entity: TOYA S.A. (hereinafter referred to as the "Company")

Legal form of the entity: Joint-stock company

Entity's registered office address: ul. Sołtysowicka 13/15, 51-168 Wrocław

Entity's headquarters: Wrocław

Country of registration: Poland

Primary location of entity's operations: Poland

The Company is a successor of the civil law partnership "TOYA IMPORT-EKSPORT" with its registered office in Wrocław, whose partners, given the scale of the business and its rapid development, resolved to transfer the business in 1999 to a newly established joint-stock company TOYA S.A. with its registered office in Wrocław.

The Company was incorporated by virtue of a Notarial Deed of 17 November 1999 drawn up by Notary Public Jolanta Ołpińska in the Notarial Office in Wrocław (Rep. A No 5945/99).Next, pursuant to a court decision of 3 December 1999, the Company was entered in the Commercial RHB Register maintained by the District Court for Wrocław-Fabryczna, 6th Commercial Division, under entry No RHB 9053.By virtue of a decision of 5 December 2001, the District Court for Wrocław-Fabryczna, 6th Commercial Division of the National Court Register, entered the Company into the Register of Entrepreneurs under entry No. KRS 0000066712.

As at 31 December 2024, TOYA S.A. operates one branch – in Nadarzyn.

The Company's Statistical Identification Number (REGON) is 932093253, the Nadarzyn Branch has been assigned the Statistical Identification Number (REGON): 932093253-00031.

Description of the nature and basic scope of Company's activities

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 Company distributes goods manufactured and supplied mainly by companies located in China. For many years, the Company has been implementing its strategy of expanding into international markets. It focuses primarily on Central, Southern, and Eastern Europe (Romania, Ukraine, Baltic countries, Hungary, Belarus, Moldova, Czech Republic, Bulgaria and Germany). Moreover, in 2003 a subsidiary, TOYA Romania S.A., was established, whose business includes sales of hand and power tools in Romania. This company offers the same products and brands as those offered by the Company in Poland In 2008, the company Yato Tools (Shanghai) Co. Ltd., located in China, was established. The entity deals in the distribution of YATO brand tools and power tools in China and in certain other foreign markets not supported by TOYA S.A. In 2019, the company Yato Tools (Jiaxing) Co. Ltd. was founded, with its registered office in Baibu Town, China, which main business is also distribution of tools and power tools. The major part of the activities of Yato Tools (Shanghai) and Yato Tools (Jiaxing) is supply chain management to companies in Poland and Romania.

Duration of the Company is unlimited.

Toya S.A. is the parent company of the TOYA S.A. Capital Group.

In period from 1 January to 26 June 2024, 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.

On 26 June 2024, the Supervisory Board appointed Mr. Jan Jakub Szmidt to the position of Vice-President of the Management Board. From that day until 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 period from 1 January to 26 June 2024, the Supervisory Board was composed of the following members:

- Piotr Mondalski — President of the Supervisory Board;
- Jan Szmidt — Vice-President of the Supervisory Board;
- Dariusz Górka — Member of the Supervisory Board;
- Michał Kobus — 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.

On 26 June 2024, the Annual General Meeting of Shareholders appointed members of the Supervisory Board of the Issuer for a new term of office. From that day until the date of approval of this report for publication, the Supervisory Board was composed of the following members:

- Piotr Mondalski — President of the Supervisory Board;
- Jan Szmidt — Vice-President of the Supervisory Board;
- Dariusz Górka — 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.

These financial statements of the Company cover the year ended on 31 December 2024. Comparative data is presented:

- as at 31 December 2023 - for the statement of financial position,
- for the period from 1 January 2023 to 31 December 2023 - for the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity.

These financial statements of the Company for the year ended 31 December 2024 were approved for publication by the Management Board on 27 March 2025.

The Company has also prepared the consolidated financial statements for the year ended 31 December 2024, which were approved for publication by the Management Board on 27 March 2025.

2. Summary of significant accounting policies

The most significant accounting principles applied for the drawing up of these financial statements have been presented below. Those principles were applied in all periods presented in a continuous way, unless stated otherwise.

2.1 Basic of preparation

These financial statements of the Company for the financial year ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board, as adopted by the European Union ("EU").

These financial statements have been prepared in accordance with IFRS and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") which were issued and in effect as at the reporting date 31 December 2024.

The policies described below have been consistently applied to all the periods presented, except for changes resulting from the application of new or amended IFRS from 1 January 2024, which were described below.

In these financial statements, the Company has presented a separate statement of profit or loss and statement of comprehensive income, while in 2023 these statements were presented in one table as a statement of profit or loss and other comprehensive income. This change was introduced to adapt the presentation format to management reporting standards and to provide greater transparency of the financial information.

These financial statements have been prepared in accordance with the historical cost convention.

The preparation of financial statements in conformity with IFRS requires use of significant accounting estimates. It also requires the Management Board to exercise judgement in the process of applying the accounting policies adopted by the Company. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are material from the point of view of the financial statements are disclosed in note 4.

<u>Going concern</u>

These financial statements have been prepared on the assumption that the Company will continue as going concerns in the foreseeable future.

2.2 Effect of new standards and interpretations on the Company's financial statements

These financial statements have been prepared on the basis of the EU IFRS issued and effective as at the reporting date, i.e. 31 December 2024.

The EU IFRS comprise all International Accounting Standards, International Financial Reporting Standards and related Interpretations, excluding Standards and Interpretations listed below, which are awaiting approval by the European Union.

a) New standards, interpretations and amendments to existing standards effective in 2024

- **Amendment to IAS 1 "Presentation of Financial Statements"**

The amendment clarifies that at the balance sheet date, an entity does not take into account covenants that will have to be met in the future when considering whether to classify liabilities as long-term or short-term. Instead, an entity should disclose information about these covenants in the notes to the financial statements.

This amendment did not affect the Company's financial statements.

- **Amendment to IAS 1 "Presentation of Financial Statements"**

The IASB clarified the principles for classifying liabilities as long-term or short-term, primarily in two respects:

- it was clarified that the classification depends on the rights held by the entity at the balance sheet date,
- the intentions of management with respect to acceleration or delay of payment of the liability are not taken into account.

This change had no impact on the Company's financial statements.

- **Amendment to IFRS 16 "Leases"**

The amendment clarifies the requirements for measuring the lease liability arising from a sale and leaseback transaction. It is intended to prevent incorrect recognition of the result on the transaction in the retained right-of-use asset part when the lease payments are variable and do not depend on an index or rate.

This amendment did not affect the Company's financial statements.

- **Amendments to IAS 7 "Cash Flow Statement" and IFRS 7 "Financial Instruments – Disclosures"**

The amendments clarify the features of agreements for financing liabilities to suppliers (so-called reverse factoring agreements) and introduce the obligation to disclose information on agreements concluded with suppliers, including their terms, amounts of these liabilities, payment terms and information on liquidity risk.

This amendment did not affect the Company's financial statements.

b) New standards, interpretations and amendments, which are not yet effective and have not been applied early by the Company

Standards and Interpretations - approved by the European Union, which have not yet come into force for annual periods beginning on 1 January 2024

Standards and Interpretations	**Type of anticipated change in accounting policies**	**Possible impact on the financial statements**
Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" Effective for annual periods beginning on or after 1 January 2025	The amendment clarifies how an entity should assess whether a currency is convertible and how it should determine the exchange rate in the event of non-convertibility, and requires disclosure of information that enables users of financial statements to understand the effect of non-convertibility of a currency.	The changes are not expected to have a significant impact on the Company's financial statements.

Standards and Interpretations awaiting European Commission endorsement

Standards and Interpretations	***Type of anticipated change in accounting policies***	**Possible impact on the financial statements**
Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" regarding classification and measurement of financial instruments Effective for annual periods beginning on or after 1 January 2026	The amendments to IFRS 9 introduce a choice of accounting policy regarding the timing of extinguishment of the obligation when payment is made via an electronic payment system (if certain conditions are met). The amendments to IFRS 9 regarding the SPPI test provide guidance to help assess whether the cash flows resulting from the contract are consistent with a *basic lending arrangement*. In addition, the amendments introduce a clearer definition of the *non-recourse feature*.	The changes are not expected to have a significant impact on the Company's financial statements.

Standards and Interpretations	***Type of anticipated change in accounting policies***	**Possible impact on the financial statements**
	The amendments to IFRS 9 also provide additional guidance on the characteristics of *contractually linked instruments*. The amendments to IFRS 7 add new disclosure requirements: • for investments in equity instruments designated as measured at fair value through other comprehensive income, • for each class of financial assets measured at amortized cost or at fair value through other comprehensive income, and for financial liabilities measured at amortized cost.	
Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" regarding PPAs (Contracts Referencing Nature-dependent Electricity) Effective for annual periods beginning on or after 1 January 2026	The amendments to IFRS 9 include information on which PPAs can be used for hedge accounting and what specific terms are permitted in such hedging relationships. The amendments to IFRS 7 introduce new disclosure requirements for PPAs as defined in the amendments to IFRS 9.	The changes are not expected to have a significant impact on the Company's financial statements.
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7 Effective for annual periods beginning on or after 1 January 2026	Annual Improvements – only formal/organizational changes in the standards	The changes are not expected to have a significant impact on the Company's financial statements.
New IFRS 18 "Presentation and Disclosures in Financial Statements" Effective for annual periods beginning on or after 1 January 2027	The new standard will replace IAS 1 "Presentation of Financial Statements". IFRS 18 introduces, among others: • a new structure of the profit and loss statement, • increased requirements for data aggregation and disaggregation, • requirements for disclosure of *management-defined performance measures.*	As of the date of publication of this standard, the impact of the new standard on the financial statements is not yet known.
New IFRS 19 "Subsidiaries without public accountability: Disclosures" Effective for annual periods beginning on or after 1 January 2027.	The standard applies to subsidiaries without public accountability for which their parent prepares consolidated financial statements in accordance with IFRS. The new IFRS 19 exempts from the disclosures required by other standards, and introduces a new list in their place.	The changes are not expected to have a significant impact on the Company's financial statements.

As at the date of approving of these financial statements for publication, The Management Board has not yet completed works on the assessment of the impact of introducing the above standards and amendments to standards on the accounting principles (policy) applied by the Company in relation to the operations or its financial results, however as at the date of approval of these financial statements for publication, the Management Board does not expect the introduction of other standards and amendments to standards to have a significant impact on the accounting principles (policy) applied by the Company.

2.3 Interest in subsidiaries

Interests in controlled entities are recognised at acquisition cost.

Investments in subsidiaries are tested for impairment whenever there is indication of impairment or indication that any previously recognised impairment loss is no longer required or has decreased.

2.4 Segment reporting

Information on operating segments is presented on the same basis as that used for internal reporting to the Company's Management Board which is responsible for the allocation of resources and assessment of the segments' results. Amounts presented in the internal reporting process are measured using the same policies as those followed in these financial statements prepared in accordance with the UE IFRS.

2.5 Valuation of items denominated in foreign currencies

Functional currency

Items contained in the Company's financial statements are measured in the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in the Polish zloty, which is the functional currency and the presentation currency of the Company.

Transactions and balances

Transactions expressed in foreign currencies are translated into the functional currency according to the exchange rate applicable on the transaction date. Any currency exchange gains or losses arising on settlement of such transactions or on accounting measurement of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss and presented on net basis in other income or other operating expenses.

Monetary assets and liabilities expressed in foreign currencies are translated as at the reporting period end date using the average market rate effective for the given currency for that date.

Non-monetary assets and liabilities carried at historical cost in a foreign currency are translated using the average market rate effective for the transaction date. Non-monetary items of the statement of financial position expressed in foreign currencies which are carried at fair values are translated using the average market exchange rate effective for the fair value measurement date.

2.6 Property, plant and equipment

Property, plant and equipment are stated at acquisition or production cost less accumulated depreciation and potential accumulated impairment.

The acquisition price includes the purchase price of an asset (i.e. the amount due to a seller, decreased by deductible taxes: VAT and excise duty), public charges (in the case of imports) and expenditure directly attributable to the acquisition of the asset and its adaptation for its intended use, including the costs of transport, loading and unloading. Rebates, discounts as well as other similar concessions and recoveries decrease the asset acquisition cost.

Production cost of a tangible fixed asset or a tangible fixed asset under construction includes all the expenses incurred by the entity during its construction, assembly, adaptation or improvement, incurred until the date on which the asset became available for use, including any non-deductible VAT and excise duties.

Any subsequent expenditure on replacement of parts of items of property, plant and equipment is capitalised if it can be measured reliably and it is probable that the Company will derive economic benefits associated with the replaced items. Repair and maintenance costs are charged to profit or loss as incurred.

Except for land and tangible non-current assets under construction, all items of property, plant and equipment are depreciated over their estimated useful lives using the straight-line method, taking into account the residual value, if material. The following groups are depreciated using the following depreciation rates:

- buildings and structures from 10 to 40 years;
- plant and equipment from 2 to 10 years;
- vehicles from 2 to 10 years;
- other tangible fixed assets from 2 to 20 years.

Correctness of the applied useful lives, depreciation methods and residual values (except where insignificant) is reviewed by the Company on an annual basis. Any changes are presented as changes in accounting estimates and their effect is taken to profit or loss in the period when the estimate changes and in subsequent periods.

Significant components of property, plant and equipment are depreciated based on their estimated useful lives.

Any gains or losses on the disposal or liquidation of items of property, plant and equipment are determined as the difference between the revenue from the sale and the carrying amount of the items, and recognised in profit or loss.

Tangible fixed assets under construction are stated at cost or at the amount of the aggregate expenses directly associated with their production, less impairment. The cost of borrowings contracted to finance tangible fixed assets under construction increases their value.

2.7 Intangible assets

Intangible assets are stated at acquisition or production cost less accumulated amortisation and impairment.

Any subsequent expenditure on existing intangible assets is capitalised only when it increases the future economic benefits to be generated by the asset. Other expenditures are taken to profit or loss as incurred.

The period and method of amortisation of intangible assets are reviewed at the end of each financial year. Any changes are recognised as changes in accounting estimates and their effect is charged to profit or loss in the period in which the amortisation rates are changed and in subsequent periods.

Amortisation is calculated over the estimated useful life of intangible assets, using the straight line method. The amortisation rates applied to intangible assets are as follows:

- trademarks 10 years;
- licences and software from 1 to 20 years.

2.8 Leases

a) Right-of-use assets

The Company recognizes right-of-use assets on the lease commencement date (i.e. on the day when the underlying asset is available for use). Right-of-use assets are measured at cost, less total depreciation and impairment losses, adjusted for any revaluation of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and any lease payments paid on or before the lease start date, less any incentives received. Unless the Company is sufficiently certain that it will obtain the ownership title to the leased asset at the end of the lease period, the recognized right-of-use assets are amortized using the straight-line method, over the shorter of the two periods: estimated useful life of the leased asset or lease period. Right-of-use assets are subject to impairment assessment.

Right-of-use assets are presented in the statement of financial position as a separate line item.

b) Lease liability

At the lease commencement date, the Company measures the lease liabilities at the amount of the current value of the future lease payments, remaining to be paid on that date. Lease payment include fixed fees (essentially fixed lease payments) less any lease incentives due, variable fees that depend on the index or rate, and amounts expected to be paid under the guaranteed residual value. Lease payments include also the price of the call option (if it can be assumed with sufficient certainty that the Company will exercise it) and the payment of fines for termination of the lease (if the lease provides for the option of terminating the lease by the Company). Variable lease payments that do not depend on an index or rate are recognized as costs in the period in which the event or condition giving rise to the payment occurs.

When calculating the current value of future lease payments, the Company uses the lessee's marginal interest rate determined on the day the lease starts. After the start date, the amount of the lease liability is increased to reflect interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured in the event of a change in the lease period or a change in the principal fixed lease payments.

c) Short-term lease and lease of low-value assets

The Company applies the exemption from recognizing short-term leases to its short-term lease contracts (i.e. contracts for which lease period is 12 months or less from the commencement date and does not contain purchase option). The Company also applies an exemption regarding the recognition of leases of low-value assets in relation to its low-value leases. Lease payments for short-term leases and leases of low-value assets are recognized as costs, using the straight-line method, over the duration of the lease contract.

2.9 Impairment on non-financial non-current assets

As at the end of each reporting period, the Company assesses whether there is any evidence that any of its non-financial non-current assets may be impaired. If the Company finds that there is such evidence, or if the Company is required to perform annual impairment tests (in the case of goodwill), the Company estimates the recoverable amount of the given asset or cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit (“CGU”) is equal to the higher of the asset’s or cash-generating unit’s fair value less costs to dispose or its value in use. The recoverable amount is determined for individual assets unless a given asset does not generate separate cash inflows largely independent from those generated by other assets or asset groups. If the carrying amount of an asset is higher than its recoverable amount, the asset is impaired and an impairment loss is recognised up to the established recoverable amount. The impairment loss is allocated in the following order: first, the carrying amount of goodwill is reduced, and then the carrying amounts of other assets of the cash-generating unit are reduced pro rata.

Impairment losses related to assets are disclosed under the cost categories corresponding to the function of the asset with respect to which impairment has been identified.

As at the end of each reporting period, the Company assesses whether there is evidence that any impairment loss recognised in the previous periods with respect to a given asset or cash-generating unit is no longer necessary or should be reduced. If such evidence exists, the Company measures the recoverable amount of the given asset or CGU.

2.10 Borrowing costs

Borrowing costs that are directly attributable to acquisition or production of assets which take a substantial period of time to become available for their intended use, are capitalised (unless immaterial) as part of the cost of tangible non-current assets or intangible assets, as appropriate, until such assets become available for their intended use.

2.11 Financial assets

Upon initial recognition, financial assets are measured at fair value of the consideration given plus transaction costs, with the exception of financial assets at fair value through profit or loss in the case of which the transaction costs are charged to profit or loss. Purchases and sales of financial instruments are recognised as at the date of the transaction. A trade receivable without a significant financing component is initially measured at the transaction price at the time it arises.

Financial assets are derecognised when the rights to receive cash flows from these assets have expired or have been transferred and substantially all risks and rewards incidental to ownership of such assets have been transferred. If there has been no transfer of substantially all the risks and rewards of the asset, the asset is derecognised when the Company loses control over the asset.

The Company classifies its financial assets to the following categories:

a) measured at amortized cost;

b) measured ad fair value through profit or loss;

c) measured at fair value through other comprehensive income;

The classification depends on the Company's business model objective for its financial assets as well as the characteristics of contractual cash flow from those instruments. For financial assets, reclassification is performed, if and only if the entity's business model objective for its financial assets has changed.

a) <u>financial assets measured at amortized cost</u>

Financial assets held to receive contractual cash flows, which include only repayment of principal amount and interest, are measured at amortised cost. The Company classifies trade receivables and cash and cash equivalents into this category of financial assets. Interest revenue (for receivables with a deadline for repayment of over 1 year) are determined using effective interest rate method and recognized as “financial income” in statement of profit or loss. Impairment losses on trade receivables are recognised in line with the accounting policy described in note 2.12 and are recognized in cost of sales.

As at 31 December 2024 and 2023, the Company did not held any assets qualified within the remaining two categories, i.e. (ii) measured ad fair value through profit or loss, and (iii) measured at fair value through other comprehensive income.

2.12 Impairment of financial assets

The Company performs individual and group analysis of impairment of trade receivables.

Receivables are analysed individually when there is an objective evidence of impairment that may have a negative effect on the amount of future cash flows. Significant objective conditions include, for example, taking legal action against a debtor, serious financial problems of the debtor, significant overdue payments.

In the case of short-term trade receivables analysed in groups, which do not have a significant financing element, the Company applies the simplified approach required in IFRS 9 and measures impairment losses in the amount of credit losses expected throughout the lifetime of the receivable from its initial recognition. The Company utilizes provision matrix where a fixed provision rate applies depending on the number of days that a trade receivable is outstanding.

For the purpose of estimation of the expected credit losses, trade receivables are grouped on the basis of credit risk characteristics (separate groups were determined for certain distribution channels – receivables from export customers, network customers, wholesale customers and individual customers). Customers credit non-performance analysis was performed for the last 3 years, to determine the general non-performance ratios.

These ratios are determined for the following ranges:

- not yet due;
- past due under 30 days;
- past due from 30 to 60 days;
- past due from 60 to 90 days;
- past due over 90 days.

Historical data on receivables referred to court and written-down as well as information about share of amounts received in each time range indicated above, are used in determination of non-performance ratio for each time range. Other factors, such as insurance of receivable or expected impact of future events, are also taken into consideration.

Impairment write-down is estimated considering non-performance ratios, adjusted for expected impact of future events and based on balance of outstanding receivables as of the balance sheet date, for each of the time ranges indicated above.

2.13 Inventory

Inventory includes goods for resale and assets for expected returns.

Goods for resale are measured at the costs of acquisition not higher than net realisable value.

Net realisable value is equal to the estimated selling price of an item of inventory less any costs of completion and costs necessary to make the sale.

Inventory decrease is measured based on average prices, i.e. determined as weighted average prices of individual goods for resale.

The assets for expected returns, (i.e. value of goods which are expected to be returned by customers in accordance with the right provided to customers in the agreement or under the binding laws and regulations - please refer to revenue recognition policy in note 2.21) are estimated based on historical data, including ratio of returns from customers to revenue from sales for the period of last 3 years. Estimated value of these assets offsets the costs of goods sold.

The amount of an impairment loss is calculated based on rotation of individual items of goods for resale and it depends on the ratio of inventory level and the quantity of goods sold over the last 12 months. Items for which inventory level exceeds sales expected for the 2-years period are written off**.** Inventory impairment is recognised in relation to goods which are in the permanent offer of the Company due to the need to obtain reliable historical data in terms of actual data over a longer period of time. New products are excluded from the calculation of impairment loss, due to the period required to place the new product on the market and lack of sufficient historical data for further analysis.

Impairment losses on inventory are recognised in cost of sales.

2.14 Cash and cash equivalents

Cash and cash equivalents disclosed in the statement of financial position include cash at bank and in hand as well as highly liquid current financial assets whose original maturity does not exceed three months and which are readily convertible into specific cash amounts and subject to insignificant risk of fluctuation in fair value.

2.15 Equity

Equity is disclosed in the accounting records divided into categories, in accordance with the rules set forth in applicable laws and the provisions of the Company's Articles of Association.

The particular categories of equity are:

- share capital of the Company – stated at its par value as specified in the Company's Articles of Association and entered in the court register,
- share premium is stated in the proceeds from the issue of shares in the amount exceeding the par value of shares, less transactions costs associated with the public share issue,
- reserve capital for buyback of own shares is created based on the resolution of General Shareholders' Meeting,
- other capitals include actuarial gains and losses arising from the actuarial valuation of provisions for pensions and related benefits,
- retained earnings – comprising profit/(loss) distributions, undistributed profit/(loss), and net profit/(loss) for the reporting period to which given financial statements relate.

Transaction cost related to the public share issue is taken to equity and reduces the share premium account as at the share issue date. Transaction cost related to the purchase of own shares reduces the amount of reserve capital created for this purpose by General Shareholders Meeting.

2.16 Bank loan liabilities

Bank loans are initially recognised at fair value less transaction cost. Following initial recognition, bank loans are measured at amortized cost, using the effective interest method.

2.17 Trade and other payables

Trade payables are initially recognised at fair value, and subsequently, where the discount effect is material, they are measured at amortised cost using the effective interest method.

Other liabilities include liabilities arising from returns of goods from customers (in accordance with the right provided to customers in the agreement or under the existing laws and regulations - please refer to revenue recognition policy in note 2.21). Value of these liabilities is estimated based on historical data, including ratio of returns from customers to revenue from sales for the period of last 3 years. At the same time, the Company recognizes in inventories the asset for goods which the customers are expected to return, with the offsetting entry to cost of goods sold (see note 2.13).

According to the regulations of European Parliament and other laws in force, i.e. EU Waste Electrical and Electronic Equipment Act, the Company, as entity that places electrical and electronic equipment, batteries, containers and products such as oils and tires on the market, is subject to Extended Producer Responsibility, under which it is responsible for the products at the stage when it becomes a waste. The Parent Company is obliged to finance a system for collecting and recycling waste generated from products and packaging introduced by the Company. These obligations are fulfilled by concluding an agreement with Recovery Organizations. Costs arising from these contracts are recognized throughout the period and settled at the end of the financial year after receipt of the final invoice.

2.18 Current and deferred income tax

Mandatory decreases of profit include current and deferred income tax.

- **Current tax**

Current tax expense is calculated based on the taxable profit for the given reporting period. Tax expense is calculated based on tax rates applicable during the fiscal year in question.

- **Deferred income tax**

Deferred tax assets and liabilities are determined based on temporary differences between the accounting and tax values of assets and liabilities.

Deferred tax assets are recognised only if it is probable that the Company will have future taxable profits allowing for utilisation of the temporary differences and deduction of the tax losses. Deferred tax assets are determined as the amount of income tax recoverable in the future in respect of deductible temporary differences which will reduce future income tax base and any deductible tax loss, determined in accordance with the prudence principle.

The amount of deferred tax assets and liabilities is determined using income tax rates which will be effective when a deferred tax asset is utilised or a deferred tax liability arises.

Deferred tax assets and liabilities have been offset at the level of individual entity level, as at this level the criteria of IAS 12 “Income taxes” with respect to offsetting deferred tax assets against deferred tax liabilities were met.

A deferred tax liability is recognised for temporary differences associated with investments in subsidiaries and jointly-controlled entities, except where the Company controls the reversal of such temporary differences and it is probable that such differences will not reverse in the foreseeable future.

2.19 Liabilities from employee benefits

- **Post-employment benefit plan – the defined contribution plan**

The Company participates in the national post-employment benefit plan by paying an appropriate percentage of an employee’s gross pay as a contribution to the Social Insurance Institution (ZUS). This plan is a defined contribution plan. The contributions are expensed as paid.

From 2019, the Company participates also in the Employee Capital Plans program by paying the appropriate percentage of gross pay as a contribution. This program is a defined contribution program and the contributions paid are recognized as an expense when incurred.

- **Post-employment benefit plan - the defined benefit plan (retirement severance pays) and other benefits**

In accordance with the Labour Code and applicable remuneration systems and rules, employees of the Company are entitled to death benefits and retirement severance pays. Death benefits are one-off benefits paid to the family of an employee, following the employee's death. Retirement severance pays are one-off benefits paid when an employee retires. The plan is fully financed by the Company. The amount of a retirement severance pay or death benefit depends on the length of employment and average remuneration of a given employee. The Company accrues for future retirement severance pay and death benefit obligations in order to attribute costs to the periods to which they relate.

The present value of such obligations is determined by an independent actuary using the projected unit credit method. Accrued liabilities are equal to the discounted future payments, taking into account the employee turnover, and relate to the period until the end of the reporting period. Demographic information and information on staff turnover are based on historical information. Actuarial gains and losses are recognised in profit or loss, except for actuarial gains and losses recognised in other comprehensive income.

2.20 Provisions

Provisions are created when the Company has a present obligation (legal or customarily expected) resulting from past events and when it is probable that the discharge of this obligation will result in an outflow of economic benefits, and the obligation can be measured reliably.

A provision is recognised as a reliable estimate of the amount required to settle the existing obligation, made as at the end of the reporting period taking into account the risks and uncertainties associated with the obligation.

In particular, a provision is created for the expected returns and complaints. The provision for returns is estimated based on the actual quantity of goods sold over the last 12 months period and taking into consideration the defined failure ratio and average cost of servicing customer complaints. Parameters required for calculation of this provision, for the period of previous 3 years, are updated on an annual basis.

2.21 Recognition of revenue

Revenue is recognised at fair value of consideration received or receivable, net of VAT, returns, rebates and discounts. The Company recognizes revenue from contracts with customers when all of the following five criteria are met:

- the contract has been approved (in writing, orally, or in accordance with other customary business practices) and the parties are committed to perform their obligations in the contract;
- each party's rights regarding the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance (i.e. the risk, timing or amount of the vendor's future cash flows is expected to change as a result of the contract);
- it is probable that the consideration for the exchange of the goods or services that the vendor is entitled to will be collected.

In particular, revenue from sales of goods is recognized in accordance with rules described above. The sales agreement with customer contains only one performance obligation – obligation to deliver goods to customer, therefore revenue is recognized at the specified point in time. The entity recognizes revenue when the goods are transferred to the customer. The transfer of control over the asset takes place at the time specified under Incoterms or in accordance with agreements concluded with customers.

Revenue from sales of goods include transportation services, provided by external parties, costs of which are incurred by the customers, in case the Company is responsible for organizing the transportation and bears the risks during the transport.

Some contracts with customers contain elements of variable consideration, arising from rebates granted to customers, including these tied to achieving a set level of turnover. In accordance with requirements of IFRS 15, the Company estimates amounts of rebates owned to customers and recognizes these rebates as an offsetting entry to revenues from sales and as a trade liability.

Some contracts with customers contain right to return goods. In accordance with the applicable laws and regulations, the customer has a right to withdraw from the purchase agreement within 14 days from the date of delivery of goods.

(Amounts are expressed in PLN thousand, unless specified otherwise)

This right applies to customers who purchase goods at internet store toya24.pl and other shopping portals. In addition, the Company extends the right of return of purchased goods, within limited period of time, to some of its customers. The Company estimates the potential liability arising from these rebates and if the estimated liability is material, the Company recognizes this amount as an offset to revenues from sales and as a liability due to expected returns in "trade liabilities" line (note 2.17). At the same time, the Company recognizes the estimated amount of inventories to be returned by the customers and recognizes this amount as inventory and offset to costs of goods for resale sold (note 2.13).

2.22 Dividends

The obligation to pay dividends is recognized when the shareholders' right to receive such dividends is approved.

3. Foreign currencies used in preparation of these financial statement

Foreign currency items of the statement of financial position were translated using the following exchange rates:

Currency	31 December 2024 (*)	31 December 2023
1 EUR	4.2730	4.3480
1 USD	4.1012	3.9350
1 CNY	0.5621	0.5534

(*) in accordance with NBP table No. 252/A/NBP/2024 of 31 December 2024

4. Material accounting estimates and judgements

Estimates and judgements are verified on an ongoing basis. Estimates and judgements used during the preparation of the financial statements are based on historical experience as well as analyses and expectations of future events which, to the best knowledge of the Management Board, are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the actual results. The estimates and assumptions that involve a significant risk of the necessity to make a material adjustment to the carrying amounts of assets and liabilities during the current or following financial year are outlined below.

- **Revenue recognition – variable consideration and returns**

Some contracts with customers contain elements of variable consideration, arising from rebates granted to customers, including these tied to achieving a set level of turnover.

In accordance with IFRS 15, where a contract contains elements of variable consideration, the entity will estimate the amount of variable consideration to which it will be entitled under the contract in exchange for transferring promised goods or services to the customer. Variable consideration is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved. The Company estimates the potential liability arising from rebates granted to customers, and if the estimated liability is material, the Company recognizes this liability as an offset to revenues from sales and as a trade liability. At the end of the financial year, the rebates were largely settled.

- **Useful lives and depreciation rates for property, plant and equipment**

The Company's Management Board determines estimated useful lives and depreciation rates for tangible non-current assets. The estimates are based on the projected useful lives for individual assets. The estimates may change materially as a result of new technological solutions emerging on the market, plans of the Company's Management Board, or intensity of use. The Management Board increases or decreases a depreciation rate for a given asset if its useful life proves shorter or longer than expected, respectively, and revalues technologically obsolete assets, and assets which are not of strategic importance and whose use has been discontinued.

If the actual useful lives of property, plant and equipment had been by 10% shorter than the Management Board's estimates, the depreciation of property, plant and equipment would have been higher by PLN 671 thousand as at 31 December 2024 (PLN 391 thousand as at 31 December 2023).

- **Lease period for contracts concluded for an unspecified period of time**

The Company is a party to contracts with an indefinite term. When determining the lease period, the Company determines the period of contract enforceability. Leasing ceases to be enforceable when both the lessee and the lessor have the right to terminate the contract without having to obtain permission from the other party without incurring more than insignificant penalties. The Company assesses the significance of broadly understood penalties, meaning that apart from contractual or financial matters, it also takes into account all other significant economic factors discouraging the termination of the contract (e.g. significant investments in leased asset, availability of alternative solutions, relocation costs). If neither the Company as the lessee nor the lessor incurs a significant penalty for termination (broadly understood), leasing ceases to be enforceable and its period is a termination notice period.

- **Lessee's marginal interest rate**

The Company is not able to easily determine the interest rate for some lease contracts, which is why it uses the lessee's marginal interest rate when measuring the lease liability. This is the interest rate that the Company would have to pay to borrow (for a similar period, in the same currency and with similar collateral) the funds necessary to purchase an asset with a similar value as the right-of-use asset in a similar economic environment.

- **Provisions**

As at each end of a reporting period, the Management Board of the Company makes material estimates of provisions:

- provisions for guarantees and complaints – estimated level of the ratio used to perform calculations in accordance with the policy described in note ; This ratio was determined on the basis of historical costs and claims and is verified on a regular basis through reference with actually incurred costs; for details on the amount of the provision, see note 21;
- other provisions resulting from claims brought against the Company – the values are determined taking into consideration the probability of having to pay the obligation and the amount of potential claim.

- **Write-downs of inventories to net realizable value**

When determining the amount of the inventory write-down, the Company analyses the rotation of goods. The estimated average period during which the product is sold, and beyond which a write-down is created in accordance with the policy described in note 2.13; for details on the amount of the write-down, see note 11.

(Amounts are expressed in PLN thousand, unless specified otherwise)

- **Expected credit losses**

The Company utilizes provision matrix to estimate expected credit losses in relation to trade receivables. For the purpose of estimation of the expected credit losses, trade receivables are grouped on the basis of credit risk characteristics. Historical data regarding credit losses, adjusted for expected impact of future events, is used by the Company in estimation of the expected credit losses, in accordance with the policy described in note 2.12; for details on the amount of the write-down, see note 12.

5. Financial risk management

The Company's business activities expose it to a number of various financial risks, such as market risk (including foreign exchange risk and the risk of fair value or cash flow changes as a result of interest rate movements), credit risk and liquidity risk. The Company's overall risk management programme is designed to mitigate the potential effect of risk on the Company's financial performance. The Company does not use derivatives to hedge against those risks.

The Management Board defines overall risk management rules as well as the policy for specific areas such as credit risk or investing liquidity surpluses.

5.1 Market risk

Foreign exchange risk

Currently the Company purchases significant amounts of goods from foreign suppliers, located primarily in China, at prices denominated in foreign currencies, particularly in CNY and USD. The currency structure of trade liabilities is presented below:

	31 December 2024	31 December 2023
PLN	20%	47%
USD	7%	32%
EUR	0%	1%
CNY	73%	20%
TOTAL	**100%**	**100%**

The Company may use EUR and USD denominated credit facilities available under executed credit facility agreements. As at 31 December 2024 and 31 December 2023, the Company has no loan liabilities denominated in foreign currencies.

As at 31 December 2024 cash in foreign currencies (EUR and USD) represented 1% of the total cash (as at 31 December 2023 - 3%).

31.3% of the Company's revenue is generated from exports, at prices denominated in foreign currencies — mainly USD. As at 31 December 2024, trade receivables in USD represented 14% of the total trade receivables (6% as at a 31 December 2023). In addition, 8% of the total balance are receivables denominated in EUR (as of 31 December 2023: 8%).

There is a risk that future fluctuations of exchange rates may have a negative or positive effect on the Company's financial performance. So far, the Company has not used derivative financial instruments to hedge against the results of future changes in exchange rates. The sensitivity of the gross financial result to the increase in the exchange rates of individual currencies as at 31 December 2024 and 31 December 2023 by 10% is presented below, with other conditions unchanged. The sensitivity is determined as a result of the conversion of the impact of the higher / lower exchange rate on the revaluation of the balances of trade receivables and liabilities and others expressed in currencies.

(Amounts are expressed in PLN thousand, unless specified otherwise)

10% currency rate increase as of 31 December 2024	USD	EUR	CNY	TOTAL
Trade and other receivables	767	419	-	1 186
Trade and other payables	(412)	(2)	(4 526)	(4 940)
TOTAL impact on 2024 result	**355**	**417**	**(4 526)**	**(3 754)**

10% currency rate increase as of 31 December 2023	USD	EUR	CNY	TOTAL
Trade and other receivables	187	275	-	462
Trade and other payables	(607)	(24)	(381)	(1 012)
TOTAL impact on 2023 result	**(420)**	**251**	**(381)**	**(550)**

According to the Company’s Management Board, foreign exchange risk concentration Is low, because to a large extent balances denominated in foreign currencies are offsetting each other.

Risk of interest rate changes affecting cash flows and fair values

As of 31 December 2024, the Company had no interest-bearing assets. As of 31 December 2024, the Company had cash in bank accounts bearing interest based on a variable interest rate (short-term bank deposits), which exposes the Company to the risk of changes in cash flows as a result of changes in interest rates, however, due to the amount of these interest, the risk is not significant. The Company does not have any other interest-bearing assets.

The Company's policy envisages the use of bank loans bearing interest at variable rates. This exposes the Company to the risk of changes in cash flows as a result of changes in interest rates. As at 31 December 2024 and 2023, the Company had no debt under bank loans but used current account loans with variable interest rates during the year.

The Company monitors its exposure to the risk of interest rate changes affecting its cash flows and fair values. The Company runs simulations of various scenarios, taking into consideration refinancing, roll-over of the existing positions, and alternative financing. The Company uses these scenarios to assess the impact of a change in interest rates on its financial performance. Simulations are run for bank deposits and liabilities, which represent the largest items exposed to interest rate risk.

The analysis of sensitivity to the risk of cash flows due to changes in interest rates presented below was prepared on the basis of financial instruments based on variable interest rates. The financial instruments held by the Company were based on WIBOR rates. The impact of changes in market interest rates on the financial result was calculated as the product of the liability balances at the end of individual months of 2024 and 2023 and the assumed deviation for the WIBOR rate.

	+50 basis points	-50 basis points
	Effect on profit before income tax	**Effect on profit before income tax**
Financial assets		
Cash in bank accounts	122	(122)
Financial liabilities		
Variable interest rate loans	(34)	34
Total for 2024	**88**	**(88)**

(Amounts are expressed in PLN thousand, unless specified otherwise)

	+50 basis points	-50 basis points
	Effect on profit before income tax	Effect on profit before income tax
Financial assets		
Cash in bank accounts	43	(43)
Financial liabilities		
Variable interest rate loans	(136)	136
Total for 2023	**(93)**	**93**

The Company does not use derivatives to hedge against the risk of interest rate changes affecting its cash flows and fair values.

5.2 Credit risk

Credit risk arises mainly from bank deposits and credit exposures to customers, including trade receivables due.

Credit risk relating to bank deposits is considered by the Management Board as low because the Company cooperates with renowned financial institutions which enjoy premium credit ratings (Bank Handlowy w Warszawie S.A., mBank S.A. and BNP Paribas Bank Polska S.A.).

Credit risk relating to credit exposures to Company's customers is considered as low by the Management Board. The Company sells its products to 2 key customer groups: retail chains and wholesale customers (including wholesalers, distributors and authorised retail stores). The Company sells its products on the domestic and foreign markets – mainly countries in Central, Eastern and Southern Europe (Romania, Ukraine, Baltic countries, Hungary, Belarus, Moldova, the Czech Republic, Bulgaria and Germany).

The table below presents the Company's sales structure by customer group and market:

Share in sales revenues	2024	2023
Domestic sales – wholesale market	42.3%	44.3%
Export	31.3%	35.8%
Domestic sales – networks	13.5%	11.4%
Domestic sales – retail chains	12.9%	8.5%
Total	**100.0%**	**100.0%**

With regards to retail chains channel, the Company sells its products to the largest chains in Poland. Credit exposures in this customer group are rather evenly distributed. Two key retail chains jointly account for approximately 74.8 % of sales made through this particular channel. Credit risk exposure to retail chains is considered by the Company as low as most of them are reliable and financially transparent customers with an established market position and a sound payment history.

In the area of wholesale distribution, the Company has established cooperation with authorised distributors, a few dozen wholesalers across the country and stores. In the wholesale channel, the concentration of receivables in 2024 was at a slightly lower level than in 2023. In 2024, 75% of turnover was realized by 24 customers, while in 2023 - by 18 customers. In the case of wholesale customers, the Company implements a policy of limiting credit exposure to individual customers by setting credit limits, which are determined individually for each contractor based on a detailed analysis of its financial results, market position and payment discipline and the situation in the industry. The use of credit limits is regularly monitored. A transaction exceeding the credit limit may only be executed upon authorisation by authorised persons in accordance with an internal credit policy.

(Amounts are expressed in PLN thousand, unless specified otherwise)

The Company mitigates its credit risk by having trade receivables insured in renowned insurance company. As at 31 December 2024, 83% of the trade receivables were insured (31 December 2023 - 86%). This applies to customers who have been granted an individual limit and customers covered by the so-called automatic limit, up to the amount specified in the insurance contract. Under the insurance contract, the deductible is typical for such contracts. The Company also mitigates credit risk through the implementation of an effective risk management system integrated with SAP, supporting the maintenance of proper payment discipline of the Company's customers. It should be stressed that sales for the customers who are not in a stable and predictable financial condition is realised based on advance payments.

The maturity structure of receivables and details on past due receivables are presented in note 0.

The credit quality of financial assets that are neither past due nor impaired can be estimated by reference to external credit ratings or information on historical counterparty's payment default. Cash is deposited in banks rated A-, A+ and BBB- (Fitch rating agency). With regard to trade receivables, the Company cooperates with reputable organizations that provide tools for credit risk analysis, and also monitors contractors' delays in repayment on an ongoing basis.

The maximum credit risk exposure is approximately equal to the book value of trade receivables, net of receivables insured and cash and cash equivalents. As at 31 December 2024, the maximum credit risk exposure was PLN 14,912 thousand (as at 31 December 2023: PLN 51,923 thousand).

5.3 Liquidity risk

The Management Board of the Company believes that the Company's liquidity is secured for the foreseeable future. The Company follows a prudent liquidity risk management policy which focuses on maintaining an adequate level of cash and securing the ability to use the credit facilities. The Management Board monitors the level of short-term liabilities and current assets, as well as current cash flows of the Company. A significant increase in the value of inventories is in line with the adopted liquidity management policy and enables the continuity of sales in the event of delays in the supply chains.

Key items analysed for the purpose of monitoring of the liquidity risk are as follows:

	31 December 2024	**31 December 2023**
Current assets	388 774	286 852
Current liabilities	91 884	40 763
	2024	**2023**
Cash flow from operating activities	(29 076)	141 697

(Amounts are expressed in PLN thousand, unless specified otherwise)

The table below presents financial liabilities of the Company by maturities, which are determined based on contractual future payment dates, uniform for each group of liabilities. The figures presented below represent undiscounted contractual cash flows.

Due date	up to 3 months	4-6 months	7-12 months	2-3 years	4-5 years	More than 5 years	Total	Carrying amount
Trade and other payables	63 169	-	-	-	-	-	**63 169**	63 169
Lease liabilities	1 780	1 780	3 560	7 716	125	3 936	**18 897**	16 417
Warranty liability (*)	40 963	-	-	-	-	-	**40 963**	62
As at 31 December 2024	**105 912**	**1 780**	**3 560**	**7 716**	**125**	**3 936**	**123 029**	**79 648**
Trade and other payables	19 677	-	-	-	-	-	**19 677**	19 677
Lease liabilities	1 773	470	3 115	13 516	1 609	3 998	**24 481**	19 573
Warranty liability (*)	500	-	-	-	-	-	**500**	27
As at 31 December 2023	**21 950**	**470**	**3 115**	**13 516**	**1 609**	**3 998**	**44 658**	**39 277**

(*) the liabilities arising from the warranty issued represent the maximum amount that can be used (gross value of the guarantee) and are assigned to the earliest period in which the guarantee can be used.

(Amounts are expressed in PLN thousand, unless specified otherwise)

5.4 Capital management

The Management Board of the Company defines capital as the Company's equity. The equity held by the Company meets the requirements provided for in the Polish Commercial Companies Code. There are no other capital requirements imposed by external regulations.

The Company's capital management activities are aimed at protecting the Company's ability to continue its operations so as to ensure a return on investment for the shareholders and benefits for other interested parties, as well as maintenance of the optimum capital structure to lower the cost of capital.

The Company also follows a rule that non-current assets are to be fully financed by equity.

	31 December 2024	31 December 2023
Non-current assets	113 608	114 438
Equity	400 073	344 405

One of the important indicators from the management point of view is the equity ratio understood as the ratio of equity to total assets.

	31 December 2024	31 December 2023
Equity	400 073	344 405
Total assets	502 382	401 290
Equity ratio	**80%**	**86%**

In the period covered by these financial statements, the Company implemented the above objective.

6. Financial instruments

As at 31 December 2024	Financial assets	Financial liabilities	
	Measured at amortised cost	Measured at amortised cost	Measured at fair value
Trade receivables	51 312	-	-
Cash and cash equivalents	7 711	-	-
Trade and other payables	-	63 170	62
Lease liabilities	-	16 417	-
TOTAL	**59 023**	**79 587**	**62**

As at 31 December 2023	Financial assets	Financial liabilities	
	Measured at amortised cost	Measured at amortised cost	Measured at fair value
Trade receivables	32 160	-	-
Cash and cash equivalents	49 107	-	-
Trade and other payables		19 677	27
Lease liabilities		19 573	-
TOTAL	**81 267**	**39 250**	**27**

(Amounts are expressed in PLN thousand, unless specified otherwise)

Revenue and expense recognised in the 2024 and 2023, financial results, relating to financial assets or financial liabilities not measured at fair value though profit or loss are presented below:

12 months ended 31 December 2024	Financial assets	Financial liabilities
Interest income	764	-
Interest expenses	-	(1 687)
Profits on exchange differences	1 505	7 256
Losses on exchange differences	(1 222)	(4 188)
Establishment of impairment write-downs	(88)	-
Reversal of impairment write-downs	-	-
Total net profit/ (loss)	**959**	**1 381**

12 months ended 31 December 2023	Financial assets	Financial liabilities
Interest income	216	-
Interest expenses	-	(3 602)
Profits on exchange differences	2 951	6 672
Losses on exchange differences	(4 584)	(2 510)
Establishment of impairment write-downs	-	-
Reversal of impairment write-downs	81	-
Total net profit/ (loss)	**(1 336)**	**560**

Fair value estimation

In the Company's opinion, the fair value of financial assets and liabilities does not differ from their carrying amount, mainly due to their short maturity. In case of long-term financial liabilities measured at amortized cost, the Company uses market interest rates. Therefore the Company estimates that the carrying value of these liabilities also does not differ significantly from their fair value.

7. Property, plant and equipment

	31 December 2024	31 December 2023
Land	2 907	2 907
Buildings and structures	6 783	7 215
Plant and equipment	3 212	3 301
Vehicles	2 368	1 174
Other	3 024	3 103
Total	**18 294**	**17 700**
Property, plant and equipment not transferred for use	2 739	602
Total property, plant and equipment	**21 033**	**18 302**

Apart from the property, plant and equipment serving as security in respect of working capital facilities (note 17), there are no restrictions on the use of property, plant and equipment held by the Company.

In 2024 and 2023 the Company did not capitalise borrowing costs due to the insignificancy of these amounts.

As at 31 December 2024, the Company had no commitments to expenditure on property, plant and equipment.

(Amounts are expressed in PLN thousand, unless specified otherwise)

Changes in property, plant and equipment by type

	Land	Buildings and structures	Technical equipment and machinery	Vehicles	Other	Fixed assets not transferred for use	Total
Initial value							
As at 1 January 2024	**2 907**	**13 597**	**11 046**	**3 132**	**8 087**	**602**	**39 371**
Purchase	-	-	-	-	377	7 438	**7 815**
Liquidation	-	-	(25)	(3 122)	(30)	-	**(3 177)**
Reclassification	-	-	1 010	6 390	170	(5 301)	**2 269**
As at 31 December 2024	**2 907**	**13 597**	**12 031**	**6 400**	**8 604**	**2 739**	**46 278**
As at 1 January 2023	**2 907**	**13 396**	**10 260**	**626**	**7 644**	**483**	**35 316**
Purchase	-	-	-	-	337	1 222	**1 559**
Liquidation	-	-	(2)	(42)	(8)	-	**(52)**
Reclassification	-	201	788	2 548	114	(1 103)	**2 548**
As at 31 December 2023	**2 907**	**13 597**	**11 046**	**3 132**	**8 087**	**602**	**39 371**
Accumulated depreciation							
As at 1 January 2024	**-**	**6 382**	**7 745**	**1 958**	**4 984**	**-**	**21 069**
Depreciation for the period	-	432	1 099	2 181	625	-	**4 337**
Decreases	-	-	(25)	(2 353)	(29)	-	**(2 407)**
Reclassification		-	-	2 246	-	-	**2 246**
As at 31 December 2024	**-**	**6 814**	**8 819**	**4 032**	**5 580**	**-**	**25 245**
As at 1 January 2023	**-**	**5 944**	**6 745**	**539**	**4 373**	**-**	**17 601**
Depreciation for the period	-	438	1 002	160	618	-	**2 218**
Decreases	-	-	(2)	(42)	(7)	-	**(51)**
Reclassification		-	-	1 301	-	-	**1 301**
As at 31 December 2023	**-**	**6 382**	**7 745**	**1 958**	**4 984**	**-**	**21 069**
Carrying amount							
As at 31 December 2024	**2 907**	**6 783**	**3 212**	**2 368**	**3 024**	**2 739**	**21 033**
As at 31 December 2023	**2 907**	**7 215**	**3 301**	**1 174**	**3 103**	**602**	**18 302**

(Amounts are expressed in PLN thousand, unless specified otherwise)

8. Intangible assets

	31 December 2024	31 December 2023
Licences, concessions and patents, including:	1 780	2 298
– software	*1 780*	*2 298*
Other - trademarks and industrial designs	370	386
Total	**2 150**	**2 684**
Intangible assets under development	1 091	916
Total intangible assets	**3 241**	**3 600**

There are no material intangible assets produced internally by the Company.

No collateral was established on intangible assets.

Intangible assets under development include licences and software that is being implemented. No impairment was reported for these intangible assets.

The table below presents changes in intangible assets:

	Software	Trademarks and industrial designs	Intangible assets under development	Total
Initial value				
As at 1 January 2024	**6 258**	**790**	**916**	**7 964**
Purchase	71	43	175	**289**
Liquidation	-	-	-	**-**
Reclassification	(12)	12	-	**-**
As at 31 December 2024	**6 317**	**845**	**1 091**	**8 253**
As at 1 January 2023	**5 631**	**668**	**1 147**	**7 446**
Purchase	-	-	518	**518**
Liquidation	-	-	-	**-**
Reclassification	627	122	(749)	**-**
As at 31 December 2023	**6 258**	**790**	**916**	**7 964**
Accumulated amortization				
As at 1 January 2024	**3 960**	**404**	**-**	**4 364**
Amortization for the period	577	71	-	**648**
Liquidation	-	-	-	**-**
As at 31 December 2024	**4 537**	**475**	**-**	**5 012**
As at 1 January 2023	**3 330**	**340**	**-**	**3 670**
Amortization for the period	630	64	-	**694**
Liquidation	-	-	-	**-**
As at 31 December 2023	**3 960**	**404**	**-**	**4 364**
Carrying amount				
As at 31 December 2024	**1 780**	**370**	**1 091**	**3 241**
As at 31 December 2023	**2 298**	**386**	**916**	**3 600**

(Amounts are expressed in PLN thousand, unless specified otherwise)

9. Right-of-use assets

	31 December 2024	31 December 2023
Perpetual usufruct right to land	1 744	1 770
Buildings	10 689	15 335
Plant and equipment	951	1 204
Vehicles	2 716	1 539
Total	**16 100**	**19 848**

Changes in the right-of-use assets are presented below:

	Land	Buildings and structures	Technical equipment and machinery	Vehicles	Total
Initial value					
As at 1 January 2024	**1 897**	**32 612**	**1 775**	**5 534**	**41 818**
New lease agreements	-	-	-	2 395	2 395
Modification of lease contracts	-	103	-	-	103
Reclassification - repurchase	-	-	-	(2 269)	(2 269)
As at 31 December 2024	**1 897**	**32 715**	**1 775**	**5 660**	**42 047**
As at 1 January 2023	**1 897**	**18 075**	**1 775**	**8 082**	**29 829**
Modification of lease contracts	-	14 537	-	-	14 537
Reclassification - repurchase	-	-	-	(2 548)	(2 548)
As at 31 December 2023	**1 897**	**32 612**	**1 775**	**5 534**	**41 818**
Accumulated depreciation					
As at 1 January 2024	**127**	**17 277**	**571**	**3 995**	**21 970**
Depreciation	26	4 749	253	1 195	6 223
Reclassification - repurchase	-	-	-	(2 246)	(2 246)
As at 31 December 2024	**153**	**22 026**	**824**	**2 944**	**25 947**
As at 1 January 2023	**101**	**12 778**	**317**	**3 768**	**16 964**
Depreciation	26	4 499	254	1 528	6 307
Reclassification - repurchase	-	-	-	(1 301)	(1 301)
As at 31 December 2023	**127**	**17 277**	**571**	**3 995**	**21 970**
Carrying amount					
As at 31 December 2024	**1 744**	**10 689**	**951**	**2 716**	**16 100**
As at 31 December 2023	**1 770**	**15 335**	**1 204**	**1 539**	**19 848**

In 2024, the Company entered into a new lease agreement for passenger cars, as a result of which the right-of-use assets increased by PLN 2,395 thousand. The previous car lease agreement was terminated and, in accordance with the terms and conditions set out in the agreement, the Company decided to buy out the vehicles and, as a result, these assets were reclassified to fixed assets. As a result of this operation, the right-of-use assets were reduced by PLN 2,269 thousand at the initial value (PLN 23 thousand at the book value on the buyout date). In addition, the warehouse lease agreement was modified - as a result of the indexation of rent rates provided for in the agreement. As a result, right-of-use assets and the lease liability were increased by PLN 103 thousand.

Lease liabilities are presented in note 20.

(Amounts are expressed in PLN thousand, unless specified otherwise)

10. Investments in subsidiaries

As at 31 December 2024 and 31 December 2023 the Company held shares in the following entities:

	Country	Type of equity link	% of shares and votes held	Value of shares
31 December 2024				
Toya Romania S.A.	Romania	Subsidiary	99.99	1 885
Yato Tools (Shanghai) Co. Ltd	China	Subsidiary	100.00	20 746
Yato Tools (Jiaxing) Co. Ltd.	China	Subsidiary	100.00	48 172
				70 803
31 December 2023				
Toya Romania S.A.	Romania	Subsidiary	99.99	1 885
Yato Tools (Shanghai) Co. Ltd	China	Subsidiary	100.00	20 746
Yato Tools (Jiaxing) Co. Ltd.	China	Subsidiary	100.00	48 172
				70 803

The Company has not identified any indications of impairment of its investments in subsidiaries.

(Amounts are expressed in PLN thousand, unless specified otherwise)

Key financial data of subsidiaries is presented in the table below (data before consolidation adjustments).

	Non-current assets	Current assets	Equity	Long-term liabilities	Short-term liabilities	Revenues (*)	Expenses (**)	Net profit
2024								
Yato Tools (Jiaxing) Co. Ltd.	44 717	177 138	86 909	252	134 694	535 875	(526 863)	9 012
Yato Tools (Shanghai) Co. Ltd.	9 059	157 505	35 448	400	130 716	224 273	(221 834)	2 439
Toya Romania S.A.	15 427	83 948	47 515	9 744	42 115	79 314	(75 258)	4 056
TOTAL	**69 203**	**418 591**	**169 872**	**10 396**	**307 525**	**839 462**	**(823 955)**	**15 507**
2023								
Yato Tools (Jiaxing) Co. Ltd.	40 895	83 064	76 560	402	46 997	338 616	(332 190)	6 426
Yato Tools (Shanghai) Co. Ltd.	9 671	69 027	32 463	2 271	43 964	143 105	(142 524)	581
Toya Romania S.A.	14 628	54 813	44 262	9 729	15 449	87 243	(80 435)	6 808
TOTAL	**65 194**	**206 904**	**153 285**	**12 402**	**106 410**	**568 964**	**(555 149)**	**13 815**

(*) revenues comprise: revenue from the sales of goods for resale, other operating revenue and financial revenue

(**) expenses comprise: cost of goods for resale sold, selling costs, administrative expenses, expected credit losses, other operating expenses, financial expenses and income tax expense

(Amounts are expressed in PLN thousand, unless specified otherwise)

11. Inventory

	31 December 2024	31 December 2023
Goods for resale at warehouse and in transit	327 528	204 077
Asset for expected returns from customers	567	378
Total inventory (carrying amount)	**328 095**	**204 455**
Revaluation write-down for goods at warehouse to net recoverable amount	2 966	2 963
Gross inventories	**331 061**	**207 418**

Changes in the write-down of inventories to net realizable value are presented in the table below:

	2024	2023
As at 1 January	**2 963**	**2 141**
Increase	3	822
Reversal	-	-
As at 31 December	**2 966**	**2 963**

Reversal of inventory write-downs made in the current year as well as write-downs made in previous years were recorded in the financial result and presented as cost of goods for resale sold. Reversal of write-offs resulted from a decrease in the value of these inventories, which, in accordance with the policy adopted by the Company, should be written down, mainly as a result of their sale.

12. Trade and other short-term receivables

	31 December 2024	31 December 2023
Trade receivables from related parties	7 322	1 600
Trade receivables from third parties	45 947	32 429
Total trade receivables	**53 269**	**34 029**
Other receivables from third parties	45	52
Advances paid to other entities	40	-
Prepayments and deferred costs	1 607	1 114
Total gross receivables	**54 961**	**35 195**
Impairment write-downs of doubtful trade receivables	(1 957)	(1 869)
Impairment write-downs of other receivables	(36)	(36)
Total net receivables	**52 968**	**33 290**

The Company applies a simplified approach and measures the allowance in an amount equal to the expected credit losses throughout the life cycle using the provision matrix, described in the accounting policies descried in Note 2.12. The average repayment period of receivables is 30 days.

Changes in gross trade receivables are summarized in table below.

(Amounts are expressed in PLN thousand, unless specified otherwise)

	Receivables analysed in group	Receivables analysed individually	Total
As at 1 January 2024	**32 032**	**1997**	**34 029**
Increase due to sales	733 245	-	733 245
Interest and litigation costs	1	-	1
Receivables and overpayment written off	(2)	-	(2)
Receivables classified individually as irrecoverable	(67)	67	-
Collected receivables	(712 777)	(418)	(713 195)
Compensated receivables	(1 209)	-	(1 209)
Other changes, including currency translation differences	400	-	400
As at 31 December 2024	**51 623**	**1 646**	**53 269**

Changes in the write-downs of trade receivables are presented in the table below:

	2024	2023
As at 1 January	**1 869**	**1 950**
Creation	88	-
Reversal	-	(81)
As at 31 December	**1 957**	**1 869**

Collaterals established on receivables are described in note 17.

The table below presents the ageing structure of receivables, including average expected credit loss ratio for each overdue period.

31 December 2024	Total	Not overdue	0-30 days	31-60 days	61-90 days	over 90 days
Gross trade receivables	**53 269**	**49 724**	**1 666**	**202**	**39**	**1 638**
Group analysis – gross value	51 623	49 724	1 666	202	39	(8)
expected credit loss ratio		0,5%-5%	1%-10%	5%-25%	10%-50%	20%-100%
Expected credit losses	(317)	(266)	(23)	(17)	(9)	(2)
Individual analysis – gross value	1 646	-	-	-	-	1 646
Impairment loss on customers analysed individually	(1 640)	-	-	-	-	(1 640)
Total expected credit losses	(1 957)	(266)	(23)	(17)	(9)	(1 642)
Total net trade receivables	**51 312**	**49 458**	**1 643**	**185**	**30**	**(4)**

(Amounts are expressed in PLN thousand, unless specified otherwise)

31 December 2023	Total	Not overdue	0-30 days	31-60 days	61-90 days	over 90 days
Gross trade receivables	**34 029**	**29 908**	**1 906**	**214**	**-**	**2 001**
Group analysis – gross value	32 032	29 908	1 906	214	-	4
Expected credit loss ratio		0,5%-5%	1%-10%	5%-25%	10%-50%	20%-100%
Expected credit losses	(198)	(159)	(22)	(13)	-	(4)
Individual analysis – gross value	1 997	-	-	-	-	1 997
Impairment loss on customers analysed individually	(1 671)	-	-	-	-	(1 671)
Total expected credit losses	**(1 869)**	**(159)**	**(22)**	**(13)**	**-**	**(1 675)**
Total net trade receivables	**32 160**	**29 749**	**1 884**	**201**	**-**	**326**

The individual analysis is carried out in relation to customers for which indicators described in the policy in note 2.12 have been identified, i.e. most often overdue for over 90 days, which results in the customer being transferred for debt collection. The allowance for expected credit losses for this group of customers is determined taking into account the terms and conditions of insurance, provided that the customer is subject to insurance, i.e. the allowance includes the own contribution in accordance with the concluded agreement. In relation to receivables analysed individually, the part not covered by the write-down relates to the insured receivables.

In relation to the remaining customers, analysed in groups with the use of the provisions matrix, expected credit loss ratios are determined separately for insured receivables (lower range limits shown in the table above) and uninsured receivables (main range limits).

13. Cash and cash equivalents

	31 December 2024	31 December 2023
Cash in hand and at bank	7 711	49 107
Total cash and cash equivalents	**7 711**	**49 107**

Apart from cash disclosed in the statement on financial position, the Company has a separate bank account for the funds of the Company Social Benefits Fund (ZFŚS) which are presented under other receivables in their net amount together with liabilities towards the ZFŚS and receivables under loans granted. As at 31 December 2024, these funds amounted to PLN 64 thousand and as at 31 December 2023 to PLN 74 thousand. The Company may use these funds only in the manner provided for by the law with regard to the ZFŚS funds.

As a result of implementation of VAT split payment mechanism, the Company has dedicated VAT bank accounts, where VAT amounts from invoices settled by the vendors of TOYA S.A. will be transferred. Funds collected in these VAT accounts may only be used for VAT settlements concerning invoices received and settlements of tax liabilities. As at 31 December 2024, the cash balance in these VAT accounts totalled PLN 986 thousand (31 December 2023: PLN 265 thousand). According to the Management Board's judgment, restrictions on the use of these funds resulting from tax regulations do not affect their classification as cash and cash equivalents, as the Company uses them on an ongoing basis to settle its short-term liabilities.

Apart from the VAT and ZFŚS funds, as at 31 December 2024 and 31 December 2023, the Company did not have any cash of limited disposability.

(Amounts are expressed in PLN thousand, unless specified otherwise)

14. Additional explanation to cash flow statement

Reconciliation of changes in balance sheet items as shown in the statements of financial position and in the statements of cash flows:

		Adjustments			
12 months ended 31 December 2024	**Balance sheet change**	**Measurement of cash in foreign currencies**	**Valuation of the financial guarantee granted**	**Actuarial gains/losses recognized in comprehensive income**	**Change in the cash flow statement**
Change in trade and other receivables	(19 678)	-	-	-	(19 678)
Change in inventories	(123 640)	-	-	-	(123 640)
Change in provisions	427	-	-	-	427
Change in trade and other payables	45 974	-	(35)	-	45 939
Change in employee benefit liabilities	1 393	-	-	18	1 411
Change in cash	(41 396)	(9)	-	-	(41 405)

		Adjustments			
12 months ended 31 December 2023	**Balance sheet change**	**Measurement of cash in foreign currencies**	**Valuation of the financial guarantee granted**	**Actuarial gains/losses recognized in comprehensive income**	**Change in the cash flow statement**
Change in trade and other receivables	26 896	-	-	-	26 896
Change in inventories	43 415	-	-	-	43 415
Change in provisions	(118)	-	-	-	(118)
Change in trade and other payables	2 357	-	5	-	2 362
Change in employee benefit liabilities	1 028	-	-	(38)	990
Change in cash	47 721	7	-	-	47 728

(Amounts are expressed in PLN thousand, unless specified otherwise)

15. Share capital

As at 31 December 2024, the share capital amounts to PLN 7 504 222.60 and comprises 75 042 226 shares with a par value of PLN 0.1 each.

All of the shares are paid up. The ownership structure and the percentage of the Company's shares held as at 31 December 2024, based on the information provided to the Company by the shareholders, are presented in the table below:

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 Szałagan	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%
TOTAL		**75 042 226**			**7 504 222.60**	**100.00%**

16. Retained earnings and dividend per share

On 26 June 2024, the General Meeting of Shareholders of Toya S.A. approved TOYA's financial statements for 2023, and also decided to transfer the profit for 2023 in the amount of PLN 52 895 thousand to supplementary capital.

In line with the provisions of the Commercial Companies Code, retained earnings are used to create statutory reserve funds, to which at least 8% of the profit generated in a given financial year is transferred until the statutory reserve funds reach at least one-third of the share capital, i.e. in the case of the Company – PLN 2 501 thousand as at 31 December 2024. These statutory reserve funds are exempt from distribution among shareholders and may only be used to cover losses. As at 31 December 2024 and 31 December 2023, the supplementary capital was created in the required amount.

The retained earnings as at 31 December 2024 represent result for the current year, supplementary capital created from the Company's profits from previous years and may be allocated to dividends, in addition to the amount excluded from the distribution indicated in the paragraph above.

In 2024 and 2023, the Company did not pay dividends.

Management Board of the Company did not provide recommendation on 2024 profit distribution.

(Amounts are expressed in PLN thousand, unless specified otherwise)

17. Loans and borrowings liabilities

	31 December 2024	31 December 2023
Bank loan liabilities, including	-	-
– long-term	-	-
– short-term	-	-

Changes in bank loans are presented in the table below:

	Revolving bank loans	Non-revolving bank loans	Bank loans TOTAL
As at 1 January 2023	**41 929**	**40 238**	**82 167**
Increase in loans	-	-	-
Interest for the period (note 27)	1 145	1 659	2 804
Interest repaid	(1 352)	(1 897)	(3 249)
Loans repaid	(41 722)	(40 000)	(81 722)
As at 31 December 2023	-	-	-
Increase in loans	31 971	-	31 971
Interest for the period (note 27)	451		451
Interest repaid	(451)	-	(451)
Loans repaid	(31 971)	-	(31 971)
As at 31 December 2024	-	-	-
– long-term	-	-	-
– short-term	-	-	-

Description of loan agreements:

Object and value of agreement	Name of the Bank	Loan amount as per agreement as at 31 December 2024	Current interest rate	Date of expiry
1. Overdraft facility agreement No BDK/KR-RB/000054601/0641/10	Bank Handlowy w Warszawie S.A.	40 000	WIBOR 1 M + bank's margin	12 December 2025
2. Overdraft credit facility agreement No WAR/8833/20/326/CB	BNP Paribas Bank Polska S.A. with its registered office in Warsaw	25 000	WIBOR 1 M + bank's margin	17 November 2025
3. Overdraft credit facility agreement No 09/030/19/Z/VV	mBank S.A. with its registered office in Warsaw	60 000	WIBOR ON + bank's margin	27 March 2025
Total liabilities, of which:		**125 000**		
– short-term portion		125 000		
– long-term portion		-		

During the year ended on 31 December 2024, there were no significant changes to the contractual terms of the loans or expected cash flows.

The bank margins relating to the loans listed above do not exceed 1%.

The value of mortgage collateral was determined as the sum of collateral established in favour of individual lending banks, in the amount required by the banks (in the amount resulting from the agreement). The book value of assets secured by mortgage as at 31 December 2024 amounted to PLN 9 671 thousand (as at 31 December 2023: PLN 10 122 thousand). The value of the assignment of receivables of PLN 13 004 thousand (PLN 9 376 thousand as at 31 December 2023) was determined at the book value of the collateral. The value of the security in the form of transfer of ownership of inventory together with the assignment of rights from the insurance policy was set at the maximum amount resulting from the contracts and amounted to PLN 50 109 thousand as at 31 December 2024 and 2023.

The security is valid for the entire duration of the loan agreements. The Company has limited ability to dispose of assets on which security is established in the form of a mortgage. In the event of a transfer of receivables from trade receivables, the Company is obliged not to perform any legal or factual actions that would limit the Company's ability to dispose of these receivables. Moreover, the Company undertook not to grant loans or guarantees to other entities during the entire loan period without the bank's prior consent.

Effective interest rate for loans

The effective interest rates are close to the nominal interest rates calculated in line with the terms of the agreements described above. As at 31 December 2024, the weighted average cost of loans (excluding commissions) was 6.37 % (as at 31 December 2023: 7.24%).

Defaults under loan agreements

As at 31 December 2024, the Company did not default on its debt repayment obligations or on any other of its obligations under loan agreements in a manner which would result in an acceleration of debt repayment.

Loan agreements require the borrower to maintain its capitalisation and debt ratios at an agreed level throughout the lending period and to maintain inflows to bank accounts in the agreed amount, in accordance with the terms of the loan agreements.

The Company has good relationships with banks, and in its activity to date it had no problems with renewal of bank loans. Based on this, the Management Board believes that the risk resulting from short-term financing is not significant.

(Amounts are expressed in PLN thousand, unless specified otherwise)

18. Trade and other payables

	31 December 2024	31 December 2023
Trade payables to related parties	44 281	3 809
Trade payables to third parties	17 905	15 234
Total trade payables	**62 186**	**19 043**
Tax liabilities	7 377	5 283
Liability due to expected goods returns	930	589
Prepayments received	418	66
Other payables to third parties	54	45
Liabilities arising from guarantees and sureties granted	40	-
Total other current payables	**8 819**	**5 983**
Total	**71 005**	**25 026**

Advances received represent contractual obligations in accordance with IFRS 15.

An average payables payment period is 41 days.

During the year ended 31 December 2024, the Company recognized revenues in the amount of PLN 66 thousand, which were classified as prepayments at the beginning of the period.

19. Liabilities from employee benefits

	31 December 2024	31 December 2023
Provisions for retirement benefits, disability pensions and for death benefits	756	678
Liabilities from employee benefits – non-current portion	**756**	**678**
Provisions for retirement benefits, disability pensions and for death benefits	47	53
Payroll liabilities	7 357	6 290
Unused holidays	2 091	1 837
Liabilities from employee benefits – current portion	**9 495**	**8 180**

The Company pays retirement benefits, disability pensions and death benefits in accordance with the Labour Code, in the amount of a one month's remuneration. The amount of provision for retirement benefits and death benefits as at 31 December 2024 and 31 December 2023 was estimated by an actuary. The basic assumptions were as follows:

Assumptions	**31 December 2024**	**31 December 2023**
Discount rate (risk-free rate)	5.80%	5.07%
Growth rate of remunerations		
- in the first year	9.00%	9.00%
- in the second year	7.00%	7.00%
- in the third year	5.00%	5.00%
- in the subsequent years	3.50%	3.50%

Assumptions concerning future mortality are determined based on statistics published by the Central Statistical Office (GUS).

(Amounts are expressed in PLN thousand, unless specified otherwise)

The statement of actuarial gains and losses is presented below.

	31 December 2024	31 December 2023
Current value of liability as at 1 January	**731**	**635**
current service cost	63	56
net interest on net liability	36	40
actuarial gains or losses, including resulting from:	(18)	38
changes in demographic assumptions	*(25)*	*(23)*
changes in financial assumptions	*(23)*	*144*
ex post adjustments of actuarial assumptions	*30*	*(83)*
benefits paid	(8)	(38)
Current value of liability as at 31 December	**804**	**731**

Total expenses recognised in profit or loss in respect of future employee benefits amounted to PLN 98 thousand in 2024 and PLN 96 thousand in 2023 and were recognised in administrative expenses. Actuarial losses incurred in 2024 amounted to PLN 18 thousand (in 2023: losses in the amount of PLN 38 thousand) and were recognised in other comprehensive income.

Sensitivity analyses of liability under defined benefits (retirement benefits, disability pensions and death benefits) to changes in main weighted estimates as at 31 December 2024 are as follows:

Assumption	Changes in the assumption	Increase in the assumption	Decrease in the assumption
technical discount rate	1%	(40)	43
salary rise in the Company	1%	90	(79)
turnover ratio	1%	(33)	36

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used for preparing the sensitivity analysis did not change compared to the previous period.

The table below contains the profile of the forecast cash flows in the coming years, by relevant benefits. These values take into account the nominal amounts paid out and their probability.

name of benefit	1st year	2nd year	3rd year	4th year	5th year	6th year (and further)
retirement benefit	36	11	63	34	47	3 062
disability pension	3	3	3	3	3	37
death benefit	12	14	14	16	18	581
total	**51**	**28**	**80**	**53**	**68**	**3 680**

(Amounts are expressed in PLN thousand, unless specified otherwise)

20. Lease liabilities

The Company has the right of perpetual usufruct of land and uses warehouses, offices, servers, passenger cars and forklifts on the basis of rental and leasing contracts. The change in liabilities resulting from these contracts, taking into account the impact of adoption of IFRS 16, is presented below.

	2024	2023
Lease liability as at 1 January	**19 573**	**12 045**
New contracts	2 395	-
Modification of the terms of the contract	103	14 537
Accrued interest	1 236	797
Lease payments (*)	(6 655)	(7 162)
Valuation of contracts in foreign currencies	(235)	(644)
Lease liability as at 31 December	**16 417**	**19 573**

(*)lease payments include net amounts paid, according to invoices, including both capital instalments and interest.

Undiscounted future cash flows are presented below.

	31 December 2024	31 December 2023
up to 1 year	7 121	5 358
1–3 years	7 716	13 516
3–5 years	125	1 609
more than 5 years	3 936	3 998
Total	**18 898**	**24 481**

The costs resulting from lease contracts are presented below.

	2024	2023
Amortization and depreciation	6 225	6 307
interest	1 236	798
exchange rate differences	(235)	(645)
Total	**7 226**	**6 460**

During the year ended 31 December 2024, the Company incurred costs in connection with the short-term lease agreements in the amount of PLN 17 thousand and low-value lease agreements in the amount of PLN 24 thousand.

Total cash outflow from leases in 2024 amounted to PLN 6 696 thousand (excluding VAT).

Information on leased assets is presented in note 9.

The maturity analysis of lease liabilities is presented in note 5.3.

(Amounts are expressed in PLN thousand, unless specified otherwise)

21. Provisions

Provision for warranty repairs	2024	2023
As at 1 January	**1 005**	**1 123**
Provision created	1 432	1 005
Provision utilized	(1 005)	(1 123)
As at 31 December	**1 432**	**1 005**
Short-term as at 31 December	1 432	1 005

The provision for guarantee repairs is created in accordance with the policy described in note • . The obligation of the Company to incur the costs of guarantee repairs results from general provisions on surety and guarantee granted to certain product groups. It is to be used within less than 12 months, and the amount is estimated based on historical costs of guarantee repairs borne; thus, the uncertainty towards its value should not have a material impact on the Company's future results. Provisions are recognised in the financial result under “costs of goods for resale sold”.

22. Operating segments

Identification of operating and reporting segments

The Management Board of the Company makes decisions related to the Company's operations from the perspective of distribution channels and geographical coverage.

The company distinguishes 4 operating and reporting segments in its operations:

- sales on the domestic market to retail chains;
- sale on the domestic market - wholesale market;
- foreign sales;
- retail sales.

As part of the retail networks segment, the Group cooperates with large retail networks throughout Poland and Romania. Wholesale on all markets where the Group holds its entities is conducted through a network of wholesalers and stores. Foreign markets are supported using sales department of the Company. As part of retail sales, sales are mainly realized through an online store and popular online platforms. There are no revenues obtained from transactions between the segments, therefore all revenues generated by individual segments come from transactions with external customers.

Data analysed by the Management Board of the Company for segment description is consistent with the data disclosed in the statement of comprehensive income.

In 2024 and in 2023 the Company did not record revenue from sale to a single external customer exceeding 10% of total sales revenue.

As at 31 December 2024, the Company's assets amounted to PLN 502 382 thousand (31 December 2023: PLN 401 290 thousand), and the Company's liabilities amounted to PLN 102 309 thousand (31 December 2023: PLN 56 885 thousand) and were related only to trading activities. The Management Board of the Company does not analyse the assets and liabilities of the Company broken down into individual segments.

The Company has no non-current assets located abroad.

The most important geographic export directions of the Company are disclosed in note 23. Moreover, in the report on its activities, the Company also presented information by brand.

(Amounts are expressed in PLN thousand, unless specified otherwise)

12 months ended 31 December 2024	***EXPORT SALES***	***WHOLESALE MARKET***	***RETAIL NETWORKS***	***RETAIL SALES***	**Total**
Sales revenue					
Sales to external customers by geographical areas:					
Poland	-	265 345	84 995	80 963	431 303
Other countries	196 238	-	-	-	196 238
Total segment revenue	**196 238**	**265 345**	**84 995**	**80 963**	**627 541**
Cost of goods sold					
Sales to external customers	(146 452)	(181 188)	(60 825)	(46 409)	(434 874)
Total costs of goods sold	**(146 452)**	**(181 188)**	**(60 825)**	**(46 409)**	**(434 874)**
Gross profit	**49 786**	**84 157**	**24 170**	**34 554**	**192 667**
Gross profit margin	**25%**	**32%**	**28%**	**43%**	**31%**

12 months ended 31 December 2023	***EXPORT SALES***	***WHOLESALE MARKET***	***RETAIL NETWORKS***	***RETAIL SALES***	**Total**
Sales revenue					
Sales to external customers by geographical areas:					
Poland	-	253 196	65 208	48 538	366 942
Other countries	204 894	-	-	-	204 894
Total segment revenue	**204 894**	**253 196**	**65 208**	**48 538**	**571 836**
Cost of goods sold					
Sales to external customers	(156 366)	(176 764)	(47 421)	(27 092)	(407 643)
Total costs of goods sold	**(156 366)**	**(176 764)**	**(47 421)**	**(27 092)**	**(407 643)**
Gross profit	**48 528**	**76 432**	**17 787**	**21 446**	**164 193**
Gross profit margin	**24%**	**30%**	**27%**	**44%**	**29%**

(Amounts are expressed in PLN thousand, unless specified otherwise)

23. Sales revenue

	12 months ended 31 December 2024	12 months ended 31 December 2023
Sales of goods for resale	627 566	571 836
Total sales revenue	**627 566**	**571 836**

The geographical structure of sales revenues is presented below. Moreover, in the report on its activities, the Company also presented information by brand.

	12 months ended 31 December 2024		12 months ended 31 December 2023	
	Sales revenue	**Share**	**Sales revenue**	**Share**
Ukraine	46 967	7.5%	37 393	6.5%
Hungary	28 516	4.5%	23 905	4.2%
Belarus	17 289	2.8%	21 324	3.7%
Romania	16 418	2.6%	34 407	6.0%
Czech Republic	14 148	2.3%	11 786	2.1%
Lithuania	13 685	2.2%	13 819	2.5%
Moldova	12 006	1.9%	8 708	1.5%
Bulgaria	10 098	1.6%	10 057	1.8%
Greece	5 980	1.0%	6 969	1.2%
Latvia	5 225	0.8%	5 189	0.9%
Germany	3 655	0.6%	4 792	0.8%
Europe – other EU countries	9 769	1.5%	10 403	1.8%
Europe – other non-EU countries	10 759	1.7%	13 621	2.4%
Other continents	1 723	0.3%	2 521	0.4%
Total export	**196 238**	**31.3%**	**204 894**	**35.8%**
Poland	431 303	68.7%	366 942	64.2%
Total sales revenue	**627 541**	**100.0%**	**571 836**	**100.0%**

The company 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 Company 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 Company 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 Company's control. This may impact trade with customers present in these markets in future quarters.

(Amounts are expressed in PLN thousand, unless specified otherwise)

24. Cost by type and cost of goods sold

	12 months ended 31 December 2024	12 months ended 31 December 2023
Amortisation and depreciation	11 208	9 219
Material and energy consumption	7 574	6 277
Third-party services, including:	40 409	25 511
costs of transportation	*13 367*	*7 414*
warehouse services	*1 677*	*201*
service charges for space lease agreements	*2 641*	*2 463*
IT and telecommunications costs	*2 847*	*2 504*
costs of accessing online sales platforms	*10 196*	*6 849*
legal, audit and consulting costs	*4 519*	*2 412*
other	*5 162*	*3 668*
Taxes and fees	3 115	2 389
Costs of employee benefits	59 777	47 951
Other costs by type	5 189	6 387
Value of goods for resale and materials sold	434 874	407 643
Total costs by type and value of goods for resale sold	**562 146**	**505 377**
Selling costs, including:	100 007	74 142
amortisation and depreciation	*9 641*	*7 649*
costs of employee benefits	*40 354*	*31 140*
Administrative expenses, including:	27 265	23 592
amortisation and depreciation	*1 567*	*1 570*
costs of employee benefits	*19 423*	*16 811*
Cost of goods for resale sold	434 874	407 643
Total selling, administrative costs and costs of goods sold	**562 146**	**505 377**

The Company does not conduct important R&D works.

25. Cost of employee benefits

	12 months ended 31 December 2024	12 months ended 31 December 2023
Salaries for employment contracts and appointment contracts	43 655	37 394
Wages of temporary workers	5 742	1 946
Cost of social insurance	8 456	7 124
Cost of provision for unused holidays	254	91
Cost of provision for retirement benefits	90	58
Cost of retirement and similar benefits paid	8	38
Cost of other employee benefits	1 572	1 300
Total employee benefit costs	**59 777**	**47 951**

Information on the number of employees is presented below:

	12 months ended 31 December 2024	12 months ended 31 December 2023
Average number of employees per full-time equivalent	330	322
Persons employed at the end of the year	346	325

(Amounts are expressed in PLN thousand, unless specified otherwise)

26. Other operating revenue and expenses

OTHER OPERATING REVENUE	12 months ended 31 December 2024	12 months ended 31 December 2023
Surplus of FX gains over FX losses on operating activities	3 351	2 529
Revenue from other sales	137	95
Compensations received	386	14
Gain on sale of property, plant and equipment	1 344	25
Traffic damages on balance with received compensation	33	2
Other operating revenue	78	74
Total other operating revenue	**5 329**	**2 739**

OTHER OPERATING EXPENSES	12 months ended 31 December 2024	12 months ended 31 December 2023
Cost of other sales	179	179
Penalties and fines paid	-	93
Court and debt recovery fees	98	3
Donations given	5	5
Losses in goods incurred during transport	390	-
Other	76	27
Total other operating expenses	**748**	**307**

27. Financial revenues and expenses

FINANCIAL REVENUE	12 months ended 31 December 2024	12 months ended 31 December 2023
Interest on cash in bank accounts	764	216
Valuation of granted financial guarantees and sureties	5	5
Total financial revenue	**769**	**221**

FINANCIAL EXPENSES	12 months ended 31 December 2024	12 months ended 31 December 2023
Interest and commissions on loans	451	2 804
Interest on lease liabilities	1 236	798
Valuation of granted financial guarantees and sureties	40	-
Total financial expenses	**1 727**	**3 602**

(Amounts are expressed in PLN thousand, unless specified otherwise)

28. Income tax

The reporting periods presented in these financial statements cover the following tax periods:

- from 1 January 2024 to 31 December 2024,
- from 1 January 2023 to 31 December 2023,

	12 months ended 31 December 2024	12 months ended 31 December 2023
Current tax	13 826	12 620
Deferred tax	(549)	76
Total income tax	**13 277**	**12 696**

A 19% corporate income tax rate was applicable in all the aforementioned periods.

Reconciliation of the theoretical tax on the pre-tax profit and the statutory tax rate with the income tax expense recognised in profit or loss is presented in the table below:

	12 months ended 31 December 2024	12 months ended 31 December 2023
Profit before tax	68 930	65 591
Tax rate applicable in the period	19%	19%
Tax calculated at the applicable tax rate	**13 097**	**12 462**
Tax effect of the following items:		
- permanent tax differences - revenue	26	-
- permanent tax differences – costs	249	234
- temporary differences for which assets have not been created	-	-
- tax relating to the previous period	(47)	-
- tax credit	(48)	
Tax shown in the profit and loss account	**13 277**	**12 696**

The provisions on VAT, CIT, PIT or social security contributions frequently change, often resulting in the absence of any established regulations or legal precedents for reference. The regulations in effect tend to be unclear, thus leading to differences in opinions as to legal interpretation of fiscal regulations, both between state authorities themselves and between state authorities and entrepreneurs.

Tax declarations and other settlements (e.g. customs or foreign exchange) can be audited by authorities which are authorised to impose high fines, and the additional liabilities arising from such audits have to be paid including high interest. In the light of the above, the tax risk in Poland is higher than usual tax risk in countries with better-developed tax systems. In Poland, no formal procedures are present for the determination of the final amount of tax due

Therefore, the amounts disclosed in the financial statements may change at a later date, following final determination of their amount by the competent tax authorities.

Effective 15 July 2016, the Polish Tax Code was amended for the General Anti-Abuse Rule (GAAR) provisions. GAAR is intended to prevent the creation and use of artificial legal arrangements to avoid payment of tax in Poland and defines tax avoidance as an act carried out primarily in order to achieve a tax benefit, contrary in the circumstances to the object and goal of a provision of a tax act, which shall not result in a tax benefit, if the mode of action was not genuine. All unjustified (i) split of operations, (ii) involvement of intermediary entities without any economic or business justification, (iii) elements that compensate or exclude each other and (iv) other actions with a similar effect to the previously mentioned, may be considered as prerequisites of artificial activities subject to GAAR. The new regulation will require significantly more judgement in assessment of the tax consequences of particular transactions.

(Amounts are expressed in PLN thousand, unless specified otherwise)

The GAAR clause is effective with respect to transactions performed following its entry into force as well as transactions that were carried out before, but the benefits were / are being achieved after the date of its entry into force. Implementation of the above provisions will enable the Polish tax authorities to challenge legal arrangements by the taxpayers such as group's restructurings and reorganizations.

The Company recognizes current and deferred income tax assets and liabilities using IAS 12 Income tax based on profit (tax loss), tax base, unsettled tax losses, unused tax exemptions and tax rates, taking into account assessment of uncertainties related to tax settlements.

If there is uncertainty over where or not and in what scope the tax authority will accept tax accounting for transactions, the Company recognizes these settlements taking into account an uncertainty assessment.

Deferred income tax

As at 31 December 2024	Assets	Liabilities	Net	As at 1 January 2024 net	Recognised in profit or loss/equity
Non-current assets					
Difference between tax and accounting depreciation rates of property, plant and equipment and intangible assets	-	971	(971)	(1 019)	48
Right-of-use assets	-	3 059	(3 059)	(3 771)	712
Current assets					
Write-down of inventories	564	-	564	563	1
Asset for expected returns	-	108	(108)	(72)	(36)
Deliveries on their way to customers	-	238	(238)	-	(238)
Write-down of receivable	372	-	372	354	8
Unfinished deliveries of goods	341	-	341		341
Balance-sheet valuation of receivables denominated in foreign currencies	-	71	(71)	6	(77)
Balance sheet valuation of cash in foreign currencies	-	-	-	1	(1)
Long-term liabilities					
Liabilities from finance leases	1 833	-	1 833	2 929	(1 096)
Provision for retirement benefits	144	-	144	129	15
Financial guarantees granted	12	-	12	5	7
Short-term liabilities					
Provisions for liabilities	381	-	381	335	46
Balance-sheet valuation of short-term liabilities	-	39	(39)	(24)	(15)
Provisions for unused vacation and bonuses	1 712	-	1 712	1 468	244
Accrued interest	-	-	-	-	-
Lease liabilities	1 286	-	1 286	790	496
Provisions for guarantee repairs	272	-	272	191	81
Total deferred income tax, of which	**6 917**	**4 486**	**2 431**	**1 885**	**546**
- recognised in profit or loss					549
- recognised in equity (*)					(3)

(*) applies to deferred tax from actuarial losses recognised in other comprehensive

(Amounts are expressed in PLN thousand, unless specified otherwise)

As at 31 December 2023	Assets	Liabilities	Net	As at 1 January 2023 net	Recognised in profit or loss/equity
Non-current assets					
Difference between tax and accounting depreciation rates of property, plant and equipment and intangible assets	-	1 019	(1 019)	(786)	(233)
Right-of-use assets	-	3 771	(3 771)	(2 444)	(1 327)
Current assets					
Write-down of inventories	563	-	563	407	156
Asset for expected returns	-	72	(72)	(17)	(55)
Write-down of receivable	354	-	354	369	(15)
Balance-sheet valuation of receivables denominated in foreign currencies	6	-	6	225	(219)
Balance sheet valuation of cash in foreign currencies	1	-	1	-	1
Long-term liabilities					
Liabilities from finance leases	2 929	-	2 929	1 044	1 885
Provision for retirement benefits	129	-	129	108	21
Financial guarantees granted	5	-	5	6	(1)
Short-term liabilities					
Provisions for liabilities	335	-	335	161	174
Balance-sheet valuation of short-term liabilities	-	24	(24)	(6)	(18)
Provisions for unused vacation and bonuses	1 468	-	1 468	1 344	124
Accrued interest	-	-	-	85	(85)
Lease liabilities	790	-	790	1 245	(455)
Provisions for guarantee repairs	191	-	191	213	(22)
Total deferred income tax, of which	**6 771**	**4 886**	**1 885**	**1 954**	**(69)**
- recognised in profit or loss					(76)
- recognised in equity (*)					7

(*) applies to deferred tax from actuarial losses recognised in other comprehensive income

Within the above-declared value of the deferred tax asset, the amount minus PLN 425 thousand (provision) concerns titles that, according to the company's expectations, should be realized in a period longer than 12 months.

There are no significant temporary differences and tax losses in connection with which an asset was not created.

29. Earnings per share

	12 months ended 31 December 2024	12 months ended 31 December 2023
Net profit	**55 653**	**52 895**
Weighted average number of ordinary shares issued ('000)	75 042	75 042
Basic earnings per share (PLN)	**0.74**	**0.70**
Earnings per share attributable to ordinary shareholders, used to calculate diluted earnings per share	**55 653**	**52 895**
Weighted average number of issued ordinary shares, applied to calculate basic earnings per share	75 042	75 042
Dilution impact	-	-
Adjusted weighted average number of ordinary shares used for calculating diluted earnings per share ('000)	**75 042**	**75 042**
Diluted earnings per share (PLN)	**0.74**	**0.70**

Basic earnings per share were calculated by dividing the net profit by the weighted average number of ordinary shares during the period.

As at 31 December 2024 and 2023, the Company had no dilutive factors.

30. Financial guarantees granted and received

As at 31 December 2024, the Company was party to the following guarantee agreements in connection with their operations, granted by the following entities:

No	Counterparty	Subject of guarantee	Guarantee amount	Date of expiry
1	Bank Handlowy S.A. w Warszawie	guarantee of proper performance-timely payment for the lease of warehouses in Nadarzyn by TOYA S.A.	613 352.19 EUR	28 February 2025 (*)
2	Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A.	Security for amounts due to customs duties, taxes and other fees in relation to goods subject to admission to circulation on the basis of a customs declaration by TOYA S.A.	270 000 PLN	31 December 2024 (**)

(*) after the balance sheet date the guarantee amount was increased to EUR 638 698.83 and the guarantee validity period was changed to 28.02.2026
(**) after the end of the year the guarantee was extended until 31 December 2025.

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. The guarantee was measured at fair value.

On 29 March \2024, TOYA S.A. entered into a surety agreement with Citibank (China) Company Limited-Shanghai Branch, based in the People's Republic of China, in order to secure the repayment of receivables due to the bank under the conclusion by YATO TOOLS (Shanghai) Co., Ltd of a short-term working capital loan agreement in the amount of CNY 60,000 thousand. The agreement assumes TOYA S.A.'s surety for the liabilities of the subsidiary up to the amount of CNY 72,000 thousand. The surety was granted until 31 August 2025. The surety was valued at fair value.

(Amounts are expressed in PLN thousand, unless specified otherwise)

31. Transactions with related entities

In 2024 and 2023, the Company effected transactions with the following related parties:

- Toyota Katowice Sp. z o.o. - entity related through key management personnel,
- Unicase Sp. z o.o. – entity related through key management personnel,
- Grzegorz Pinkosz – President of the Management Board – key management personnel,
- Maciej Lubnauer – Vice-President of the Management Board – key management personnel,
- Robert Borys – Vice-President of the Management Board – key management personnel,
- Jan Jakub Szmidt - Vice-President of the Management Board – key management personnel (from 26.06.2024),
- Piotr Mondalski – President of the Supervisory Board – key management personnel,
- Jan Szmidt - Vice-President of the Supervisory Board – key management personnel,
- Grzegorz Maciąg – Member of the Supervisory Board – key management personnel,
- Dariusz Górka – Member of the Supervisory Board – key management personnel,
- Michał Kobus – Member of the Supervisory Board – key management personnel (till 26.06.2024),
- Wojciech Bartłomiej Papierak – key management personnel,
- Beata Szmidt – Member of the Supervisory Board - key management personnel,
- Zenon Beker – Member of the Supervisory Board - key management personnel (from 26.06.2024).

In the years ended 31 December 2024 and 31 December 2023, there were no indications of impairment and therefore no receivables from related parties were written down.

Balances due to transactions with related entities are not insured.

Information on remuneration and benefits of key management personnel and on transactions executed with such personnel

The Management Board and the Supervisory Board of the Company comprise the key management personnel of the Company.

The remuneration and benefits paid or payable to the Company's key management personnel are as follows:

	2024	2023
Remunerations and benefits under employment contracts and appointment contracts - Management Board	3 602	3 308
Social insurance (ZUS) costs borne by the Company - Management Board	21	11
Remunerations for positions held - Supervisory Board	985	751
Social insurance (ZUS) costs borne by the Company - Supervisory Board	176	122
Employee Capital Plans (PPK) financed by the Company	8	7

In 2024 and 2023, no dividend was paid to key management personnel.

In addition to the transactions listed above, the Company entered into transactions with key management personnel as indicated in the table below.

(Amounts are expressed in PLN thousand, unless specified otherwise)

Summary of transactions and balances with related entities

	Trade and other receivables	Prepayments for the delivery of goods	Revenue from sales of goods and services and other revenues	Purchase of goods and services and other expenses
	31.12.2024		**1.01.2024 - 31.12.2024**	
Subsidiaries	7 320	44 280	16 543	390 206
TOYA Romania S.A.	*7 320*	-	*16 495*	-
Yato Tools (Shanghai) Co. Ltd.	-	*80*	-	*37 183*
Yato Tools (Jiaxing) Co. Ltd.	-	*44 200*	*48*	*353 023*
Entities related through key management personnel	2	-	87	24
Key management	-	-	142	15
Total	**7 322**	**44 280**	**16 772**	**390 245**
	31.12.2023		**1.01.2023 - 31.12.2023**	
Subsidiaries	1 592	3 809	34 497	254 938
TOYA Romania S.A.	*1 592*	-	*34 489*	-
Yato Tools (Shanghai) Co. Ltd.	-	*39*	-	*29 814*
Yato Tools (Jiaxing) Co. Ltd.	-	*3 770*	*8*	*225 124*
Entities related through key management personnel	8	-	99	-
Total	**1 600**	**3 809**	**34 596**	**254 938**

Related party transactions are entered into on arm's length terms in the course of the Company's day-to-day operations.

32. Material events subsequent to the end of reporting period

32.1 Conclusion of the Credit Agreement by the subsidiary YATO TOOLS (JIAXING) Co., Ltd

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

The subsidiary launched a loan with its use for import and export activities up to CNY 80,000 thousand for a period of one year with the possibility of extension. The remaining terms of the Agreement do not differ from the terms commonly used for this type of agreement.

32.2 Annex to the overdraft agreement

On 19 March 2025, TOYA S.A. concluded Annex No. 7 to the Current Account Loan 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 for 26 March 2026. The remaining terms of the Agreement do not differ from the terms commonly used for this type of agreement.

Management Board of Toya S.A.:

Date	**Name and surname**	**Position**	**Signature**
27.03.2025	Grzegorz Pinkosz	President of the Management Board	
27.03.2025	Maciej Lubnauer	Vice-President of the Management Board	
27.03.2025	Robert Borys	Vice-President of the Management Board	
27.03.2025	Jan Jakub Szmidt	Vice-President of the Management Board	

Person responsible for bookkeeping:

Date	**Name and surname**	**Position**	**Signature**
27.03.2025	Iwona Banik	Chief Accountant	