



TOYA S.A. CAPITAL GROUP

Consolidated interim report
For the period from 1 January 2022 to 31 March 2022



SELECTED FINANCIAL DATA

Selected financial data relating to the condensed interim consolidated financial statements of TOYA S.A. Capital Group in Wrocław

	PLN thousand		EUR thousand	
	1st quarter cumulatively / period from 1.01.2022 to 31.03.2022	1st quarter cumulatively / period from 1.01.2021 to 31.03.2021	1st quarter cumulatively / period from 1.01.2022 to 31.03.2022	1st quarter cumulatively / period from 1.01.2021 to 31.03.2021
I. Revenue from sales of goods	188,389	165,594	40,538	36,218
II. Operating profit	27,743	24,554	5,970	5,370
III. Profit before tax	26,493	24,226	5,701	5,299
IV. Net profit	20,948	19,228	4,508	4,206
V. Total comprehensive income	24,911	22,565	5,360	4,935
VI. Weighted average number of shares ('000)	75,042	75,042	75,042	75,042
VII. Net profit per ordinary share attributable to shareholders of the Parent Company (in PLN/EUR)	0.28	0.26	0.06	0.06
VIII. Net cash from operating activities	(17,772)	29,169	(3,824)	6,380
IX. Net cash from investing activities	(4,944)	(3,613)	(1,064)	(790)
X. Net cash from financing activities	24,098	(23,228)	5,185	(5,081)
XI. Total net cash	1,382	2,328	297	509

	As at		As at	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
XII. Non-current assets	84,686	85,540	18,202	18,598
XIII. Current assets	582,927	516,820	125,293	112,367
XIV. Total assets	667,613	602,360	143,496	130,965
XV. Non-current liabilities	30,759	29,513	6,611	6,417
XVI. Current liabilities	311,265	272,169	66,903	59,175
XVII. Total equity	325,589	300,678	69,983	65,374

The following currency rates were applied in the translation of the selected financial data into EUR:

- for the translation of comprehensive income and cash flows for the period from 1 January 2022 to 31 March 2022 the rate of **4.6472 PLN / EUR** (*)
- for the translation of comprehensive income and cash flows for the period from 1 January 2021 to 31 March 2021 the rate of **4.5721 PLN / EUR** (*)
- for the translation of assets, liabilities and equity at 31 March 2022 the rate of **4.6525 PLN / EUR**
- for the translation of assets, liabilities and equity at 31 December 2021 the rate of **4,5994 PLN / EUR**

(*) The rates represent the arithmetic mean of current average Exchange rates announced by the NBP on the last day of each month during the periods from January to March of respectively: 2022 and 2021.

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TOYA S.A. Capital Group

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(All amounts in PLN '000 unless indicated otherwise)

PART A – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF TOYA S.A. CAPITAL GROUP**Consolidated statement of financial position**

	Note	31 March 2022 unaudited	31 December 2021
ASSETS			
Property, plant and equipment	5	45,211	45,090
Intangible assets		4,107	3,899
Right-of-use assets	6	29,932	31,188
Goodwill	7	862	835
Other receivables		52	51
Deferred income tax assets	16	4,522	4,477
Non-current assets		84,686	85,540
Inventory	8, 16	415,181	369,256
Trade and other receivables	9, 16	126,225	108,709
Cash and cash equivalents	10	41,521	38,855
Current assets		582,927	516,820
Total assets		667,613	602,360
EQUITY AND LIABILITIES			
Share capital	12	7,504	7,504
Share premium		35,677	35,677
Reserve capital		329	329
Exchange differences from translating foreign entities		14,846	10,883
Other capitals		(209)	(209)
Retained earnings		267,442	246,494
Equity per shareholders of the Parent Company		325,589	300,678
Total equity		325,589	300,678
Liabilities from loans	14	11,300	10,049
Lease liabilities		17,577	18,414
Deferred income tax liability		1,150	318
Liabilities from employee benefits		678	678
Other long-term liabilities		54	54
Total long-term liabilities		30,759	29,513
Trade and other payables	15	171,659	156,068
Liabilities from employee benefits	16	7,704	10,023
Liabilities from loans		113,485	86,904
Lease liabilities		8,527	9,170
Liabilities from current income tax		8,110	8,393
Provisions	16	1,780	1,611
Total short-term liabilities		311,265	272,169
Total liabilities		342,024	301,682
Total equity and liabilities		667,613	602,360

The explanatory notes constitute an integral part of these condensed interim consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income

	Note	3 months period ended 31 March	
		2022 unaudited	2021 unaudited
Revenue from sales of goods	18, 19	188,389	165,594
Cost of goods and materials sold	18, 20	(125,987)	(110,059)
Gross sales profit		62,402	55,535
Selling costs	18	(27,098)	(21,894)
Administrative expenses	18	(8,687)	(8,063)
Expected credit losses		(109)	(75)
Other operating revenue		1,920	154
Other operating expenses		(685)	(1,103)
Operating profit		27,743	24,554
Financial income		30	25
Financial expenses		(1,280)	(353)
Profit before tax		26,493	24,226
Income tax		(5,545)	(4,998)
Net profit		20,948	19,228
Other comprehensive income that may be reclassified to profit or loss			
Foreign operations currency translation differences		3,963	3,337
Other net comprehensive income		3,963	3,337
Total net comprehensive income for the period		24,911	22,565
Net profit for the year attributable to:			
Shareholders of the Parent Company		20,948	19,228
Non-controlling interests		-	-
Other comprehensive income attributable to:			
Shareholders of the Parent Company		3,963	3,337
Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
Shareholders of the Parent Company		24,911	22,565
Non-controlling interests		-	-
Earnings per share			
Basic earnings per share in PLN	13	0.28	0.26
Diluted earnings per share in PLN	13	0.28	0.26

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Consolidated statement of changes in equity

	Share capital	Share premium	Reserve capital	Exchange differences from translating foreign entities	Other capitals	Retained earnings	Attributable to shareholders of the Parent Company	Total equity
As at 1 January 2022	7,504	35,677	329	10,883	(209)	246,494	300,678	300,678
Comprehensive income								
Net profit	-	-	-	-	-	20,948	20,948	20,948
Other comprehensive income				3,963	-	-	3,963	3,963
Total comprehensive income	-	-	-	3,963	-	20,948	24,911	24,911
Transactions with owners								
Total changes in equity	-	-	-	3,963	-	20,948	24,911	24,911
As at 31 March 2022	7,504	35,677	329	14,846	(209)	267,442	325,589	325,589
As at 1 January 2021	7,504	35,677	329	3,556	(194)	190,861	237,733	237,733
Comprehensive income								
Net profit	-	-	-	-	-	19,228	19,228	19,228
Other comprehensive income	-	-	-	3,337	-	-	3,337	3,337
Total comprehensive income	-	-	-	3,337	-	19,228	22,565	22,565
Transactions with owners	-	-	-	-	-	-	-	-
Total changes in equity	-	-	-	3,337	-	19,228	22,565	22,565
As at 31 March 2021	7,504	35,677	329	6,893	(194)	210,089	260,298	260,298

The explanatory notes constitute an integral part of these condensed interim consolidated financial statements

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Consolidated cash flow statement

	Note	3 months ended 31 March 2022	2021
Cash flows from operating activities			
Profit before tax		26,493	24,226
Adjustments for:			
Amortization and depreciation		3,821	3,445
Net interest		1,250	328
Profit/Loss on investing activities		(2)	-
Foreign exchange gains/losses		752	1,091
Changes in balance sheet items:			
Change in trade and other receivables	11	(12,484)	(9,723)
Change in inventories	11	(43,522)	20,077
Change in provisions	11	158	177
Change in trade and other payables	11	13,386	(3,090)
Change in employee benefit liabilities	11	(2,392)	34
Cash from activities		(12,540)	36,565
Income tax paid		(5,232)	(7,396)
Net cash from operating activities		(17,772)	29,169
Cash flows from investing activities			
Sale of property, plant and equipment		4	-
Purchases of property, plant and equipment and intangible assets		(4,978)	(3,638)
Interest received		30	25
Net cash from investing activities		(4,944)	(3,613)
Cash flows from financing activities			
Proceeds from loans		27,670	3,910
Repayments of loans		-	(24,741)
Repayment of lease liabilities		(2,453)	(2,043)
Interest paid on loans		(819)	(47)
Interests paid on leases		(300)	(307)
Net cash from financing activities		24,098	(23,228)
Net change in cash and cash equivalents		1,382	2,328
Balance sheet change in cash and cash equivalents		2,666	2,905
- effect of translation of cash and cash equivalents		1,284	577
Cash and cash equivalents at the beginning of the period	10	38,855	33,961
Cash and cash equivalents at the end of the period	10	41,521	36,866

The explanatory notes constitute an integral part of these condensed interim consolidated financial statements

Explanatory notes to condensed interim consolidated financial statements

1. General information

TOYA S.A. (the "Company" or the "Parent Company") is a joint stock company established under the Commercial Companies Code. The Company has its registered office in Wrocław at ul. Sołtysowicka 13-15. The Company's shares are publicly traded.

The Company is entered into the Commercial Register maintained by the District Court for Wrocław-Fabryczna, 6th Commercial Division under entry No KRS 0000066712. The Company's Statistical Identification Number (REGON) is 932093253.

The duration of the Company is unlimited.

The core business activities of TOYA S.A. and TOYA S.A. CAPITAL GROUP include import and distribution of industrial goods, including primarily hand and power tools for professional and DIY use.

In the period from 1 January 2022 to 26 January 2022, the Management Board was composed of the following members:

- Grzegorz Pinkosz President of the Management Board;
- Maciej Lubnauer Vice-President of the Management Board.

On 27 January 2022, the Supervisory Board appointed Mr. Robert Borys to act as the Vice-President of the Management Board. From that date and until the date of approval of these financial statements 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.

In the period from 1 January to 31 March 2022 and as of the date of approval of these financial statements, the Supervisory Board of the Parent Company 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.

These condensed interim consolidated financial statements of the Group cover the period of 3 months ended on 31 March 2022. Comparative data is presented:

- as at 31 December 2021 - for the interim consolidated statement of financial position;
- for the period from 1 January 2021 to 31 March 2021 - for the interim consolidated statement of profit or loss and other comprehensive income, the interim consolidated statement of cash flows and the interim consolidated statement of changes in equity.

These condensed interim consolidated financial statements of the Group for 3 months period ended 31 March 2022 were approved for publication by the Management Board on 11 May 2022.

The Parent Company has also prepared the condensed interim stand-alone financial statements for the 3 months period ended 31 March 2022, which was approved for publication by the Management Board on 11 May 2022.

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2. Capital group structure

As at 31 March 2022, the Group comprised the following entities:

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

In the period from 1 January to 31 March 2022, there were no changes in the structure of the Group.

3. Summary of significant accounting policies

3.1 Basis for preparation

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 „Interim Financial Reporting” approved by the EU.

They should be read jointly with the annual consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards (called „IFRS”) and interpretations issued by International Accounting Standards Board approved by European Union (called „EU”).

Going concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Group will continue as going concerns in the foreseeable future.

3.2 Accounting policies

The accounting principles are consistent with the principles applied in the annual consolidated financial statements for the financial year ended 31 December 2021, except for the adoption of new and amended standards, as described below.

3.3 Effect of new or amended standards and interpretations on the Group's consolidated financial statements

These financial statements were prepared on the basis of IFRS approved by the EU, issued and effective for reporting periods beginning on or after 1 January 2022.

a) New standards, interpretations and amendments to existing standards effective in 2022**• Amendments to IFRS 3 Business combinations, IAS 16 Property, plant and equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements – 2018-2020 cycle**

The package of changes includes three narrow scope changes to the standards:

- updates the reference in IFRS 3 Business Combinations to the Conceptual Framework for the Preparation and Presentation of Financial Statements, without changing the accounting requirements for accounting for business combinations,
- prohibits entities from reducing the cost of property, plant and equipment by amounts obtained from the sale of assets produced in the period when the entity prepares an item of property, plant and equipment for its intended use. Such income and the related costs will be recognized in profit or loss for the period,
- explains which costs the entity uses in assessing whether a given contract will generate a loss (IAS 37).

The package also includes Annual Improvements to the International Financial Reporting Standards (2018-2020 cycle), which clarify the terms used and adjust minor inconsistencies, or omissions between the requirements of the standards in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and illustrative examples in IFRS 16 Leases.

The above Amendments did not have a significant impact on the consolidated financial statements of the Group.

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

In 2022, after the date of publication of the annual financial statements, i.e. after 24 March 2022, no changes, new standards or interpretations were published.

In these condensed interim consolidated financial statements, the Group has not decided to adopt earlier any standard, interpretation or amendment that has been published but has not yet come into force in the light of European Union regulations.

4. Seasonality

The Group's offer is aimed at the consumer market, which is sensitive to the seasons and weather conditions. However seasonality practically does not exist now. This is the result of a consistent policy of continuous expanding range of product, which is attractive in all seasons and continuous improvement of logistics processes. For the gradual disappearance of seasonality not without significance it is the fact that the Group is present in both the European and Asian market and it uses a variable demand on the market for cultural reasons and climatic conditions observed at the same time.

5. Property, plant and equipment

	31 March 2022 unaudited	31 December 2021
Land	2,907	2,907
Buildings and structures	9,074	9,230
Plant and equipment	4,258	4,107
Vehicles	567	646
Other	7,853	7,987
Total	24,659	24,877
Property, plant and equipment not transferred for use	20,552	20,213
Total property, plant and equipment	45,211	45,090

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In the item "other", the Group mainly includes storage and display shelves as well as furniture for offices and warehouses.

In the period from 1 January to 31 March 2022, the gross value of property, plant and equipment increased by PLN 938 thousand, mainly due to the purchase of IT equipment and display shelves. In addition, the Group's subsidiary Yato Tools (Jiaxing), located in Baibu, China, continued the construction of a new warehouse. Depreciation of property, plant and equipment recognized in profit or loss amounted to PLN 1,225 thousand. The other changes result from differences from the currency translation of foreign entities.

6. Right-of-use assets

	31 March 2022 unaudited	31 December 2021
Land	6,971	6,847
Buildings and structures	15,546	16,190
Plant and equipment	1,832	1,978
Vehicles	5,583	6,173
Total	29,932	31,188

In the first quarter of 2022, the Group did not enter into any new lease agreements. Increase of right-of-use assets by PLN 33 thousand resulted from the indexation of fees in accordance with the agreements concluded in previous years. Depreciation of the right-of-use assets recognized in profit or loss amounted to PLN 2,367 thousand. The other changes result from differences from the currency translation of foreign entities.

7. Goodwill

Goodwill amounting to PLN 862 thousand includes only the goodwill resulting from the acquisitions of Yato Tools (Shanghai) Co. Ltd. in 2013. In 2021, goodwill increased by PLN 27 thousand as a result of exchange rate differences.

8. Inventory

	31 March 2022 unaudited	31 December 2021
Goods for resale at warehouse and in transit	414,843	368,718
Asset for expected returns from customers	338	538
Total inventory (per balance sheet)	415,181	369,256
Revaluation write-down for goods for resale	3,644	3,157
Total inventory (gross)	418,825	372,413

Creation and reversal of inventory write-down is recognized in profit or loss and presented as "cost of goods sold".

In accordance with IFRS 15, in the item "assets for expected returns from customers", the Company presents the value of goods which may be expected to be returned from customers after the end of the reporting period.

The table below presents changes in revaluation write-downs on inventory:

	2022	2021
As at 1 January	3,157	2,994
Increase	532	188
Reversal/utilisation	-	(220)
Currency translation differences	(45)	195
As at 31 March / 31 December	3,644	3,157

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9. Trade and other short-term receivables

	31 March 2022 unaudited	31 December 2021
Trade receivables from related parties	1	1
Trade receivables from third parties	93,587	69,286
Total trade receivables	93,588	69,287
Taxes, custom duties and social security receivables	13,428	20,820
Other receivables from third parties	2,198	2,570
Advances for deliveries of goods for resale	7,966	10,789
Advances for deliveries of property, plant and equipment	10,025	6,055
Prepayments and deferred costs	1,968	2,024
Total gross receivables	129,173	111,545
Allowance for the expected credit losses on trade receivables	(2,912)	(2,781)
Impairment write-downs of other receivables	(36)	(55)
Total net receivables	126,225	108,709

The Group 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.

Changes in the allowance for the expected credit losses of trade receivables are presented in the table below:

	2022	2021
Opening balance of the allowance for the expected credit losses	2,781	3,142
Write-offs included in the financial result	132	47
Reversal of unused write-offs	(23)	-
Receivables classified individually as irrecoverable	-	(488)
Currency translation differences	22	80
As at 31 March / 31 December	2,912	2,781

10. Cash and cash equivalents

	31 March 2022 unaudited	31 December 2021
Cash in hand and at bank	41,521	38,855
Total cash and cash equivalents	41,521	38,855

11. Additional explanation to the 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:

3 months ended on 31 March 2022	Balance sheet change	Adjustments			Change in statement of cash flows
		Advances paid for property, plant and equipment	Measurement of cash in foreign currencies	Effect of currency translation of foreign entities	
Change in trade and other receivables and prepayments and deferred expenses	(17,517)	3,970	-	1,063	(12,484)
Change in inventories	(45,925)	-	-	2,403	(43,522)
Change in provisions	169	-	-	(11)	158
Change in trade and other payables	15,591	-	-	(2,205)	13,386
Change in employee benefit liabilities	(2,319)	-	-	(73)	(2,392)
Change in cash	2,666	-	(1,284)	-	1,382

3 months ended on 31 March 2021	Balance sheet change	Adjustments		Change in statement of cash flows
		Measurement of cash in foreign currencies	Effect of currency translation of foreign entities	
Change in trade and other receivables and prepayments and deferred expenses	(8,498)	-	(1,225)	(9,723)
Change in inventories	18,271	-	1,806	20,077
Change in provisions	184	-	(7)	177
Change in trade and other payables	(3,709)	-	619	(3,090)
Change in employee benefit liabilities	155	-	(121)	34
Change in cash	2,905	(577)	-	2,328

12. Share capital

As at 31 March 2022, 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.

In the period from 1 January to 31 March 2022, there were no changes in the amount of share capital.

13. Earnings per share

	3 months ended 31 March	
	2022	2021
	Unaudited	Unaudited
Net profit attributable to the shareholders of the Parent Company	20,948	19,228
Weighted average number of ordinary shares ('000)	75,042	75,042
Basic net profit per share (PLN)	0.28	0.26
Net profit attributable to ordinary shareholders used to calculate diluted earnings per share	20,948	19,228
Adjusted weighted average number of ordinary shares used for calculating diluted earnings per share ('000)	75,042	75,042
Diluted earnings per share from continuing operations (PLN)	0.28	0.26

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

In the periods from 1 January to 31 March 2022 and 2021 the Group had no potential dilutive instruments.

14. Loans and borrowings liabilities

	31 March 2022 unaudited	31 December 2021
Long-term bank loans an borrowings liabilities	11,300	10,049
Short-term bank loans an borrowings liabilities	113,485	86,904
Total bank loans an borrowings liabilities	124,785	96,953

As at 31 March 2022, the Group 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.

Working capital loan agreements provide that the borrower maintains the financial debt ratios at the agreed level throughout the loan period. If the condition of maintaining the ratios at the level specified by the bank is not met, the bank has the right to terminate the loan agreements.

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Characteristics of credit agreements:

Object and value of agreement	Name of the Bank / covering bonds / granting loans	Loan amount as per agreement as at 31 March 2022	Amount outstanding as at 31 March 2022	Amount outstanding as at 31 December 2021	Current interest rate	Date of expiry
1. Overdraft facility agreement No BDK/KR-RB/000054601/0641/10 of 22 December 2010	Bank Handlowy w Warszawie S.A.	40,000	38,582	29,310	WIBOR 1 M + bank's margin	16 December 2022
2. Overdraft credit facility agreement No 09/030/19/Z/VV	mBank S.A. with its registered office in Warsaw	40,000	36,558	30,453	WIBOR 1 ON + bank's margin	30 March 2023
3. Overdraft credit facility agreement No WAR/8833/20/326/CB	BNP Paribas Bank Polska S.A. with its registered office in Warsaw	25,000	23,195	13,692	WIBOR 1 M + bank's margin	30 September 2022
4. Non-revolving loan agreement no WAR/8833/20/327/CB	BNP Paribas Bank Polska S.A. with its registered office in Warsaw	40,000	26,450	23,498	WIBOR 1 M + bank's margin	31 March 2024
Total liabilities, of which:		145,000	124,785	96,953		
– short-term portion		122,143	113,485	86,904		
– long-term portion		22,857	11,300	10,049		

15. Trade and other payables

	31 March 2022 unaudited	31 December 2021
Trade payables to related parties	-	-
Trade payables to third parties	139,934	135,277
Total trade payables	139,934	135,277
Tax liabilities	11,101	6,125
Liability due to expected goods returns	578	910
Prepayments received for deliveries	18,958	12,530
Other payables to third parties	343	455
Deferred revenue	745	771
Total other current payables	31,725	20,791
Total	171,659	156,068

16. Changes in estimates**16.1 Inventory write-down**

In the 1st quarter of 2022 the Group has increased the inventory write-down by the amount of PLN 487 thousands.

In the 1st quarter of 2021 the Group has increased the inventory write-down by the amount of PLN 4 thousands.

16.2 Write-off for expected credit losses on receivables

In the 1st quarter of 2022 the Group has increased the trade receivables write-down by the amount of PLN 131 thousands.

In the 1st quarter of 2021 the Group has increased the trade receivables write-down by the amount of PLN 123 thousands.

16.3 Provision for guarantees

In the 1st quarter of 2022 the Group has increased the guaranty provision by the amount of PLN 169 thousands.

In the 1st quarter of 2021 the Group has increased the guaranty provision by the amount of PLN 184 thousands.

16.4 Employee benefits obligations

In the 1st quarter of 2022 the Group has increased the unused holidays provision by the amount of PLN 304 thousands.

In the 1st quarter of 2021 the Group has increased the unused holidays provision by the amount of PLN 305 thousands.

16.5 Deferred tax

Deferred tax assets have been increased in the 1st quarter of 2022 by PLN 45 thousands.

Deferred tax assets have been increased in the 1st quarter of 2021 by PLN 657 thousands, mainly due to recognition of provision for expected returns of goods and discounts for customers.

According to the Management Board, there is no risk that the deferred tax asset could not be realized.

17. Fair value

Book value of financial assets and liabilities approximates their fair value. In the first quarter of 2022, there were no changes in the business conditions and economic situation that would affect the fair value of financial assets and liabilities.

18. Operating segments

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

The Group specifies four operating and reporting segments for its activities:

- sales on local markets (Poland, Romania) to retail networks;
- sales on local markets (Poland, Romania and China) – wholesale market;
- export 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, authorised retail stores and sales representatives. Foreign markets are supported using sales department of the Parent Company and subsidiaries Yato Tools (Shanghai) Co. Ltd. and Yato Tools (Jiaxing) Co. Ltd. As part of retail sales, sales are mainly realized through an online store and online sales platforms.

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

The Group did not record revenue from sale to a single external customer exceeding 10% of total sales revenue.

As at 31 March 2022, the Group's assets amounted to PLN 667,613 thousand, and the Group's liabilities amounted to PLN 342,024 thousand and were related only to trading activities. The Management Board of the Parent Company does not examine the assets of the Group for each segment separately.

The Parent Company has no non-current assets located abroad. Non-current assets of the subsidiaries are located outside of Poland. The net value of property, plant and equipment located in Romania as at 31 March 2022 is PLN 5,334 thousand and located in China is PLN 22,429 thousand.

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3 months ended 31 March 2022	<i>EXPORT SALES</i>	<i>WHOLESALE MARKET</i>	<i>RETAIL NETWORKS</i>	<i>RETAIL SALES (*)</i>	TOTAL
Sales revenue					
Sales to external customers	63,708	92,149	22,646	9,886	188,389
Total segment revenue	63,708	92,149	22,646	9,886	188,389
Cost of goods sold					
Sales to external customers	(45,279)	(61,025)	(14,741)	(4,942)	(125,987)
Total costs of goods sold	(45,279)	(61,025)	(14,741)	(4,942)	(125,987)
Gross profit	18,429	31,124	7,905	4,944	62,402
Gross profit margin	29%	34%	35%	50%	33%
Gross profit - all operating segments					62,402

3 months ended 31 March 2021	<i>EXPORT SALES</i>	<i>WHOLESALE MARKET</i>	<i>RETAIL NETWORKS</i>	<i>RETAIL SALES (*)</i>	TOTAL
Sales revenue					
Sales to external customers	56,835	78,290	19,952	10,517	165,594
Total segment revenue	56,835	78,290	19,952	10,517	165,594
Cost of goods sold					
Sales to external customers	(39,557)	(51,531)	(13,267)	(5,704)	(110,059)
Total costs of goods sold	(39,557)	(51,531)	(13,267)	(5,704)	(110,059)
Gross profit	17,278	26,759	6,685	4,813	55,535
Gross profit margin	30%	34%	34%	46%	34%
Gross profit - all operating segments					55,535

(*) mainly e-commerce sales

19. Sales revenue

	3 months ended 31 March	
	2022 Unaudited	2021 Unaudited
Sales of goods for resale	188,389	165,594
Total sales revenue	188,389	165,594

The geographical structure of revenues from sales has been presented below:

	3 months period ended		3 months period ended	
	31 March 2022		31 March 2021	
	Sales revenue	Share	Sales revenue	Share
Ukraine	6,520	3.5%	9,799	5.9%
Baltic countries	5,879	3.1%	4,871	2.9%
Hungary	5,326	2.8%	4,806	2.9%
Belarus	3,913	2.1%	3,977	2.4%
Czech Republic	3,628	1.9%	3,656	2.2%
Russia	2,729	1.4%	1,737	1.0%
Germany	2,171	1.2%	2,937	1.8%
Europe – other EU countries	6,509	3.5%	7,549	4.6%
Europe – other non-EU countries	4,109	2.2%	4,352	2.6%
Africa	5,088	2.7%	1,323	0.8%
South and Central America	10,031	5.3%	4,808	2.9%
Asia	7,558	4.0%	6,905	4.2%
Australia and Oceania	247	0.1%	115	0.1%
Total export	63,708	33.8%	56,835	34.3%
Poland	93,325	49.5%	83,040	50.1%
Romania	22,592	12.0%	17,045	10.3%
China	8,764	4.7%	8,674	5.2%
Total sales revenue	188,389	100.0%	165,594	100.0%

20. Costs by type and cost of goods for resale sold

	3 months ended 31 March	
	2022 unaudited	2021 unaudited
Amortisation and depreciation	3,796	3,445
Material and energy consumption	2,443	1,332
Third-party services	9,174	6,883
<i>costs of transportation</i>	2,816	2,393
<i>logistics services</i>	690	-
<i>IT, telecommunications and postal costs</i>	792	524
<i>online sales platform access services</i>	1,304	1,023
<i>rent with service and maintenance charges</i>	542	691
<i>legal, audit and consulting costs</i>	822	419
<i>other third-party services</i>	2,208	1,833
Taxes and fees	461	443
Costs of employee benefits, including:	17,911	15,282
<i>salaries</i>	15,014	12,877
<i>social security</i>	2,441	2,044
<i>employee capital plans</i>	41	29
<i>other</i>	415	332
Other costs by type	2,000	2,572
Value of goods for resale and materials sold	125,987	110,059
Total costs by type and value of goods for resale sold	161,772	140,016
Selling costs, including:	27,098	21,894
<i>amortisation and depreciation</i>	3,082	2,698
<i>costs of employee benefits</i>	12,433	10,355
Administrative expenses, including:	8,687	8,063
<i>amortisation and depreciation</i>	714	747
<i>costs of employee benefits</i>	5,478	4,927
Value of goods for resale sold	125,987	110,059
Costs by type and value of goods sold	161,772	140,016

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21. Financial guarantees granted and received

As at 31 March 2022, the Group had the following guarantees:

No	Counterparty	Type of guarantee	Subject matter and value	Date of expiry
1	Bank Handlowy w Warszawie S.A.	Guarantee of payment for the lease of warehouses in Nadarzyn	Bank guarantee in the amount of EUR 439,133	28 February 2023
2	Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A.	Contract on granting a customs debt guarantee	The security for repayment of custom debts, taxes and other fees associated with goods released into free circulation based on customs declaration, in the amount of PLN 270,000	31 December 2022
3	BRD Groupe Societe Generale	Guarantee of payment for warehouse rental in Bucharest	Bank guarantee in the amount of EUR 232,686	3 August 2022

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.

22. Contingent assets and liabilities

As at 31 March 2022, the Group had no significant contingent liabilities or contingent assets.

23. Transactions with related entities

In the periods from 1 January to 31 March 2022 and 2021, the Group effected transactions with the following related parties:

- Toya Development Sp. z o.o. S.K. in liquidation – entity related through key management personnel,
- Toyota Katowice 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,
- Piotr Mondalski – President of the Supervisory Board – key management personnel,
- Jan Szmidt – Vice-President of the Supervisory Board – key management personnel,
- Dariusz Górka – Member of the Supervisory Board – key management personnel,
- Grzegorz Maciąg – Member of the Supervisory Board – key management personnel,
- Michał Kobus - Member of the Supervisory Board – key management personnel,
- Wojciech Bartłomiej Papierak - Member of the Supervisory Board – key management personnel,
- Beata Szmidt - Member of the Supervisory Board – key management personnel.

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Statement of transactions and balances with related entities:

	Trade and other receivables	Revenue from sales of goods	Purchase of goods and services
	31.03.2022	1.01.2022 - 31.03.2022	
Entities related through key management personnel	1	54	-
Key management personnel	-	-	-
Total	1	54	-
	31.12.2021	1.01.2021 - 31.03.2021	
Entities related through key management personnel	1	-	6
Key management personnel	-	-	-
Total	1	-	6

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

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

	3 months ended 31 March	
	2022	2021
Remunerations and benefits under employment contracts and appointment contracts - Management Board	2,303	203
Social insurance (ZUS) costs borne by the Company - Management Board	36	2
Remunerations for positions held - Supervisory Board	153	153
Social insurance (ZUS) costs borne by the Company - Supervisory Board	27	27
Employee Capital Plans (PPK) financed by the Company	1	1

24. Material events subsequent to the end of reporting period

24.1 Annex to a significant agreement

TOYA S.A. announces that on 12 April 2022, it concluded annex no. 4 to Overdraft Agreement no. 09/030/19/Z/VV with mBank S.A. with its registered office in Warsaw.

Pursuant to this annex, the amount of credit to be used increased to PLN 60,000 thousand.

The remaining terms of the Agreement do not differ from those commonly used for this type of agreements.

24.2 Annex to a significant agreement

The Management Board of TOYA S.A. announces that on 12 April 2022 TOYA S.A. and Bank Handlowy S.A., with its registered office in Warsaw, concluded annex no. 19 to the Overdraft Agreement no. BDK/KR-RB/000054601/0641/10.

Pursuant to this annex, the amount of credit to be used was increased to PLN 50,000 thousand and an additional collateral for repayment of credit granted in the form of a registered pledge on the Company's current assets in the amount of PLN 10,000 thousand was established.

The remaining terms and conditions of the Agreement do not differ from those commonly used for this type of agreements.

24.3 Transactions in major blocks of shares

On 4 May 2022, the Company received a notification from the shareholder Norges Bank about the transaction, which resulted in an increase in the shareholder's share in the share capital of TOYA S.A. up to 3,836,056 shares, which constituted 5.11% of share in the Company's share capital.

24.4 Information on the possible impact of the Covid-19 coronavirus on the Company's operations

In connection with the continuous monitoring of the risk related to the threat caused by the COVID-19 coronavirus and its possible impact on the smooth operating activity of TOYA S.A. and the Group, the Company informs that the changing epidemiological situation within the territory of the People's Republic of China can hinder the timely completion of the TOYA S.A. Group's central warehouse under construction in China. The project is carried out by Yato Tools (Jiaxing) Co. Ltd. Moreover, the current epidemiological situation, if prolonged, can give rise to additional implications in terms of temporary disruption to the supply chain. In the Company's Management Board opinion, the aforementioned events should not have a significant impact on the financial and operational situation of Toya S.A. Group. However, it should be borne in mind that the situation is volatile and restrictions introduced by subsequent legislative changes, decisions of local authorities and other unforeseen factors beyond the Issuer's control, depending on their duration and intensity, can affect the Company's operations and financial position.

PART B – OTHER INFORMATION TO CONSOLIDATED QUARTERLY REPORT

1. Description of significant events in the first quarter of 2022

1.1 Registration of increase in the share capital of a subsidiary and contribution to the share capital of Yato Tools (Jiaying) Co. Ltd.

On 17 January 2022, an increase in the share capital of the subsidiary - Yato Tools (Jiaying) Co., Ltd. - from the amount of USD 8,000 thousand up to the amount of USD 12,500 thousand - was registered in the Chinese register of entrepreneurs. After acquiring additional shares, the Company holds 100% of shares in the subsidiary with a total nominal value of USD 12,500 thousand.

On 21 January 2022, the Company paid USD 1 million (PLN 3,983 thousand) on account of the above-mentioned capital increase.

1.2 Appointment of a Member of the Management Board

On 27 January 2022, the Supervisory Board appointed Mr. Robert Borys to the position of the Vice-President of the Management Board.

1.3 Annex to a significant contract

On 16 February 2022, TOYA S.A. concluded the Annex no. 1 to the Non-Revolving Credit Agreement no. WAR/8833/20/327/CB of 14 September 2020 with BNP Paribas Bank Polska Spółka Akcyjna with its registered office in Warsaw. The loan amount was increased to the amount of PLN 40,000 thousand and the repayment period was extended to 31 March 2024.

1.4 Impact of the war between Ukraine and Russia on the Group's operations

The Russian-Ukrainian conflict that began with military actions on 24 March 2022 did not have a significant impact on the financial results of the Toya S.A. Group in 2022. The Company did not have any assets in Ukraine, Russia or Belarus, and the transactions in 2022 with clients based there were of short-term nature. The Group, however, noted decreased exports to customers from that region, mainly due to moratorium on the execution of foreign payments announced on 24 February by the Central Bank of Ukraine.

1.5 Transactions in major blocks of shares

On 31 March 2022, the shareholder Norges Bank concluded transactions which resulted in a reduction of its share in the share capital of TOYA S.A. up to 3,745,158 shares, which constituted 4.99% of share in the Company's share capital.

2. Description of circumstances and events, particularly not typical that have significant impact on the financial result

Sales revenues of TOYA S.A. Capital Group for the first quarter of 2022 amounted to PLN 188,389 thousand that is by 13.8% more than in the same period of 2021. Net profit of the Group for the first quarter of 2022 amounted to PLN 20,948 thousands as compared to PLN 19,228 thousands for 1st quarters of 2021.

Sales revenues in the 3-month period ended 31 March 2022 were higher than in the corresponding period of the previous year in the main distribution channels. The largest increase in sales, by PLN 13,859 thousand (i.e. increase by 15%), was recorded in the wholesale channel. The export channel (increase by PLN 6,873 thousand, i.e. 10.8%) and the retail networks channel (increase by PLN 2,694 thousand, i.e. 11.9%) also recorded a high dynamics of sales growth. The main reason for the increase in sales was the increase in demand in these sales channels.

The Group's short-term receivables as at 31 March 2022 increased by 16% (PLN 17,516 thousand) compared to 31 December 2021, and the level of inventories increased by 12% (PLN 49,925 thousand). At the same time, the liabilities due to short-term bank loans increased by 32% (PLN 27,832 thousand) as compared to 31 December 2021, which was mainly caused by increased purchases of imported goods, in order to secure high availability of the products offer for customers.

3. Statement of the Management Board regarding the possibility of realizing previously published forecasts of results for a given year, in the light of the results presented in the quarterly report in relation to the forecasted results

The Management Board of Toya S.A. had not published forecasts of the results of the Company or the Group for 2022.

4. Indication of factors which, in the issuer's opinion, will have an impact on the results achieved by the issuer in the perspective of at least the next quarter

The situation associated with the occurrence of the COVID-19 pandemic in Poland, Europe and other regions of the world may affect the development of the Group's operations and its financial results due to the fact that the Group's companies operate in various regions of the world. While COVID-19 may not have a significant impact on the operations of companies in Poland and Romania, due to the large, noticeable and general progress of the European Union in combating the pandemic, the situation of Chinese companies may be different, due to the Chinese government taking decisive action in the face of relatively small outbreaks of COVID-19. However, the Group estimates that the possible (in particular in China) restrictions related to the coronavirus pandemic will not have a significant impact on the financial results in the coming quarters, as the inventories in the Group companies' warehouses are sufficient, unless supply chain disruptions will have at least medium-term nature.

The Group intends to conduct a wide development program aimed at strengthening the market position, looking for new, attractive opportunities for expansion in the broadly understood market of industrial products. The most important activities that the Group will undertake in order to implement the program are:

- Developing the capital group

The Capital Group is subject to continuous developments. Very positive results achieved by all the subsidiaries in the first quarter of 2022 prove the subsidiaries are ready to continue further intensive development. A very important element of this strategy is maintaining a competitive advantage on the market of consumer goods, in particular proper management of the supply chain. Due to the constantly growing offer of goods and the need to maintain the constant high availability of goods, the companies participate in the process of reviewing the possibilities of optimizing logistics processes and expanding warehouse space.

The subsidiary Yato Tools (Jiaying) with headquarters in the economic zone in Baibu Town, a town in the Zhejiang Province of the People's Republic of China, is in the process of building the Group's central warehouse in China. This warehouse will enable the Group to optimize the supply chain, by building a buffer between independent suppliers and the Group's customers, ensuring better adaptation of inventory to the rapidly changing demand. This is the Group's response to the clearly noticeable global trend related to the faster growing e-commerce, at the expense of other sales channels, which increases the pressure on the speed and flexibility of deliveries. The operational launch of the warehouse will take place this year. The warehouse will be equipped with modern warehouse automation, increasing the efficiency of warehouse operation.

The Parent Company is carrying out analytical work aimed to optimize logistics processes on local markets. In particular, it will consist in equipping the currently used warehouses with modern warehouse automation solutions, increasing the efficiency of e-commerce process management.

- Developing the export channel

Sales to customers based in Russia, Belarus and Ukraine accounted for approximately 10% of the Group's total sales. The war conflict between these countries had an impact on sales in these markets. Sales to Ukrainian customers decreased due to the announcement of a payment moratorium on foreign payments by the Central Bank of Ukraine on 24 February 2022, but despite this fact, Ukraine remained the most important country in the export channel, mainly due to good sales results in January and February. Possible mitigation of the effects of the announced moratorium may result in this sales region achieving a share in sales similar to the levels observed in previous periods. It should be emphasized, however, that it will depend on the development of the situation in the entire region in which hostilities take place, their duration, the scale of damage and the intensity of reconstruction of the damaged areas. The Group is closely monitoring the developments in these countries.

Regardless of the situation referred to above, the Group will strengthen its position on the other markets where it is present. This applies to markets where the Group has traditionally been present for many years, such as Hungary and the Czech Republic, but also the Balkans, where the Group has so far been less visible.

The group will also gain strength outside Europe, in African and Asian markets and in South and Central America. In these markets, the Chinese subsidiary Yato Tools (Jiaxing) will develop sales and attract new customers. The development of logistics processes based on a newly built warehouse equipped with modern infrastructure will support the foreign expansion of this company.

- Effective products management

The Group attaches great importance to effective product management in the long term, as it sees it as an element of a competitive advantage. This process is carried out, inter alia, by strengthening and constantly developing the team of Product Managers who have a very wide knowledge of the product, techniques for shaping its image, who know the habits of customers and emerging trends. The team is supported by advanced IT technology, thanks to which the Group annually introduces several hundred new products to its offer and extends the product lines, updates and refreshes the offer. This process will be continued in the coming quarters.

- Capital investments

The Group continues to monitor the market in search of an attractive acquisition target, which would be an added value for the Group.

5. Shareholders holding directly or indirectly via related parties at least 5% of total votes at the Parent's General Shareholders' Meeting and changes in the ownership of qualified holdings of Toya S.A. shares in the period from last quarter report until the date of filling this report.

Shareholders holding at least 5% of total voting rights

Based on the information possessed by the Company (according to information provided to Company by its shareholders), shareholders holding at least 5% of voting rights at the date of publication of this report are:

	Number of shares	Number of votes	Percentage share in the total number of votes at the general meeting (%)
Jan Szmidt	28,170,647	28,170,647	37.54%
Romuald Szałagan	9,652,290	9,652,290	12.86%
Generali OFE	5,001,147	5,001,147	6.66%
Norges Bank	3,836,056	3,836,056	5.11%

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The Company was informed about the following changes in the ownership structure since the date of submission of the latest report (annual report published on 24 March 2022):

	Status according to the information available on 24 March 2022	Increases / decreases	Status according to the information available on 11 May 2022
Jan Szmidt	28,170,647	-	28,170,647
Romuald Szałagan	9,652,290	-	9,652,290
Generali OFE	5,001,147	-	5,001,147
Norges Bank	3,779,325	56,731	3,836,056
TOTAL	46,603,409	56,731	46,660,140

6. Shares and shares options held by the management Board and Supervisory Board members as at the date of filling the quarterly report, including changes since the date of filing last report

Shares and shares options held by Management Board members

Number of shares and voting rights held by members of the Management Board as at the date of filling this report and changes thereof since the date of filling last report (annual report for 2021 published on 24 March 2022) according to information received by the Company is disclosed in the below table:

	Status according to the information available on 24 March 2022	Increases / decreases	Status according to the information available on 11 May 2022
Grzegorz Pinkosz	146,812	-	146,812
Maciej Lubnauer	61,831	-	61,831
TOTAL	208,643	-	208,643

Shares and shares options held by Supervisory Board members

Number of shares and voting rights held by members of the Supervisory Board as at the date of filling this report and changes thereof since the date of filling last report (annual report for 2021 published on 24 March 2022) according to information received by the Company is disclosed in the below table:

	Status according to the information available on 24 March 2022	Increases / decreases	Status according to the information available on 11 May 2022
Jan Szmidt	28,170,647	-	28,170,647
Beata Szmidt	3,239,253	-	3,239,253
Grzegorz Maciąg	5,275	-	5,275
TOTAL	31,415,175	-	31,415,175

7. Information concerning significant proceedings in front of court, body appropriate for arbitration proceedings or in front of public administration bodies.

As at 31 March 2022, TOYA S.A. is not a party to significant proceedings pending before a court, an authority competent for arbitration proceedings or a public administration body.

8. Information on the conclusion by TOYA S.A. or a subsidiary of one or more transactions with related entities, if they are individually or jointly significant and were concluded on terms other than market terms.

Transactions with related parties are concluded in the normal course of the Group's operations and are made on an arm's length basis. These transactions are presented in note 23 of the condensed interim consolidated financial statements and in note 21 of the condensed interim stand-alone financial statements.

9. Information on granting by the Company or its subsidiary sureties for a credit or loan or granting a guarantee - jointly to one entity or a subsidiary of this entity, if the total value of the existing sureties or guarantees is significant.

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.

Apart from the above-mentioned guarantee, neither the Parent Entity nor its subsidiaries have granted any significant sureties for a credit or loan, nor have they granted any guarantees in total to a single entity or subsidiary.

10. Other information which in the opinion of Toya S.A. is significant for the assessment of personnel situation, assets, finance and the financial result and any changes thereto, and information which is significant for assessing the ability to perform obligations

In the 1st quarter of 2022 there were no other significant events which could have a significant impact on the assessment of personnel situation, assets, finance and the financial result and any changes thereto, apart from factors discussed above in the commentary to financial result.

As at the date of filling this report there are no events that could have impact on the Company's ability to meet its obligations.

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PART C – CONDENSED INTERIM STAND-ALONE FINANCIAL STATEMENTS OF TOYA S.A.**Statement of financial position**

	Note	31 March 2022 unaudited	31 December 2021
ASSETS			
Property, plant and equipment	3	17,449	17,419
Intangible assets		3,146	3,189
Right-of-use assets	4	12,578	14,121
Investments in subsidiaries	5	70,803	52,984
Deferred income tax assets	15	1,640	1,810
Non-current assets		105,616	89,523
Inventory	6, 15	333,912	285,560
Trade and other receivables	7, 15	43,684	33,602
Cash and cash equivalents	8	7,884	1,229
Current assets		385,480	320,391
Total assets		491,096	409,914
EQUITY AND LIABILITIES			
Share capital	10	7,504	7,504
Share premium		35,677	35,677
Reserve capital		329	329
Other capitals		(209)	(209)
Retain earnings		217,716	202,035
Equity		261,017	245,336
Liabilities from loans	14	11,300	10,049
Lease liabilities		5,299	6,649
Liabilities from employee benefits		679	678
Other long-term liabilities		35	35
Long-term liabilities		17,313	17,411
Trade and other payables	12	66,029	38,805
Liabilities from employee benefits		4,225	7,402
Liabilities due to purchase of shares	13	14,630	-
Liabilities from loans	14	113,485	86,904
Lease liabilities		6,711	7,015
Liabilities from current income tax		6,503	5,990
Provisions	15	1,183	1,051
Short-term liabilities		212,766	147,167
Total liabilities		230,079	164,578
Total equity and liabilities		491,096	409,914

The explanatory notes constitute an integral part of these condensed interim stand-alone financial statements

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Statement of profit or loss and other comprehensive income

	Note	3 months ended 31 March	
		2022 unaudited	2021 unaudited
Revenue from sales of goods	17	142,938	140,413
Cost of goods sold	18	(101,318)	(99,710)
Gross profit		41,620	40,703
Selling costs	18	(17,551)	(14,475)
Administrative expenses	18	(5,119)	(4,672)
Expected credit losses		(116)	(75)
Other operating revenue		1,785	92
Other operating expenses		(60)	(47)
Operating profit		20,559	21,526
Financial revenue		-	-
Financial expenses		(1,100)	(213)
Profit before tax		19,459	21,313
Income tax		(3,778)	(4,093)
Net profit		15,681	17,220
Other net comprehensive income		-	-
Total net comprehensive income for the financial year		15,681	17,220
Net profit for the period attributable to shareholders of the Company		15,681	17,220
Comprehensive income for the period attributable to shareholders of the Company		15,681	17,220
Earnings per share			
Basic earnings per share in PLN	11	0.21	0.23
Diluted earnings per share in PLN	11	0.21	0.23

The explanatory notes constitute an integral part of these condensed interim stand-alone financial statements

Grupa Kapitałowa TOYA S.A.

Skonsolidowany raport kwartalny za okres od 1 stycznia 2022 r. do 31 marca 2022 r.

(Kwoty wyrażone są w tysiącach złotych, o ile nie podano inaczej)

Statement of changes in equity

	Share capital	Share premium	Reserve capital	Other capitals	Retained earnings	Total equity
As at 1 January 2022	7,504	35,677	329	(209)	202,035	245,336
Net profit	-	-	-	-	15,681	15,681
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	15,681	15,681
Total transactions with owners	-	-	-	-	-	-
As at 31 March 2022	7,504	35,677	329	(209)	217,716	261,017
As at 1 January 2021	7,504	35,677	329	(194)	160,555	203,871
Net profit	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	17,220	17,220
Total comprehensive income	-	-	-	-	17,220	17,220
Total transactions with owners	-	-	-	-	-	-
As at 31 March 2021	7,504	35,677	329	(194)	177,775	221,091

The explanatory notes constitute an integral part of these condensed interim stand-alone financial statements

Cash flow statement

	Note	2022	3 months ended 31 March 2021
Cash flows from operating activities			
Profit before tax		19,459	21,313
Adjustments for:			
Amortisation and depreciation		2,307	2,093
Net interest		1,101	213
Profit/Loss on investing activities		(2)	-
Foreign exchange gains/losses		754	964
Changes in balance sheet items:			
Change in trade and other receivables	9	(10,082)	(9,312)
Change in inventories	9	(48,352)	22,766
Change in provisions	9	132	133
Change in trade and other payables	9	27,224	(3,963)
Change in employee benefit liabilities	9	(3,176)	2,038
Income tax paid		(3,095)	(6,389)
Net cash from operating activities		(13,730)	29,856
Cash flows from investing activities			
Sale of property, plant and equipment		4	-
Purchase of property, plant and equipment and intangible assets		(720)	(290)
Purchase of shares in subsidiaries		(3,960)	(3,931)
Net cash from investing activities		(4,676)	(4,221)
Cash flows from financing activities			
Proceeds from loans		27,670	3,910
Repayments of loans		-	(24,741)
Repayment of lease liabilities		(1,687)	(1,410)
Interest paid on loans		(819)	(47)
Interests paid on leases		(120)	(107)
Net cash from financing activities		25,044	(22,395)
Change in net cash and cash equivalents		6,638	3,240
Balance sheet change in cash and cash equivalents, including:			
- change in cash due to exchange rate differences		17	-
Cash and cash equivalents at the beginning of the period	8	1,229	584
Cash and cash equivalents at the end of the period	8	7,884	3,824

1. Summary of significant accounting policies

1.1 Basis for preparation

These condensed interim stand-alone financial statements have been prepared in accordance with IAS 34 „Interim Financial Reporting” approved by the EU.

They should be read jointly with the annual stand-alone financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards (called „IFRS”) and interpretations issued by International Accounting Standards Board approved by European Union (called „EU”).

Going concern

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

1.2 Accounting policies

The accounting principles are consistent with the principles applied in the annual stand-alone financial statements for the financial year ended 31 December 2021, except for the adoption of new and amended standards, as described below.

The new or changed standards and interpretations that are applicable for the first time in 2022 do not have a material impact on the Company's interim condensed stand-alone financial statements.

a) New standards, interpretations and amendments to existing standards effective in 2022

• Amendments to IFRS 3 Business combinations, IAS 16 Property, plant and equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements – 2018-2020 cycle

The package of changes includes three narrow scope changes to the standards:

- updates the reference in IFRS 3 Business Combinations to the Conceptual Framework for the Preparation and Presentation of Financial Statements, without changing the accounting requirements for accounting for business combinations,
- prohibits entities from reducing the cost of property, plant and equipment by amounts obtained from the sale of assets produced in the period when the entity prepares an item of property, plant and equipment for its intended use. Such income and the related costs will be recognized in profit or loss for the period,
- explains which costs the entity uses in assessing whether a given contract will generate a loss (IAS 37).

The package also includes Annual Improvements to the International Financial Reporting Standards (2018-2020 cycle), which clarify the terms used and adjust minor inconsistencies, or omissions between the requirements of the standards in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and illustrative examples in IFRS 16 Leases.

The above Amendments did not have a significant impact on the financial statements of the Company.

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

In 2022, after the date of publication of the annual financial statements, i.e. after 24 March 2022, no changes, new standards or interpretations were published.

In these condensed interim stand-alone financial statements, the Company has not decided to adopt earlier any standard, interpretation or amendment that has been published but has not yet come into force in the light of European Union regulations.

2. Seasonality

The Company's offer is aimed at the consumer market, which is sensitive to the seasons and weather conditions. However seasonality practically does not exist now. This is the result of a consistent policy of continuous expanding range of product, which is attractive in all seasons and continuous improvement of logistics processes.

3. Property, plant and equipment

	31 March 2022 unaudited	31 December 2021
Land	2,907	2,907
Buildings and structures	7,580	7,690
Plant and equipment	2,796	2,505
Vehicles	83	93
Other	3,484	3,536
Total	16,850	16,731
Property, plant and equipment not transferred for use	599	688
Total property, plant and equipment	17,449	17,419

In the item "other", the Company mainly includes storage and display shelves as well as furniture for offices and warehouses.

In the period from 1 January to 31 March 2022, the gross value of property, plant and equipment increased by PLN 368 thousand, mainly due to the purchase of IT equipment and display shelves. Depreciation of property, plant and equipment recognized in profit or loss amounted to PLN 590 thousand.

4. Right-of-use assets

	31 March 2022 unaudited	31 December 2021
Land	1,815	1,821
Buildings and structures	3,348	4,340
Plant and equipment	1,832	1,978
Vehicles	5,583	5,982
Total	12,578	14,121

In the first quarter of 2022, the Company did not enter into any new lease agreements. Increase of right-of-use assets by PLN 33 thousand resulted from the indexation of fees in accordance with the agreements concluded in previous years. Depreciation of the right-of-use assets recognized in profit or loss amounted to PLN 1,576 thousand.

TOYA S.A. Capital Group

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(All amounts in PLN '000 unless indicated otherwise)

5. Interests in subsidiaries

As at 31 March 2022 and 31 December 2021, the Company held shares in the following entities:

	Country	Type of equity link	% of shares and votes held	Value of shares
31 March 2022				
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 2021				
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	30,353
				52,984

On 17 January 2022, an increase in the share capital of the subsidiary Yato Tools (Jiaxing) Co. Ltd. was registered in the Chinese register of entrepreneurs - from the amount of USD 8,000 thousand up to the amount of USD 12,500 thousand., i.e. increase by PLN 17,819 thousand. Liabilities due to purchase of shares are disclosed in note 13.

6. Inventory

	31 March 2022 unaudited	31 December 2021
Goods for resale at warehouse and in transit	333,574	285,022
Asset for expected returns from customers	338	538
Total inventory (per balance sheet)	333,912	285,560
Revaluation write-down for goods for resale	1,802	1,384
Total inventory (gross)	335,714	286,944

Creation and reversal of inventory write-down is recognized in profit or loss and presented as "cost of goods sold".

In accordance with IFRS 15, in the item "assets for expected returns from customers", the Company presents the value of goods which may be expected to be returned from customers after the end of the reporting period.

The table below presents changes in revaluation write-downs on inventory:

	2022	2021
As at 1 January	1,384	1,604
Increase	418	-
Reversal/utilisation	-	(220)
As at 31 March / 31 December	1,802	1,384

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(All amounts in PLN '000 unless indicated otherwise)

7. Trade and other short-term receivables

	31 March 2022 unaudited	31 December 2021
Trade receivables from related parties	15,725	13,741
Trade receivables from third parties	28,484	20,722
Total trade receivables	44,209	34,463
Other receivables from third parties	28	38
Advances paid	103	175
Prepayments and deferred costs	1,483	948
Total gross receivables	45,823	35,624
Allowance for the expected credit losses on trade receivables	(2,103)	(1,986)
Impairment write-downs of other receivables	(36)	(36)
Total net receivables	43,684	33,602

Changes in the allowance for the expected credit losses of trade receivables are presented in the table below:

	2022	2021
Opening balance of the allowance for the expected credit losses	1,986	2,051
Write-offs included in the financial result	129	-
Use of write-offs created in previous periods	-	-
Reversal of unused write-offs	(12)	(65)
As at 31 March / 31 December	2,103	1,986

Recognition and reversal of impairment losses on receivables has been included in the item: "expected credit losses".

8. Cash and cash equivalents

	31 March 2022 unaudited	31 December 2021
Cash in hand and at bank	7,884	1,229
Total cash and cash equivalents	7,884	1,229

9. Additional explanation to the 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:

3 months ended on 31 March 2022	Balance sheet change	Adjustments	
		Measurement of cash in foreign currencies	Change in statement of cash flows
Change in trade and other receivables	(10,082)	-	(10,082)
Change in inventories	(48,352)	-	(48,352)
Change in provisions	132	-	132
Change in trade and other payables	27,224	-	27,224
Change in employee benefit liabilities	(3,176)	-	(3,176)
Change in cash	6,655	(17)	6,638

3 months ended on 31 March 2021	Balance sheet change	Adjustments	
		Measurement of cash in foreign currencies	Change in statement of cash flows
Change in trade and other receivables	(9,312)	-	(9,312)
Change in inventories	22,766	-	22,766
Change in provisions	133	-	133
Change in trade and other payables	(3,963)	-	(3,963)
Change in employee benefit liabilities	2,038	-	2,038
Change in cash	3,240	-	3,240

10. Share capital

As at 31 March 2022, 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.

In the period from 1 January to 31 March 2022, there were no changes in the amount of share capital.

11. Earnings per share

	3 months ended 31 March	
	2022	2021
	Unaudited	Unaudited
Net profit	15,681	17,220
Weighted average number of ordinary shares ('000)	75,042	75,042
Basic earnings per share from continuing operations (PLN)	0.21	0.23
Net profit attributable to ordinary shareholders used to calculate diluted earnings per share	15,681	17,220
Adjusted weighted average number of ordinary shares used for calculating diluted earnings per share ('000)	75,042	75,042
Diluted earnings per share from continuing operations (PLN)	0.21	0.23

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

In the periods from 1 January to 31 March 2022 and 2021 the Company had no potential dilutive instruments.

12. Trade and other payables

	31 March 2022 unaudited	31 December 2021
Trade payables to related parties	26,276	2,780
Trade payables to third parties	27,606	29,951
Total trade payables	53,882	32,731
Tax liabilities	9,562	4,675
Liability due to expected goods returns	578	910
Prepayments received	1,953	460
Other payables to third parties	54	29
Total other current payables	12,147	6,074
Total	66,029	38,805

13. Liabilities due to purchase of shares

	31 March 2022 unaudited	31 December 2021
Short-term liabilities due to purchase of shares	14,630	-
Liabilities due to purchase of shares	14,630	-

On 17 January 2022, an increase in the share capital of the subsidiary was registered in the Chinese register of entrepreneurs, therefore the liability due to purchase of shares in the amount of PLN 17,819 thousand was recognized.

On 21 January 2022, the Company paid USD 1 million (PLN 3,983 thousand) on account of the above-mentioned capital increase.

14. Loans and borrowings liabilities

	31 March 2022 unaudited	31 December 2021
Long-term bank loans an borrowings liabilities	11,300	10,049
Short-term bank loans an borrowings liabilities	113,485	86,904
Total bank loans an borrowings liabilities	124,785	96,953

As at 31 March 2022, 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.

Working capital loan agreements provide that the borrower maintains the financial debt ratios at the agreed level throughout the loan period. If the condition of maintaining the ratios at the level specified by the bank is not met, the bank has the right to terminate the loan agreements.

Grupa Kapitałowa TOYA S.A.

Skonsolidowany raport kwartalny za okres od 1 stycznia 2022 r. do 31 marca 2022 r.

(Kwoty wyrażone są w tysiącach złotych, o ile nie podano inaczej)

Characteristics of credit agreements:

Object and value of agreement	Name of the Bank / covering bonds / granting loans	Loan amount as per agreement as at 31 March 2022	Amount outstanding as at 31 March 2022	Amount outstanding as at 31 December 2021	Current interest rate	Date of expiry
1. Overdraft facility agreement No BDK/KR-RB/000054601/0641/10 of 22 December 2010	Bank Handlowy w Warszawie S.A.	40,000	38,582	29,310	WIBOR 1 M + bank's margin	16 December 2022
2. Overdraft credit facility agreement No 09/030/19/Z/VV	mBank S.A. with its registered office in Warsaw	40,000	36,558	30,453	WIBOR 1 ON + bank's margin	30 March 2023
3. Overdraft credit facility agreement No WAR/8833/20/326/CB	BNP Paribas Bank Polska S.A. with its registered office in Warsaw	25,000	23,195	13,692	WIBOR 1 M + bank's margin	30 September 2022
4. Non-revolving loan agreement no WAR/8833/20/327/CB	BNP Paribas Bank Polska S.A. with its registered office in Warsaw	40,000	26,450	23,498	WIBOR 1 M + bank's margin	31 March 2024
Total liabilities, of which:		145,000	124,785	96,953		
– short-term portion		122,143	113,485	86,904		
– long-term portion		22,857	11,300	10,049		

The explanatory notes constitute an integral part of these condensed interim stand-alone financial statements

15. Changes in estimates

15.1 Inventory write-down

In the 1st quarter of 2022 the Company has increased the inventory write-down by the amount of PLN 418 thousands.

In the 1st quarter of 2021 the Company has increased the inventory write-down by the amount of PLN 26 thousands.

15.2 Write-off for expected credit losses on receivables

In the 1st quarter of 2022 the Company has increased the trade receivables write-down by the amount of PLN 117 thousands.

In the 1st quarter of 2021 the Company has increased the trade receivables write-down by the amount of PLN 75 thousands.

15.3 Provision for guarantees

In the 1st quarter of 2022 the Company has increased the guaranty provision by the amount of PLN 132 thousands.

In the 1st quarter of 2021 the Company has increased the guaranty provision by the amount of PLN 133 thousands.

15.4 Employee benefits obligations

In the 1st quarter of 2022 the Company has increased the unused holidays provision by the amount of PLN 304 thousands.

In the 1st quarter of 2021 the Company has increased the unused holidays provision by the amount of PLN 305 thousands.

15.5 Deferred tax

Deferred tax assets have been decreased in the 1st quarter of 2022 by PLN 170 thousands, mainly as a result of the use of provisions created as at 31 December 2021.

Deferred tax assets have been increased in the 1st quarter of 2021 by PLN 459 thousands, mainly due to recognition of provision for expected returns of goods and discounts for customers.

According to the Management Board, there is no risk that the deferred tax asset could not be realized.

16. Fair value

Book value of financial assets and liabilities approximates their fair value.

In the first quarter of 2022, there were no changes in the business conditions and economic situation that would affect the fair value of financial assets and liabilities.

TOYA S.A. Capital Group

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(All amounts in PLN '000 unless indicated otherwise)

17. Sales revenue

	2022 unaudited	3 months ended 31 March 2021 unaudited
Sales of goods for resale	142,938	140,413
Total sales revenue	142,938	140,413

The geographical structure of revenues from sales has been presented below:

	3 months ended 31 March 2022		3 months ended 31 March 2021	
	Sales revenue	Share	Sales revenue	Share
Romania	12,608	8.8%	15,825	11.3%
Baltic countries	5,879	4.1%	4,871	3.5%
Hungary	5,326	3.7%	4,806	3.4%
Ukraine	3,743	2.6%	7,630	5.4%
Czech Republic	3,628	2.5%	3,656	2.6%
Belarus	3,414	2.4%	3,604	2.6%
Germany	2,171	1.5%	2,937	2.1%
Russia	2,061	1.4%	1,737	1.2%
Europe – other EU countries	5,925	4.1%	7,443	5.3%
Europe – other non-EU countries	3,689	2.6%	4,188	3.0%
Other continents	1,169	0.8%	676	0.5%
Total export	49,613	34.7%	57,373	40.9%
Poland	93,325	65.3%	83,040	59.1%
Total sales revenue	142,938	100.0%	140,413	100.0%

18. Costs by type and cost of goods for resale sold

	3 months ended 31 March	
	2022	2021
	unaudited	unaudited
Amortisation and depreciation	2,307	2,093
Material and energy consumption	2,106	1,052
Third-party services, including:	6,196	5,040
<i>costs of transportation</i>	1,633	1,655
<i>logistics services</i>	595	-
<i>IT, telecommunications and postal costs</i>	446	464
<i>online sales platform access services</i>	1,304	1,023
<i>service charges for space lease agreements</i>	411	440
<i>legal, audit and consulting costs</i>	715	331
<i>other third-party services</i>	1,092	1,127
Taxes and fees	414	348
Costs of employee benefits, including:	11,173	10,218
<i>Salaries</i>	9,351	8,623
<i>Social security</i>	1,690	1,502
<i>Employee capital plans</i>	41	29
<i>Other</i>	91	64
Other costs by type	474	396
Value of goods for resale and materials sold	101,318	99,710
Total costs by type and value of goods for resale sold	123,988	118,857
Selling costs, including:	17,551	14,475
<i>amortisation and depreciation</i>	1,914	1,760
<i>costs of employee benefits</i>	7,530	6,709
Administrative expenses, including:	5,119	4,672
<i>amortisation and depreciation</i>	393	333
<i>costs of employee benefits</i>	3,643	3,509
Value of goods for resale sold	101,318	99,710
Costs by type and value of goods sold	123,988	118,857

19. Financial guarantees granted and received

As at 31 March 2022, the Company had the following guarantees:

No	Counterparty	Type of guarantee	Subject matter and value	Date of expiry
1	Bank Handlowy w Warszawie S.A.	Guarantee of payment for the lease of warehouses in Nadarzyn	Bank guarantee in the amount of EUR 439,133	28 February 2023
2	Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A.	Contract on granting a customs debt guarantee	The security for repayment of custom debts, taxes and other fees associated with goods released into free circulation based on customs declaration, in the amount of PLN 270,000	31 December 2022

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.

20. Contingent assets and liabilities

As at 31 March 2022, the Company had no significant contingent liabilities or contingent assets.

21. Transactions with related entities

In the period from 1 January to 31 March 2022 and 2021, the Company effected transactions with the following related parties:

- Toya Romania SA – subsidiary,
- Yato Tools (Shanghai) Co., Ltd. – subsidiary,
- Yato Tools (Jiaxing) Co., Ltd. – subsidiary,
- Toya Development Sp. z o.o. S.K. in liquidation – entity related through key management personnel,
- Toyota Katowice 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,
- Piotr Mondalski – President of the Supervisory Board – key management personnel,
- Jan Szmids – Vice-President of the Supervisory Board – key management personnel,
- Dariusz Górka – Member of the Supervisory Board – key management personnel,
- Grzegorz Maciąg – Member of the Supervisory Board – key management personnel,
- Michał Kobus - Member of the Supervisory Board – key management personnel,
- Wojciech Bartłomiej Papierak - Member of the Supervisory Board – key management personnel,
- Beata Szmids - Member of the Supervisory Board – key management personnel.

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Statement of transactions and balances with related entities:

	Trade and other receivables	Trade and other payables	Liabilities due to purchase of shares	Revenue from sales of goods	Purchase of goods and services	Financial expenses - interest
	31.03.2022			01.01.2022-31.03.2022		
Subsidiaries, including:	15,724	26,276	14,630	12,633	94,398	-
<i>TOYA Romania S.A.</i>	15,724	-	-	12,633	-	-
<i>Yato Tools (Shanghai) Co. Ltd.</i>	-	2,821	-	-	15,728	-
<i>Yato Tools (Jiaxing) Co. Ltd.</i>	-	23,455	14,630	-	78,670	-
Entities related through key management personnel	1	-	-	54	-	-
Total	15,725	26,276	14,630	12,687	94,398	
	31.03.2021			01.01.2021-31.03.2021		
Subsidiaries, including:	13,740	2,780	-	15,844	48,110	60
<i>TOYA Romania S.A.</i>	13,740	-	-	15,844	-	-
<i>Yato Tools (Shanghai) Co. Ltd.</i>	-	-	-	-	1,589	-
<i>Yato Tools (Jiaxing) Co. Ltd.</i>	-	2,780	-	-	46,521	60
Entities related through key management personnel	1	-	-	13	6	-
Total	13,741	2,780	-	15,857	48,116	60

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

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

	3 months ended 31 March	
	2022	2021
Remunerations and benefits under employment contracts and appointment contracts - Management Board	2,303	203
Social insurance (ZUS) costs borne by the Company - Management Board	36	2
Remunerations for positions held - Supervisory Board	153	153
Social insurance (ZUS) costs borne by the Company - Supervisory Board	27	27
Employee Capital Plans (PPK) financed by the Company	1	1

22. Material events subsequent to the end of reporting period

22.1 Annex to a significant agreement

TOYA S.A. announces that on 12 April 2022, it concluded annex no. 4 to Overdraft Agreement no. 09/030/19/Z/VV with mBank S.A. with its registered office in Warsaw.

Pursuant to this annex, the amount of credit to be used increased to PLN 60,000 thousand.

The remaining terms of the Agreement do not differ from those commonly used for this type of agreements.

22.2 Annex to a significant agreement

The Management Board of TOYA S.A. announces that on 12 April 2022 TOYA S.A. and Bank Handlowy S.A., with its registered office in Warsaw, concluded annex no. 19 to the Overdraft Agreement no. BDK/KR-RB/000054601/0641/10.

Pursuant to this annex, the amount of credit to be used was increased to PLN 50,000 thousand and an additional collateral for repayment of credit granted in the form of a registered pledge on the Company's current assets in the amount of PLN 10,000 thousand was established.

The remaining terms and conditions of the Agreement do not differ from those commonly used for this type of agreements.

22.3 Transactions in major blocks of shares

On 4 May 2022, the Company received a notification from the shareholder Norges Bank about the transaction, which resulted in an increase in the shareholder's share in the share capital of TOYA S.A. up to 3,836,056 shares, which constituted 5.11% of share in the Company's share capital.

22.4 Information on the possible impact of the Covid-19 coronavirus on the Group's operations

In connection with the continuous monitoring of the risk related to the threat caused by the COVID-19 coronavirus and its possible impact on the smooth operating activity of TOYA S.A. and the Group, the Company informs that the changing epidemiological situation within the territory of the People's Republic of China can hinder the timely completion of the TOYA S.A. Group's central warehouse under construction in China. The project is carried out by Yato Tools (Jiaxing) Co. Ltd. Moreover, the current epidemiological situation, if prolonged, can give rise to additional implications in terms of temporary disruption to the supply chain. In the Company's opinion, the aforementioned events should not have a significant impact on the financial and operational situation of Toya S.A. Group. However, it should be borne in mind that the situation is volatile and restrictions introduced by subsequent legislative changes, decisions of local authorities and other unforeseen factors beyond the Group's control, depending on their duration and intensity, can affect the Group's operations and financial position.

TOYA S.A. Capital Group

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Management Board of Toya S.A.

Date	Name and surname	Position	Signature
11 May 2022	Grzegorz Pinkosz	President of the Management Board	
11 May 2022	Maciej Lubnauer	Vice-President of the Management Board	
11 May 2022	Robert Borys	Vice-President of the Management Board	

Person responsible for bookkeeping:

Date	Name and surname	Position	Signature
11 May 2022	Iwona Banik	Chief Accountant	