



TOYA S.A.

**Condensed interim stand-alone financial statements
for the 6-month period ended 30 June 2023**



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Condensed interim stand-alone financial statements for the 6-month period ended 30 June 2023
(All amounts in PLN '000 unless indicated otherwise)

Interim statement of financial position

		30 June 2023 unaudited	31 December 2022
ASSETS	Note		
Property, plant and equipment	5	17,851	17,715
Intangible assets		3,748	3,776
Right-of-use assets	6	9,465	12,865
Investments in subsidiaries	7	70,803	70,803
Deferred income tax assets	21	1,941	1,954
Non-current assets		103,808	107,113
Inventory	8, 21	246,219	247,870
Trade and other receivables	9, 21	36,773	60,186
Income tax receivables		1,918	847
Cash and cash equivalents	10	2,244	1,386
Current assets		287,154	310,289
Total assets		390,962	417,402
EQUITY AND LIABILITIES			
Share capital	12	7,504	7,504
Share premium		35,677	35,677
Reserve capital		329	329
Other capitals		(73)	(73)
Retain earnings	14	273,182	248,104
Equity		316,619	291,541
Liabilities from loans	16	5,715	17,143
Lease liabilities		3,577	5,494
Liabilities from employee benefits		567	566
Other long-term liabilities		32	32
Long-term liabilities		9,891	23,235
Trade and other payables	15	24,921	22,664
Liabilities from employee benefits	21	5,244	7,264
Liabilities from loans	16	27,846	65,024
Lease liabilities		5,362	6,551
Provisions	21	1,079	1,123
Short-term liabilities		64,452	102,626
Total liabilities		74,343	125,861
Total equity and liabilities		390,962	417,402

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Interim statement of profit or loss and other comprehensive income

	Note	6 months ended 30 June		3 months ended 30 June	
		2023 unaudited	2022 unaudited	2023 unaudited	2022 unaudited
Revenue from sales of goods	17, 18	291,533	290,954	156,049	148,016
Cost of goods sold	19, 18	(210,222)	(208,754)	(112,558)	(107,436)
Gross profit		81,311	82,200	43,491	40,580
Selling costs	19	(37,009)	(36,412)	(18,427)	(18,861)
Administrative expenses	19	(11,625)	(10,404)	(6,270)	(5,285)
Expected credit losses	9	119	(165)	51	(49)
Other operating revenue		1,427	2,080	1,131	295
Other operating expenses		(123)	(159)	(56)	(99)
Operating profit		34,100	37,140	19,920	16,581
Financial expenses		(2,693)	(3,337)	(1,064)	(2,237)
Profit before tax		31,407	33,803	18,856	14,344
Income tax	20	(6,329)	(6,591)	(3,719)	(2,813)
Net profit		25,078	27,212	15,137	11,531
Other net comprehensive income		-	-	-	-
Total net comprehensive income for the financial year		25,078	27,212	15,137	11,531
Net profit for the period attributable to shareholders of the Company		25,078	27,212	15,137	11,531
Total comprehensive income for the period attributable to shareholders of the Company		25,078	27,212	15,137	11,531

Earnings per share

	Note	6 months ended 30 June		3 months ended 30 June	
		2023 unaudited	2022 unaudited	2023 unaudited	2022 unaudited
Basic earnings per share in PLN	13	0.33	0.36	0.20	0.15
- from continuing operations		0.33	0.36	0.20	0.15
- from discontinued operations		-	-	-	-
Diluted earnings per share in PLN	13	0.33	0.36	0.20	0.15
- from continuing operations		0.33	0.36	0.20	0.15
- from discontinued operations		-	-	-	-

Notes constitute an integral part of these condensed interim stand-alone financial statements

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(All amounts in PLN '000 unless indicated otherwise)

Interim statement of changes in equity

	Share capital	Share premium	Reserve capital	Other capitals	Retained earnings	Total equity
As at 1 January 2023	7,504	35,677	329	(73)	248,104	291,541
<i>Comprehensive income</i>						
Net profit	-	-	-	-	25,078	25,078
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	7,504	35,677	329	(73)	25,078	25,078
Transactions with owners	-	-	-	-	-	-
As at 30 June 2023 (unaudited)	7,504	35,677	329	(73)	273,182	316,619
As at 1 January 2022	7,504	35,677	329	(209)	202,035	245,336
<i>Comprehensive income</i>						
Net profit	-	-	-	-	27,212	27,212
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	27,212	27,212
Transactions with owners	-	-	-	-	-	-
As at 30 June 2022 (unaudited)	7,504	35,677	329	(209)	229,247	272,548

Notes constitute an integral part of these condensed interim stand-alone financial statements

Interim cash flow statement

	Note	6 months ended 30 June	
		2023 unaudited	2022 unaudited
Cash flows from operating activities			
Profit before tax		31,407	33,803
Adjustments for:			
Amortisation and depreciation		4,558	4,610
Net interest		2,693	3,337
Profit/Loss on investing activities		-	(65)
Foreign exchange gains/losses		(228)	1,841
Changes in balance sheet items:			
Change in trade and other receivables	11	23,413	(21,508)
Change in inventories	11	1,651	(47,781)
Change in provisions	11	(44)	84
Change in trade and other payables	11	2,257	(1,258)
Change in employee benefit liabilities	11	(2,019)	(2,090)
Cash from operating activities		63,688	(29,027)
Income tax paid		(7,388)	(11,667)
Net cash from operating activities		56,300	(40,694)
Cash flows from investing activities			
Sale of property, plant and equipment		-	67
Purchase of property, plant and equipment and intangible assets		(1,019)	(2,702)
Purchase of shares in subsidiaries		-	(3,983)
Net cash from investing activities		(1,019)	(6,618)
Cash flows from financing activities			
Proceeds from loans		30	54,220
Repayments of loans		(48,397)	-
Repayment of lease liabilities		(3,141)	(3,433)
Interest paid on loans		(2,560)	(2,724)
Interests paid on leases		(372)	(246)
Net cash from financing activities		(54,440)	47,817
Change in net cash and cash equivalents		841	505
Balance sheet change in cash and cash equivalents, including:			
- change in cash due to exchange rate differences		17	12
Cash and cash equivalents at the beginning of the period	10	1,386	1,229
Cash and cash equivalents at the end of the period	10	2,244	1,746

Explanatory notes to condensed interim stand-alone financial statements

1. General information

TOYA S.A. (the "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. include import and distribution of industrial goods, including primarily hand and power tools for professional and DIY use.

In period from 1 January to 30 June 2023 and as at the date of approval of these financial statements, the Management Board consisted 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 30 June 2023 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 financial statements of the Company cover the period of 6 months ended on 30 June 2023. Comparative data is presented:

- as at 31 December 2022 for the interim statement of financial position,
- for the period from 1 January 2022 to 30 June 2022 and from 1 April 2022 to 30 June 2022 for the interim statement of profit or loss and other comprehensive income,
- for the period from 1 January 2022 to 30 June 2022 for the interim statement of cash flows,
- for the period from 1 January 2022 to 30 June 2022 for the interim statement of changes in equity.

These condensed interim financial statements of the Company for 6-month period ended 30 June 2023 were approved for publication by the Management Board on 24 August 2023.

The Company has also prepared the condensed interim consolidated financial statements for the 6-month period ended 30 June 2023, which were approved for publication by the Management Board on 24 August 2023.

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(All amounts in PLN '000 unless indicated otherwise)

2. Subsidiaries

As at 30 June 2023, the TOYA S.A. Capital 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 first half of 2023, there were no changes in the structure of subsidiaries.

3. Summary of significant accounting policies**3.1 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 2022 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 financial statements have been prepared on the assumption that the Company 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 financial statements for the financial year ended 31 December 2022, except for the adoption of new and amended standards, as described below.

3.3 Impact of new or changed standards and interpretations on the Company's financial statements

These financial statements were prepared based on IFRS approved by the EU and effective for reporting periods beginning on or after 1 January 2023.

a) New standards, interpretations and changes to existing standards that are effective in 2023

- **New IFRS 17 "Insurance Contracts"**

A new standard regulating the recognition, measurement, presentation and disclosure of insurance and reinsurance contracts. The standard replaces the existing IFRS 4.

The application of the standard did not have a significant impact on the Company's financial statements.

- **Amendment to IFRS 4 "Insurance Contracts"**

The change extended exemptions from the application of IFRS 9 until 2023.

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

- **Amendment to IAS 1 "Presentation of financial statements"**

The IAS Council clarified which information regarding the accounting policy applied by the entity is significant and requires disclosure in the financial statements. The principles focus on tailoring disclosures to an individual's circumstances. The Council warns against using standardized provisions copied from IFRS and expects that the basis for valuation of financial instruments is important information.

The above changes did not have a significant impact on the Company's financial statements.

- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors": Definition of Accounting Estimates**

The Council introduced the definition of an accounting estimate into the standard: Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty.

The above changes did not have a significant impact on the Company's financial statements.

- **Amendments to IAS 12 "Income Taxes": Deferred tax relating to assets and liabilities recognized as a result of a single transaction**

The Council introduced the principle that if a transaction results in both positive and negative temporary differences in the same amount, assets and provisions for deferred income tax should be recognized even if the transaction does not result from the merger or has no impact on the accounting or tax result. This means the need to recognize assets and deferred tax provisions, e.g. when temporary differences in equal amounts occur in the case of leasing (a separate temporary difference from the liability and from the right to use asset) or in the case of reclamation liabilities. The rule that deferred tax assets and liabilities are offset if current tax assets and liabilities are subject to offsetting has not been changed.

The above changes did not affect the Company's financial statements.

- **Amendment to IFRS 17 "Insurance Contracts"**

The Board established transitional provisions on comparative data for entities that implement IFRS 17 and IFRS 9 simultaneously, to reduce potential accounting mismatches arising from differences between these standards.

The above changes did not affect the Company's financial statements.

b) New standards, interpretations and changes to existing standards that are not yet in force and have not been previously applied by the Company

Standards and Interpretations awaiting approval by the European Commission:

<i>Standards and Interpretations</i>	<i>The type of expected change in accounting principles</i>	<i>Possible impact on the financial statements</i>
<p><i>Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures"</i></p> <p><i>Valid for annual periods beginning on 1 January 2024</i></p>	<p>The amendment describes the characteristics of reverse factoring agreements ("Supplier finance arrangements") and introduces the need to disclose additional information.</p>	<p><i>The Company does not expect the Standard to have a significant impact on its financial statements.</i></p>
<p><i>Amendment to IAS 12 "Income Taxes"</i></p> <p><i>Valid for annual periods starting on 1 January 2023</i></p>	<p>The change introduces a temporary exception to the recognition of deferred tax resulting from the implementation of international tax reform ("Pillar Two Model Rules" issued by the OECD) and the obligation to introduce additional related disclosures.</p>	<p><i>The above Changes are not expected to have a significant impact on the financial statements of the Company.</i></p>
<p><i>Amendment to IAS 1 "Presentation of financial statements"</i></p> <p><i>Valid for annual periods beginning on 1 January 2024</i></p>	<p>The IAS Council clarified the rules for classifying liabilities as long- or short-term primarily in two aspects:</p> <ul style="list-style-type: none"> it was clarified that the classification depends on the rights that the entity has as at the balance sheet date, management's intentions to accelerate or delay payment of the obligation are not taken into account. 	<p><i>The above Changes are not expected to have a significant impact on the financial statements of the Company.</i></p>
<p><i>Amendment to IAS 1 "Presentation of financial statements"</i></p> <p><i>Valid for annual periods beginning on 1 January 2024</i></p>	<p>The change clarifies that as at the balance sheet date, the entity does not take into account covenants that will have to be met in the future when considering the classification of liabilities as long- or short-term. However, the entity should disclose information about these covenants in the explanatory notes to the financial statements.</p>	<p><i>The above Changes are not expected to have a significant impact on the financial statements of the Company.</i></p>
<p><i>Amendment to IFRS 16 "Leases"</i></p> <p><i>Valid for annual periods beginning on 1 January 2024</i></p>	<p>The amendment clarifies the requirements for the valuation of leasing liabilities arising from sale and leaseback transactions. It is intended to prevent incorrect recognition of the result on the transaction in the part relating to the retained right of use when leasing payments are variable and do not depend on the index or rate.</p>	<p><i>The above Changes are not expected to have a significant impact on the financial statements of the Company.</i></p>

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.

4. 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 the implemented policy of introducing a new assortment, adjusted to the seasons of the year, as well as the broad product offer of the Company.

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(All amounts in PLN '000 unless indicated otherwise)

5. Property, plant and equipment

	30 June 2023 unaudited	31 December 2022
Land	2,907	2,907
Buildings and structures	7,228	7,452
Plant and equipment	3,227	3,515
Vehicles	542	87
Other	3,217	3,271
Total	17,121	17,232
Property, plant and equipment not transferred for use	730	483
Total property, plant and equipment	17,851	17,715

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 30 June 2023, the gross value of property, plant and equipment increased by PLN 1,722 thousand, mainly as a result of reclassification of means of transport from right-of-use assets, in connection with buyout of assets after the leasing period. In addition, the company purchased IT equipment and exhibition shelves. Depreciation of property, plant and equipment recognized in profit or loss amounted to PLN 1,189 thousand.

6. Right-of-use assets

	30 June 2023 unaudited	31 December 2022
Land	1,783	1,796
Buildings and structures	3,337	5,297
Plant and equipment	1,331	1,458
Vehicles	3,014	4,314
Total	9,465	12,865

In the first half of 2023, the Company did not conclude any new leasing agreements. Decrease in the gross value of right-of-use assets by PLN 766 thousand resulted from:

- indexation of fees in accordance with contracts concluded in previous years, as a result of which assets were increased by PLN 246 thousand,
- reclassification to fixed assets as a result of the purchase after the end of the leasing period, in accordance with the conditions provided for in the contract, as a result of which the assets were reduced by PLN 1,012 thousand.

Depreciation of right-of-use assets recognized in the financial result amounted to PLN 3,168 thousand.

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7. Interests in subsidiaries

	Country	Type of equity link	% of shares and votes held	Value of shares
30 June 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
31 December 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

8. Inventory

	30 June 2023 unaudited	31 December 2022
Goods for resale at warehouse and in transit	245,843	247,780
Asset for expected returns from customers	376	90
Total inventory (per balance sheet)	246,219	247,870
Revaluation write-down for goods for resale	2,246	2,141
Total inventory (gross)	248,465	250,011

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:

	2023	2022
As at 1 January	2,141	, 384
Increase	105	757
As at 30 June (unaudited) / 31 December	2,246	2,141

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

9. Trade and other short-term receivables

	30 June 2023 unaudited	31 December 2022
Trade receivables from related parties	11,001	20,130
Trade receivables from third parties	25,047	36,317
Total trade receipts	36,048	56,447
Other receivables from other entities	59	44
Advances paid to related entities	849	4,760
Advances paid to other entities	78	34
Prepaid expenses	1,606	887
Total gross receivables	38,640	62,172
Allowance for the expected credit losses on trade receivables	(1,831)	(1,950)
Impairment write-downs of other receivables	(36)	(36)
Total net receivables	36,773	60,186

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).

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

	2023	2022
As at 1 January	1,950	1,986
Write-off created in the period	-	12
Utilization of write-offs created in the previous period	-	(48)
Reversal of unused write-offs	(119)	-
As at 30 June (unaudited) / 31 December	1,831	1,950

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

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10. Cash and cash equivalents

	30 June 2023 unaudited	31 December 2022
Cash in hand and at bank	2,244	1,386
Total cash and cash equivalents	2,244	1,386

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:

6 months ended 30 June 2023	Balance sheet change	Adjustments	
		Measurement of cash in foreign currencies	Change in statement of cash flows
Change in trade and other receivables	23,413	-	23,413
Change in inventories	1,651	-	1,651
Change in provisions	(44)	-	(44)
Change in trade and other payables	2,257	-	2,257
Change in employee benefit liabilities	(2,019)	-	(2,019)
Change in cash	858	(17)	841

6 months ended 30 June 2022	Balance sheet change	Adjustments	
		Measurement of cash in foreign currencies	Change in statement of cash flows
Change in trade and other receivables	(21,508)	-	(21,508)
Change in inventories	(47,781)	-	(47,781)
Change in provisions	84	-	84
Change in trade and other payables	(1,258)	-	(1,258)
Change in employee benefit liabilities	(2,090)	-	(2,090)
Change in cash	517	(12)	505

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(All amounts in PLN '000 unless indicated otherwise)

12. Share capital

As at 30 June 2023, 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 first half of 2023, there were no changes in the amount of share capital.

13. Earnings per share

	6 months ended 30 June		3 months ended 30 June	
	2023 unaudited	2022 unaudited	2023 unaudited	2022 unaudited
Net profit	25,078	27,212	15,137	11,531
Weighted average number of ordinary shares ('000)	75,042	75,042	75,042	75,042
Basic earnings per share from continuing operations (PLN)	0.33	0.36	0.20	0.15
Net profit attributable to ordinary shareholders used to calculate diluted earnings per share	25,078	27,212	15,137	11,531
Adjusted weighted average number of ordinary shares used for calculating diluted earnings per share ('000)	75,042	75,042	75,042	75,042
Diluted earnings per share from continuing operations (PLN)	0.33	0.36	0.20	0.15

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

In the first half of 2023 and 2022 the Company had no potential dilutive instruments.

14. Resolutions on approving the annual report of Toya S.A. for 2022 and distribution of profit

On 29 June 2023, the General Meeting of Shareholders of Toya S.A. approved the financial statements of TOYA S.A. for 2022, and also decided to transfer the profit for 2022 in the amount of PLN 46,068 thousand to reserve capital.

15. Trade and other payables

	30 June 2023 unaudited	31 December 2022
Trade payables to related parties	-	1,196
Trade payables to third parties	16,908	12,008
Total trade payables	16,908	13,204
Tax liabilities	7,110	8,852
Liability due to expected goods returns	613	146
Prepayments received	82	427
Other payables to third parties	208	35
Total other current payables	8,013	9,460
Total	24,921	22,664

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(All amounts in PLN '000 unless indicated otherwise)

16. Loans and borrowings liabilities

	30 June 2023 unaudited	31 December 2022
Long-term bank loans an borrowings liabilities	5,715	17,143
Short-term bank loans an borrowings liabilities	27,846	65,024
Total bank loans an borrowings liabilities	33,561	82,167

Compliance with the provisions of the loan agreement

As at 30 June 2023, 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.

The nature of other loan repayment collaterals has not changed as compared to 31 December 2022.

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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 30 June 2023	Amount outstanding as at 30 June 2023 (*)	Amount outstanding as at 30 June 2022 (*)	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.	70,000	1,484	21,159	WIBOR 1 M + bank's margin	15 December 2023
2. Overdraft credit facility agreement No 09/030/19/Z/VV	mBank S.A. with its registered office in Warsaw	60,000	1,521	18,991	WIBOR ON + bank's margin	29 March 2024
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	1,804	1,779	WIBOR 1 M + bank's margin	15 November 2023
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	28,751	40,238(**)	WIBOR 3 M + bank's margin	30 September 2024
Total liabilities, of which:		195,000	33,560	82,167		
– short-term portion		177,857	27,846	65,024		
– long-term portion		17,143	5,714	17,143		

(*) the amount used is presented together with interest due but not repaid as at 30 June 2023 and 31 December 2022

(**) including PLN 40,000 thousand of the loan used and PLN 238 thousand accrued and unpaid interest as at 31 December 2022

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17. Sales revenue

	6 months ended 30 June		3 months ended 30 June	
	2023 unaudited	2022 unaudited	2023 unaudited	2022 unaudited
Sales of goods for resale	291,533	290,954	156,049	148,016
Total sales revenue	291,533	290,954	156,049	148,016

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

	6 months ended 30 June 2023 unaudited		6 months ended 30 June 2022 unaudited		3 months ended 30 June 2023 unaudited		3 months ended 30 June 2022 unaudited	
	Sales revenue	Share	Sales revenue	Share	Sales revenue	Share	Sales revenue	Share
Ukraine	17,987	6.2%	6,923	2.4%	10,314	6.6%	3,180	2.1%
Romania	19,805	6.8%	32,802	11.3%	12,736	8.2%	20,194	13.7%
Hungary	12,451	4.2%	10,361	3.6%	5,995	3.8%	5,035	3.4%
Baltic countries	11,077	3.8%	11,841	4.1%	5,935	3.8%	5,962	4.0%
Belarus	10,713	3.6%	7,885	2.7%	6,033	3.9%	4,471	3.0%
Czech Republic	5,801	2.0%	6,295	2.2%	2,852	1.8%	2,667	1.8%
Greece	4,007	1.4%	2,843	1.0%	1,939	1.2%	1,269	0.9%
Moldova	4,076	1.4%	4,710	1.6%	2,351	1.5%	2,561	1.7%
Bulgaria	4,653	1.6%	2,520	0.9%	3,108	2.0%	1,509	1.0%
Germany	2,846	1.0%	3,774	1.3%	1,311	0.9%	1,603	1.1%
Russia	2,872	1.0%	3,600	1.2%	1,564	1.0%	1,539	1.0%
Europe – other EU countries	5,194	1.8%	5,955	2.0%	2,517	1.6%	2,615	1.8%
Europe – other non-EU countries	4,394	1.5%	3,786	1.3%	1,964	1.3%	2,247	1.5%
Other continents	1,840	0.6%	1,949	0.6%	1,090	0.7%	779	0.6%
Total export	107,716	36.9%	105,244	36.2%	59,709	38.3%	55,631	37.6%
Poland	183,817	63.1%	185,710	63.8%	96,340	61.7%	92,385	62.4%
Total sales revenue	291,533	100.0%	290,954	100.0%	156,049	100.0%	148,016	100.0%

18. Operating 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 specifies four operating and reporting segments for its activities:

- sales on local market to retail networks;
- sales on local market to wholesale market;
- export sales;
- retail sales – mainly e-commerce sales.

As part of the retail networks segment, the Company cooperates with large retail networks throughout Poland. Wholesale on the market is conducted through a network of wholesalers, authorised retail stores and sales representatives. 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.

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

The company did not record sales revenues exceeding 10% of total revenues with any entity.

As at 30 June 2023, the Company's assets amounted to PLN 390,962 thousand and the Company's liabilities amounted to PLN 74,343 thousand and related entirely to the commercial activities. The Company's Management Board does not analyse the Company's assets by segment. Assets are monitored at the company level, hence they are not allocated to individual segments.

The Company has no non-current assets located abroad.

The most important geographic export directions of the Company are disclosed in note 17.

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 Group did not have any assets there and transactions with local customers were of a short-term nature. The Russian-Ukrainian conflict that started with hostilities on 24 February 2022 disrupted trade relations in these markets, resulting in a temporary freezing of relations with some customers.

It should be emphasized that the Group complies with all sanctions imposed by the European Union, Poland and the governments of other countries imposed on entities, persons and goods indicated in the relevant legal acts. The Group has implemented appropriate procedures in this regard. However, the implemented procedures and the need to verify and comply with all economic sanctions result in a slowdown in trade with customers from these markets, which is beyond the Group's control. This may impact trading with customers present in these markets.

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18. Operating segments (cont.)

6 months ended 30 June 2023 (unaudited)	<i>EXPORT SALES</i>	<i>WHOLESALE MARKET</i>	<i>RETAIL NETWORKS</i>	<i>RETAIL SALES</i>	Total
Sales revenue					
Sales to external customers	107,716	123,144	34,467	26,206	291,533
Total segment revenue	107,716	123,144	34,467	26,206	291,533
Cost of goods sold					
Sales to external customers	(83,097)	(86,917)	(25,214)	(14,994)	(210,222)
Total costs of goods sold	(83,097)	(86,917)	(25,214)	(14,994)	(210,222)
Gross profit	24,619	36,227	9,253	11,212	81,311
Gross profit margin	23%	29%	27%	43%	28%

6 months ended 30 June 2022 (unaudited)	<i>EXPORT SALES</i>	<i>WHOLESALE MARKET</i>	<i>RETAIL NETWORKS</i>	<i>RETAIL SALES</i>	Total
Sales revenue					
Sales to external customers	105,244	122,191	39,734	23,785	290,954
Total segment revenue	105,244	122,191	39,734	23,785	290,954
Cost of goods sold					
Sales to external customers	(80,021)	(87,179)	(27,837)	(13,717)	(208,754)
Total costs of goods sold	(80,021)	(87,179)	(27,837)	(13,717)	(208,754)
Gross profit	25,223	35,012	11,897	10,068	82,200
Gross profit margin	24%	29%	30%	42%	28%

Notes constitute an integral part of these condensed interim stand-alone financial statements

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(All amounts in PLN '000 unless indicated otherwise)

18. Operating segments (cont.)

3 months ended 30 June 2023 (unaudited)	EXPORT SALES	WHOLESALE MARKET	RETAIL NETWORKS	RETAIL SALES	Total
Sales revenue					
Sales to external customers	59,708	62,539	17,783	16,019	156,049
Total segment revenue	59,708	62,539	17,783	16,019	156,049
Cost of goods sold					
Sales to external customers	(46,555)	(43,840)	(12,963)	(9,200)	(112,558)
Total costs of goods sold	(46,555)	(43,840)	(12,963)	(9,200)	(112,558)
Gross profit	13,153	18,699	4,820	6,819	43,491
Gross profit margin	22%	30%	27%	43%	28%

3 months ended 30 June 2022 (unaudited)	EXPORT SALES	WHOLESALE MARKET	RETAIL NETWORKS	RETAIL SALES	Total
Sales revenue					
Sales to external customers	55,630	59,071	18,461	14,854	148,016
Total segment revenue	55,630	59,071	18,461	14,854	148,016
Cost of goods sold					
Sales to external customers	(42,524)	(42,849)	(13,190)	(8,873)	(107,436)
Total costs of goods sold	(42,524)	(42,849)	(13,190)	(8,873)	(107,436)
Gross profit	13,106	16,222	5,271	5,981	40,580
Gross profit margin	24%	27%	29%	40%	27%

Notes constitute an integral part of these condensed interim stand-alone financial statements

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

	6 months ended 30 June		3 months ended 30 June	
	2023 unaudited	2022 unaudited	2023 unaudited	2022 unaudited
Amortisation and depreciation	4,558	4,610	2,289	2,303
Material and energy consumption	3,252	4,065	1,188	1,959
Third-party services, including:	12,373	14,081	6,711	7,885
<i>costs of transportation</i>	3,678	3,965	1,989	2,332
<i>logistics services (external warehouses)</i>	201	1,682	-	1,087
<i>IT, telecommunications and postal costs</i>	1,177	929	625	483
<i>online sales platform access services</i>	3,425	3,226	2,012	1,922
<i>service charges for space lease agreements</i>	1,248	1,532	578	1,121
<i>legal, audit and consulting costs</i>	683	1,000	421	285
<i>other third-party services</i>	1,961	1,747	1,086	655
Taxes and fees	1,166	837	607	423
Costs of employee benefits, including:	23,808	22,039	12,180	10,866
<i>Salaries</i>	19,699	18,439	10,051	9,088
<i>Social security</i>	3,531	3,340	1,840	1,650
<i>Employee capital plans</i>	86	72	41	31
<i>Other</i>	492	188	248	97
Other costs by type	3,477	1,184	1,722	710
Value of goods for resale and materials sold	210,222	208,754	112,558	107,436
Total costs by type and value of goods for resale sold	258,856	255,570	137,255	131,582
Selling costs, including:	37,009	36,412	18,427	18,861
<i>amortisation and depreciation</i>	3,801	3,789	1,905	1,875
<i>costs of employee benefits</i>	15,608	14,662	7,769	7,132
Administrative expenses, including:	11,625	10,404	6,270	5,285
<i>amortisation and depreciation</i>	757	821	384	428
<i>costs of employee benefits</i>	8,200	7,377	4,411	3,734
Value of goods for resale sold	210,222	208,754	112,558	107,436
Costs by type and value of goods sold	258,856	255,570	137,255	131,582

20. Income tax

	6 months ended 30 June		3 months ended 30 June	
	2023	2022	2023	2022
	unaudited	unaudited	unaudited	unaudited
Profit before tax	31,407	33,803	18,856	14,344
Tax rate applicable in the period	19%	19%	19%	19%
Tax calculated at the applicable tax rate	5,967	6,423	3,582	2,726
Tax effect of the following items:				
- permanent tax differences – costs	362	178	137	97
tax relating to previous years	-	(10)	-	(10)
Income tax reported in the profit and loss account	6,329	6,591	3,719	2,813
- current portion	6,316	7,097	3,940	3,489
- deferred portion	13	(506)	(221)	(676)

21. Changes in estimates**21.1 Inventory write-down**

In the first half of 2023, the Company increased the inventory write-down to the level of their net realizable value by PLN 105 thousand, while in the same period of 2022 the write-down on inventories was increased by PLN 1,039 thousand.

21.2 Write-off for expected credit losses on receivables

In the first half of 2023, the Company decreased the write-off due to expected credit losses related to trade receivables by PLN 119 thousand (in the same period of 2022 the write-off was increased by PLN 166 thousand).

21.3 Employee benefits obligations

In the first half of 2023, liabilities due to employee benefits decreased by PLN 3,431 thousand, mainly as a result of settlement of employee salaries liabilities recognized as at 31 December 2022.

In the first half of 2023, the Company increased the provision for unused holidays by the amount of PLN 457 thousand (in the same period of 2022 the provision was increased by PLN 500 thousand).

21.4 Provisions

In the first half of 2023, the Company decreased the warranty provision by PLN 69 thousand (in the same period of 2022 the provision was increased by PLN 84 thousand).

21.5 Deferred tax

Deferred tax asset has decreased in the first half of 2023 by PLN 13 thousand, mainly as a result of temporary differences from provisions created for rebates on turnover, with the simultaneous use of provisions created as at 31 December 2022. In the corresponding period of 2022, deferred tax asset was increased by PLN 506 thousand. According to the Management Board, there is no risk that the deferred tax asset could not be realized.

22. Fair value of financial instruments

Book value of financial assets and liabilities approximates their fair value. In the first half of 2023 and 2022, there were no changes in the business conditions and economic situation that would affect the fair value of financial assets and liabilities.

23. Financial guarantees granted and received

As at 30 June 2023, the Company was a party to the following guarantee agreements in connection with its activities, granted by the following entities:

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 482,640.52	28 February 2024
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 2023

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.

24. Contingent assets and liabilities

As at 30 June 2023, the Company had no significant contingent liabilities or contingent assets.

25. Transactions with related entities

In the first half of 2023 and 2022, 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 (from 27 January 2022),
- 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	Paid prepayments	Trade and other payables	Revenues from the sale of goods and services and other revenues	Purchases of goods and services
30.06.2023 (unaudited)			01.01.2023-30.06.2023		
Subsidiaries, including:	10,991	849	-	19,857	152,518
<i>TOYA Romania S.A.</i>	10,991	-	-	19,849	-
<i>Yato Tools (Shanghai) Co. Ltd.</i>	-	-	-	-	18,137
<i>Yato Tools (Jiaxing) Co. Ltd.</i>	-	849	-	8	134,381
Entities related through key management personnel	10	-	-	43	-
Total	11,001	849	-	19 900	152,518
31.12.2022			01.01.2022-30.06.2022		
Subsidiaries, including:	20,128	4,761	1,196	32,851	142,218
<i>TOYA Romania S.A.</i>	20,106	-	-	32,846	-
<i>Yato Tools (Shanghai) Co. Ltd.</i>	-	-	-	5	22,065
<i>Yato Tools (Jiaxing) Co. Ltd.</i>	22	4,761	1,196	-	120,153
Entities related through key management personnel	2	-	-	65	-
Total	20,130	4,761	1,196	32,916	142,218

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:

	6 months ended 30 June	
	2023	2022
Remunerations and benefits under employment contracts and appointment contracts - Management Board	2,707	2,589
Social insurance (ZUS) costs borne by the Company - Management Board	6	39
Remunerations for positions held - Supervisory Board	308	306
Social insurance (ZUS) costs borne by the Company - Supervisory Board	52	53
Employee Capital Plans (PPK) financed by the Company	3	3

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26. Material events subsequent to the end of reporting period

No significant events occurred after 30 June 2023.

Management Board of Toya S.A.

Date	Name and surname	Position	Signature
24 August 2023	Grzegorz Pinkosz	President of the Management Board	
24 August 2023	Maciej Lubnauer	Vice-President of the Management Board	
24 August 2023	Robert Borys	Vice-President of the Management Board	

Person responsible for bookkeeping:

Date	Name and surname	Position	Signature
24 August 2023	Iwona Banik	Chief Accountant	