



TOYA S.A. CAPITAL GROUP

Consolidated interim report
For the period from 1 January 2022 to 30 September 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	
	3 quarters cumulatively / period from 1.01.2022 to 30.09.2022	3 quarters cumulatively / period from 1.01.2021 to 30.09.2021	3 quarters cumulatively / period from 1.01.2022 to 30.09.2022	3 quarters cumulatively / period from 1.01.2021 to 30.09.2021
I. Revenue from sales of goods	547,786	511,998	116,849	112,317
II. Operating profit	72,208	77,057	15,403	16,904
III. Profit before tax	65,529	76,020	13,978	16,677
IV. Net profit	52,085	60,703	11,110	13,316
V. Total comprehensive income	64,703	65,540	13,802	14,377
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)	0.69	0.81	0.15	0.18
VIII. Net cash from operating activities	(22,671)	29,523	(4,836)	6,476
IX. Net cash from investing activities	(16,444)	(14,754)	(3,508)	(3,237)
X. Net cash from financing activities	33,949	(28,288)	7,242	(6,206)
XI. Total net cash	(5,166)	(13,519)	(1,102)	(2,966)
	As at	As at	As at	As at
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
XII. Non-current assets	104,560	85,540	21,471	18,598
XIII. Current assets	555,876	516,820	114,149	112,367
XIV. Total assets	660,436	602,360	135,619	130,965
XV. Non-current liabilities	36,796	29,513	7,556	6,417
XVI. Current liabilities	258,259	272,169	53,033	59,175
XVII. Total equity	365,381	300,678	75,031	65,373

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 30 September 2022 the rate of **4.6880 PLN / EUR (*)**
- for the translation of comprehensive income and cash flows for the period from 1 January 2021 to 30 September 2021 the rate of **4.5585 PLN / EUR (*)**
- for the translation of assets, liabilities and equity at 30 September 2022 the rate of **4.8698 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 September of respectively: 2022 and 2021.

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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	30 September 2022 unaudited	31 December 2021
ASSETS			
Property, plant and equipment	5	61,872	45,090
Intangible assets		4,573	3,899
Right-of-use assets	6	31,369	31,188
Goodwill	7	912	835
Other receivables		54	51
Deferred income tax assets	16	5,780	4,477
Non-current assets		104,560	85,540
Inventory	8, 16	422,142	369,256
Trade and other receivables	9, 16	99,688	108,709
Cash and cash equivalents	10	34,046	38,855
Current assets		555,876	516,820
Total assets		660,436	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		23,501	10,883
Other capitals		(209)	(209)
Retained earnings		298,579	246,494
Equity per shareholders of the Parent Company		365,381	300,678
Total equity		365,381	300,678
Liabilities from loans	14	17,017	10,049
Lease liabilities		18,725	18,414
Deferred income tax liability		323	318
Liabilities from employee benefits		678	678
Other long-term liabilities		53	54
Total long-term liabilities		36,796	29,513
Trade and other payables	15	107,649	156,068
Liabilities from employee benefits	16	10,006	10,023
Liabilities from loans	14	127,642	86,904
Lease liabilities		8,678	9,170
Liabilities from current income tax		2,624	8,393
Provisions	16	1,660	1,611
Total short-term liabilities		258,259	272,169
Total liabilities		295,055	301,682
Total equity and liabilities		660,436	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	9 months period ended 30 September		3 months period ended 30 September	
		2022 unaudited	2021 unaudited	2022 unaudited	2021 unaudited
Revenue from sales of goods	18, 19	547,786	511,998	179,954	169,279
Cost of goods and materials sold	18, 20	(368,022)	(338,939)	(122,105)	(112,648)
Gross sales profit		179,764	173,059	57,849	56,631
Selling costs	20	(83,998)	(67,395)	(28,959)	(22,421)
Administrative expenses	20	(28,480)	(27,247)	(10,233)	(9,667)
Expected credit losses		(75)	57	78	(197)
Other operating revenue		5,269	282	1,587	(72)
Other operating expenses		(272)	(1,699)	(107)	(686)
Operating profit		72,208	77,057	20,215	23,588
Financial income		194	80	121	26
Financial expenses		(6,873)	(1,117)	(3,183)	(345)
Profit before tax		65,529	76,020	17,153	23,269
Income tax		(13,444)	(15,317)	(3,438)	(4,754)
Net profit		52,085	60,703	13,715	18,515
Other comprehensive income that may be reclassified to profit or loss					
Foreign operations currency translation differences		12,618	4,837	6,450	4,131
Other net comprehensive income		12,618	4,837	6,450	4,131
Total net comprehensive income for the period		64,703	65,540	20,166	22,646
Net profit for the year attributable to:					
Shareholders of the Parent Company		52,085	60,703	13,716	18,515
Non-controlling interests		-	-	-	-
Other comprehensive income attributable to:					
Shareholders of the Parent Company		12,618	4,837	6,450	4,131
Non-controlling interests		-	-	-	-
Total comprehensive income for the year attributable to:					
Shareholders of the Parent Company		64,703	65,540	20,166	22,646
Non-controlling interests		-	-	-	-

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Earnings per share

		9 months period ended 30 September		3 months period ended 30 September	
		2022 unaudited	2021 unaudited	2022 unaudited	2021 unaudited
Basic earnings per share in PLN	13	0.69	0.81	0.18	0.25
- from continuing operations		0.69	0.81	0.18	0.25
- from discontinued operations		-	-	-	-
Diluted earnings per share in PLN	13	0.69	0.81	0.18	0.25
- from continuing operations		0.69	0.81	0.18	0.25
- from discontinued operations		-	-	-	-

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(All amounts in PLN '000 unless indicated otherwise)

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	-	-	-	-	-	52,085	52,085	52,085
Other comprehensive income	-	-	-	12,618	-	-	12,618	12,618
Total comprehensive income	-	-	-	12,618	-	52,085	64,703	64,703
Transactions with owners	-	-	-	-	-	-	-	-
Total changes in equity	-	-	-	12,618	-	52,085	64,703	64,703
As at 30 September 2022	7,504	35,677	329	23,501	(209)	298,579	365,381	365,381
As at 1 January 2021	7,504	35,677	329	3,556	(194)	190,861	237,733	237,733
Comprehensive income								
Net profit	-	-	-	-	-	60,703	60,703	60,703
Other comprehensive income	-	-	-	4,837	-	-	4,837	4,837
Total comprehensive income	-	-	-	4,837	-	60,703	65,540	65,540
Dividend paid	-	-	-	-	-	(21,762)	(21,762)	(21,762)
Transactions with owners	-	-	-	-	-	(21,762)	(21,762)	(21,762)
Total changes in equity	-	-	-	4,837	-	38,941	43,778	43,778
As at 30 September 2021	7,504	35,677	329	8,393	(194)	229,802	281,511	281,511

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

Consolidated cash flow statement

	Note	9 months ended 30 September	
		2022	2021
Cash flows from operating activities			
Profit before tax		65,529	76,020
Adjustments for:			
Amortization and depreciation		11,212	10,567
Net interest		6,666	1,023
Profit/Loss on investing activities		(602)	58
Foreign exchange gains/losses		3,228	1,075
Changes in balance sheet items:			
Change in trade and other receivables	11	15,567	(47,897)
Change in inventories	11	(44,691)	(59,721)
Change in provisions	11	9	160
Change in trade and other payables	11	(58,618)	61,994
Change in employee benefit liabilities	11	(294)	453
Cash from activities		(1,994)	43,732
Income tax paid		(20,677)	(14,209)
Net cash from operating activities		(22,671)	29,523
Cash flows from investing activities			
Sale of property, plant and equipment		732	59
Purchases of property, plant and equipment and intangible assets		(17,370)	(14,893)
Interest received		194	80
Net cash from investing activities		(16,444)	(14,754)
Cash flows from financing activities			
Proceeds from loans		47,184	10,617
Repayments of loans		-	(9,371)
Repayment of lease liabilities		(6,884)	(6,680)
Interest paid on loans		(5,350)	(183)
Interests paid on leases		(1,001)	(909)
Dividend paid		-	(21,762)
Net cash from financing activities		33,949	(28,288)
Net change in cash and cash equivalents		(5,166)	(13,519)
Balance sheet change in cash and cash equivalents		(4,809)	(12,719)
- effect of translation of cash and cash equivalents		357	800
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	34,046	21,242

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The Parent Company has also prepared the condensed interim stand-alone financial statements for the 9 months period ended 30 September 2022, which was approved for publication by the Management Board on 7 November 2022.

2. Capital group structure

As at 30 September 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 30 September 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 (IAS 16);
- 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

Standards and Interpretations - approved by the EU, which have not yet come into force for annual periods beginning on 1 January 2022

<i>Standards and Interpretations</i>	<i>Type of anticipated change in accounting policies</i>	<i>Possible impact on the financial statements</i>
<p><i>IFRS 17 Insurance contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)</i></p> <p><i>(effective for annual periods beginning on or after 1 January 2023, prospective adoption, with earlier adoption permitted)</i></p>	<p>IFRS 17 replaces the transitional standard IFRS 4 Insurance Contracts, which was introduced in 2004. IFRS 4 gave entities the option of continuing to recognize insurance contracts in accordance with the accounting principles of national standards, which resulted in the application of many different solutions in practice.</p> <p>IFRS 17 addresses the comparability problem created by IFRS 4, by requiring all insurance contracts to be recognized consistently, which will benefit both investors and insurers. Liabilities arising from contracts will be recognized at present values, instead of historical cost.</p>	<p><i>The Group does not expect the standard and amendments to have a significant impact on its financial statements.</i></p>
<p><i>Amendments to IAS 12 Income taxes: Deferred tax related to Assets and Liabilities from a Single Transaction (issued on 7 May 2021)</i></p> <p><i>(effective for annual periods beginning on or after 1 January 2023, with earlier adoption permitted)</i></p>	<p>The amendments limit the ability to apply the exemption from the recognition of deferred tax and indicate that such exemption cannot be applied to transactions in which the entity recognizes both an asset and a liability resulting in the simultaneous recognition of offsetting positive and negative temporary differences. Consequently, an entity should recognize both the asset and the deferred tax liability for temporary differences arising from the initial recognition of leases and liquidation liabilities.</p>	<p><i>The above Amendments are not expected to have a significant impact on the consolidated financial statements of the Group.</i></p>

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Standards and Interpretations	Type of anticipated change in accounting policies	Possible impact on the financial statements
<p><i>Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting Policies (issued on 12 February 2021)</i></p> <p><i>(effective for annual periods beginning on or after 1 January 2023, with earlier adoption permitted)</i></p>	<p>Amendments to IAS 1 specify the scope of disclosures of significant accounting principles (policies) in the financial statements of the entity. Pursuant to the introduced changes, an entity should disclose in the financial statements only material accounting policy information, instead of significant accounting policies.</p>	<p><i>The Group does not expect the standard and amendments to have a significant impact on its financial statements.</i></p>
<p><i>Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates (issued on 12 February 2021)</i></p> <p><i>(effective for annual periods beginning on or after 1 January 2023, with earlier adoption permitted)</i></p>	<p>The amendments introduce the definition of accounting estimates as monetary amounts disclosed in the financial statements that are subject to measurement uncertainty and clarify the relationship between accounting principles and estimates, indicating that the entity prepares accounting estimates to achieve the objectives indicated in the accounting principles.</p>	<p><i>The Group does not expect the standard and amendments to have a significant impact on its financial statements.</i></p>

Standards and Interpretations awaiting EU endorsement

Standards and Interpretations awaiting EU endorsement	Type of anticipated change in accounting policies	Possible impact on the financial statements
<p><i>Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-Current and Classification of Liabilities as Current and Non-Current – Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)</i></p> <p><i>(effective for annual periods beginning on or after 1 January 2023, with earlier adoption permitted)</i></p>	<p>The amendments clarify that the presentation of liabilities as short-term or long-term should only depend on the existence of the entity's right to defer the settlement (extension) of a given liability for a period of at least 12 months from the reporting date, and on the fulfilment of the conditions for the implementation of such extension as at the balance sheet date. The above presentation is not affected by the intentions and expectations of the management of the entity as to the exercise of this right or as to the date when it would occur. The changes also provide explanations as to the events that are considered to be the settlement of liabilities.</p>	<p><i>The above Amendments are not expected to have a significant impact on the financial statements of the Group.</i></p>
<p><i>Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)</i></p> <p><i>(effective for annual periods beginning on or after 1 January 2023)</i></p>	<p>The amendment introduces a new option to apply IFRS 17 for the first time to reduce the operational complexity and accounting mismatch in comparative data between insurance contract liabilities and related financial assets, at the time of first application of IFRS 17. The amendment allows for the presentation of comparative data with regard to financial assets in a manner more consistent with IFRS 9 Financial Instruments.</p>	<p><i>The Group does not expect the standard and amendments to have a significant impact on its financial statements.</i></p>

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

5. Property, plant and equipment

	30 September 2022 unaudited	31 December 2021
Land	2,907	2,907
Buildings and structures	8,979	9,230
Plant and equipment	4,950	4,107
Vehicles	773	646
Other	8,795	7,987
Total	26,404	24,877
Property, plant and equipment not transferred for use	35,468	20,213
Total property, plant and equipment	61,872	45,090

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 30 September 2022, the gross value of property, plant and equipment increased by PLN 18,193 thousand, mainly due to the continued construction of a new warehouse by the subsidiary in China and the purchase of IT equipment. Fixed assets with a net book value of PLN 134 thousand were liquidated. Depreciation of property, plant and equipment recognized in profit or loss amounted to PLN 3,727 thousand. Other changes result from differences from the translation of foreign entities.

6. Right-of-use assets

	30 September 2022 unaudited	31 December 2021
Land	7,205	6,847
Buildings and structures	17,824	16,190
Plant and equipment	1,583	1,978
Vehicles	4,757	6,173
Total	31,369	31,188

The increase in right-of-use assets was mainly due to:

- concluding an annex to the warehouse lease agreement, as a result of which the lease period was extended; the right-of-use assets and lease liabilities were increased by PLN 5,091 thousand; moreover, the value of assets and liabilities was increased by PLN 12 thousand as a result of indexation;
- indexation of a passenger car lease agreement by the amount of PLN 36 thousand.

Depreciation of the right-of-use assets recognized in profit or loss amounted to PLN 6,950 thousand.

Other changes result from differences from the translation of foreign entities.

7. Goodwill

Goodwill amounting to PLN 912 thousand includes only the goodwill resulting from the acquisitions of Yato Tools (Shanghai) Co. Ltd. in 2013. In 2021, goodwill increased by PLN 77 thousand as a result of exchange rate differences.

8. Inventory

	30 September 2022 unaudited	31 December 2021
Goods for resale at warehouse and in transit	421,851	368,718
Asset for expected returns from customers	291	538
Total inventory (per balance sheet)	422,142	369,256
Revaluation write-down for goods for resale	5,266	3,157
Total inventory (gross)	427,408	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	1,945	188
Reversal/utilisation	-	(220)
Currency translation differences	164	195
As at 30 September / 31 December	5,266	3,157

9. Trade and other short-term receivables

	30 September 2022 unaudited	31 December 2021
Trade receivables from related parties	3	1
Trade receivables from third parties	73,241	69,286
Total trade receivables	73,244	69,287
Taxes, custom duties and social security receivables	13,518	20,820
Other receivables from third parties	3,275	2,570
Advances for deliveries of goods for resale	6,018	10,789
Advances for deliveries of property, plant and equipment	4,487	6,055
Prepayments and deferred costs	2,107	2,024
Total gross receivables	102,649	111,545
Allowance for the expected credit losses on trade receivables	(2,925)	(2,781)
Impairment write-downs of other receivables	(36)	(55)
Total net receivables	99,688	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.

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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	74	47
Reversal of unused write-offs	1	(488)
Currency translation differences	69	80
As at 30 September / 31 December	2,925	2,781

10. Cash and cash equivalents

	30 September 2022 unaudited	31 December 2021
Cash in hand and at bank	34,046	38,855
Total cash and cash equivalents	34,046	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:

	9 months ended on 30 September 2022	Adjustments			Change in statement of cash flows
		Balance sheet change	Advances paid for property, plant and equipment	Measurement of cash in foreign currencies	
Change in trade and other receivables	9,018	(1,568)	-	8,117	15,567
Change in inventories	(52,886)		-	8,195	(44,691)
Change in provisions	49		-	(40)	9
Change in trade and other payables	(48,419)		-	(10,199)	(58,618)
Change in employee benefit liabilities	(17)		-	(277)	(294)
Change in cash	(4,809)	-	(357)		(5,166)

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	9 months ended on 30 September 2021	Adjustments		Change in statement of cash flows
		Balance sheet change	Measurement of cash in foreign currencies	
Change in trade and other receivables	(38,867)	-	(9,030)	(47,897)
Change in inventories	(64,200)	-	4,479	(59,721)
Change in provisions	169	-	(9)	160
Change in trade and other payables	55,318	-	6,676	61,994
Change in employee benefit liabilities	714	-	(261)	453
Change in cash	(12,719)	(800)		(13,519)

12. Share capital

As at 30 September 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 30 September 2022, there were no changes in the amount of share capital.

13. Earnings per share

	9 months ended 30 September		3 months ended 30 September	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Unaudited
Net profit attributable to the shareholders of the Parent Company	52,085	60,703	13,716	18,515
Weighted average number of ordinary shares ('000)	75,042	75,042	75,042	75,042
Basic net profit per share (PLN)	0.69	0.81	0.18	0.25
Net profit attributable to ordinary shareholders used to calculate diluted earnings per share	52,085	60,703	13,716	18,515
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)	0.69	0.81	0.18	0.25

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 30 September 2022 and 2021 the Group had no potential dilutive instruments.

14. Loans and borrowings liabilities

	30 September 2022 unaudited	31 December 2021
Long-term bank loans an borrowings liabilities	17,017	10,049
Short-term bank loans an borrowings liabilities	127,642	86,904
Total bank loans an borrowings liabilities	144,659	96,953

As at 30 September 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 30 September 2022	Amount outstanding as at 30 September 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.	70,000	50,789	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	60,000	48,034	30,453	WIBOR 1 T + 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	13,138	13,692	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	32,698	23,498	WIBOR 3 M + bank's margin	30 September 2024
Total liabilities, of which:		195,000	144,659	96,953		
– short-term portion		166,429	127,642	86,904		
– long-term portion		28,571	17,017	10,049		

15. Trade and other payables

	30 September 2022 unaudited	31 December 2021
Trade payables to related parties	-	-
Trade payables to third parties	95,606	135,277
Total trade payables	95,606	135,277
Tax liabilities	9,084	6,125
Liability due to expected goods returns	464	910
Prepayments received for deliveries	1,318	12,530
Other payables to third parties	388	455
Deferred revenue	789	771
Total other current payables	12,043	20,791
Total	107,649	156,068

16. Changes in estimates

16.1 Inventory write-down

In the 3rd quarter of 2022 the Group has increased the inventory write-down by the amount of PLN 648 thousands. Cumulatively from the beginning of 2022, the write-down has been increased by PLN 2,109 thousand.

In the 3rd quarter of 2021 the Group has increased the inventory write-down by the amount of PLN 328 thousands. Cumulatively from the beginning of 2021, the write-down has been increased by PLN 192 thousand.

16.2 Write-off for expected credit losses on receivables

In the 3rd quarter of 2022 the Group has decreased the write-off due to expected credit losses related to trade receivables by the amount of PLN 43 thousands. Cumulatively from the beginning of 2022, the write-down has been increased by PLN 144 thousand.

In the 3rd quarter of 2021 the Group has increased the write-off due to expected credit losses related to trade receivables by the amount of PLN 97 thousands. Cumulatively from the beginning of 2021, the write-down has been decreased by PLN 140 thousand.

16.3 Provision for guarantees

In the 3rd quarter of 2022 the Group has decreased the guaranty provision by the amount of PLN 71 thousands (cumulatively from the beginning of 2022, the write-down has been increased by PLN 49 thousand).

In the 3rd quarter of 2021 the Group has decreased the guaranty provision by the amount of PLN 147 thousands (cumulatively from the beginning of 2021, the write-down has been increased by PLN 169 thousand).

16.4 Employee benefits obligations

In the 3rd quarter of 2022 the Group has decreased the unused holidays provision by the amount of PLN 483 thousands (cumulatively from the beginning of 2022, the write-down has been increased by PLN 17 thousand).

In the 3rd quarter of 2021 the Group has decreased the unused holidays provision by the amount of PLN 533 thousands (cumulatively from the beginning of 2021, the write-down has been increased by PLN 9 thousand).

16.5 Deferred tax

Deferred tax asset has increased in the 3rd quarter of 2022 by PLN 214 thousand, mainly as a result of recognition of provisions for expected returns of goods and rebates for customers. Cumulatively from the beginning of 2022, the asset has been increased by PLN 1,303 thousand, mainly as a result of created provisions recognized in liabilities.

Deferred tax asset has increased in the 3rd quarter of 2021 by PLN 203 thousand, mainly as a result of recognition of provisions for expected returns of goods and rebates for customers. Cumulatively from the beginning of 2021, the asset has been increased by PLN 1,495 thousand, mainly as a result of created provisions recognized in liabilities.

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 third 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 Group'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 30 September 2022, the Group's assets amounted to PLN 660,436 thousand, and the Group's liabilities amounted to PLN 295,055 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 30 September 2022 is PLN 4,954 thousand and located in China is PLN 38,760 thousand.

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9 months ended 30 September 2022	EXPORT SALES	WHOLESALE MARKET	RETAIL NETWORKS	RETAIL SALES (*)	TOTAL
Sales revenue					
Sales to external customers	188,289	259,865	61,151	38,481	547,786
Total segment revenue	188,289	259,865	61,151	38,481	547,786
Cost of goods sold					
Sales to external customers	(129,018)	(176,455)	(41,411)	(21,138)	(368,022)
Total costs of goods sold	(129,018)	(176,455)	(41,411)	(21,138)	(368,022)
Gross profit	59,271	83,410	19,740	17,343	179,764
Gross profit margin	31%	32%	32%	45%	33%
Gross profit - all operating segments					179,764

9 months ended 30 September 2021	EXPORT SALES	WHOLESALE MARKET	RETAIL NETWORKS	RETAIL SALES (*)	TOTAL
Sales revenue					
Sales to external customers	179,901	244,393	56,608	31,096	511,998
Total segment revenue	179,901	244,393	56,608	31,096	511,998
Cost of goods sold					
Sales to external customers	(125,026)	(159,491)	(38,060)	(16,362)	(338,939)
Total costs of goods sold	(125,026)	(159,491)	(38,060)	(16,362)	(338,939)
Gross profit	54,875	84,902	18,548	14,734	173,059
Gross profit margin	31%	35%	33%	47%	34%
Gross profit - all operating segments					173,059

(*) mainly e-commerce sales

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3 months ended 30 September 2022	EXPORT SALES	WHOLESALE MARKET	RETAIL NETWORKS	RETAIL SALES (*)	TOTAL
Sales revenue					
Sales to external customers	66,493	83,098	17,651	12,712	179,954
Total segment revenue	66,493	83,098	17,651	12,712	179,954
Cost of goods sold					
Sales to external customers	(45,269)	(57,097)	(12,383)	(7,356)	(122,105)
Total costs of goods sold	(45,269)	(57,097)	(12,383)	(7,356)	(122,105)
Gross profit	21,224	26,001	5,268	5,356	57,849
Gross profit margin	32%	31%	30%	42%	32%
Gross profit - all operating segments					57,849

3 months ended 30 September 2021	EXPORT SALES	WHOLESALE MARKET	RETAIL NETWORKS	RETAIL SALES (*)	TOTAL
Sales revenue					
Sales to external customers	61,216	78,884	20,584	8,595	169,279
Total segment revenue	61,216	78,884	20,584	8,595	169,279
Cost of goods sold					
Sales to external customers	(42,125)	(51,811)	(14,272)	(4,440)	(112,648)
Total costs of goods sold	(42,125)	(51,811)	(14,272)	(4,440)	(112,648)
Gross profit	19,091	27,073	6,312	4,155	56,631
Gross profit margin	31%	34%	31%	48%	33%
Gross profit - all operating segments					56,631

(*) mainly e-commerce sales

19. Sales revenue

	9 months ended 30 September		9 months ended 30 September	
	2022 unaudited	2021 unaudited	2022 unaudited	2021 unaudited
Sales of goods for resale	547,786	511,998	179,954	169,279
Total sales revenue	547,786	511,998	179,954	169,279

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

	9 months ended		9 months ended		3 months ended		3 months ended	
	30 September 2022		30 September 2021		30 September 2022		30 September 2021	
	Sales revenue	Share	Sales revenue	Share	Sales revenue	Share	Sales revenue	Share
Ukraine	24,692	4.5%	31,953	6.2%	11,294	6.3%	12,526	7.4%
Baltic countries	17,602	3.2%	16,409	3.2%	5,761	3.2%	5,385	3.2%
Hungary	14,821	2.7%	13,394	2.6%	4,460	2.5%	3,881	2.3%
Belarus	14,753	2.7%	13,793	2.7%	5,616	3.1%	5,760	3.4%
Russia	9,700	1.8%	6,504	1.3%	5,005	2.8%	2,209	1.3%
Czech Republic	9,021	1.6%	9,956	1.9%	2,726	1.5%	2,384	1.4%
Moldova	8,565	1.6%	6,929	1.4%	3,855	2.1%	2,238	1.3%
Bulgaria	5,260	1.0%	8,327	1.6%	2,258	1.3%	1,518	0.9%
Germany	5,062	0.9%	7,280	1.4%	1,288	0.7%	1,807	1.1%
Europe – other EU countries	13,048	2.4%	14,895	2.9%	4,250	2.4%	5,212	3.1%
Europe – other non-EU countries	6,546	1.2%	5,841	1.1%	2,339	1.3%	2,002	1.2%
Africa	11,617	2.1%	6,421	1.3%	2,585	1.4%	1,901	1.1%
South and Central America	21,342	3.9%	20,038	3.9%	6,875	3.8%	8,007	4.7%
Asia	25,799	4.7%	17,744	3.5%	8,087	4.5%	6,226	3.7%
Australia and Oceania	461	0.1%	417	0.1%	94	0.1%	160	0.1%
Total export	188,289	34.4%	179,901	35.1%	66,493	37.0%	61,216	36.2%
Poland	268,903	49.1%	252,179	49.3%	83,193	46.2%	82,649	48.8%
Romania	65,717	12.0%	55,126	10.8%	22,032	12.2%	18,617	11.0%
China	24,877	4.5%	24,792	4.8%	8,236	4.6%	6,797	4.0%
Total sales revenue	547,786	100.0%	511,998	100.0%	179,954	100.0%	169,279	100.0%

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

	9 months ended 30 September		3 months ended 30 September	
	2022 unaudited	2021 unaudited	2022 unaudited	2021 unaudited
Amortisation and depreciation	11,212	10,567	3,674	3,620
Material and energy consumption	6,446	4,529	1,709	1,780
Third-party services, including:	30,917	23,045	10,719	7,583
<i>costs of transportation</i>	9,209	7,862	3,027	2,636
<i>logistics services (external warehouses)</i>	3,337	-	1,460	-
<i>IT, telecommunications and postal costs</i>	2,035	1,777	369	614
<i>online sales platform access services</i>	5,136	2,941	1,910	830
<i>short-term rental and service charges related to leasing contracts</i>	2,416	3,221	611	1,152
<i>legal, audit and consulting costs</i>	2,249	2,297	638	1,014
<i>other third-party services</i>	6,535	4,947	2,704	1,337
Taxes and fees	1,392	1,286	473	456
Costs of employee benefits, including:	52,681	46,817	17,403	15,477
<i>Salaries</i>	44,044	39,329	14,412	12,905
<i>Social security</i>	7,110	6,304	2,241	2,184
<i>Employee capital plans</i>	103	98	31	30
<i>Other</i>	1,424	1,086	719	358
Other costs by type	9,830	8,399	5,214	3,172
Value of goods for resale and materials sold	368,022	338,939	122,105	112,648
Total costs by type and value of goods for resale sold	480,500	433,582	161,297	144,736
Selling costs, including:	83,998	67,395	28,959	22,421
<i>amortisation and depreciation</i>	8,211	8,404	2,777	2,934
<i>costs of employee benefits</i>	35,880	27,864	11,544	6,290
Administrative expenses, including:	28,480	27,247	10,233	9,667
<i>amortisation and depreciation</i>	3,001	2,163	897	686
<i>costs of employee benefits</i>	16,801	18,953	5,859	9,187
Value of goods for resale sold	368,022	338,939	122,105	112,648
Total	480,500	433,581	161,297	144,736

21. Financial guarantees granted and received

As at 30 September 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 246,355	3 August 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.

22. Contingent assets and liabilities

As at 30 September 2022, the Group had no significant contingent liabilities or contingent assets.

23. Transactions with related entities

In the periods from 1 January to 30 September 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,
- Grzegorz Pinkosz – President of the Management Board – key management personnel,
- Maciej Lubnauer – 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	Trade and other payables	Revenue from sales of goods	Purchase of goods and services
	30.09.2022		1.01.2022 - 30.09.2022	
Entities related through key management personnel	3	-	65	-
Total	-	-	-	-
	31.12.2021		1.01.2021 - 30.09.2021	
Entities related through key management personnel	1	-	19	-
Total	1	-	19	-

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

Management Board remuneration

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

	9 months ended 30 September	
	2022	2021
Remunerations and benefits under employment contracts and appointment contracts - Management Board	2,866	2,291
Social insurance (ZUS) costs borne by the Company - Management Board	35	7
Remunerations for positions held - Supervisory Board	459	459
Social insurance (ZUS) costs borne by the Company - Supervisory Board	76	82
Employee Capital Plans (PPK) financed by the Company	4	4

24. Material events subsequent to the end of reporting period

No significant events occurred after the end of the reporting period, i.e. after 30 September 2022.

PART B – OTHER INFORMATION TO CONSOLIDATED QUARTERLY REPORT

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

1.1 Transaction in major blocks of shares

On 4 July 2022, the Company received a notification from the shareholder Norges Bank about the transaction, which resulted in a decrease in the share capital of TOYA S.A. to 3,336,531 shares, which accounted for 4.45% of the share capital.

1.2 Payment to the share capital of Yato Tools (Jiaxing) Co. Ltd.

On 23 August 2022, the Company made a payment of USD 1,300 thousand (PLN 6,165 thousand) for the share capital of Yato Tools (Jiaxing) Co. Ltd.

1.3 Annex to the overdraft agreement

On 30 September 2022, TOYA S.A. concluded an annex to the Overdraft Agreement No. WAR/8833/20/326/CB with BNP Paribas Bank Polska Spółka Akcyjna with its registered office in Warsaw. The subject of the annex is to extend the period of credit provision until 15 November 2023.

Other terms and conditions of the Agreement do not deviate from those commonly applied to this type of agreement.

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

The Group has been present on the markets of Eastern Europe for a long time, in particular in Ukraine, Belarus and Russia. Despite its long presence on these markets, the Group did not have any assets there, and transactions with local clients were of a short-term nature. The Russian-Ukrainian conflict, which began with military operations on 24 February 2022, disrupted trade relations on these markets, which in turn resulted 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, 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 slow down trade with customers from these markets, which is beyond the Group's control. This may have an impact on trading with customers present in these markets.

Sales revenues of TOYA S.A. Capital Group for the three quarters of 2022 amounted to PLN 547,786 thousand, that is by 6.3% more than in the same period of 2021. Net profit of the Group for the three quarters of 2022 amounted to PLN 52,084 thousands as compared to PLN 60,703 thousands for three quarters of 2021.

Sales revenues in the 9-month period ended 30 September 2022 were higher than in the corresponding period of the previous year in all distribution channels. The largest increase in sales, by PLN 15,472 thousand (i.e. increase by 6.3%), was recorded in the wholesale channel. The highest sales growth dynamics was recorded by the export channel (increase by PLN 7,385 thousand, i.e. by 23.7%).

The Group's short-term receivables as at 30 September 2022 decreased by 8%, and current liabilities decreased by 31% compared to 31 December 2021. The main reason for the decrease in receivables was the lower level of advances paid for deliveries of goods by subsidiaries and advances paid for deliveries of fixed assets in connection with the construction of a new warehouse in China. The decrease in liabilities results directly from the lower level of orders for goods made by subsidiaries in China. At the same time, debt due to bank loans increased by PLN 47,706.

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 Group attaches great importance to the quality of customer service, as it is crucial for maintaining a competitive advantage on the market. One of its most important elements is ensuring full availability of the product offer for each customer. By supporting these goals, the Group constantly improves logistics processes, maintains good relations with suppliers, taking into account the need to minimize delivery costs. The Group intends to strengthen its market position and look for new, attractive expansion opportunities.

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. The subsidiaries achieved good financial results in 2022, showing on one hand, that the existing policy of supporting them brings good results, and on the other hand, that having good organizational and financial background, they are ready for further intensive development.

The subsidiary Yato Tools (Jiaxing) 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 increased efficiency of supply chain management. 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. This will be an element of increasing the competitive advantage on the market and building shareholder value.

The warehouse was operationally launched in July 2022. Currently, the warehouse is being equipped with modern warehouse automation and the necessary infrastructure, which will allow it to become fully operational within a few months.

The Parent Company is carrying out analytical work aimed to optimize logistics processes on local markets.

- Developing the export channel

The war conflict between Russia, Belarus and Ukraine has an impact on sales in the export channel. Sales to customers based in these countries accounted for approximately 9% of Group's total sales. The Group is closely following developments in these countries. The Group's detailed position on the war conflict can be found in point 2.

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

Good financial results of the Group and its constant development would not be possible without the constant expansion of the product offer. 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. Thanks to this 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. This development will be supported by modern IT technology.

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- 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.

The situation related to the continued 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 in the near future, may limit or even prevent its intensive development. Due to the very dynamic development of the pandemic, its nature, geographical diversity of the Group companies as well as the consequences that cannot be predicted today, the impact on the financial results is impossible to estimate as at the date of publication of these financial statements.

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 TOYA S.A. (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 Szalagan	9,652,290	9,652,290	12.86%
Generali OFE	5,001,147	5,001,147	6.66%

Since the date of submitting the previous periodic report (i.e. from 25 August 2022), there have been no changes in the ownership structure of significant blocks of TOYA S.A. shares.

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 (mid-year report for 2022 published on 25 August 2022) according to information received by the Company is disclosed in the below table:

	Status according to the information available on 25 August 2022	Increases / decreases	Status according to the information available on 7 November 2022
Grzegorz Pinkosz	146,812	-	146,812
Maciej Lubnauer	61,831	-	61,831
Robert Borys	8,528	-	8,528
TOTAL	217,171	-	217,171

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 (mid-year report for 2022 published on 25 August 2022) according to information received by the Company is disclosed in the below table:

	Status according to the information available on 25 August 2022	Increases / decreases	Status according to the information available on 7 November 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 30 September 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 3rd 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.

TOYA S.A. Capital Group

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(All amounts in PLN '000 unless indicated otherwise)

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

		30 September 2022 unaudited	31 December 2021
ASSETS	Note		
Property, plant and equipment	3	18,158	17,419
Intangible assets		3,684	3,189
Right-of-use assets	4	14,498	14,121
Investments in subsidiaries	5	70,803	52,984
Deferred income tax assets	15	2,712	1,810
Non-current assets		109,855	89,523
Inventory	6, 15	320,782	285,560
Trade and other receivables	7, 15	57,811	33,602
Cash and cash equivalents	8	1,117	1,229
Current assets		379,710	320,391
			-
Total assets		489,565	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		239,058	202,035
Equity		282,359	245,336
Liabilities from loans	14	17,017	10,049
Lease liabilities		7,076	6,649
Liabilities from employee benefits		678	678
Other long-term liabilities		35	35
Long-term liabilities		24,806	17,411
Trade and other payables	12	29,203	38,805
Liabilities from employee benefits	15	5,888	7,402
Liabilities due to purchase of shares	13	10,897	-
Liabilities from loans	14	127,642	86,904
Lease liabilities		6,870	7,015
Liabilities from current income tax		875	5,990
Provisions	15	1,025	1,051
Short-term liabilities		182,400	147,167
Total liabilities		207,206	164,578
Total equity and liabilities		489,565	409,914

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

Statement of profit or loss and other comprehensive income

	Note	9 months ended 30 September		3 months ended 30 September	
		2022 unaudited	2021 unaudited	2022 unaudited	2021 unaudited
Revenue from sales of goods	17	425,168	415,689	134,214	132,809
Cost of goods sold	18	(304,734)	(294,516)	(95,980)	(94,299)
Gross profit		120,434	121,173	38,234	38,510
Selling costs	18	(55,341)	(44,934)	(18,929)	(15,081)
Administrative expenses	18	(15,464)	(13,876)	(5,060)	(4,421)
Expected credit losses		(71)	(96)	94	(65)
Other operating revenue		3,107	722	1,027	(173)
Other operating expenses		(234)	(140)	(75)	(25)
Operating profit		52,431	62,849	15,291	18,745
Financial expenses		(6,348)	(637)	(3,011)	(255)
Profit before tax		46,083	62,212	12,280	18,490
Income tax		(9,060)	(11,983)	(2,469)	(3,587)
Net profit		37,023	50,229	9,811	14,903
Other net comprehensive income		-	-	-	-
Total net comprehensive income for the financial year		37,023	50,229	9,811	14,903
Net profit for the period attributable to shareholders of the Company		37,023	50,229	9,811	14,903
Comprehensive income for the period attributable to shareholders of the Company		37,023	50,229	9,811	14,903

Earnings per share

		9 months ended 30 September		3 months ended 30 September	
		2022 unaudited	2021 unaudited	2022 unaudited	2021 unaudited
Basic earnings per share in PLN	11	0.49	0.67	0.13	0.20
- from continuing operations		0.49	0.67	0.13	0.20
- from discontinued operations		-	-	-	-
Diluted earnings per share in PLN	11	0.49	0.67	0.13	0.20
- from continuing operations		0.49	0.67	0.13	0.20
- from discontinued operations		-	-	-	-

TOYA S.A. Capital Group

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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	-	-	-	-	37,023	37,023
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	37,023	37,023
Total transactions with owners	-	-	-	-	-	-
As at 30 September 2022	7,504	35,677	329	(209)	239,058	282,359
As at 1 January 2021	7,504	35,677	329	(194)	160,555	203,871
Net profit	-	-	-	-	50,229	50,229
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	50,229	50,229
Dividend paid	-	-	-	-	(21,762)	(21,762)
Total transactions with owners	-	-	-	-	(21,762)	(21,762)
As at 30 September 2021	7,504	35,677	329	(194)	189,022	232,338

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

TOYA S.A. Capital Group

Consolidated interim report for the period from 1 January 2022 to 30 September 2022
(All amounts in PLN '000 unless indicated otherwise)

Cash flow statement

	Note	9 months ended 30 September	
		2022 Unaudited	2021 unaudited
Cash flows from operating activities			
Profit before tax		46,083	62,212
Adjustments for:			
Amortisation and depreciation		6,943	6,475
Net interest		6,348	637
Profit/Loss on investing activities		(65)	(41)
Foreign exchange gains/losses		3,225	860
Changes in balance sheet items:			
Change in trade and other receivables	9	(24,124)	(17,486)
Change in inventories	9	(33,523)	(20,299)
Change in provisions	9	(26)	57
Change in trade and other payables	9	(11,386)	20,299
Change in employee benefit liabilities	9	(1,513)	144
Cash from activities		(8,038)	52,858
Income tax paid		(15,079)	(11,309)
Net cash from operating activities		(23,117)	41,549
Cash flows from investing activities			
Sale of property, plant and equipment		67	58
Purchase of property, plant and equipment and intangible assets		(3,417)	(1,742)
Purchase of shares in subsidiaries		(10,149)	(9,380)
Net cash from investing activities		(13,499)	(11,064)
Cash flows from financing activities			
Proceeds from loans		47,184	10,617
Repayments of loans		-	(9,371)
Repayment of lease liabilities		(4,856)	(4,739)
Interest paid on loans		(5,350)	(183)
Interests paid on leases		(475)	(346)
Dividend paid			(21,762)
Net cash from financing activities		36,503	(25,784)
Change in net cash and cash equivalents			
		(113)	4,701
Balance sheet change in cash and cash equivalents, including:			
- change in cash due to exchange rate differences		1	58
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	1,117	5,343

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

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 from 1 January 2022, 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 changes did not have a significant impact on the financial statements of the Group.

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

Standards and Interpretations - approved by the EU, which have not yet come into force for annual periods beginning on 1 January 2022

<i>Standards and Interpretations</i>	<i>Type of anticipated change in accounting policies</i>	<i>Possible impact on the financial statements</i>
<p><i>IFRS 17 Insurance contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)</i></p> <p><i>(effective for annual periods beginning on or after 1 January 2023, prospective adoption, with earlier adoption permitted)</i></p>	<p>IFRS 17 replaces the transitional standard IFRS 4 Insurance Contracts, which was introduced in 2004. IFRS 4 gave entities the option of continuing to recognize insurance contracts in accordance with the accounting principles of national standards, which resulted in the application of many different solutions in practice.</p> <p>IFRS 17 addresses the comparability problem created by IFRS 4, by requiring all insurance contracts to be recognized consistently, which will benefit both investors and insurers. Liabilities arising from contracts will be recognized at present values, instead of historical cost.</p>	<p><i>The Company does not expect the standard and amendments to have a significant impact on its financial statements.</i></p>
<p><i>Amendments to IAS 12 Income taxes: Deferred tax related to Assets and Liabilities from a Single Transaction (issued on 7 May 2021)</i></p> <p><i>(effective for annual periods beginning on or after 1 January 2023, with earlier adoption permitted)</i></p>	<p>The amendments limit the ability to apply the exemption from the recognition of deferred tax and indicate that such exemption cannot be applied to transactions in which the entity recognizes both an asset and a liability resulting in the simultaneous recognition of offsetting positive and negative temporary differences. Consequently, an entity should recognize both the asset and the deferred tax liability for temporary differences arising from the initial recognition of leases and liquidation liabilities.</p>	<p><i>The above Amendments are not expected to have a significant impact on the stand-alone financial statements of the Company.</i></p>
<p><i>Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting Policies (issued on 12 February 2021)</i></p> <p><i>(effective for annual periods beginning on or after 1 January 2023, with earlier adoption permitted)</i></p>	<p>Amendments to IAS 1 specify the scope of disclosures of significant accounting principles (policies) in the financial statements of the entity. Pursuant to the introduced changes, an entity should disclose in the financial statements only material accounting policy information, instead of significant accounting policies.</p>	<p><i>The Company does not expect the standard and amendments to have a significant impact on its financial statements.</i></p>
<p><i>Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates (issued on 12 February 2021)</i></p> <p><i>(effective for annual periods beginning on or after 1 January 2023, with earlier adoption permitted)</i></p>	<p>The amendments introduce the definition of accounting estimates as monetary amounts disclosed in the financial statements that are subject to measurement uncertainty and clarify the relationship between accounting principles and estimates, indicating that the entity prepares accounting estimates to achieve the objectives indicated in the accounting principles.</p>	<p><i>The Company does not expect the standard and amendments to have a significant impact on its financial statements.</i></p>

Standards and Interpretations awaiting EU endorsement

Standards and Interpretations awaiting EU endorsement	Type of anticipated change in accounting policies	Possible impact on the financial statements
<p><i>Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-Current and Classification of Liabilities as Current and Non-Current – Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)</i></p> <p><i>(effective for annual periods beginning on or after 1 January 2023, with earlier adoption permitted)</i></p>	<p>The amendments clarify that the presentation of liabilities as short-term or long-term should only depend on the existence of the entity's right to defer the settlement (extension) of a given liability for a period of at least 12 months from the reporting date, and on the fulfilment of the conditions for the implementation of such extension as at the balance sheet date. The above presentation is not affected by the intentions and expectations of the management of the entity as to the exercise of this right or as to the date when it would occur. The changes also provide explanations as to the events that are considered to be the settlement of liabilities.</p>	<p><i>The above Amendments are not expected to have a significant impact on stand-alone financial statements of the Company.</i></p>
<p><i>Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)</i></p> <p><i>(effective for annual periods beginning on or after 1 January 2023)</i></p>	<p>The amendment introduces a new option to apply IFRS 17 for the first time to reduce the operational complexity and accounting mismatch in comparative data between insurance contract liabilities and related financial assets, at the time of first application of IFRS 17. The amendment allows for the presentation of comparative data with regard to financial assets in a manner more consistent with IFRS 9 Financial Instruments.</p>	<p><i>The Entity Company not expect the Standard to have a significant impact on its financial statements as the Company does not operate in the insurance industry.</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.

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

	30 September 2022 unaudited	31 December 2021
Land	2,907	2,907
Buildings and structures	7,567	7,690
Plant and equipment	3,694	2,505
Vehicles	95	93
Other	3,342	3,536
Total	17,605	16,731
Property, plant and equipment not transferred for use	553	688
Total property, plant and equipment	18,158	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 30 September 2022, the gross value of property, plant and equipment increased by PLN 2,483 thousand, mainly due to the purchase of IT equipment. Fixed assets with a gross value of 541 thousand (net book value of PLN 1 thousand) were liquidated. Depreciation of property, plant and equipment recognized in profit or loss amounted to PLN 1,742 thousand.

4. Right-of-use assets

	30 September 2022 unaudited	31 December 2021
Land	1,802	1,821
Buildings and structures	6,357	4,340
Plant and equipment	1,582	1,978
Vehicles	4,757	5,982
Total	14,498	14,121

The increase in right-of-use assets was mainly due to:

- concluding an annex to the warehouse lease agreement, as a result of which the lease period was extended; the right-of-use assets and lease liabilities were increased by PLN 5,091 thousand; moreover, the value of assets and liabilities was increased by PLN 12 thousand as a result of indexation;
- indexation of a passenger car lease agreement by the amount of PLN 36 thousand.

Depreciation of the right-of-use assets recognized in profit or loss amounted to PLN 4,761 thousand.

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5. Interests in subsidiaries

As at 30 September 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
30 September 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

	30 September 2022 unaudited	31 December 2021
Goods for resale at warehouse and in transit	320,491	285,022
Asset for expected returns from customers	291	538
Total inventory (per balance sheet)	320,782	285,560
Revaluation write-down for goods for resale	2,464	1,384
Total inventory (gross)	323,246	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	1,080	-
Reversal/utilisation	-	(220)
As at 30 September / 31 December	2,464	1,384

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7. Trade and other short-term receivables

	30 September 2022 unaudited	31 December 2021
Trade receivables from related parties	30,261	13,741
Trade receivables from third parties	27,634	20,722
Total trade receivables	57,895	34,463
Other receivables from third parties	65	38
Advances paid	138	175
Prepayments and deferred costs	1,807	948
Total gross receivables	59,905	35,624
Allowance for the expected credit losses on trade receivables	(2,058)	(1,986)
Impairment write-downs of other receivables	(36)	(36)
Total net receivables	57,811	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	76	-
Use of write-offs created in previous periods	-	-
Reversal of unused write-offs	(5)	(65)
As at 30 September / 31 December	2,057	1,986

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

8. Cash and cash equivalents

	30 September 2022 unaudited	31 December 2021
Cash in hand and at bank	1,117	1,229
Total cash and cash equivalents	1,117	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:

9 months ended on 30 September 2022	Balance sheet change	Adjustments	
		Measurement of cash in foreign currencies	Change in statement of cash flows
Change in trade and other receivables	(24,124)	-	(24,124)
Change in inventories	(33,523)	-	(33,523)
Change in provisions	(26)	-	(26)
Change in trade and other payables	(11,385)	-	(11,385)
Change in employee benefit liabilities	(1,514)	-	(1,514)
Change in cash	(112)	(1)	(113)

9 months ended on 30 September 2021	Balance sheet change	Adjustments	
		Measurement of cash in foreign currencies	Change in statement of cash flows
Change in trade and other receivables	(17,486)	-	(17,486)
Change in inventories	(20,299)	-	(20,299)
Change in provisions	57	-	57
Change in trade and other payables	20,299	-	20,299
Change in employee benefit liabilities	144	-	144
Change in cash	4,759	(58)	4,701

10. Share capital

As at 30 September 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 30 September 2022, there were no changes in the amount of share capital.

11. Earnings per share

	9 months ended 30 September		3 months ended 30 September	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Unaudited
Net profit	37,023	50,229	9,811	14,903
Weighted average number of ordinary shares ('000)	75,042	75,042	75,042	75,042
Basic earnings per share from continuing operations (PLN)	0.49	0.67	0.13	0.20
Net profit attributable to ordinary shareholders used to calculate diluted earnings per share	37,023	50,229	9,811	14,903
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)	0.49	0.67	0.13	0.20

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

In the third quarter of 2022 and 2021 the Company had no potential dilutive instruments.

12. Trade and other payables

	30 September 2022 unaudited	31 December 2021
Trade payables to related parties	1,249	2,780
Trade payables to third parties	19,088	29,951
Total trade payables	20,337	32,731
Tax liabilities	7,843	4,675
Liability due to expected goods returns	464	910
Prepayments received	430	460
Other payables to third parties	129	29
Total other current payables	8,866	6,074
Total	29,203	38,805

13. Liabilities due to purchase of shares

	30 September 2022 unaudited	31 December 2021
Short-term liabilities due to purchase of shares	10,897	-
Liabilities due to purchase of shares	10,897	-

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) and on 23 August 2022 the Company paid USD 1,300 thousand (PLN 6,165 thousand) on account of the above-mentioned capital increase.

14. Loans and borrowings liabilities

	30 September 2022 unaudited	31 December 2021
Long-term bank loans an borrowings liabilities	17,017	10,049
Short-term bank loans an borrowings liabilities	127,642	86,904
Total bank loans an borrowings liabilities	144,659	96,953

As at 30 September 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.

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(All amounts in PLN '000 unless indicated otherwise)

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 September 2022	Amount outstanding as at 30 September 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.	70,000	50,789	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	60,000	48,034	30,453	WIBOR 1 T + 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	13,138	13,692	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	32,698	23,498	WIBOR 3 M + bank's margin	30 September 2024
Total liabilities, of which:		195,000	144,659	96,953		
– short-term portion		166,429	127,642	86,904		
– long-term portion		28,571	17,017	10,049		

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

15. Changes in estimates

15.1 Inventory write-down

In the 3rd quarter of 2022 the Company has increased the inventory write-down by the amount of PLN 41 thousands. Cumulatively from the beginning of 2022, the write-down has been increased by PLN 1,039 thousand.

In the 3rd quarter of 2021 the Company has decreased the inventory write-down by the amount of PLN 65 thousands. Cumulatively from the beginning of 2021, the write-down has been decreased by PLN 117 thousand.

15.2 Write-off for expected credit losses on receivables

In the 3rd quarter of 2022 the Company has decreased the write-off due to expected credit losses related to trade receivables by the amount of PLN 95 thousands. Cumulatively from the beginning of 2022, the write-down has been increased by PLN 71 thousand.

In the 3rd quarter of 2021 the Company has increased the write-off due to expected credit losses related to trade receivables by the amount of PLN 65 thousands. Cumulatively from the beginning of 2021, the write-down has been increased by PLN 965 thousand.

15.3 Provision for guarantees

In the 3rd quarter of 2022 the Company has decreased the guaranty provision by the amount of PLN 110 thousands (cumulatively from the beginning of 2022, the write-down has been decreased by PLN 26 thousand).

In the 3rd quarter of 2021 the Company has decreased the guaranty provision by the amount of PLN 74 thousands (cumulatively from the beginning of 2021, the write-down has been increased by PLN 57 thousand).

15.4 Employee benefits obligations

In the 3rd quarter of 2022 the Company has decreased the unused holidays provision by the amount of PLN 483 thousands (cumulatively from the beginning of 2022, the write-down has been increased by PLN 17 thousand).

As at 30 September 2022, short-term liabilities due to employee benefits decreased by PLN 1,544 thousand, mainly as a result of settlement of liabilities for remuneration for employees recognized as at 31 December 2021.

In the 3rd quarter of 2021 the Company has decreased the unused holidays provision by the amount of PLN 533 thousands (cumulatively from the beginning of 2021, the write-down has been increased by PLN 9 thousand).

15.5 Deferred tax

Deferred tax asset has increased in the 3rd quarter of 2022 by PLN 397 thousand. Cumulatively from the beginning of 2022, the asset has been increased by PLN 903 thousand, mainly as a result of created provisions recognized in liabilities.

Deferred tax asset has increased in the 3rd quarter of 2021 by PLN 393 thousand. Cumulatively from the beginning of 2021, the asset has been increased by PLN 517 thousand, mainly as a result of created provisions recognized in liabilities.

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 third 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.

17. Sales revenue

	9 months ended 30 September		3 months ended 30 September	
	2022 unaudited	2021 unaudited	2022 unaudited	2021 unaudited
Sales of goods for resale	425,168	415,689	134,214	132,809
Total sales revenue	425,168	415,689	134,214	132,809

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

	9 months ended 30 September 2022		9 months ended 30 September 2021		3 months ended 30 September 2022		3 months ended 30 September 2021	
	Sales revenue	Share	Sales revenue	Share	Sales revenue	Share	Sales revenue	Share
Romania	39,624	9.3%	42,483	10.2%	6,822	5.083%	13,192	9.9%
Baltic countries	17,602	4.1%	16,409	3.9%	5,761	4.292%	5,385	4.1%
Ukraine	14,911	3.5%	20,342	4.9%	7,988	5.952%	6,355	4.8%
Hungary	14,821	3.5%	13,394	3.2%	4,460	3.323%	3,881	2.9%
Belarus	13,481	3.2%	12,957	3.1%	5,596	4.169%	5,296	4.0%
Czech Republic	9,021	2.1%	9,956	2.4%	2,726	2.031%	2,384	1.8%
Moldova	8,565	2.0%	6,929	1.7%	3,855	2.872%	2,238	1.7%
Russia	6,505	1.5%	5,684	1.4%	2,905	2.164%	1,664	1.3%
Bulgaria	5,260	1.2%	8,327	2.0%	2,740	2.042%	1,992	1.5%
Germany	5,062	1.2%	7,280	1.8%	1,288	0.960%	1,807	1.4%
Europe – other EU countries	12,559	3.0%	13,013	3.1%	3,761	2.802%	3,801	2.9%
Europe – other non-EU countries	6,117	1.4%	5,485	1.3%	2,331	1.737%	1,991	1.5%
Other continents	2,737	0.6%	1,251	0.3%	788	0.587%	174	0.1%
Total export	156,265	36.8%	163,510	39.3%	51,021	38.0%	50,160	37.8%
Poland	268,903	63.2%	252,179	60.7%	83,193	62.0%	82,649	62.2%
Total sales revenue	425,168	100.0%	415,689	100.0%	134,214	100.0%	132,809	100.0%

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

	9 months ended 30 September		3 months ended 30 September	
	2022 unaudited	2021 unaudited	2022 unaudited	2021 unaudited
Amortisation and depreciation	6,943	6,475	2,333	2,220
Material and energy consumption	5,467	3,818	1,402	1,550
Third-party services, including:	21,267	15,642	7,186	5,012
<i>costs of transportation</i>	5,792	5,288	1,827	1,710
<i>logistics services (external warehouses)</i>	3,038	-	1,356	-
<i>IT, telecommunications and postal costs</i>	1,517	1,513	588	515
<i>online sales platform access services</i>	4,823	2,941	1,597	830
<i>service charges for space lease agreements</i>	2,121	1,676	589	415
<i>legal, audit and consulting costs</i>	1,270	1,528	270	783
<i>other third-party services</i>	2,706	2,696	959	759
Taxes and fees	1,289	1,078	452	396
Costs of employee benefits, including:	32,113	29,956	10,074	9,527
<i>Salaries</i>	26,733	25,118	8,294	7,871
<i>Social security</i>	4,718	4,535	1,378	1,539
<i>Employee capital plans</i>	103	98	31	30
<i>Other</i>	560	205	372	87
Other costs by type	3,726	1,841	2,542	797
Value of goods for resale and materials sold	304,734	294,516	95,980	94,299
Total costs by type and value of goods for resale sold	375,539	353,326	119,969	113,801
Selling costs, including:	55,341	44,934	18,929	15,081
<i>amortisation and depreciation</i>	5,717	5,451	1,928	1,872
<i>costs of employee benefits</i>	21,347	19,736	6,685	6,395
Administrative expenses, including:	15,464	13,876	5,060	4,421
<i>amortisation and depreciation</i>	1,226	1,024	405	348
<i>costs of employee benefits</i>	10,766	10,220	3,389	3,132
Value of goods for resale sold	304,734	294,516	95,980	94,299
Costs by type and value of goods sold	375,539	353,326	119,969	113,801

19. Financial guarantees granted and received

As at 30 September 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 30 September 2022, the Company had no significant contingent liabilities or contingent assets.

21. Transactions with related entities

In the period from 1 January to 30 September 2022 and 2021, the Company effected transactions with the following related parties:

- Toya Romania SA – subsidiary,
- Yato Tools (Shanghai) Co., Ltd. – subsidiary,
- Yato Tools (Jiaying) 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,
- Grzegorz Maciąg – Member of the Supervisory Board – key management personnel,
- Dariusz Górka – Member of the Supervisory Board – key management personnel,
- Michał Kobus - Member of the Supervisory Board – key management personnel,
- Wojciech Bartłomiej Papierak - Member of the Supervisory Board – key management personnel,
- Beata Szmidt - Member of the Supervisory Board – key management personnel.

TOYA S.A. Capital Group

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(All amounts in PLN '000 unless indicated otherwise)

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
	30.09.2022			01.01.2022-31.09.2022		
Subsidiaries, including:	30,258	1,249	10,897	39,694	187,857	-
<i>TOYA Romania S.A.</i>	30,258	-	-	39,689	-	-
<i>Yato Tools (Shanghai) Co. Ltd.</i>	-	-	-	5	23,039	-
<i>Yato Tools (Jiaxing) Co. Ltd.</i>	-	1,249	10,897	-	164,818	-
Entities related through key management personnel	3	-	-	65	0	-
Total	30,258	1,249	10,897	39,694	187,857	
	31.12.2021			01.01.2021-31.09.2021		
Subsidiaries, including:	13,740	2,780	-	42,565	192,195	97
<i>TOYA Romania S.A.</i>	13,740	-	-	42,555	-	-
<i>Yato Tools (Shanghai) Co. Ltd.</i>	-	-	-	10	9,038	-
<i>Yato Tools (Jiaxing) Co. Ltd.</i>	-	2,780	-	-	183,157	97
Entities related through key management personnel	1	-	-	19	-	-
Total	13,741	2,780	-	42,584	192,195	97

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

TOYA S.A. Capital Group

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(All amounts in PLN '000 unless indicated otherwise)

Remuneration of the Management Board

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

	9 months period ended 30 September	
	2022	2021
Remunerations and benefits under employment contracts and appointment contracts - Management Board	2,866	2,291
Social insurance (ZUS) costs borne by the Company - Management Board	35	7
Remunerations for positions held - Supervisory Board	459	459
Social insurance (ZUS) costs borne by the Company - Supervisory Board	76	82
Employee Capital Plans (PPK) financed by the Company	4	4

22. Material events subsequent to the end of reporting period

No significant events occurred after the end of the reporting period, i.e. after 30 September 2022.

Management Board of Toya S.A.

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

Person responsible for bookkeeping:

Date	Name and surname	Position	Signature
7 November 2022	Iwona Banik	Chief Accountant	