

Alerte de votre conseiller – IFRS

Aperçu d'IFRS 2 *Paiement fondé sur des actions*

Juin 2026

Résumé

Grant Thornton International Ltd a publié ses deux derniers bulletins de la série *Insights into IFRS 2* (en anglais seulement) :

- *Share-based payment transactions with non-employees;*
- *Presentation and disclosure of share-based payment transactions.*

La norme IFRS 2 *Paiement fondé sur des actions* a été publiée en 2004, et les principes comptables sont restés essentiellement les mêmes depuis. Les paiements fondés sur des actions sont devenus de plus en plus populaires au fil des ans, de nombreuses entités utilisant des instruments de capitaux propres ou de la trésorerie et d'autres actifs fondés sur la valeur des instruments de capitaux propres comme forme de paiement aux administrateurs, aux dirigeants, aux salariés et à d'autres fournisseurs de biens et de services.

La comptabilisation des paiements fondés sur des actions est un domaine qui demeure mal compris, comme en témoignent les nombreuses interprétations et décisions publiées par l'IFRS Interpretations Committee (IFRIC). Il convient de faire preuve d'une grande prudence lors de l'évaluation des exigences énoncées dans la norme IFRS 2 ainsi que dans d'autres directives faisant autorité, lors de leur application à des accords de paiement fondés sur des actions de plus en plus complexes et innovants.

La série *Insights into IFRS 2* vise à clarifier la norme en expliquant les principes fondamentaux de la comptabilisation des paiements fondés sur des actions en termes relativement simples et en fournissant des indications pour aider les entités à surmonter certaines des complexités associées à la comptabilisation de ce type d'accord. Les deux derniers bulletins de la série s'intitulent :

- *Share-based payment transactions with non-employees;*
- *Presentation and disclosure of share-based payment transactions.*

Ressources

Les bulletins mentionnés ci-dessus sont joints à la présente *Alerte de votre conseiller – IFRS*.



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À propos de Raymond Chabot Grant Thornton

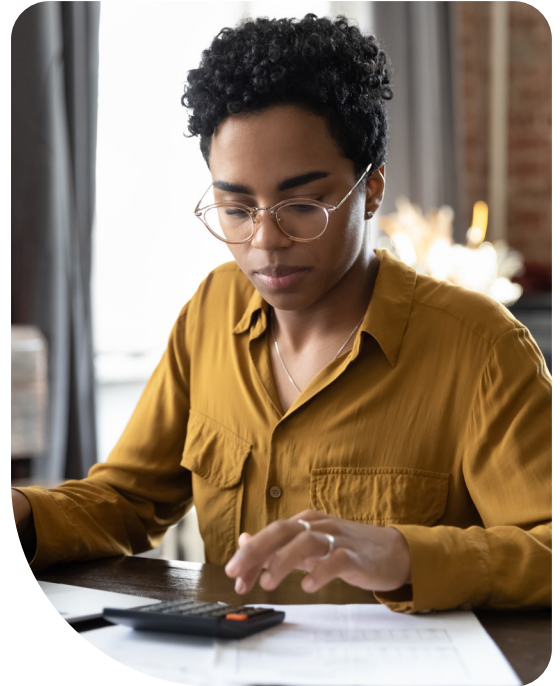
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Traduction : en cas de divergence, la version originale anglaise a préséance.

Insights into IFRS 2

Share-based payment transactions with non-employees



IFRS 2 ‘Share-based payment’ is not a new Standard, however arrangements involving such transactions are becoming increasingly complex. As such, reporting entities often have difficulties in applying the Standard to their particular arrangements.

Share-based payment transactions with non-employees involve compensating parties other than employees such as suppliers of goods and services. These transactions require careful accounting to measure and recognise the fair value of goods or services received, with different approaches depending on the method of the settlement.

Our **‘Insights into IFRS 2’** series is aimed at demystifying IFRS 2 by explaining the fundamentals of accounting for share-based payments using relatively simple language and providing insights to help entities cut through some of the complexities associated with accounting for these types of arrangements.

As explained in our article **‘Insights into IFRS 2 – What is IFRS 2?’**, IFRS 2 applies to a range of situations as follows:

Employees are granted shares or other equity instruments (eg share options) in exchange for services received

Non-employees (eg external suppliers) are issued or paid in shares or other equity instruments, in exchange for goods or services received

Suppliers or employees are paid in cash (or other assets) in exchange for goods or services received, where the amount of the payment is based on the price of equity instruments (eg cash share appreciation rights)

As explained in our article, **‘Insights into IFRS 2 – Classification of share-based payment transactions and vesting conditions’**, a share-based payment transaction must be classified as either an equity-settled transaction or a cash-settled transaction. This applies to both share-based payments with employees and with non-employees.

This article discusses the accounting for share-based payments with non-employees.

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What is the definition of a non-employee?

As explained in our article, **'Insights into IFRS 2 – Basic principles of share-based payment arrangements with employees'**, employees are defined as:

Employees or others providing similar services:

Individuals who render personal services to the entity and either:

- the individuals are regarded as employees for legal or tax purposes,
- the individuals work for the entity under its direction in the same way as individuals who are regarded as employees for legal or tax purposes, or
- the services rendered are similar to those rendered by employees.

'Employees and others providing similar services' also encompasses all management personnel, ie those persons having authority and responsibility for planning, directing and controlling the activities of the entity, including non-executive directors.

IFRS 2 does not directly define non-employees or parties 'other than employees' (hereafter referred to collectively as 'non-employees'), however, any counterparties who do not meet the definition of 'employees or others providing similar services' would be considered non-employees. It is important to consider the substance of the relationship, and not just the legal form. For example, if an entity engages an individual who has incorporated a separate legal vehicle for personal tax purposes to perform services similar to its employees, and the entity directs the work of that individual similarly to how it directs the work of its employees, the individual and the separate legal vehicle through which the individual delivers the personal services would meet the definition of an 'employee or others providing similar services', even though the entity has engaged that individual's corporation. Accounting for share-based payments with employees is addressed in other articles in our **'Insights into IFRS 2'** series.

Accounting for share-based payment transactions with non-employees

General principles

For all share-based payment transactions, whether they are with an employee or a non-employee, an entity recognises the goods or services received when the goods are obtained or as the services are received. When the goods obtained or services acquired do not qualify for recognition as assets, they are recognised as an expense.

Equity-settled share-based payment transactions with non-employees

How are equity-settled share-based payments with non-employees measured?

One of the overall principles in IFRS 2 is that an entity should measure equity-settled share-based payment transactions at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the value is measured using the fair value of the equity instruments granted instead.

For transactions with non-employees, there is a rebuttable presumption in IFRS 2 that the fair value of the goods or services received can be measured reliably and therefore the share-based payment transaction is measured at the fair value of those goods or services, with a corresponding increase in equity. In rare cases, if this presumption is rebutted because the entity cannot reliably estimate the fair value of the goods or services received, then the goods or services are measured by reference to the fair value of equity instruments granted, similar to the accounting for share-based payments with employees.

The measurement date (ie the date at which the fair value of the equity instruments granted is measured) is the date the entity obtains the goods or the counterparty renders services. If the goods or services are received on more than one date, the fair value should be measured on each date that goods or services are received. The entity should apply that fair value when measuring the goods or services received on that date.

Example 1 – Equity-settled share-based payments with non-employees, measured by reference to service received

On 1 April 20X5, Entity A enters into a contract with Marketing Firm B whereby they will assist Entity A with the introduction of a new product line. In exchange for their marketing services, Marketing Firm B will receive 10,000 shares upon the launch of the product, which is targeted for 30 September 20X5. The fair value of the marketing services is available as Marketing Firm B had originally provided a quote for CU100,000, with a price increase to CU110,000 if the product launches later than 30 September 20X5. This quote was largely consistent with other marketing firms that had responded to Entity A's request for proposal.

Marketing Firm B will render its services continuously throughout the six-month period until the target launch date, regardless of whether the actual launch is delayed. On 1 September 20X5, Entity A decides to delay the product launch until 15 October 20X5.

Analysis

Entity A accounts for the transaction as follows:

Quarter	Journal entry	Dr (CU)	Cr (CU)
Quarter ended 30 June 20X5	Expenses (CU100,000 × 3/6 months) Equity	50,000	50,000
Quarter ended 30 September 20X5	Expenses (CU100,000 × 3/6 months + CU10,000) Equity	60,000	60,000

Note: that the fair value of the share-based payment transaction changes with the value of the services received and is not based on the grant date value of the services of CU100,000.

Example 2 – Equity-settled share-based payments with non-employees, measured by reference to goods received

On 1 January 20X5, Entity Z enters into a contract with one of its vendors to acquire a piece of equipment. Due to cash constraints, Entity Z negotiates with the vendor to issue shares as consideration for the equipment.

On 1 January 20X5, the list price for the equipment is CU50,000 and the market value of Entity Z's shares is CU5 per share, and as such Entity Z agrees to pay for the equipment by issuing 10,000 shares to the vendor upon delivery. The equipment will be delivered on 15 May 20X5.

At the time of delivery on 15 May 20X5, the market value of the equipment was CU50,500 and the market value of Entity Z's shares had increased to CU5.10 per share for a total value of CU51,000.

Analysis

Entity Z accounts for the share-based transaction as follows:

Date	Journal entry	Dr (CU)	Cr (CU)
1 January 20X5	No entry is recorded because the equipment has not been delivered yet	-	-
15 May 20X5	Property, plant and equipment Equity To recognise the equipment received, measured at its fair value on the delivery date	50,500	50,500

In some cases, an approximation may be used. For example, if an entity received services continuously during a three-month period, and the entity is measuring the services by reference to the fair value of the equity instruments granted because the services cannot be measured reliably, then the entity could use the average share price during the period to estimate the fair value of the equity instruments granted if the share price did not vary significantly throughout that period.

Practical insight – Volatile share prices

When the share price fluctuates significantly, the use of an approximation would not be appropriate, and may be an indication that the instruments should not be measured by reference to the equity instruments granted, as it may not produce a more reliable measurement.

Example 3 – Equity-settled share-based payments with non-employees, measured by reference to equity instruments granted

On 1 January 20X5, Entity C enters into an agreement with Consultant D to provide general oversight over the development of Entity C's five-year strategic plan. Consultant D will receive 25,000 shares when the strategic plan is approved by Entity C's Board of directors at their meeting on 30 September 20X5.

Consultant D is not considered an employee for legal or tax purposes and the consulting services are not similar to the work undertaken by any of Entity C's in-house functions. As such, Entity C accounts for this transaction as a share-based payment with a non-employee.

Entity C determines that the fair value of the services cannot be measured reliably and therefore the consulting services are measured by reference to the fair value of the equity instruments granted.

Entity C is a mature company with a relatively stable share price. At the end of each quarter, Entity C reviews its share price performance during the quarter and determines that the share price has not moved significantly. Combined with the fact that Consultant D is rendering services continuously over the period, the average share price can be used to approximate the fair value of the shares.

The average share prices are as follows:

Quarter 1, 20X5	CU5.5
Quarter 2, 20X5	CU6
Quarter 3, 20X5	CU5

The strategic plan is presented to the Board of directors on 30 September 20X5 and is approved.

Analysis

Entity C accounts for the share-based transaction as follows:

Quarter	Journal entry	Dr (CU)	Cr (CU)
1	Expenses (25,000 × CU5.5 × 3/9 months) Equity	45,833	45,833
2	Expenses (25,000 × CU6 × 3/9 months) Equity	50,000	50,000
3	Expenses (25,000 × CU5 × 3/9 months) Equity	41,667	41,667

How should unidentifiable goods or services be measured?

In some cases, it may be difficult to demonstrate that goods or services have been, or will be, received by the entity granting the share-based payment. For example, an entity may issue shares to a charitable organisation as a donation, and no goods or services will be received in return.

In other situations, the fair value of the equity instruments granted to non-employees or the liability incurred may appear to exceed the fair value of the goods or services received, both measured at the grant date. If the identifiable consideration received by the entity, if any, appears to be less than the fair value of the equity instruments granted or the liability incurred, this is often an indication that some other consideration (ie an unidentifiable good or service), has been received by the entity. At the grant date, an entity should measure the unidentifiable goods or services as the difference between the fair value of the equity instruments and the fair value of any identifiable goods or services received (or to be received).

Unidentifiable goods or services are recognised when the goods are obtained or as the services are received, in accordance with the general recognition principles noted above for identifiable goods or services (ie when the goods obtained or services acquired do not qualify for recognition as assets, they are recognised as an expense).

Example 4 – Unidentifiable goods or services

Entity E granted shares with a total fair value of CU100,000 to non-employees who are from a particular section of the community (historically disadvantaged individuals), as a means of enhancing its image as a good corporate citizen. The economic benefits derived from enhancing its corporate image could take a variety of forms, such as increasing its customer base, attracting or retaining employees, or improving or maintaining its ability to tender successfully for business contracts.

Analysis

Entity E cannot identify the specific consideration received. For example, no cash was received and no service conditions were imposed. Therefore, the identifiable consideration (nil) is less than the fair value of the equity instruments granted (CU100,000).

Although Entity E cannot identify the specific goods or services received, the circumstances indicate that goods or services have been (or will be) received, and therefore IFRS 2 applies.

In this situation, because Entity E cannot identify the specific goods or services received, the presumption under IFRS 2 – that the fair value of goods or services received from non-employees can be estimated reliably – is rebutted. Entity E should instead measure the goods or services received by reference to the fair value of the equity instruments granted.

How are modifications to the terms and conditions accounted for?

An entity might modify the terms and conditions on which the equity instruments were granted. Modifications to share-based payment transactions with non-employees that are measured by reference to the fair value of the equity instruments granted are accounted for in the same manner as modifications to terms and conditions to equity instruments granted to employees.

For further information on accounting for modifications, refer to our article '[Modifications of share-based payment arrangements with employees](#)'.

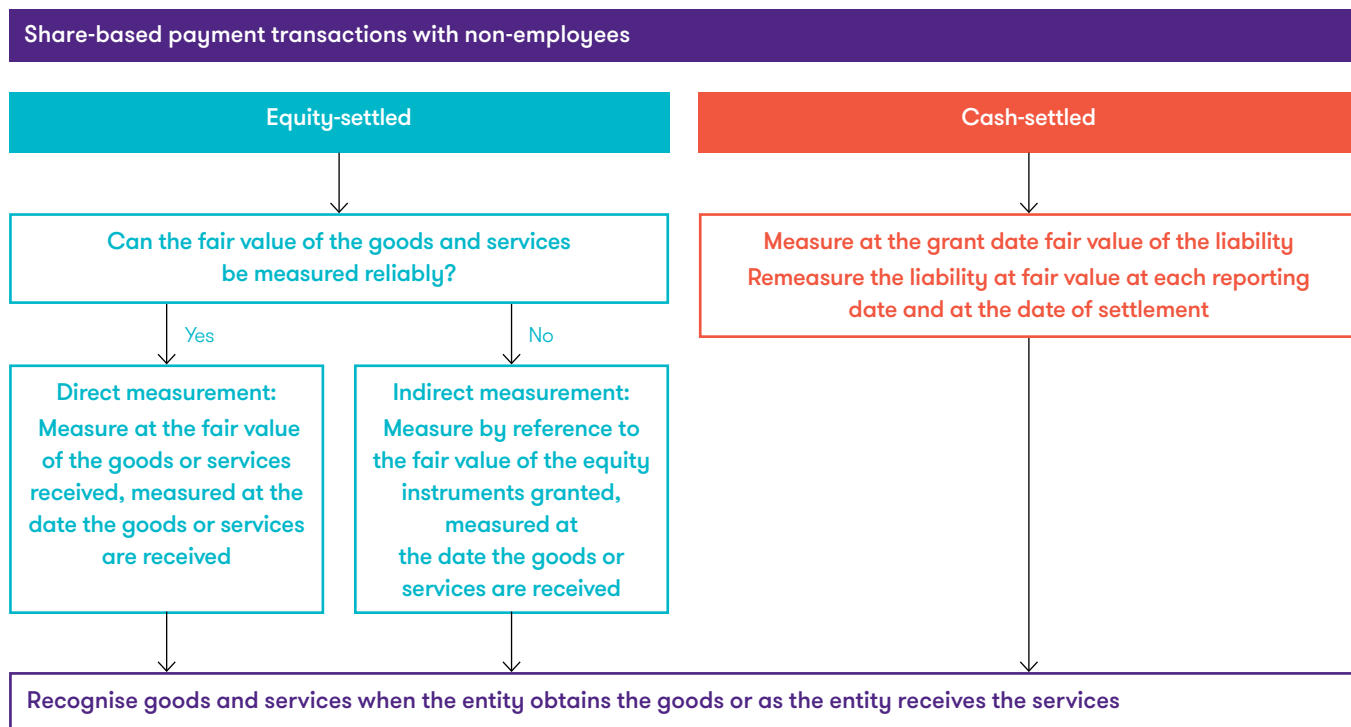
Cash-settled share-based payment transactions with non-employees

How are cash-settled share-based payments with non-employees measured?

For cash-settled share-based payment transactions with non-employees, the goods or services received and the liability incurred are measured at the fair value of the liability, first at the grant date. The liability is then remeasured at each reporting date and ultimately at the settlement date, with any changes in fair value being recognised in profit or loss for the period. This treatment is consistent with the accounting for cash-settled share-based payment transactions with employees. For further information on accounting for cash-settled share-based payment transactions with employees, refer to our article '[Insights into IFRS 2 – Cash-settled share-based payment arrangements with employees](#)'.

Summary of share-based payment transactions with non-employees

The flowchart below summarises the recognition and measurement of share-based payment transactions with non-employees:



When equity-settled share-based payments with non-employees are indirectly measured by reference to the fair value of the equity instruments granted, and this exceeds the identifiable consideration received, this often indicates that other unidentifiable goods or services have been or will be received by the entity and will need to be recognised.

How we can help

We hope you find the information in this article helpful in giving you some detail into aspects of IFRS 2. If you would like to discuss any of the points raised, please speak to your usual Grant Thornton contact or visit www.grantthornton.global/locations to find your local member firm.



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Insights into IFRS 2

Presentation and disclosure of share-based payment transactions

Share-based payments have become increasingly popular over the years, with many entities using equity instruments or cash and other assets based on the value of equity instruments as a form of payment to directors, senior management, employees and other suppliers of goods and services.

While the general accounting principles have remained largely unchanged since the introduction of IFRS 2 'Share-based Payment' in 2004, share-based payments is an area that is not well understood in practice and entities often have difficulty in applying the requirements to increasingly complex and innovative share-based payment arrangements.

Our 'Insights into IFRS 2' series is aimed at demystifying IFRS 2 by explaining the fundamentals of accounting for share-based payments using relatively simple language and providing insights to help entities cut through some of the complexities associated with accounting for these types of arrangements.

This article provides a summary of the IFRS 2 presentation and disclosure requirements for share-based payments, along with example disclosures.

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Summary of IFRS 2 disclosure requirements

IFRS 2 requires an entity to disclose information that enables users of the financial statements to understand the nature and extent of share-based payment arrangements that existed during the period. To give effect to this overall principle, an entity provides disclosure that falls into three categories of information that enables users to understand:

- 1 the nature and extent of share-based payment arrangements that existed during the period
- 2 how the fair value of goods or services received, or the fair value of the equity instruments granted, during the period was determined, and
- 3 the effect of share-based payment transactions on the entity's profit or loss for the period and on its statement of financial position.

Below we explore the disclosure required in each of these three categories and provide example disclosures. The majority of the examples are excerpts from the **GTIL IFRS Example Consolidated Financial Statements 2025**, which are based on the activities and results of Illustrative Corporation and its subsidiaries ('the Group'). The examples have been amended where necessary, and will not be amended for any updates made subsequent to publishing. The principal activities of the Group include sales of telecommunications hardware and software, related after-sales service, consulting, and construction of telecommunications systems.

Understanding the nature and extent of share-based payment arrangements that existed during the period

Disclosure requirement set out in IFRS 2.45(a)

The entity must disclose at least the following:

- A description of each type of share-based payment arrangement that existed at any time in the period, including the general terms and conditions of each arrangement, such as:
 - Vesting requirements
 - Maximum term of options granted
 - Method of settlement (ie in cash or equity)

An entity with substantially similar types of share-based payment arrangements may aggregate this information.

Example disclosure

As at 31 December 2025, the Group maintained two share-based payment schemes for employee remuneration, the Star Programme and the Stay Programme. Both programmes will be settled in equity.

The Star Programme is part of the remuneration package of the Group's senior management. Options under this programme will vest if certain conditions, as defined in the programme, are met. It is based on the performance of the Illustrative Corporation's shares compared to other companies in the Greatstocks Stock Exchange within a specified period. The evolution of the Company's share market price over the vesting period represents at a minimum 80% of the evolution observed for the share's portfolio of the other companies. This condition represents a market condition that was taken into consideration when determining the fair value of the option.

In addition, participants in this programme have to be employed until the end of the agreed vesting period. Upon vesting, each option allows the holder to purchase one ordinary share at a discount of 25% of the market price determined at grant date.

During the current financial year, a new award of 100 000 options was granted to senior management.

The Stay Programme is part of the remuneration package of the Group's research and development and sales personnel. Options under this programme will vest if the participant remains employed for the agreed vesting period. The maximum term of the options granted under the Stay Programme (ie the vesting period) ends on 31 January 2026. Upon vesting, each option allows the holder to purchase one ordinary share at a discount of 20% of the market price determined at grant date.

Disclosure requirement set out in IFRS 2.45(b)

The entity must disclose at least the number and weighted average exercise prices of share options for each of the following groups of options:

- Outstanding at the beginning of the period
- Granted during the period
- Forfeited during the period
- Exercised during the period
- Expired during the period
- Outstanding at the end of the period
- Exercisable at the end of the period

Example disclosure

Share options and weighted average exercise prices are as follows for the reporting periods presented:

	Star Programme		Stay Programme	
	Number of shares	Weighted average exercise price per share	Number of shares	Weighted average exercise price per share
Outstanding at 1 January 2024	300,000	5.81	95,250	6.24
Granted	-	-	-	-
Forfeited	(513)	5.81	(1,012)	6.24
Exercised	-	-	-	-
Outstanding at 31 December 2024	299,487	5.81	94,238	6.24
Granted	100,000	7.81	-	-
Forfeited	(312)	5.81	(3,489)	6.24
Exercised	(270,000)	5.81	-	-
Outstanding at 31 December 2025	129,175	6.45	90,749	6.24
Exercisable at 31 December 2024	-	-	-	-
Exercisable at 31 December 2025	29,175	6.45	-	-

Disclosure requirement set out in IFRS 2.45(c)

The entity must disclose at least, for share options exercised during the period, the weighted average share price at the date of exercise.

If share options were exercised on a regular basis throughout the period, the entity may instead disclose the weighted average share price during the period.

Example disclosure

The weighted average share price per share at the date of exercise was CU 11.19 (no options were recognised in 2024).

Disclosure requirement set out in IFRS 2.45(d)

The entity must disclose, for share options outstanding at the end of the period, the range of exercise prices and weighted average remaining contractual life.

If the range of exercise prices is wide, the outstanding options shall be divided into ranges that are meaningful for assessing the number and timing of additional shares that may be issued and the cash that may be received upon exercise of those options.

Example disclosure

	Star Programme	Star Programme	Stay Programme
Grant date	1 January 2022	1 February 2025	5 January 2021
Vesting period ends	31 December 2024	31 January 2028	31 January 2026
Share price date of grant	CU 8.00	CU 10.01	CU 7.00
Volatility	50%	50%	50%
Option life	5 years	5 years	7 years
Dividend yield	1%	1%	1%
Risk-free investment rate	4%	4%	4%
Fair value per option at grant date	CU 4.00	CU 6.70	CU 5.30
Exercise price at date of grant	CU 6.08	CU 7.61	CU 5.81
Exercisable from/to	1 January 2025/ 31 December 2026	1 February 2028/ 31 December 2030	1 February 2026/ 4 January 2028
Weighted average remaining contractual life	1.0 years	4.1 years	2.0 years

*The relevant disclosure has been highlighted in purple.



Understanding the determination of the fair value of goods or services received, or the fair value of the equity instruments granted

If the entity measured the fair value of goods or services received as consideration for equity instruments of the entity indirectly, by reference to the fair value of the equity instruments granted, the entity must disclose at least the following for each of the disclosure requirements listed below:

Disclosure requirement set out in IFRS 2.47(a)

For share options granted during the period, the weighted average fair value of those options at the measurement date and information on how that fair value was measured, including:

- the option pricing model used, and inputs to the model (weighted average share price, exercise price, expected volatility, option life, expected dividends, risk-free interest rate and any other inputs)
- how the expected volatility was determined, including the extent to which expected volatility is based on historical volatility
- whether and how any other features of the option grant were incorporated into the measurement of the fair value, such as a market condition

Example disclosure

The fair values of options granted were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The performance condition related to the Star Programme, being a market condition, has been incorporated into the measurement by means of actuarial modelling. The following principal assumptions were used in the valuation:

	Star Programme	Star Programme	Stay Programme
Grant date	1 January 2022	1 February 2025	5 January 2021
Vesting period ends	31 December 2024	31 January 2028	31 January 2026
Share price date of grant	CU 8.00	CU 10.01	CU 7.00
Volatility	50%	50%	50%
Option life	5 years	5 years	7 years
Dividend yield	1%	1%	1%
Risk-free investment rate	4%	4%	4%
Fair value per option at grant date	CU 4.00	CU 6.70	CU 5.30
Exercise price at date of grant	CU 6.08	CU 7.61	CU 5.81
Exercisable from/to	1 January 2025/ 31 December 2026	1 February 2028/ 31 December 2030	1 February 2026/ 4 January 2028
Weighted average remaining contractual life	1.0 years	4.1 years	2.0 years

The underlying expected volatility was determined by reference to historical data of Illustrative Corporation Ltd's shares over a period of time since its flotation on the Greatstocks Stock Exchange. No special features inherent to the options granted were incorporated into measurement of fair value.

Disclosure requirement set out in IFRS 2.47(b)

For other equity instruments granted during the period (ie other than share options), the number and weighted average fair value of those equity instruments at the measurement date, and information on how that fair value was determined, including:

- if the fair value was not measured on the basis of an observable market price, how it was determined
- whether and how expected dividends were incorporated into the measurement of fair value
- whether and how any other features of the equity instruments were incorporated into the measurement of fair value

Example disclosure

The fair value of equity-classified performance share units ('PSU') has been measured using a Monte Carlo simulation, which takes into account the fair value of the Group's common shares on the grant date, expected dividends that may accrue to the PSU holder, and specific conditions attached to the PSU plan such as market conditions based on actuarial modelling.

The total fair value of PSUs granted under the PSU plan for the year ended 31 December 2025 was CU 10,000 (2024 – CU 20,500). The weighted average grant date fair value of the PSUs granted during the year ended was CU 4.50 (2024 – CU 2.90).

Disclosure requirement set out in IFRS 2.47(c)

For share-based payment arrangements that were modified during the period:

- an explanation of those modifications
- the incremental fair value granted
- information on how the incremental fair value granted was measured

Example disclosure

On 1 December 2025, the Group modified certain employee share options by decreasing the vesting period from 4 years to 2 years, and reducing the exercise price from CU 10 to CU 8. The fair value of the options prior to the modification was CU 4.32, and the fair value of the options after the modification was CU 5.07. The incremental fair value of CU 0.75 will be recognised as an expense from the date of modification to the vesting date. The fair value was determined using the Black-Scholes model using the following inputs:

- Share price at grant date: CU 10
- Exercise price: CU 8
- Volatility: 58%
- Risk-free interest rate: 5%
- Maturity: 2 years

Disclosure requirement set out in IFRS 2.48

If the entity has measured directly the fair value of goods or services received during the period, the entity must disclose how that fair value was determined (eg whether the fair value was measured at a market price for those goods or services).

Example disclosure

During the year ended 31 December 2025, the Group engaged a marketing agency to run a campaign in exchange for 1,500 shares. The Group determined the fair value of the marketing services to be CU 5,000 based on marketing agency's quoted price for the campaign.

If, in rare circumstances, the fair value of goods or services received in share-based payment transactions with non-employees cannot be measured reliably, the following disclosure applies:

Disclosure requirement set out in IFRS 2.049

If the entity has rebutted the presumption in paragraph 13 that the fair value of goods or services received in transactions with non-employees can be measured reliably, the entity must disclose that fact and give an explanation of why the presumption was rebutted.

Example disclosure

During the year ended 31 December 2025, the Group engaged a contractor to design and develop a new software. Due to the proprietary nature of the software and high level of customisation and specialisation, the Group determined the fair value of the software could not be reliably determined.¹

Understanding the effect of share-based payment transactions on the entity’s profit or loss for the period and on its statement of financial position

The following disclosures are to enable users to understand the effect of share-based payment transactions on the entity’s profit or loss for the period and on its statement of financial position.

Disclosure requirement IFRS 2.51(a)

The total expense recognised for the period arising from share-based payment transactions in which the goods or services received did not qualify for recognition as assets and hence were recognised immediately as an expense, including separate disclosure of that portion of the total expense that arises from transactions accounted for as equity-settled share-based payment transactions.

Example disclosure

Expenses recognised for employee benefits are analysed below:

	2025	2024
Wages, salaries	97,808	91,318
Social security costs	11,229	10,608
Share-based payments	298	466
Pensions – defined benefit plans	1,308	1,930
Pensions – defined contribution plans	4,491	5,343
Less: capitalised as development costs	(1,325)	(150)
	113,809	109,515

In total, CU 298 (2024: CU 466) of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss and credited to retained earnings.

¹ Paragraph IFRS 2.13 notes it would be rare for an entity to rebut the presumption that the fair value of goods or services can be measured reliably. The disclosure is for illustrative purposes and is not reflective of the evidence required to overcome the presumption.

Disclosure requirement IFRS 2.51(b)

For liabilities arising from share-based payment transactions:

- the total carrying amount at the end of the period, and
- the total intrinsic value at the end of the period of liabilities for which the counterparty's right to cash or other assets had vested by the end of the period (eg vested share appreciation rights)

Example disclosure

Details of the liabilities arising from share appreciation rights (SARs) are as follows:

In thousands	2025	2024
Total carrying amount of liabilities for SARs	500	300
Total intrinsic value of liabilities for vested benefits	–	300

Presentation

IFRS 2 requires an entity to recognise equity-settled share-based payment transactions as changes in equity but does not specify how this is presented, ie in a separate reserve within equity or within retained earnings. In practice, either approach is permitted under IFRS Accounting Standards but this is subject to local regulations in some jurisdictions.

How we can help

We hope you find the information in this article helpful in giving you insight into aspects of IFRS 2. If you would like to discuss any of the points raised, please speak to your usual Grant Thornton contact or visit www.grantthornton.global/locations to find your local member firm.



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