

IFRS Adviser Alert

Example Interim Condensed Consolidated Financial Statements 2026 – New Appendix on IFRS 18

July 2026

Executive summary

The Grant Thornton International IFRS team has published Appendix B to the existing *IFRS Example Interim Condensed Financial Statements 2026* (hereafter the “Interim Financial Statements”), which provides practical guidance on the application of IFRS 18.

This new Appendix B, which complements the Interim Financial Statements that GTI made available recently, provides practical guidance on the application of IFRS 18 *Presentation and Disclosure in the Financial Statements* (IFRS 18) and includes:

- Extracts from the Interim Financial Statements, including the consolidated statement of profit or loss and consolidated statement of cash flows, prepared as if the Group had early adopted IFRS 18 for the interim reporting period ended June 30, 2026;
- Illustrative transition disclosures, showing how entities might present reconciliations and comparative information when applying IFRS 18 retrospectively;
- Examples of new disclosure requirements, including:
 - Management-defined performance measures (MPMs);
 - Disclosures of specified expenses by nature when operating expenses are presented by function.

The appendix is designed to help preparers of IFRS financial statements understand the practical implications of IFRS 18 and to support planning for its mandatory application from January 1, 2027.

Resources

The publication mentioned above follows this *IFRS Adviser Alert*.



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Appendix B

IFRS 18 ‘Presentation and Disclosure in Financial Statements’

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18 ‘Presentation and Disclosure in Financial Statements’. This will replace the existing presentation standard – IAS 1 ‘Presentation of Financial Statements’ which has been in use for many years.

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This appendix illustrates some of the key changes to the Interim Financial Statements that would be required if the Group (early) adopts IFRS 18 for the interim reporting period ended 30 June 2026. It includes an example IFRS 18 condensed consolidated statement of profit or loss and example transition disclosures, and illustrates the new disclosures about management-defined performance measures and disclosures of specified expenses by nature required by IFRS 18. It also contains guidance on why no changes have been made to the condensed statement of financial position as a result of the Group adopting IFRS 18.

As entities early adopting IFRS 18 are also required to apply the consequential amendments to other standards (including changes to IAS 7 ‘Statement of Cash Flows’) at the same time, this appendix also includes a restated condensed consolidated statement of cash flows and related transition disclosures illustrating the IFRS 18 amendments to IAS 7.

This appendix does not represent a full set of IFRS 18 Interim Financial Statements, and should not be used as such.

This appendix is not intended to illustrate every potential change that could be required as a result of the adoption of IFRS 18. The ‘IFRS 18 at a glance’ section of this appendix provides a high-level overview of the standard. For more information on the impact of IFRS 18, please see our publication ‘**Get ready for IFRS 18**’. Please also refer to the Appendix E of our 2025 Interim Financial Statements which contains more detailed guidance notes explaining how IFRS 18 has been applied to our Interim Financial Statements.

IFRS 18 at a glance

IFRS 18.C1	<ul style="list-style-type: none">• Applicable for annual reporting periods commencing on or after 1 January 2027, with earlier application permitted.
IFRS 18.41-43	<ul style="list-style-type: none">• General requirements for the financial statements have been carried over from IAS 1.• Revised principles for aggregation and disaggregation of information in the primary financial statements as well as in the notes, with newly defined roles for the primary financial statements and the notes.
IFRS 18.114	<ul style="list-style-type: none">• A clear linkage between the information in the primary financial statements and the related note disclosures is required.
IFRS 18.117-125	<ul style="list-style-type: none">• New disclosure requirements in relation to management-defined performance measures (MPMs).• Significant changes to the statement of profit or loss:
IFRS 18.69	<ul style="list-style-type: none">– Two new subtotals to be presented:<ul style="list-style-type: none">• ‘Operating profit or loss’, and• ‘Profit or loss before financing and income taxes’
IFRS 18.47	<ul style="list-style-type: none">– Classification of income and expenses into five distinct categories:<ul style="list-style-type: none">• Operating• Investing• Financing• Income taxes• Discontinued operations
IFRS 18.49-50	<ul style="list-style-type: none">• Specific classification requirements apply to entities with ‘specified main business activities’ of either investing in the assets specified by IFRS 18 or providing finance to customers.• The statement of other comprehensive income and statement of changes in equity remain unchanged.
IFRS 18 App D IFRS 18.103(d)	<ul style="list-style-type: none">• Some limited changes to specific requirements for the statement of cash flows and statement of financial position.
IAS 8.6A-N IAS 8.27A-I IAS 8.31A-I	<ul style="list-style-type: none">• IAS 1 requirements in relation to fair presentation and compliance with IFRS Accounting Standards, going concern, the accrual basis of accounting, disclosure of an entity’s selection and application of accounting policies and disclosure of sources of estimation uncertainty have been moved unamended to the renamed IAS 8 ‘Basis of Preparation of Financial Statements’.

Guidance note: New subtotals required

IFRS 18 introduces two new subtotals which must be reported in addition to the existing ‘profit or loss’ total.

- **Operating profit or loss**

This subtotal comprises all income and expenses classified in the operating category. It is important to note that the operating category includes but is not limited to income and expenses from an entity’s main business activities, including items which management may consider volatile or non-recurring. It is the ‘default’ classification for income or expenses that do not fall within any of the other categories.

- **Profit or loss before financing and income taxes**

This subtotal is made up of operating profit or loss, together with all income and expenses classified in the investing category.

IFRS 18 requires the presentation of additional subtotals where necessary to provide a useful structured summary. In these Interim Financial Statements additional subtotals of **gross profit**, **profit before tax**, and **profit for the period from continuing operations** have been presented for the purpose of presenting a useful structured summary. Determining which subtotals are required to be presented requires management judgement based on the nature and circumstances of the entity.

Paragraph 10 of IAS 34 ‘Interim Financial Reporting’ requires the Interim Financial Statements to include, at a minimum, each of the headings and subtotals that were included in the most recent annual financial statements. However, when applying IAS 34 in preparing Interim Financial Statements in the first year of applying IFRS 18, an entity must present each heading that it expects to use in applying IFRS 18 and the new subtotals required.

Classification of income and expenses by category

IFRS 18 contains prescriptive guidance on how to allocate income and expenses between categories. Once the prescriptive requirements have been applied, any income or expenses that do not meet the criteria to be classified as investing, financing, tax or discontinued operations are classified as ‘operating’.

The classification of income and expenses into IFRS 18 categories can be complex, particularly in relation to derivatives. Please see our publication ‘**Insights into IFRS 18: Classification of income and expenses in the statement of profit or loss**’ for further guidance.

In these Interim Financial Statements, applying IFRS 18 has led to some changes in classification, as disclosed in the transition disclosures below.

Guidance note: Aggregation and disaggregation

The use of additional subtotals and the appropriate level of aggregation and disaggregation will require judgement and must be based on the principle that the primary financial statements provide a useful structured summary. Please see our publication ‘**Get ready for IFRS 18**’ for further guidance.

In presenting the condensed consolidated statement of profit or loss above, certain judgements have been made about the level of disaggregation and aggregation, and the labels to use to describe line items. These judgements are discussed in the **transition note in the next section**. However, these judgements about what information is necessary in order to present a useful structured summary and what represents material information are entity specific, and depend on the specific characteristics of the entity’s income and expenses. Consequently, the presentation below is not intended to represent the most useful structured summary for all entities.

IFRS 18.24

IFRS 18.C4

IFRS 18.16
IFRS 18.24

IFRS 18.B16-B26

IFRS 18.16
IFRS 18.78-81

Guidance note: Presentation by nature or by function

The example condensed consolidated statement of profit or loss above illustrates the presentation of operating expenses by a mix of function and nature. However, it is important to note that while IFRS 18 now permits an entity to classify and present operating expenses in the operating category of the statement of profit or loss using the characteristics of the nature and/or the function of the expenses, it is not a free choice and judgement is required, as IFRS 18 does not permit expenses to be classified and presented using an arbitrary mixture of the characteristics of the nature and function of the expenses. That is, any individual line item must comprise operating expenses aggregated on the basis of only one of these characteristics, however, the same characteristic does not have to be used as the aggregation basis for all line items. Management judgement will be required to determine whether classification and presentation of operating expenses by nature or function, or the presentation of some expenses by nature and other expenses by function provides the most useful structured summary.

IFRS 18.B80-B81

Whether a ‘by nature’, ‘by function’, or ‘mixed’ presentation provides the most useful structured summary of expenses will depend on the main components or drivers of profitability, the way the business is managed and how management reports internally, standard industry practice, and whether allocation of particular expenses to functions would be arbitrary. This appendix illustrates transition for an entity that previously presented a ‘by function’ presentation (as illustrated in Appendix C below), where cost of sales is a key driver of profitability for the Group, and gross profit is used for internal monitoring purposes, and is a key measure used by investors for benchmarking in the industry.

In the main body of the Interim Financial Statements, the Group used a ‘by nature’ presentation in the condensed consolidated statement of profit or loss and in its segmental reporting (Note 9). If, for example, standard industry practice is to report by nature, expenses classified by nature rather than cost of sales are a main driver of profitability, and an entity reports internally on expenses classified by nature, then a classification by nature of expense could be more appropriate.

IFRS 18 App D
IAS 33.73B-C

Guidance note: Earnings per share

The earnings per share figures have not been replicated in this appendix, as the Group did not choose to disclose additional amounts per share, as permitted by the consequential amendments to IAS 33 ‘Earnings per Share’.

Guidance note: Related financial statement notes

This appendix does not include all the related financial statement notes supporting the condensed consolidated statement of profit or loss. The note references included in the illustrative condensed consolidated statement of profit or loss above are presented for illustrative purposes only. References given relate to the closest equivalent financial statement note in the main Interim Financial Statements prepared, or to the new ‘Disclosure of information about specified expenses by nature’ note (labelled Note X) illustrated below.

Appendices to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2026 (expressed in thousands of Euroland currency units, except per share amounts)

Guidance note: Disaggregation of revenue

IFRS 15.114-115

In the main body of the Interim Financial Statements, reclassification gains and losses in relation to designated cash flow hedges of forecast foreign sales are presented within revenue on the face of the condensed consolidated statement of profit or loss. Revenue is disaggregated in the notes to the interim condensed financial statements (Note 8).

IFRS 18.B70
IFRS 18.B17

In accordance with IFRS 18, these reclassification gains and losses are classified within the operating category, consistent with the classification of the revenues affected by the foreign exchange risks being managed. In preparing this appendix, consideration has been given to whether these reclassification gains and losses should be separately presented on the face of the statement of profit or loss (if necessary to present a structured summary). In this appendix, a judgement has been made that the hedge designation demonstrates the shared characteristics of the revenue and derivative used for hedging, and that aggregating the reclassification gains and losses with revenue in order to present revenue at the hedged rate provides useful information for the purposes of giving a useful structured summary. Revenue from contracts with customers and the hedge reclassification gains and losses would be disaggregated in the notes to the Interim Financial Statements on the basis that this provides material information. However, we note that alternative presentations, and judgements about aggregation and disaggregation, may be possible.

Transition disclosures

Guidance note: Changes to presentation arising from IFRS 18

IFRS 18.C2
IFRS 18.C3

IFRS 18 requires retrospective restatement and qualitative disclosures of the change in accounting policy in accordance with IAS 8. However, instead of presenting the quantitative information set out in IAS 8.28(f), an entity is required to disclose a reconciliation for each line item in the statement of profit or loss for the comparative period between the amounts previously presented in line with IAS 1 and the amounts presented in accordance with IFRS 18.

IFRS 18.C5

When applying IAS 34 in preparing interim financial statements in the first year of applying IFRS 18, an entity is required to disclose reconciliations for each line item presented in the statement of profit or loss for the immediately preceding comparative periods (ie comparable interim period and financial year-to-date).

IAS 34 does not require entities to include in the interim financial statements a statement of profit or loss for the immediately preceding financial year. In the main body of the Interim Financial Statements the condensed consolidated statement of profit or loss includes the following comparative periods

- the six months period ended 30 June 2025, as required by IAS 34, and
- the year ended 31 December 2025 to reflect a good reporting practice.

Consequently, this appendix includes reconciliation for each line item in the condensed consolidated statement of profit or loss between the amounts previously presented in accordance with IAS 1 and the amounts presented complying with IFRS 18 for the six months period ended 30 June 2025 and for the year ended 31 December 2025.

In the reconciliation below, the previously stated figures are those presented in Appendix C 'Organising the statement of profit or loss by function of expenses'.

IFRS 18 transition disclosures

IAS 8.28

The Group has adopted IFRS 18 'Presentation and Disclosure in Financial Statements' for the first time in the six months period ended 30 June 2026. This has been applied retrospectively in accordance with IAS 8 'Basis of Preparation of Financial Statements' (however quantitative disclosure information specified in IAS 8.28(f) is not required). Associated changes to IAS 7 'Statement of Cashflows' have resulted in the restatement of the condensed consolidated statement of cashflows, in order to present the statement of cashflows to start from operating profit presented in accordance with IFRS 18. Changes to other standards resulting from the adoption of IFRS 18 have not had a material impact on these financial statements.

IFRS 18 has introduced three new defined categories in the statement of profit or loss, being operating, investing and financing income and expenditure, and requires additional subtotals to be presented. Management have classified income and expenses on the basis the Group does not have a specified main business activity of either investing in assets or providing finance to customers. As a result of applying IFRS 18 the following adjustments have been made to the presentation of the condensed consolidated statement of profit or loss for the six months ended 30 June 2025 and the year ended 31 December 2025:

Appendices to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2026 (expressed in thousands of Euroland currency units, except per share amounts)

IFRS 18.C5

Reconciliation of the condensed consolidated statement of profit or loss for the comparative six months period ended 30 June 2025:

	Amounts previously presented applying IAS 1	Note	Adjustment	Restated amounts applying IFRS 18
Revenue	88,863	A	(498)	88,365
Costs of sales	(46,973)		-	(46,973)
Gross profit	41,890		(498)	41,392
Other income	185	F	(185)	-
Distribution costs	(5,383)		-	(5,383)
Administrative expenses	(26,183)	B, G	(406)	(26,589)
Reversal of restructuring provision	-	B	227	227
Research and development costs	(756)		-	(756)
Change in fair value of investment property	125	A	(125)	-
Goodwill impairment loss	-	B	(95)	(95)
Impairment losses of financial assets and contract assets	(275)	G	275	-
Other operating income and gains	-	D, E, F	632	632
Other expenses	(588)	C	588	-
Other operating expenses	-	C	(588)	(588)
Operating profit	9,015		(175)	8,840
Share of profit from equity accounted investments	84		-	84
Income from investment property	-	A	623	623
Fair value movements and income on financial investments	-	G, H	721	721
Profit before financing and income taxes	9,099		1,169	10,268
Interest expenses on pension liability	-	I	(142)	(142)
Interest expenses on borrowings and lease liabilities	-	I	(981)	(981)
Finance costs	(1,128)	H, I	1,128	-
Finance income	835	D, H	(835)	-
Other financial items	339	E, H	(339)	-
Profit before tax	9,145		-	9,145
Tax expense	(2,370)		-	(2,370)
Profit for the period from continuing operations	6,775		-	6,775
Profit for the period from discontinued operations	8		-	8
Profit for the period	6,783		-	6,783

IFRS 18.C5

Reconciliation of the condensed consolidated statement of profit or loss for the year ended 31 December 2025:

	Amounts previously presented applying IAS 1	Note	Adjustment	Restated amounts applying IFRS 18
Revenue	205,793	A	(1,066)	204,727
Costs of sales	(110,526)		-	(110,526)
Gross profit	95,267		(1,066)	94,201
Other income	299	F	(299)	-
Distribution costs	(12,014)		-	(12,014)
Administrative expenses	(57,730)	B, G	78	(57,652)
Reversal of restructuring provision	-	B	510	510
Research and development costs	(1,690)		-	(1,690)
Change in fair value of investment property	310	A	(310)	-
Goodwill impairment loss	-	B	(799)	(799)
Impairment losses of financial assets and contract assets	(212)	G	212	-
Other operating income and gains	-	D, E, F	1,366	1,366
Other expenses	(928)	C	928	-
Other operating expenses	-	C	(928)	(928)
Operating profit	23,302		(308)	22,994
Share of profit from equity accounted investments	391		-	391
Income from investment property	-	A	1,376	1,376
Fair value movements and income on financial investments	-	G, H	819	819
Profit before financing and income taxes	23,693		1,887	25,580
Interest expenses on pension liability	-	I	(505)	(505)
Interest expenses on borrowings and lease liabilities	-	I	(3,414)	(3,414)
Finance costs	(3,939)	H, I	3,939	-
Finance income	964	D, H	(964)	-
Other financial items	943	E, H	(943)	-
Profit before tax	21,661		-	21,661
Tax expense	(6,794)		-	(6,794)
Profit for the year from continuing operations	14,867		-	14,867
Loss for the year from discontinued operations	(9)		-	(9)
Profit for the year	14,858		-	14,858

Notes to the reconciliation of the condensed consolidated statement of profit or loss

IFRS 18.53(c)
IFRS 18.54
IFRS 18.B46

A Income from investment property

In the condensed consolidated statement of profit or loss prepared in accordance with IAS 1, the Group presented rental income from investment property (six months to 30 June 2025: CU 498; year to 31 December 2025: CU 1,066) within revenue, and presented changes in the fair value of investment property (six months to 30 June 2025: CU 125; year to 31 December 2025: CU 310) as a separate line item above operating profit. Income and fair value movements on the investment property have been reclassified in accordance with IFRS 18 into a new aggregated line item within the investing category labelled 'income from investment property'. These items are classified in the investing category in accordance with IFRS 18 as the investment property generates independent cash flows and the Group does not invest in assets as a main business activity. The aggregation of income and fair value movements on the investment property is considered to present a useful structured summary, and the labelling of these items describes the material element, being income from the investment properties.

IFRS 18.B25

IFRS 18.41
IFRS 18.78-79

B Mixed presentation – restructuring and goodwill impairment

The Group has concluded that a mixed presentation of expenses by nature and by function provides the most useful structured summary. Presenting expenses by function most closely represents how management reports internally, and is standard practice in the industry. Cost of sales is a key driver of profitability for the Group, and gross profit is used for internal monitoring purposes, and is a key measure used by investors for benchmarking in the industry. Goodwill impairment is presented separately on the basis any allocation by function would be arbitrary. In addition, reversal of restructuring provision has been presented separately.

IFRS 18.B26
IFRS 18.B49(f)

C Other operating expenses

Other expenses (six months to 30 June 2025: CU 588; year to 31 December 2025: CU 928) have been relabelled 'other operating expenses' to better reflect their nature. Other operating expenses consists of individual items for which information is not material, with the largest amount relating to the acquisition-related costs on a business combination (six months to 30 June 2025: CU 304, see Note 7; year to 31 December 2025: CU 223).

IFRS 18.B70
IFRS 18.B72
IFRS 18.41

D Other operating income and gains – Fair value gains on forward exchange contracts held for trading

Fair value gains on forward exchange contracts held for trading (six months to 30 June 2025: CU 110; year to 31 December 2025: CU 130) have been reclassified from finance income to the new aggregated line item 'other operating income and gains' – on the basis the forward exchange contracts are held to economically hedge forecast foreign currency sales, the gains have been classified in the operating category. Disaggregation of other operating income and gains on the face of the condensed consolidated statement of profit or loss is not considered necessary to provide a useful structured summary.

IFRS 18.B65
IFRS 18.41

E Other operating income and gains – other exchange differences

The gain from other exchange differences (six months to 30 June 2025: CU 337; year to 31 December 2025: CU 937) has been reclassified from other financial items to the new aggregated line item 'other operating income and gains'. This is classified in the operating category, as it relates to foreign currency gains and losses on trade payables and receivables where the associated income and expenses related to the balances are classified as operating. Disaggregation of other operating income and gains on the face of the condensed consolidated statement of profit or loss is not considered necessary to provide a useful structured summary.

Guidance notes on the transition disclosures

IFRS 18.54
IFRS 18.BC109

A Guidance note: Operating costs associated with investment property

As the Group does not invest in assets as a main business activity, specific income and expenses associated with investment property are required to be classified in the investing category in accordance with IFRS 18 (as described in Note A above). Specifically, IFRS 18 requires income generated by the assets, income and expenses that arise from the measurement of the assets (including on derecognition), and the incremental expenses directly attributable to the acquisition and disposal of the assets to be classified in the investing category. As this list does not include all costs associated with the investment property, some costs associated with an investment property, such as the payment of business rates, will be classified in the operating category. The Group has classified these amounts as administrative expenses in both the IAS 1 'by function' presentation illustrated in Appendix C below, and in the IFRS 18 'mixed' presentation illustrated in this appendix.

IFRS 18.B49(f)
IFRS 18.52

C Guidance note: Income and expenses arising on a business combination

IFRS 18 requires income and expenses arising on a business combination (that includes assets that will give rise to income and expenses that will be classified in the operating category) to be classified within the operating category. The Interim Financial Statements include gains and losses relating to the remeasurement of contingent consideration on a business combination, and the acquisition-related costs on a business combination (Note 7).

IFRS 18 specifically refers to a gain on a bargain purchase and remeasurements of contingent consideration as items that are included in the operating category. IFRS 18 does not explicitly refer to the acquisition-related costs from a business combination, but classification in the operating category is considered to be appropriate, as this is both consistent with the classification of other income and expenses arising on a business combination, and consistent with the general principle in IFRS 18 that the operating category is the default category for income and expenses that do not meet the criteria for classification into one of the other categories.

IFRS 18.B65-B68
IFRS 18.B48-B49
IFRS 18.B53-B55

E Guidance note: Classification of foreign currency cashflows

Foreign exchange differences are included in the same category in the statement of profit or loss as the income and expenses from the items that gave rise to the foreign exchange differences, unless doing so would involve undue cost or effort. The undue cost and effort exemption is assessed for each item giving rise to foreign exchange differences. If the exemption applies, foreign exchange gains and losses from the relevant item are classified in the operating category.

This appendix illustrates a straight-forward situation where foreign exchange gains and losses only relate to foreign currency trade receivables or to foreign currency trade payables where the purchases are not made on extended credit terms and therefore do not include a financing element. As the foreign exchange gains and losses solely relate to income and expenses classified in the operating category, they are also classified as operating. However, in more complex situations where foreign currency gains or losses relate to transactions that do not involve only the raising of finance such as foreign currency purchases on extended credit terms, classification requires more judgement. The exchange gain or loss from a transaction that does not involve only the raising of finance, cannot be split between categories. Therefore, unless the undue cost and effort exemption applies, judgement will be required to determine whether the foreign exchange difference relates to the amounts classified in financing (the interest expense) or the amount classified in another category (eg the purchased goods or services classified in operating).

Notes to the reconciliation of the consolidated statement of profit or loss (continued)

IFRS 18.B26
IFRS 18.41

F Other income

Other income (six months to 30 June 2025: CU 185; year to 31 December 2025: CU 299), which is made up of a large number of transactions for which information is immaterial, has been aggregated into 'other operating income and gains', on the basis the description better reflects the operating nature of this income, and disaggregation of these amounts on the face of the condensed consolidated statement of profit or loss is not considered necessary to provide a useful structured summary.

IFRS 18.75(b)(ii)

G Impairment of financial instruments

IFRS 18 requires the presentation of a line item (or line items) presenting impairment losses (including reversals of impairment losses or impairment gains) determined in accordance with Section 5.5 of IFRS 9 'Financial Instruments', where necessary to present a useful structured summary.

IFRS 18.B25a

The amount presented as impairment losses on financial assets and contract assets in accordance with IAS 1 is made up of amounts that relate to debt investments (assets generating a return individually and largely independently of the Group's other resources), which are classified in the investing category (six months to 30 June 2025: CU 1; year to 31 December 2025: CU 1) in accordance with IFRS 18, and amounts that relate to trade receivables and contract assets, which are classified in the operating category (six months to 30 June 2025: CU 274; year to 31 December 2025: CU 221) in accordance with IFRS 18. As the impairment losses in relation to debt investments are immaterial, these have been aggregated with fair value movements and income on financial investments, and as the immaterial information in relation to impairment of debt investments is not considered to obscure the fair value movements and income on investments figure, the label 'fair value movements and income on financial investments' has been used. Impairment losses on trade receivables and contract assets have not been presented separately on the basis this is not necessary in order to present a useful structured summary, given impairment of financial assets is not considered to be subject to significant measurement uncertainty, and therefore separate presentation does not provide useful information to users. They are therefore aggregated into administrative expenses.

IFRS 18.41

IFRS 18.53-54
IFRS 18.B46-B47

H Fair value movements and income on investments

Individually immaterial fair value gains and losses on investments, dividend and interest income on equity investments and cash and cash equivalents (six months to 30 June 2025: CU 722; year to 31 December 2025: CU 820) have been reclassified from finance income, finance costs and other financial items to a new aggregated line item 'fair value movements and income on financial investments'. These are classified in the investing category in accordance with IFRS 18 as they relate to income and fair value movements from cash and cash equivalents and other assets that generate a return individually and largely independent of the Group's other resources.

IFRS 18.B78e
IFRS 18.56-61
IFRS 18.B50-B55

I Interest on pensions, borrowings and lease liabilities

'Interest expenses on pension liability' (six months to 30 June 2025: CU 142; year to 31 December 2025: CU 505) and 'interest expenses on borrowings and lease liabilities' (six months to 30 June 2025: CU 981; year to 31 December 2025: CU 3,414) were previously included within finance costs in accordance with IAS 1. Information about these amounts is considered to be material. They are considered to have sufficiently dissimilar risks associated with the underlying items, that disaggregation on the face of the condensed consolidated statement of profit or loss is considered necessary for the purposes of giving a useful structured summary.

IFRS 18.B65

The interest expenses on borrowings and lease liabilities include interest expenses on both the borrowings and the lease liabilities, and foreign exchange loss on bank borrowings. IFRS 18 requires the interest expenses on borrowings (liabilities arising on transactions that involve only the raising of finance) to be classified in the financing category. The foreign exchange gains and losses on bank borrowings are also classified in financing, based on the principle that foreign exchange gains and losses should be classified in the same category as the income and expenses from the items that gave rise to the foreign exchange differences. The interest expenses on the lease liabilities and pension liabilities (liabilities that arise from transactions that do not involve only the raising of finance) are also classified as financing in accordance with IFRS 18.

Guidance notes on the transition disclosures (continued)

IFRS 18.75
IFRS 18.103
IFRS 18.15-19
IFRS 18.B8

G Guidance note: Separate presentation of line items or subtotals required by IFRS Accounting Standards

IFRS Accounting Standards require certain subtotals and line items to be separately presented in the primary financial statements. However, IFRS 18 clarifies that this is only required where this is necessary to provide a useful structured summary. If an entity does not separately present the 'required' line items in the statement of profit or loss, the items must be disclosed in the notes if the resulting information is material. If information about a 'required' line item is not material (either by nature or amount), the specific requirement to present or disclose it separately does not apply. We illustrate considerations for two such 'required' line items below, however the same considerations will apply to all such 'required' items.

Impairment losses (including reversals of impairment losses or impairment gains) determined in accordance with Section 5.5 of IFRS 9

IFRS 18 requires presentation of a line item (or line items) in the statement of profit or loss for IFRS 9 impairment losses. In this appendix, the Group does not present IFRS 9 impairment losses separately, illustrating a situation where separate presentation is not considered to present a useful structured summary. However, we note that for some entities, separate presentation on the face of the statement of profit or loss may be necessary for the purposes of presenting a useful structured summary. For example, if IFRS 9 impairment losses are subject to significant measurement uncertainty, or are highly material, management might instead conclude that separate presentation contributes to a useful structured summary.

Share of the profit or loss of associates and joint ventures accounted for using the equity method

IFRS 18 requires the share of profit or loss from associates and joint ventures accounted for using the equity method to be presented as a line item in the statement of profit or loss. In this appendix, for illustrative purposes, it has been assumed that the share of profit from equity accounted investments is material. On the basis users analyse income and expenses from equity accounted associates and joint ventures separately from all other income and expenses because of its different measurement basis, presentation as a separate line item has been deemed to be necessary for the purposes of presenting a useful structured summary. However, depending on the importance of the equity accounted investments to the Group, and the needs of the users of the financial statements, other entities may determine that separate presentation on the face of the statement of profit or loss does not assist in presenting a useful structured summary, and therefore disclosure of material information only in the notes is appropriate.

IFRS 18.B50-B55

I Guidance note: Income and expenses from liabilities that arise from transactions that do not involve only the raising of finance

IFRS 18 requires interest income and expenses, as well as income and expenses resulting from changes in interest rates on liabilities that arise from transactions that do not involve only the raising of finance to be classified in the financing category. Other income and expenses arising from these liabilities must be classified in the operating category. This means that, for example, the current and past service cost in relation to a defined benefit pension scheme would be classified in the operating category in accordance with IFRS 18.

Disclosure of information about specified expenses by nature

IFRS 18.83

Guidance note: Disclosure of information about specified expenses by nature

As the Group presents one or more line items in the operating category by function, a single note is required by IFRS 18 to disclose the total of five specific nature expenses as shown below, the amount related to each line item in the operating category, and a list of any line items outside the operating category including those amounts. In this appendix, the specified expenses requiring disclosure are all included within the operating category.

If the totals disclosed are not the amounts recognised as an expense in the period (for example because part of the total amount has been capitalised in the period, as is the case for employee benefit costs in the Interim Financial Statements), a qualitative explanation of that fact and the assets involved must be disclosed.

IAS 34 requires entities to explain the significant events and transactions that have occurred in the interim period. The information to be provided will therefore depend on entity-specific circumstances and not all entities may need to provide the detailed disclosures described by IFRS 18 (shown here) in their Interim Financial Statements. As these Interim Financial Statements are provided for illustrative purposes only, we have included these disclosures. Other entities will need to exercise their judgement in deciding how to best meet the requirements of IAS 34.

IFRS 18.B84

Note X – Disclosure of information about specified expenses by nature

The table below sets out specified expenses by nature. The amounts disclosed are the amounts recognised as expenses in the condensed consolidated statement of profit or loss for the period, except for employee benefits.

The amounts disclosed for employee benefits are the costs incurred for the period, including pension costs, for employee services, calculated in accordance with IAS 19 ‘Employee Benefits’, and the amount for services received from employees recognised in accordance with IFRS 2 ‘Share-based payment’. The amount disclosed for the research and development costs includes amounts that have been capitalised into internally developed software.

IFRS 18.83

Six months to 30 June 2026	Operating categories					Total
	Costs of sales	Administrative expenses	Distribution costs	Research and development costs	Goodwill impairment loss	
Depreciation	301	2,244	294	-	-	2,839
Amortisation	-	1,065	-	1,226	-	2,291
Employee benefits	31,972	21,475	6,172	1,620	-	61,239
IAS 36 impairment losses and reversals	-	-	-	-	-	-
Write-downs and reversals of write-downs of inventories	-	-	-	-	-	-

Six months to 30 June 2025 (as restated)	Operating categories					Total
	Costs of sales	Administrative expenses	Distribution costs	Research and development costs	Goodwill impairment loss	
Depreciation	261	1,801	237	-	-	2,299
Amortisation	-	1,780	-	-	-	1,780
Employee benefits	26,656	17,903	5,146	1,347	-	51,052
IAS 36 impairment losses and reversals	-	-	-	-	95	95
Write-downs and reversals of write-downs of inventories	-	-	-	-	-	-

Year to 31 December 2025 (as restated)	Operating categories					Total
	Costs of sales	Administrative expenses	Distribution costs	Research and development costs	Goodwill impairment loss	
Depreciation	530	3,746	520	-	-	4,796
Amortisation	-	3,528	-	-	-	3,528
Employee benefits	59,538	41,087	11,494	3,015	-	115,134
IAS 36 impairment losses and reversals	-	870	-	-	799	1,669
Write-downs and reversals of write-downs of inventories	361	-	-	-	-	361

Disclosure of management-defined performance measures

Guidance note: Management-defined performance measures

IFRS 18.117-125

Management-defined performance measures (MPMs) are subtotals of income and expenses that the entity uses in public communications outside the financial statements, and which management uses to communicate to users of the financial statements their view of an aspect of the entity's performance as a whole. IFRS 18 introduces disclosure requirements in relation to MPMs which must be presented in a **single note**. The disclosures below assume that the MPMs identified, and the way they are calculated, have not changed in the period.

Management-defined performance measures

IFRS 18.121

The Group uses the management-defined performance measures (MPMs) 'adjusted operating profit' and 'adjusted EBITDA' in its public communications. These MPMs present management's view of an aspect of the Group's financial performance as a whole. They are not measures specified by IFRS Accounting Standards and therefore might not be comparable to seemingly similar measures used by other entities.

Adjusted operating profit

IFRS 18.123(a)-(b)

Adjusted operating profit presents management's view of the continuing performance of the business. Operating profit is adjusted to remove items that are considered to be unlikely to reoccur for several years. These adjustments include removing costs of acquisitions of subsidiaries, impairment of non-financial assets, and restructuring costs. Adjusted operating profit is considered to provide information that is helpful in understanding trends in underlying profitability of the business.

IFRS 18.123(c)

	Six months to 30 June 2026				MPM
	IFRS measure	Impairment losses	Restructuring	Acquisition costs	
Reversal of restructuring provision			(274)		
Goodwill impairment loss		-			
Other operating expenses				304	
Operating profit/Adjusted operating profit	20,615	-	(274)	304	20,645
Income tax expense			82	(91)	
Profit attributable to non-controlling interests		-	(1)	-	

IFRS 18.123(d)

IFRS 18.123(d)

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	Six months to 30 June 2025 (as restated)				
	IFRS measure	Impairment losses	Restructuring	Acquisition costs	MPM
IFRS 18.123(c)					
	Reversal of restructuring provision		(227)		
	Goodwill impairment loss	95			
	Other operating expenses	-		223	
	Operating profit/Adjusted operating profit	8,840	95	(227)	223
					8,931
IFRS 18.123(d)	Income tax expense		68	(67)	
IFRS 18.123(d)	Profit attributable to non-controlling interests	-	(2)	-	
	Year to 31 December 2025 (as restated)				
	IFRS measure	Impairment losses	Restructuring	Acquisition costs	MPM
IFRS 18.123(c)					
	Administrative expenses	870			
	Reversal of restructuring provision		(510)		
	Goodwill impairment loss	799			
	Other operating expenses	-		223	
	Operating profit/Adjusted operating profit	22,994	1,669	(510)	223
					24,376
IFRS 18.123(d)	Income tax expense	-	153	(67)	
IFRS 18.123(d)	Profit attributable to non-controlling interests		(17)		

Adjusted EBITDA

Adjusted EBITDA is considered to present a useful insight into the ongoing operating performance of the business, providing information that is helpful in understanding trends in underlying operating profitability of the business before certain non-cash items. Adjusted EBITDA is calculated as operating profit before depreciation, amortisation and impairments in the scope of IAS 36 'Impairment of Assets', adjusted to remove items that are considered to be unlikely to reoccur for several years. These adjustments include removing costs of acquisitions of subsidiaries and restructuring costs. Note that adjusted EBITDA does not include earnings classified in the investing category.

Guidance note: Reconciliation of MPMs to a subtotal not presented in the statement(s) of financial performance

An entity is permitted to reconcile an MPM to certain subtotals that are not presented in the statement(s) of financial performance. Where this is done, the entity must also provide a reconciliation between that subtotal and the most directly comparable total or subtotal presented in the statement(s) of financial performance, but does not have to provide information about income tax effects or the effect on non-controlling interest in relation to that additional reconciliation. In this appendix, the MPM 'adjusted EBITDA' is reconciled to the IFRS 18.118 measure 'operating profit or loss before depreciation, amortisation and impairments within the scope of IAS 36' and therefore a reconciliation between 'operating profit or loss before depreciation, amortisation and impairments within the scope of IAS 36' and the profit or loss statement line item 'Operating profit' is disclosed.

Reconciliation between operating profit and 'operating profit or loss before depreciation, amortisation and impairments within the scope of IAS 36':

IFRS 18.B140	Six months to 30 June 2026	Six months to 30 June 2025 (restated)	Year to 31 December 2025 (restated)
Operating profit	20,615	8,840	22,994
Add back depreciation, amortisation and impairment of non-financial assets:			
Costs of sales	301	261	530
Distribution costs	294	237	520
Administrative expenses	3,904	3,581	8,144
Goodwill impairment loss	-	95	799
IFRS 18.118(b) Operating profit or loss before depreciation, amortisation and impairments within the scope of IAS 36'	25,114	13,014	32,987

Reconciliation between operating profit or loss before depreciation, amortisation and impairments within the scope of IAS 36 and 'adjusted EBITDA':

IFRS 18.123(c)	Six months to 30 June 2026	Subtotal listed in IFRS 18	Restructuring costs	Acquisition costs	Management-defined performance measure (MPM)
Reversal of restructuring provision			(274)		
Other operating expenses				304	
Operating profit or loss before depreciation, amortisation and impairments within the scope of IAS 36/adjusted EBITDA		25,114	(274)	304	25,144
IFRS 18.123(d) Income tax expense			82	(91)	
IFRS 18.123(d) Profit attributable to non-controlling interests			(1)	-	
IFRS 18.123(c)	Six months to 30 June 2025 (as restated)	Subtotal listed in IFRS 18	Restructuring costs	Acquisition costs	Management-defined performance measure (MPM)
Reversal of restructuring provision			(227)		
Other operating expenses				223	
Operating profit or loss before depreciation, amortisation and impairments within the scope of IAS 36/adjusted EBITDA		13,014	(227)	223	13,010
IFRS 18.123(d) Income tax expense			68	(67)	
IFRS 18.123(d) Profit attributable to non-controlling interests			2	-	
IFRS 18.123(c)	Year to 31 December 2025 (as restated)	Subtotal listed in IFRS 18	Restructuring costs	Acquisition costs	Management-defined performance measure (MPM)
Reversal of restructuring provision			(510)		
Other operating expenses				223	
Operating profit or loss before depreciation, amortisation and impairments within the scope of IAS 36/adjusted EBITDA		32,987	(510)	223	32,700
IFRS 18.123(d) Income tax expense			153	(67)	
IFRS 18.123(d) Profit attributable to non-controlling interests			-	17	

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IFRS 18.123(e)

Calculation of tax effect on MPMs:

Impairment losses	Impairment losses relate to the impairment of goodwill and internally developed software intangibles (see Notes 11 and 12). Impairment losses did not yield any tax benefits because they were not eligible for tax deductions.
Restructuring	Release of the restructuring provision related to the Phoenix programme (see Note 20) in Euroland. The tax effect has been calculated using the statutory rate applicable in Euroland of 30%.
Acquisition costs	Acquisition costs were incurred on the acquisition of investments in subsidiaries. The tax effect has been calculated using the statutory rate applicable in Euroland where these costs were incurred, of 30%.

Impact on the statement of financial position

IFRS 18.B103(d)

Guidance note: Amendments to the statement of financial position

IFRS 18 introduces a new requirement to present goodwill separately from other intangible assets on the face of the statement of financial position. As this presentation had already been adopted in the condensed consolidated statement of financial position in the main body of these Interim Financial Statements, no changes have been made in this appendix.

IFRS 18.16
IFRS 18.41-43
IFRS 18.106
IFRS 18.B109-B111

In addition, for the purposes of this appendix, no changes have been made to the presentation of the condensed consolidated statement of financial position as set out in the main body of these Interim Financial Statements, having given consideration to the principle set out in IFRS 18 that the role of the primary statements is to provide a useful structured summary, and to the revised principles in relation to aggregation and disaggregation. Whether an entity's existing statement of financial position presentation requires revising will require management judgement based on an assessment of the nature of the entity and its transactions, and the nature or function of the entity's assets and liabilities.

Condensed consolidated statement of cash flows and transition disclosures (IAS 7 amendments applicable on adoption of IFRS 18)

Condensed consolidated statement of cash flows

For the six months ended 30 June 2026

(expressed in thousands of Euroland currency units (CU), except per share amounts)

	Six months to 30 June 2026	Six months to 30 June 2025 (restated)	Year to 31 December 2025 (restated)
OPERATING ACTIVITIES			
Operating profit	20,615	8,840	22,994
Non-cash adjustments	6,669	4,052	10,120
Contributions to defined benefit plans	(995)	(616)	(1,186)
Net changes in working capital	(3,446)	8,900	(2,032)
Rental income from investment properties	550	498	1,066
Settling of derivative financial instruments	-	-	586
Taxes paid	25	(5,602)	(1,978)
Net cash from operating activities	17,821	21,097	29,570
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	13	(47)	(76)
Proceeds from disposal of property, plant and equipment	128	11	86
Purchase of other intangible assets	12	(2,470)	(3,746)
Proceeds from disposal of other intangible assets	-	-	809
Acquisition of subsidiaries, net of cash acquired	7	(18,176)	(15,491)
Proceeds from sale of subsidiaries, net of cash sold	-	-	3,117
Proceeds from sale of assets classified held for sale	199	-	-
Proceeds from disposal and redemption of non-derivative financial assets	105	135	196
Interest received	465	352	655
Dividends received	48	40	69
Taxes paid	-	-	(244)
Net cash used in investing activities	(19,748)	(18,007)	(14,625)
FINANCING ACTIVITIES			
Proceeds from borrowings	-	1,441	1,449
Repayment of borrowings and leasing liabilities	(5,483)	(3,478)	(5,571)
Proceeds from issue of share capital	22,450	1,685	18,365
Interest paid	(473)	(1,135)	(3,314)
Dividends paid	18	(6,855)	(3,000)
Net cash from (used in) financing activities	9,639	(4,487)	7,929
Net change in cash and cash equivalents	7,712	(1,397)	22,874
Cash and cash equivalents, beginning of year	34,729	11,219	11,141
Exchange differences on cash and cash equivalents	98	(25)	60
Cash and cash equivalents, end of year	42,539	9,797	34,075
Cash and cash equivalents for continuing operations	42,539	9,797	34,075

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IAS 8.28

Amendments to IAS 7

The Group has applied the amendments made by IFRS 18 to IAS 7 for the first time in the six months period ended 30 June 2026. These amendments apply when the Group applies IFRS 18 and have been applied retrospectively in accordance with IAS 8.

The condensed consolidated statement of cash flows has been restated as a result of these amendments, to reconcile operating cash flows to IFRS 18 operating profit, instead of profit before tax. The impact on the line items in the condensed consolidated statement of cash flows is as follows:

	Effect on six months to 30 June 2026	Effect on six months to 30 June 2025	Effect on year to 31 December 2025
Difference between profit before tax previously stated and IFRS 18 operating profit	(1,284)	(305)	1,333
Non-cash adjustments	704	(175)	(2,421)
Rental income from investment properties	550	498	1,066

Appendix C

Organising the statement of profit or loss by function of expenses

IAS 1.99

IAS 1.99 requires an analysis of expenses using a classification based on either the nature of expenses (NOE) or based on the function of expenses (FOE) within the entity. This depends on management's assessment of which format provides information that is reliable and more relevant. This analysis must either be presented on the face of the statement of profit or loss or in the notes, but IAS 1 encourages presentation in the statement of profit or loss (as illustrated in these Interim Financial Statements).

IAS 1.100

The NOE format is illustrated in the main body of the Interim Financial Statements. The FOE format is illustrated in this appendix. This appendix presents a separate condensed consolidated statement of profit or loss, ie other comprehensive income is presented in a separate condensed consolidated statement of comprehensive income (see the main body of the Interim Financial Statements).

IAS 1.104

The FOE or NOE formats only affect the condensed consolidated statement of profit or loss but do not affect the presentation requirements for other comprehensive income.

IAS 1.82(ba)

It is not usually appropriate to present a mixed presentation, showing some expenses by nature and others by function. Therefore in most cases, if a FOE format is used, all expenses are included in the relevant FOE categories, with the exception of impairment charges in relation to financial assets and contract assets, which must be presented separately if material. All other expenses are allocated to the appropriate FOE class based on the function of the expenses/related assets within the business. For example, expenses would be allocated to cost of sales if the costs are directly attributable to generating revenues.

Expenses by nature, such as depreciation or impairment of non-financial assets, would not normally be presented separately on the face of the statement of comprehensive income using a FOE presentation, although additional information may be included, eg by including a footnote or subtotal to provide additional analysis of the relevant FOE categories.

If a mixed presentation is used on the face of the statement of profit or loss:

- this should not present misleading information; for example it would not be appropriate to exclude expenses directly related to the costs of goods sold from the cost of sales total, and
- an analysis either by nature or by function should be presented in the notes to the financial statements.

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Condensed consolidated statement of profit or loss

	Notes	6 months to 30 Jun 2026	6 months to 30 Jun 2025	Year to 31 Dec 2025
IAS 1.51(c) IAS 1.51(d-e)				
IAS 1.82(a)	8, 9	116,846	88,863	205,793
IAS 1.85		(59,211)	(46,973)	(110,526)
IAS 1.85		57,635	41,890	95,267
IAS 1.85				
IAS 1.85		202	185	299
IAS 1.85		(6,466)	(5,383)	(12,014)
IAS 1.85		(29,291)	(26,183)	(57,730)
IAS 1.82(ba)		(909)	(756)	(1,690)
		55	125	310
		(319)	(275)	(212)
IAS 1.85		(502)	(588)	(928)
		20,405	9,015	23,232
IAS 1.82(c)		50	84	391
IAS 1.82(b)		(413)	(1,128)	(3,939)
IAS 1.85		1,188	835	964
IAS 1.85		669	339	943
		21,899	9,145	21,661
IAS 1.82(d)	25	(5,059)	(2,370)	(6,794)
		16,840	6,775	14,867
IAS 1.82(ea)	15	96	8	(9)
		16,936	6,783	14,858
IAS 1.81A(a)				
IAS 1.81B(a)(i)		67	56	121
IAS 1.81B(a)(ii)		16,869	6,727	14,737
		16,936	6,783	14,858
IAS 34.11 and IAS 34.11A	16	CU	CU	CU
IAS 33.67A				
IAS 33.66		1.12	0.58	1.19
IAS 33.68A		0.01	-	-
IAS 33.66		1.13	0.58	1.19
IAS 33.67A				
IAS 33.66		1.12	0.58	1.19
IAS 33.68A		0.01	-	-
IAS 33.66		1.13	0.58	1.19

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