Interim Financial Statements

IAS 34 explained (30 June 2026)

(Including an illustrative example and early adoption of IFRS 18)

This publication is presented in two parts.

Part I explains IAS 34 *Interim Financial Reporting* and provides technical guidance.

Part II includes an illustrative example of a condensed interim financial statement.

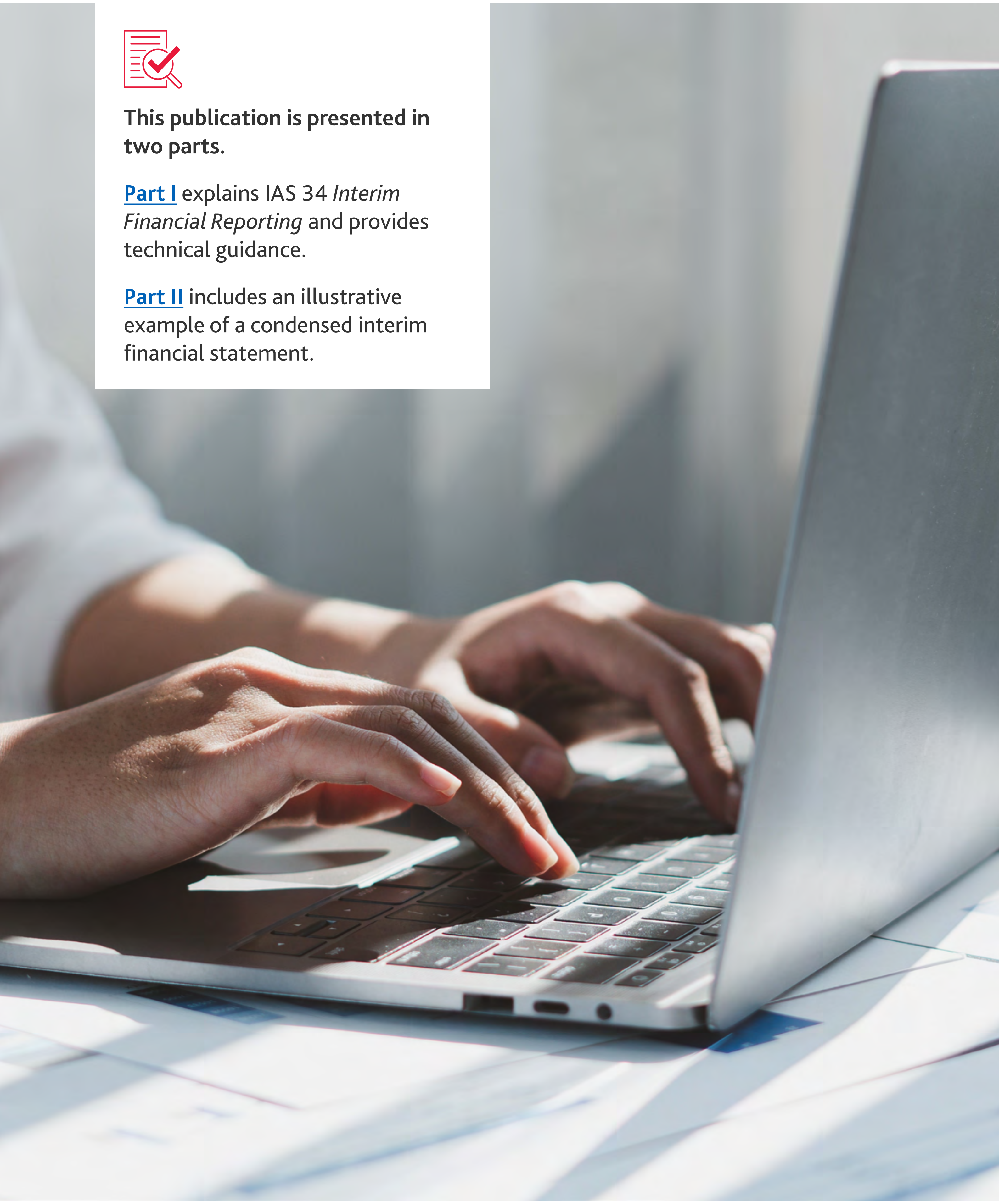

Table of Contents

1 Introduction

IFRS® Accounting Standards do not require the preparation of interim financial statements. Paragraph 36 in IAS 1 *Presentation of Financial Statements* only requires that:

'An entity shall present a complete set of financial (including comparative information) at least annually'.

IFRS 18 *Presentation and Disclosure in Financial Statements* was issued by the International Accounting Standards Board (IASB) in April 2024. IFRS 18 supersedes IAS 1 and is effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted. IFRS 18.28 has the same requirement, worded slightly differently:

'An entity shall provide a complete set of financial statements at least annually.'

Part I of this publication provides references to both IAS 1 and the equivalent requirement in IFRS 18 since entities may adopt IFRS 18 early. Part II of this publication only refers to IFRS 18 since it is assumed that A Layout (International) Group Plc has adopted IFRS 18 early and that the condensed interim financial statements for the period ended 30 June 2026 are the first in which the entity has applied IFRS 18.

For more information about IFRS 18, please refer to the following two publications of BDO:
- BDO's IFRS Accounting Standards In Practice: IFRS 18 *Presentation and Disclosure in Financial Statements*
- IFR bulletin: 2024/04 - IASB publishes IFRS 18 *Presentation and Disclosure in Financial Statements*
- IFR bulletin: 2026/02 – IASB publishes IFRS 18 – the clock is ticking: practical effects on financial reporting

BDO also has several introductory training courses on IFRS 18 available.

IAS 34 *Interim Financial Reporting* does not mandate which entities are required to publish interim financial statements, how frequently they should be produced, or how soon interim reports should be released after each reporting date. However, the standard encourages publicly traded entities to provide interim financial reports at least as of the end of the first half of their financial year, no later than 60 days after the interim reporting date.

Securities regulators, stock exchanges, and other stakeholders often require entities to publish interim financial statements. An entity is required to apply IAS 34 if it elects to (or must) prepare interim financial statements in accordance with IFRS Accounting Standards as a result of local requirements.

An entity that presents interim financial statements can choose to prepare them either in the format of a complete set of financial statements or in the format of a set of condensed financial statements.

For the purposes of the presentation of interim financial statements, all requirements in IAS 1 apply to a complete set of financial statements whereas only IAS 1.15 – 35 are applicable for condensed financial statements (IAS 1.4) which cover the following general features:
- Fair presentation and compliance with IFRS Accounting Standards
- Going concern
- Accrual basis of accounting
- Materiality and aggregation
- Offsetting.

If an entity has adopted IFRS 18, for the purposes of the presentation of interim financial statements, all paragraphs in IFRS 18 apply to a complete set of financial statements whereas only IFRS 18.41 – 45, 117 – 125 and IAS 8.6A – 6N are applicable for condensed financial statements (IFRS 18.5 and IAS 8.3A) which cover the following general features:
- Fair presentation and compliance with IFRS Accounting Standards
- Going concern
- Accrual basis of accounting

- Materiality and aggregation
- Principles of aggregation and disaggregation
- Offsetting
- Management-defined performance measures.

Preparers of condensed interim financial statements are required to present the same primary statements as in their annual statements. However, IAS 34 does not require presentation of the same detailed amount of information and also requires fewer disclosures to be made. The current and comparative periods to be presented also differ from annual statements.

IAS 34.11 requires an entity to present basic and diluted earnings per share (EPS) for the interim period when the entity is within the scope of IAS 33 *Earnings per Share*. Entities that present a separate statement of profit or loss (two statement approach) disclose EPS on the face of the separate statement of profit or loss and not in the statement of comprehensive income.

An interim financial report is intended to provide an update of the last annual report. IAS 34 is based on the presumption that interim financial statements are essentially an extension of the previous annual financial statements to which anyone who reads the entity's interim report will also have access. Therefore, few of the notes to the annual financial statements are required to be repeated or updated in the interim report. Instead, the interim notes include primarily an explanation of the events and changes that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period.

Cross-referencing is required if the disclosures are presented 'elsewhere' in the interim financial report, such as in the management commentary or risk report of an entity. In those cases, that document needs to be available to users of the financial statements on the same terms and at the same time as the interim report itself.

An entity is required to apply the same accounting policies in its interim financial report as in its immediately preceding annual financial statements. As an exception, accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements are required to be reflected in interim financial reports.

IAS 34 includes the premise that the frequency of an entity's financial reporting - annual, half-yearly, or quarterly - should not affect the measurement of its annual results. To achieve that objective, measurements for interim reporting purposes are made on a year-to-date basis (e.g. what would effectively be an 18-month period for half yearly interim financial reports). However, IFRIC 10 *Interim Financial Reporting and Impairment* contains exceptions to this premise for the impairment of goodwill.

2 Line items to be presented in interim financial statements

Entities are required to include at least each of the headings and subtotals that were included in their most recent annual financial statements. Additional line items also need to be included if their omission would make the condensed interim financial statements misleading (IAS 34.10).

In practice, entities usually present their primary financial statements (or notes) in the same format as their last annual financial statements, including all line items. This is typically based on the view that investors and analysts would not be well served with more summarised financial statements, which might not allow a complete analysis of the entity's financial performance and position. It can also be argued that the line items presented in annual financial statements are already highly aggregated, meaning that each on their own is material and that their omission would be misleading.

See section 8 for the transitional requirements of IFRS 18 and how IFRS 18 specifically affects the requirements of IAS 34.10. Entities that prepare interim financial statements will need to apply IFRS 18 to any interim financial statements prepared in the year of initial application of IFRS 18.

3 Periods to be presented

IAS 34.20 describes the periods that have to be included in the financial statements. These are to some extent counterintuitive and different to annual financial statements. Periods to be presented are the same for complete and for condensed financial statements.

Periods presented for a half yearly report (using, as an example, an interim period ended 30 June 2026) are:

Statement of	Current	Comparative
Comprehensive income	Interim period 1 Jan – 30 Jun 2026	Comparable interim period 1 Jan – 30 Jun 2025
Financial position	End of interim period 30 Jun 2026	End of preceding financial year 31 Dec 2025
Cash Flows	Interim period 1 Jan – 30 Jun 2026	Comparable interim period 1 Jan – 30 Jun 2025
Changes in Equity	Interim period 1 Jan – 30 Jun 2026	Comparable interim period 1 Jan – 30 Jun 2025

In practice, many entities also disclose one or more primary statements for the immediately preceding annual period and a statement of financial position for the end of the comparative interim period.

Periods presented for a quarterly report (using, as an example, an interim period ended 30 September 2026) are:

Statement of	Current	Comparative
Comprehensive income	▶ Year to date 1 Jan – 30 Sep 2026 ▶ Interim period 1 Jul – 30 Sep 2026	▶ Comparable year to date 1 Jan – 30 Sep 2025 ▶ Comparable interim period 1 Jul – 30 Sep 2025
Financial position	End of interim period 30 Sep 2026	End of preceding financial year 31 Dec 2025
Cash Flows	Interim period 1 Jan – 30 Sep 2026	Comparable interim period 1 Jan – 30 Sep 2025
Changes in Equity	Interim period 1 Jan – 30 Sep 2026	Comparable interim period 1 Jan – 30 Sep 2025

The main difference between a half yearly and a quarterly report is the presentation of the statement of comprehensive income. A half yearly report includes the current year to date (e.g. January to June) and the same period for the previous year. A quarterly report in contrast contains the current year to date (e.g. January to September) and the current interim period (e.g. July to September) for the current and the previous year.

3.1 Seasonal business

IAS 34.21 encourages entities whose business is highly seasonal to provide additional financial information. This comprises financial data for the last twelve month to date, together with a comparative period. In addition, IAS 34.16(b) requires explanatory notes about seasonality or cyclicality of results that affect the interim financial statements.

4 Materiality

In deciding how to recognise, measure, classify, or disclose an item for interim financial reporting purposes, materiality is required to be assessed in relation to the interim period financial data. This means that the materiality assessment is not made based on annualised numbers (IAS 34.23).

Thus, for example, unusual items, changes in accounting policies or estimates, and errors are recognised and disclosed on the basis of materiality in relation to interim period data. The overriding goal is to ensure that an interim financial report includes all information that is relevant to an understanding of an entity's financial position and performance during the interim period presented.

5 Recognition and measurement

The general approach for the preparation of interim financial statements is that entities apply the same accounting policies as in their last annual financial statements. The exception to this approach is when accounting policy changes made are after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements.

If an entity chooses to change its accounting policy during the interim period, it is normally required to implement the change retrospectively, which also includes restating the prior interim period (IAS 34.43). An exception to this approach is when a change in accounting policy arises from a new IFRS Accounting Standard, and that IFRS Accounting Standard specifies transitional requirements (for example, a new IFRS Accounting Standard might be applied prospectively, or might have limited retrospective application or other transition options).

5.1 General principles

The reporting frequency (annual, half-yearly, or quarterly) should not affect the measurement of annual results (IAS 34.28). Measurement in interim periods is consequently made on a year-to-date basis.

As an exception, as required by IFRIC 10 *Interim Financial Reporting and Impairment*, an impairment loss recognised in an interim period in respect of goodwill is not permitted to be reversed in the subsequent annual financial statements, even if the recoverable amount has increased after the end of the interim period. This prohibition is not permitted to be applied by analogy to any other transactions or events (see section 5.2.14).

For quarterly reporters, year-to-date measurements may involve changes in estimated amounts reported in prior interim periods of the current financial year. The principles for recognising assets, liabilities, income, and expenses for interim periods are the same as in annual financial statements. Costs that do not qualify for capitalisation at the end of an interim period, for example, cannot be deferred on the basis that the relevant criteria will be met at a later date. A liability on the other hand must represent an existing obligation at the reporting date. For example, if a levy within the scope of IFRIC 21 *Levies* is triggered upon the occurrence of a minimum amount of sales, a liability would not be recognised in an interim period unless that threshold is reached, regardless of whether the entity expects to breach the threshold in the full annual reporting period.

Amounts included in the annual financial statements of an entity that has issued a half yearly report will reflect possible changes in estimates of amounts that were previously reported for the first six-month period. The amounts reported in the interim financial report for the first six-month period are not retrospectively adjusted. However, the nature and amount of significant changes in estimates are disclosed (see section 6.4).

5.1.1 Revenues received seasonally, cyclically or occasionally

Some businesses generate more revenues in certain interim periods than in other interim periods of the same financial year. An alpine resort, for example, might make most of its revenue in the wintertime. Such revenue is recognised when it occurs.

Seasonal, cyclical or occasional revenue such as dividends, royalties or government grants that occur within a financial year are also not anticipated or deferred in the interim financial statements unless it would be appropriate to do so at year-end. An entity for example that expects that its right to receive a dividend will be established in the second half of its financial year will not recognise partial revenue for this dividend in its first half year interim financial statements. Royalties, in contrast, would be recognised on an accrual basis in accordance with the agreement (IAS 34.29-30).

5.1.2 Costs incurred unevenly during the financial year

Costs that are incurred unevenly during an entity's financial year are required to be anticipated or deferred for interim reporting purposes only if it would also be appropriate to anticipate or defer that type of cost at the end of the financial year. This means that, wherever IFRS Accounting Standards require costs to be expensed immediately when incurred, these costs are fully recognised in the interim financial statement when incurred. Marketing costs for example would always be expensed in the period in which they are incurred as a result of the requirements in IAS 38.69(c).

5.1.3 Use of estimates

The preparation of both annual and interim financial statements usually requires the use of estimates. However, the preparation of interim financial reports generally requires greater use of estimates than annual financial reports.

Examples that illustrate the use of estimates in interim financial statements are set out below (reproduced from Part C of the Illustrative Examples of IAS 34 - which accompanies, but is not part of, IAS 34).

5.1.3.1 Inventories

Full stock-taking and valuation procedures may not be required for inventories at interim dates, although it may be done at financial year-end. It may be sufficient to make estimates at interim dates based on sales margins.

5.1.3.2 Classifications of current and non-current assets and liabilities

Entities may do a more thorough investigation for classifying assets and liabilities as current or non-current at annual reporting dates than at interim dates.

5.1.3.3 Provisions (including expected credit losses)

Determination of the appropriate amount of a provision (such as a provision for warranties, environmental costs, and site restoration costs) may be complex and often costly and time-consuming. Entities sometimes engage outside experts to assist in the annual calculations. Making estimates at interim dates often entails updating of the prior annual provision rather than the engaging of outside experts to do a new calculation.

In determining impairment losses for financial and contract assets in accordance with the expected credit loss model in IFRS 9 *Financial Instruments*, IAS 34 does not offer any relief from applying the full requirements of IFRS 9.

5.1.3.4 Pensions

IAS 19 *Employee Benefits* requires that an entity determines the present value of defined benefit obligations and the market value of plan assets at the end of each reporting period and encourages an entity to involve a professionally qualified actuary in measurement of the obligations. For interim reporting purposes, reliable measurement is often obtainable by extrapolation of the latest actuarial valuation.

5.1.3.5 Income taxes

Entities may calculate income tax expense and deferred income tax liability at annual dates by applying the tax rate for each individual jurisdiction to measures of income for each jurisdiction. It is acknowledged that while that degree of precision is also desirable at interim reporting dates, it may not be achievable in all cases. A weighted average of rates across jurisdictions or across categories of income is used if it represents a reasonable approximation of the effect of using more specific rates.

See section 5.2.6 for more information.

5.1.3.6 Contingencies

The measurement of contingencies may involve the opinions of legal experts or other advisers. Formal reports from independent experts are sometimes obtained with respect to contingencies for the purposes of year end reporting. Such opinions about litigation, claims, assessments, and other contingencies and uncertainties may or may not also be needed at interim dates.

5.1.3.7 Revaluations and fair value accounting

IAS 16 *Property, Plant and Equipment* allows an entity to choose as its accounting policy the revaluation model whereby items of property, plant and equipment are revalued to fair value. Similarly, IAS 40 *Investment Property* requires an entity to determine the fair value of investment property. For those measurements, an entity may rely on professionally qualified valuers at annual reporting dates; this may not be necessary at interim reporting dates.

5.1.3.8 Intercompany reconciliations

Some intercompany balances that are reconciled on a detailed level in preparing consolidated financial statements at financial year-end might be reconciled at a less detailed level in preparing consolidated financial statements at an interim date.

5.1.3.9 Specialised industries

Because of complexity, cost, and time, interim period measurements in specialised industries might be less precise than at financial year-end. An example would be calculation of insurance reserves by insurance companies.

5.2 In practice

Part B of the Illustrative Examples of IAS 34 'Examples of applying the recognition and measurement principles', which accompanies but is not part of IAS 34, provides a number of examples illustrating how to apply the recognition and measurement principles. These are replicated below. The practical examples, indicated with a red heading, are not included in the Illustrative Examples of IAS 34 (except those included in subsections 5.2.6.1 – 5.2.6.4).

5.2.1 Employee benefits

5.2.1.1 Employer payroll taxes and insurance contributions

If employer payroll taxes or contributions to government-sponsored insurance funds are assessed on an annual basis, the employer's related expense is recognised in interim periods using an estimated average annual effective payroll tax or contribution rate, even though a large portion of the payments may be made early in the financial year.

A common example is an employer payroll tax or insurance contribution that is imposed up to a certain maximum level of earnings per employee. For higher income employees, the maximum income is reached before the end of the financial year, and the employer makes no further payments through the end of the year (IAS 34.B1).

Example – Capped social contributions

An employer is required to pay 2% of annual salaries into an insurance fund. Contributions are capped at CU130,000, which means that no contributions for salaries in excess of this amount are required. For an employee with a monthly salary of CU20,000 (annual salary of CU240,000) the employer would recognise an expense of CU1,300 (CU130,000 x 2% / 2) and not CU2,400 (6 x CU20,000 x 2%) in its half year interim financial statements.

5.2.1.2 Vacations, holidays, and other short-term compensated absences

An entity recognises no expense or liability for non-accumulating compensated absences at the end of an interim reporting period, just as it recognises none at the end of an annual reporting period.

Accumulating compensated absences are those that can be carried forward and used in future periods if the current period's entitlement is not used in full. IAS 19 *Employee Benefits* requires that an entity measure the expected cost of and obligation for accumulating compensated absences at the amount the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. This principle is also applied at the end of interim financial reporting periods (IAS 34.B10).

Example – Uneven consumption of holidays

For an employee, being entitled to four weeks holiday per annum, that had not taken any annual leave by the end of the half-yearly interim period, the employer would have to accrue for two weeks (assuming the holiday cycle aligns with the entity's financial year.

5.2.1.3 Year-end bonuses

The nature of year-end bonuses varies widely. Some are earned simply by continued employment during a time period. Some bonuses are earned based on a monthly, quarterly, or annual measure of operating result. They may be purely discretionary, contractual, or based on years of historical precedent.

A bonus is anticipated for interim reporting purposes if, and only if:
(a) The bonus is a legal obligation or past practice would make the bonus a constructive obligation for which the entity has no realistic alternative but to make the payments, and
(b) A reliable estimate of the obligation can be made.

IAS 19 *Employee Benefits* provides guidance (IAS 34.B5/B6).

5.2.1.4 Pensions

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events (IAS 34.B9). A new actuarial calculation is not required (see section 5.1.3.4).

5.2.2 Major planned periodic maintenance or overhaul

The cost of a planned major periodic maintenance or overhaul or other seasonal expenditure that is expected to occur late in the year is not anticipated for interim reporting purposes unless an event has caused the entity to have a legal or constructive obligation. The mere intention or necessity to incur expenditure related to the future is not sufficient to give rise to an obligation (IAS 34.B2).

5.2.3 Provisions

A provision is recognised when an entity has no realistic alternative but to make a transfer of economic benefits as a result of an event that has created a legal or constructive obligation. The amount of the obligation is adjusted upward or downward, with a corresponding loss or gain recognised in profit or loss, if the entity's best estimate of the amount of the obligation changes.

IAS 34 requires that an entity applies the same criteria for recognising and measuring a provision at an interim date as it would at the end of its financial year. The existence or non-existence of an obligation to transfer benefits is not a function of the length of the reporting period. It is a question of fact (IAS 34.B3/B4).

5.2.4 Variable lease payments

Variable lease payments based on sales can be an example of a legal or constructive obligation that is recognised as a liability. If a lease provides for variable payments based on the lessee achieving a certain level of annual sales, an obligation can arise in the interim periods of the financial year before the required annual level of sales has been achieved, if that required level of sales is expected to be achieved and the entity, therefore, has no realistic alternative but to make the future lease payment (IAS 34.B7).

5.2.5 Other planned but irregularly occurring costs

An entity's budget may include certain costs expected to be incurred irregularly during the financial year, such as charitable contributions and employee training costs. Those costs are generally discretionary, even though they are planned and tend to recur from year to year. Recognising an obligation at the end of an interim financial reporting period for such costs that have not yet been incurred is not consistent with the definition of a liability (IAS 34.B11).

5.2.6 Tax

5.2.6.1 Measuring interim income tax expense

The basic principle set out in IAS 34.28 is that the same accounting recognition and measurement principles are applied in interim financial reports as in annual financial statements. Interim income tax expenses are therefore accrued using the tax rate that would be applicable to expected total annual earnings. The estimated average annual income tax rate is required to be re-estimated on a year-to-date basis.

Example - Progressive tax

Entity A's pre-tax profit in its interim financial statements (for the three-month ended 31 March) is CU450,000. It expects to earn an annual pre-tax profit of CU650,000 due to its seasonal business. Entity A's jurisdiction applies a tax rate of 20% for earnings below CU500,000. A tax rate of 30% is applied to all earnings above this amount. The estimated annual tax charge will therefore amount to CU145,000 (22.31%). Entity A is required to recognise a tax expense of CU100,000 (450,000 x 22.31%) and not an amount of 90,000 (450,000 x 20%) in its interim financial statements.

Example – Losses

Entity B reports quarterly, earns CU15,000 pre-tax profit in the first quarter but expects to incur losses of CU5,000 in each of the three remaining quarters (thus having zero income for the year), and operates in a jurisdiction with a tax rate of 20 %.

The following table shows the amount of income tax expense that is reported in each quarter, although at annual period ends entities often report only the annual tax amount and would omit the 4th quarter:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Tax expense	CU3,000	CU(1,000)	CU(1,000)	CU(1,000)	-

To the extent practicable, a separate estimated average annual effective income tax rate is determined for each taxing jurisdiction and applied individually to the interim period pre-tax income of each jurisdiction. Similarly, if different income tax rates apply to different categories of income (such as capital gains or income earned in particular industries), to the extent practicable a separate rate is applied to each individual category of interim period pre-tax income. However, IAS 34 acknowledges that although this degree of precision is desirable, it may not be achievable in all cases. A weighted average of rates across jurisdictions or across categories of income may be used instead, based on the assumption that it is a reasonable approximation.

5.2.6.2 Difference in financial reporting year and tax year

Where the financial reporting year and the income tax year differ (e.g. the tax year is January to December, financial year is July to June), income tax expense for the interim periods of that financial reporting year is measured using separate weighted average estimated effective tax rates. The relevant tax rate is applied to the portion of pre-tax income earned in each of those income tax years.

Example – Different tax-reporting year

An entity's financial reporting year ends on 30 June and it reports quarterly. Its taxable year ends on 31 December. For the financial year that begins 1 July, Year 1 and ends 30 June, Year 2, the entity earns CU10,000 pre-tax in each quarter. The annual income tax rate is 30% in Year 1 and is increased to 40% in Year 2. The entity would recognise the following tax charges in its financial statements:

	1st Quarter ending 30 Sept Year 1	2nd Quarter ending 31 Dec Year 1	3rd Quarter ending 31 March Year 2	4th Quarter ending 30 June Year 2	Year ending 30 June Year 2
Tax expense	CU3,000	CU3,000	CU4,000	CU4,000	CU14,000

5.2.6.3 Tax credits

Some tax jurisdictions give taxpayers credits against the tax payable based on amounts of capital expenditures, exports, research and development expenditures, or other bases. Anticipated tax benefits of this type for the full year are generally reflected in computing the estimated annual effective income tax rate, because those credits are granted and calculated on an annual basis under most tax laws and regulations.

Tax benefits that relate to a one-off event are recognised in computing income tax expense in the related interim period, in the same way as special tax rates applicable to particular categories of income. These are not blended into a single effective annual tax rate. Moreover, in some jurisdictions tax benefits or credits, including those related to capital expenditure and levels of exports, while reported on the income tax return, are similar to a government grant and are recognised in the interim period in which they arise (IAS 34.B19).

5.2.6.4 Tax loss and tax credit carrybacks and carryforwards

The benefits of a tax loss carryback are reflected in the interim period in which the related tax loss occurs. IAS 12.13 notes that:

> *'The benefit relating to a tax loss that can be carried back to recover current tax of a previous period shall be recognised as an asset'.*

A corresponding reduction of tax expense or increase in tax income is also recognised.

IAS 12.34 notes that:

> *'A deferred tax asset shall be recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.'*

IAS 12.36 sets out criteria for assessing the probability of taxable profit against which the unused tax losses and credits can be utilised. Those criteria are applied at the end of each interim period and, if they are met, the effect of the tax loss carryforward is reflected in the computation of the estimated average annual effective income tax rate. That means that the recognised tax benefits are spread equally over all the interim periods.

Example - Recognition of deferred tax assets

An entity that reports quarterly has accumulated carryforward losses that amount to CU10,000 at the start of the current period. A deferred tax asset has not been recognised in relation to these losses. The entity earns CU10,000 in the first quarter of the current year and, in a change to its previous assumptions, expects to earn CU10,000 in each of the three remaining quarters. The estimated average annual income tax rate is expected to be 40%. Tax expense is as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Current tax	CU4,000	CU4,000	CU4,000	CU4,000	CU16,000
Effect carry-forward losses	CU(1,000)	CU(1,000)	CU(1,000)	CU(1,000)	CU(4,000)
Tax expense	**CU3,000**	**CU3,000**	**CU3,000**	**CU3,000**	**CU12,000**

5.2.7 Contractual or anticipated purchase price changes

Volume rebates or discounts and other contractual changes in the prices of raw materials, labour, or other purchased goods and services are anticipated in interim periods, by both the payer and the recipient, if it is probable that they have been earned or will take effect.

Thus, contractual rebates and discounts are anticipated but discretionary rebates and discounts are not anticipated because the resulting asset or liability would not satisfy the conditions in the Conceptual Framework that an asset must be a resource controlled by the entity as a result of a past event and that a liability must be a present obligation whose settlement is expected to result in an outflow of resources (IAS 34.B23).

5.2.8 Depreciation and amortisation

Depreciation and amortisation for an interim period is based only on assets owned during that interim period. It does not take into account asset acquisitions or disposals planned for later in the financial year (IAS 34.B24).

5.2.9 Inventories

Inventories are measured for interim financial reporting under the same principles as at the financial year-end. IAS 2 *Inventories* establishes the requirements for recognising and measuring inventories. Inventories pose particular problems at the end of any financial reporting period because of the need to determine inventory quantities, costs, and net realisable values. Nonetheless, the same measurement principles are applied for interim inventories. To save cost and time, entities often use estimates to measure inventories at interim dates to a greater extent than at the end of annual reporting periods (IAS 34.B25).

5.2.9.1 Net realisable value of inventories

The net realisable value of inventories is determined by reference to selling prices and related costs to complete and dispose of the inventory at interim dates. An entity will reverse a write-down to net realisable value in a subsequent interim period only if it would be appropriate to do so at the end of the financial year (IAS 34.26).

5.2.9.2 Interim period manufacturing cost variances

Price, efficiency, spending, and volume variances of a manufacturing entity are recognised in income at interim reporting dates to the same extent that those variances would be recognised in income at financial year-end. Deferral of variances that are expected to be absorbed by year-end is not appropriate because it could result in reporting inventory at the interim date at more or less than its portion of the actual cost of manufacture (IAS 34.B28).

5.2.10 Foreign currency translation gains and losses

Foreign currency translation gains and losses are measured for interim financial reporting using the same principles as at the financial year-end.

IAS 21 *The Effects of Changes in Foreign Exchange Rates* specifies how to translate the financial statements for foreign operations into the presentation currency. Entities are required to use the actual average and closing rates for the interim period. Entities do not anticipate future changes in foreign exchange rates in the remainder of the current financial year when translating foreign operations at an interim date.

If IAS 21 requires translation adjustments to be recognised as income or expense in the period in which they arise, that principle is applied during each interim period. Entities do not defer some foreign currency translation adjustments at an interim date if the adjustment is expected to reverse before the end of the financial year (IAS 34.B29-B31).

5.2.11 Interim financial reporting in hyperinflationary economies

Interim financial reports in hyperinflationary economies are prepared using the same principles as at the financial year-end.

IAS 29 *Financial Reporting in Hyperinflationary Economies* requires that the financial statements of an entity that reports in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the end of the reporting period, and the gain or loss on the net monetary position is included in net income. Also, comparative financial data reported for prior periods are restated to the current measuring unit.

Entities follow those same principles at interim dates, thereby presenting all interim data in the measuring unit as of the end of the interim period, with the resulting gain or loss on the net monetary position included in the interim period's net income. Entities do not annualise the recognition of the gain or loss. Nor do they use an estimated annual inflation rate in preparing an interim financial report in a hyperinflationary economy (IAS 34.B32-B34).

5.2.12 Intangible assets

An entity applies the definition and recognition criteria for an intangible asset in the same way in an interim period as in an annual period.

Costs incurred before the recognition criteria for an intangible asset are met are recognised as an expense. Costs incurred after the specific point in time at which the criteria are met are recognised as part of the cost of an intangible asset. 'Deferring' costs as assets in an interim statement of financial position in the hope that the recognition criteria will be met later in the financial year is not justified (IAS 34.B8).

5.2.13 Impairment of assets

IAS 36 *Impairment of Assets* requires that an impairment loss be recognised if the recoverable amount has declined below carrying amount.

IAS 34 requires that an entity applies the same impairment testing, recognition, and reversal criteria at an interim date as it would at the end of its financial year. That does not mean, however, that an entity must necessarily prepare a detailed impairment calculation at the end of each interim period. Rather, an entity will review for indications of significant impairment since the end of the most recent financial year to determine whether such a calculation is needed (IAS 34.B35, B36).

5.2.14 Impairment of goodwill (IFRIC 10)

In July 2006, the IFRS Interpretations Committee (the Committee) issued IFRIC 10 *Interim Financial Reporting and Impairment*, which became effective for periods beginning on or after 1 November 2006.

The interpretation addresses the issue of whether an entity should reverse a goodwill impairment recognised in an interim period if a loss would not have been recognised, or a smaller loss would have been recognised, had interim financial statements not been prepared, with the impairment assessment being made at the end of a subsequent reporting period.

The issue arises because IAS 36 *Impairment of Assets* requires an entity to assess goodwill for impairment at the end of each reporting period and to recognise an impairment loss at that date if required. It is not permitted to revise such impairment in subsequent periods. However, at the end of a subsequent interim reporting period, conditions may have changed that the impairment loss would have been reduced or avoided had the impairment assessment been made only at that date. This contradicts IAS 34 that states that the frequency of reporting should not affect annual results.

The committee concluded that the requirements in IAS 36 take precedence over IAS 34 and, therefore did not permit the reversal of goodwill impairment recognised in a previous interim period.

An entity is not permitted to extend this interpretation by analogy to other areas of potential conflict between IAS 34 and other standards.

6 Disclosure requirements

As noted before, IAS 34 presumes that the reader of interim condensed financial will also have the latest annual financial statements available. It is therefore presumed that it is unnecessary that the notes in the interim condensed financial statements repeat information which is available in the most recent annual financial statements.

6.1 Significant events and transactions

A reporting entity, as a consequence, only provides explanatory notes that are material to an understanding of the current interim period. Disclosures that are available from the most recent annual statements are not duplicated in the interim condensed financial statements. The information in the notes is normally presented on a financial year to date basis (i.e. they cover the period from the beginning of the financial year until the end of the interim period). IAS 34.15B provides a list of examples that, if material, would require disclosures.

These are:
- Write-down of inventories to net realisable value and the reversal of such a write-down
- Recognition of a loss from the impairment of financial assets, property, plant and equipment, intangible assets, assets arising from contracts with customers or other assets, and the reversal of such an impairment loss.
- Reversal of any provisions for the costs of restructuring
- Acquisitions and disposals of items of property, plant and equipment
- Commitments for the purchase of property, plant and equipment
- Litigation settlements
- Corrections of prior period errors
- Changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities, whether those assets or liabilities are recognised at fair value or amortised cost
- Loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period
- Related party transactions
- Transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments
- Changes in the classification of financial assets as a result of a change in the purpose or use of those assets
- Changes in contingent liabilities or contingent assets.

For events or transactions that are considered to be significant to an understanding of the interim financial statements, an explanation of the transaction is required together with an update of the relevant information which was included in most recent annual financial statements (IAS 34.15C).

6.1.1 Macro-economic, geopolitical and other uncertainties

In recent years, multiple events have resulted in issues affecting the stability of the global economy including geo-political conflicts between countries, rising rates of inflation, global uncertainty concerning trade policies, energy instability, supply chain crises and uncertainty in the global banking sector, among other matters.

These factors may have significant financial effects on many entities. These include entities with physical operations in those affected areas and sectors as well as indirect interests (e.g. suppliers and customers, investments and lenders). There may be numerous accounting implications across multiple areas such as going concern assessments, judgements and estimates, impairment of non-financial assets, valuation of financial instruments, etc. These may warrant special consideration in interim financial reports, especially if they are considered to be significant events to the entity (IAS 34.15).

These illustrative financial statements reflect changes to the requirements of IFRS Accounting Standards; however, they have not been modified significantly to reflect common effects of these macroeconomic factors. Please refer to BDO's IFR Bulletin: 2025/03 - Accounting in Times of Uncertainty – *The Effect of Volatile 2025 Tariffs* for further information on accounting for uncertainty in financial statements. That publication focuses on global trade policy uncertainty, however, the principles set out in the publication have broad applicability to different types of uncertainty that entities may experience.

IFRS Accounting Standards require entities to disclose information that enables users to understand the effect of transactions, events, and conditions on the entity's financial position and financial performance.

Activities of the IASB

The effect of uncertainties, including current and potential climate-related risks and opportunities remain a significant focus for financial statement preparers, investors, and regulators. Climate-related matters affect various uncertainties such as the credit risk of receivables, the amount of timing of provisions and the useful life and residual value of property, plant and equipment and intangible assets. Accordingly, the IASB published amendments to several IFRS Accounting Standards in the form of illustrative examples - *Disclosures about Uncertainties in Financial Statements* in November 2025. These six illustrative examples do not add to or change the requirements of IFRS Accounting Standards, however, they demonstrate how IFRS Accounting Standards may be applied considering uncertainties, which include, but are not limited to, the effects of climate change. Refer to BDO's IFR Bulletin: 2025/10 - IASB Publishes illustrative examples: *Disclosure about Uncertainties in the Financial Statements* for more information.

6.2 Other required disclosures

The information set out in IAS 34.16A, if not disclosed elsewhere in the interim condensed consolidated financial statements, is required to be disclosed:

- A statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change
- Explanatory comments about the seasonality or cyclicality of interim operations
- The nature and amounts of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence
- The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years
- Issues, repurchases and repayments of debt and equity securities
- Dividends paid (aggregate or per share) separately for ordinary shares and other shares
- The following segment information (disclosure of segment information is required in an entity's interim financial report only if IFRS 8 *Operating Segments* requires that entity to disclose segment information in its annual financial statements):
  - Revenues from external customers, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker
  - Intersegment revenues, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker
  - A measure of segment profit or loss
  - Total assets for which there has been a material change from the amount disclosed in the last annual financial statements
  - A description of differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss
  - A reconciliation of the total of the reportable segments' measures of profit or loss to the entity's profit or loss before tax expense (tax income) and discontinued operations. However, if an entity allocates to reportable segments items such as tax expense (tax income), the entity may reconcile the total of the segments' measures of profit or loss to profit or loss after those items. Material reconciling items shall be separately identified and described in that reconciliation.
- Events after the interim period that have not been reflected in the financial statements for the interim period
- The effect of changes in the composition of the entity during the interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings, and discontinued operations. In the case of business combinations, the entity shall disclose the information required by IFRS 3 *Business Combinations*. The applicable disclosures for business combinations during the interim period are defined in IFRS 3.59 and IFRS 3.B64-B66. Disclosures regarding business combinations in prior years that result in adjustments in the current interim period are defined in IFRS 3.61 and IFRS 3.B67
- Financial instruments: Disclosures about fair value required by:
  - IFRS 13 *Fair Value Measurement* paragraphs 91–93(h), 94–96, 98 and 99
  - IFRS 7 *Financial Instruments: Disclosures* paragraphs 25, 26 and 28–30.

- For entities becoming, or ceasing to be, investment entities, as defined in IFRS 10 *Consolidated Financial Statements*, the disclosures required by paragraph 93 of IFRS 12 *Disclosure of Interests in Other Entities*.
- The disaggregation of revenue from contracts required by paragraphs 114 and 115 of IFRS 15 *Revenue from Contracts with Customers*
- If entities have adopted IFRS 18, the disclosures about management-defined performance measures required by paragraphs 121–125 of IFRS 18.

6.3 Disclosure of compliance with IFRS Accounting Standards

If an entity's interim financial report is described as being in compliance with IFRS Accounting Standards, it is required to comply with all of the requirements of IAS 34 as well as the requirements of IFRS Accounting Standards in general.

As IAS 34 permits an entity to prepare interim financial statements on either a condensed or complete basis, only a complete set of financial statements prepared for interim financial reporting purposes may claim compliance with IFRS Accounting Standards in general. That is because only a complete set of financial statements complies with all of the requirements of every applicable IFRS Accounting Standard.

In contrast, condensed interim financial statements comply with IAS 34, however, such statements cannot be described as complying with IFRS Accounting Standards (IAS 34.19) because they do not comply with all of the requirements of every IFRS Accounting Standard.

6.4 Disclosure in annual financial statements

As noted above, there is no requirement to prepare interim financial statements. Consequently, there is no requirement to present interim financial information in annual financial statements.

However, preparers of annual financial statements are required to disclose if an estimate of an amount reported in an interim period has changed significantly during the final interim period of the financial year. Disclosures in their annual financial statements about the change in estimate need to include the nature and amount of that change.

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (renamed to IAS 8 *Basis of Preparation of Financial Statements* as a consequential amendment when IFRS 18 was published) requires disclosure of the nature and, if practicable, the amount of a change in estimate that either has a material effect in the current period or is expected to have a material effect in subsequent periods. The disclosure required by the preceding paragraphs is consistent with the IAS 8 requirement and relates only to changes in estimates. Where disclosures are made of a change in estimates, an entity is still not required to include any further interim period financial information in its annual financial statements.

7 Non-GAAP (or Alternative Performance) measures and management-defined performance measures

Interim financial statements may form part of an interim report, which includes narrative and other analysis (sometimes referred to as 'Management Discussion and Analysis'). Many entities include alternative performance figures (which may be referred to as non-GAAP or Alternative Performance Measures (APMs)) in that narrative and analysis.

IFRS 18 introduces the concept of management-defined performance measures (MPMs). IFRS 18.117 defines a management-defined performance measure as *'a subtotal of income and expenses that*:

(a) an entity uses in public communications outside financial statements;
(b) an entity uses to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole; and
(c) is not listed in paragraph 118, or specifically required to be presented or disclosed by IFRS Accounting Standards.'

For example, an entity may include 'adjusted operating profit' in management commentary, which excludes goodwill impairment and the effect of share-based payments from operating results, which is not in accordance with IFRS Accounting Standards. Assuming the criteria in IFRS 18.117 are met, the inclusion of this measure outside of the financial statements would trigger the MPM disclosure requirements in IFRS 18.

MPMs, as defined in IFRS 18, are therefore a subset of APMs. MPMs are disclosed as part of the financial statements in a single note with corresponding disclosure requirements, such as the requirement to reconcile MPMs to the most directly comparable subtotals required by IFRS Accounting Standards or subtotals listed in IFRS 18.118.

MPM disclosure requirements as set out in IFRS 18.117 – 125 and B113 – B142. IAS 34.16A(m) requires an entity to disclose MPMs in the notes to the interim financial statements or elsewhere in the interim financial report.

Care is required when determining whether and how APMs should be calculated and presented. IFRS 18 does not prescribe if and how entities disclose APMs outside of financial statements; IFRS 18 contains disclosure requirements when APMs are disclosed outside of the financial statements and they meet the definition of MPMs. Therefore, the types of APMs that are permitted to be disclosed outside of the financial statements by regulators will affect how many MPMs are disclosed within the financial statements.

Prior to the adoption of IFRS 18, regulators and exchanges may have already had their own jurisdictionally specific requirements for APMs disclosed outside of financial statements, for example, requirements to reconcile those measures to subtotals required by IFRS Accounting Standards. Regulators and exchanges may update their requirements to consider the effects of IFRS 18, including updating the scope and definitions of their requirements. Regulators and exchanges may also consider how regulatory disclosure requirements for non-GAAP measures / APMs may result in disclosures being met in the financial statements rather than in other documents. For example, in its Q&A 2775, the European Securities and Markets Authority (ESMA) notes that an APM included in regulated information documents that also meets the definition of an MPM in IFRS 18 would have the necessary disclosures provided within the financial statements.

The International Organisation of Securities Commissions (IOSCO) and ESMA have both issued guidelines for non-GAAP measures / APMs which are presented outside financial statements (for example, in the front narrative sections of a report). These organisations have also issued guidance on the effects of IFRS 18 and non-GAAP measures / APMs.

The guidelines mean that for non-GAAP measures / APMs:

- They are required to be:
  - Clearly defined and explained
  - Unbiased
  - No more prominent than measures calculated in accordance with accounting standards
  - Reconciled to amounts calculated in accordance with accounting standards
  - Presented consistently over time, with prior period comparatives
- If changes are made to a non-GAAP measure / APM, an explanation should be provided of why the change has been made and prior period comparative information should be restated
- If a non-GAAP measure / APM stops being presented, an explanation of the reasons why should be provided

The guidelines can be accessed from the following links:

- IOSCO
  - Statement on Non-GAAP Financial Measures updated to consider IFRS 18 (published March 2016)
- ESMA Guideline on APMs
- ESMA Public Statement – Reshaping Performance: Implementation of IFRS 18
- ESMA Q&As
  - ESMA Q&A tool
    - ESMA Q&A 2775: How should an issuer present alternative performance measures in light of the IFRS 18 Presentation and Disclosures in Financial Statements? Which are the main differences between the scope and requirements of the APM Guidelines and IFRS 18?

ESMA notes that the definition and calculation of an APM should be consistent over time. Consequently, ESMA recommends that issuers use caution when making adjustments to APMs and/or when including new APMs. In particular, issuers need to ensure that these measures provide a fair presentation of the development and performance of the business and its financial position. The assessment should include whether the new or amended APMs would provide transparent and useful information to the market, and improve the comparability, reliability and/or understandability of APMs and the other financial information disclosed to the markets.

8 Transitional requirements for the adoption of IFRS 18 in the interim financial statements

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 with early application permitted. When an entity applies IFRS 18, it must do so retrospectively. Retrospective application means that an entity must restate all comparative periods presented to comply with the requirements of IFRS 18.

If an entity applies IAS 34 *Interim Financial Reporting*, IFRS 18 will affect those reports, regardless of whether they are a complete set of financial statements or a set of condensed interim financial statements.

If an entity prepares a complete set of financial statements as part of its interim financial report, all of the requirements of IFRS 18 apply. For more information on the transitional requirements of IFRS 18 for a complete set of financial statements, refer to section 7 of BDO's IFRS Accounting Standards In Practice: IFRS 18 *Presentation and Disclosure in Financial Statements*.

IFRS 18.C4 and C5 set out the transitional requirements of IFRS 18 if an entity applies IAS 34 in preparing condensed interim financial statements in the first year of applying IFRS 18. For example, if an entity has a calendar year-end and does not adopt IFRS 18 early, it will apply IFRS 18.C4 and C5 in its first condensed interim financial statements (e.g. 31 March 2027 if the entity prepares quarterly interim financial reports or 30 June 2027 if the entity only prepares half-yearly interim financial reports).

IFRS 18.C4 requires that, in the first year an entity applies IFRS 18 when preparing condensed interim financial statements, entities shall present each heading it expects to use in applying IFRS 18 and the subtotals required by IFRS 18. The requirement of IAS 34.10 to include at least each of the headings and subtotals that were included in the most recent annual financial statements is adjusted by IFRS 18.C4. This is necessary because the entity's most recent annual financial statements would have been prepared in accordance with IAS 1, which is superseded by IFRS 18, meaning that the reporting entity can no longer use headings and subtotals from the most recent annual financial statements because they may require adjustment due to the adoption of IFRS 18.

IFRS 18.C5 further requires that, in the first year an entity applies IFRS 18 when preparing condensed interim financial statements, it shall present a reconciliation for each line item of the statement of profit or loss determined under IAS 1 to the corresponding line items determined under IFRS 18. This reconciliation should be presented for the comparative period presented and the cumulative comparative period presented (if applicable).

The transitional disclosures forms part of the information required by IAS 34.16A(a).

The following examples explains the requirements of IFRS 18.C4 and C5.

Example 8.1 – condensed interim financial statements (IFRS 18.C4 and IAS 34.10)

Entity W has a calendar year-end and prepared its 31 December 2026 annual financial statements in accordance with the requirements of IAS 1 (i.e. it is not an early adopter of IFRS 18).

Entity W prepares condensed interim financial statements for the half-year ended 30 June each year.

In applying IAS 1, Entity W excluded from operating profit certain items of income and expenses that will be required to be classified in the operating category in accordance with IFRS 18 (the affected items of income and expense).

Entity W is considering on what basis it prepares its annual and condensed interim financial statements.

Analysis

	31 December 2026 annual financial statements	30 June 2027 condensed interim financial statements	31 December 2027 annual financial statements	30 June 2028 condensed interim financial statements
Analysis of affected items of income and expenses and applicable subtotals (e.g. operating profit)	Affected items of income and expense are excluded from operating profit as IFRS 18 is not yet applicable.	IFRS 18.C4 applies. Affected items of income and expense are presented using headings that Entity W expects to use in applying IFRS 18 in its 31 December 2027 financial statements and presents subtotals in accordance with IFRS 18. This would include presenting affected items of income and expense in the operating category.	Affected items of income and expense are presented in the operating category as required by IFRS 18.	IAS 34.10 applies. Entity W prepares its condensed interim financial statements using each of the headings and subtotals that were included in its most recent annual financial statements (31 December 2027).

Example 8.2 – condensed interim financial statements and reconciliation disclosure required (IFRS 18.C5)

Entity Y has a calendar year-end and prepared its 31 December 2026 annual financial statements in accordance with the requirements of IAS 1 (i.e. it is not an early adopter of IFRS 18).

Entity Y prepares condensed interim financial statements for each quarter (Q1 – 31 March, Q2 – 30 June, Q3 – 30 September). In each condensed interim financial statement, the statement of profit or loss includes the current interim period and the cumulative interim period for the current financial year to date in accordance with IAS 34.20(b). For example, the Q3 30 September 2027 condensed interim financial statements include a statement of profit or loss for:
- The 3 months ended 30 September 2027 (the current interim period); and
- The 9 months ended 30 September 2027 (the cumulative interim period).

Comparative information for the immediately preceding financial year:
- The 3 months ended 30 September 2026 (the prior year comparative interim period); and
- The 9 months ended 30 September 2026 (the prior year cumulative interim period).

Therefore, Entity Y presents 4 statements of profit or loss in its 30 September 2027 condensed interim financial statements.

In applying IAS 1, Entity Y excluded from operating profit certain items of income and expenses that will be required to be classified in the operating category in accordance with IFRS 18 (the affected items of income and expense).

Entity Y is considering how it complies with the reconciliation disclosure required by IFRS 18.C5 in its 30 September 2027 condensed interim financial statements.

Analysis

To comply with IFRS 18.C5, Entity Y must reconcile both of its 3 months and 9 months ended statements of profit or loss related to the comparative period (30 September 2026). IFRS 18.C5 requires this reconciliation for 'each line item presented in the statement of profit or loss for the comparative periods immediately preceding the current and cumulative current periods'.

Therefore, Entity Y must explain how its line items have changed in the comparative periods as a result of applying IFRS 18 retrospectively. For the 3 months and 9 months ended statements of profit or loss for the periods ended 30 September 2026, Entity Y must reconcile the restated line items (e.g. the affected items of income and expense) to their revised presentation under IFRS 18 and how they were presented in previous condensed interim financial statements in accordance with IAS 1.

A Layout (International) Group Plc

Interim condensed consolidated financial statements

(IFRS 18 early adopted)

For the six months ended 30 June 2026

Table of Contents

About these interim condensed financial statements

The purpose of these interim condensed financial statements is to assist preparers of condensed interim financial statements in accordance with IFRS Accounting Standards, especially in accordance with IAS 34 *Interim Financial Reporting*.

A Layout (International) Group Plc ('A Layout' or 'the Group') prepares its interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting*. The group is a listed company. The parent's functional and the presentation currency is CU. The majority of preparers of interim condensed financial statements only publish an annual and a half-year end report. However, a few preparers of interim condensed financial statements publish quarterly reports as well. This publication is presented as a half-year end report for the first half of the year.

A Layout has early adopted IFRS 18 *Presentation and Disclosure in Financial Statements* from 1 January 2026, therefore, these are the first set of financial statements in which IFRS 18 has been applied. These interim condensed financial statements present the headings and subtotals in the condensed interim financial statements that it expects to use when preparing its annual financial statements in accordance with IFRS 18 (IFRS 18.C4).

The following is a non-exhaustive list of changes in the interim condensed financial statements relating to the adoption of IFRS 18:

Financial statement area	Effect of adopting IFRS 18
Statement of profit or loss	▶ Classifying income and expenses into five categories in the statement of profit or loss ▶ Adding new mandatory subtotals ▶ Aggregating and disaggregating line items ▶ Adjusting the presentation of operating expenses ▶ Relabelling items labelled 'other' to more descriptive items
Statement of financial position	▶ Disaggregating goodwill from the 'intangible assets' line item
Statement of cash flows	▶ As the statement is prepared using the indirect method, the reconciliation of operating activities now begins with 'operating profit' resulting in changes to how adjustments to operating profit are made to arrive at operating cash flows ▶ Reclassifying dividends and interest to investing activities ▶ Reclassifying dividends and interest paid to financing activities
Accounting policy information	▶ Updating the accounting policy information to explain how A Layout has made judgements in determining how to present the primary financial statements and which information to disclose in the accompanying notes
Management-defined performance measures (MPM)	▶ Disclosing MPMs
IFRS 18 transition	▶ Providing reconciliations which explains the amendments made to the comparative information prepared in accordance with IAS 1 to now comply with IFRS 18

This publication does not provide detailed explanation of the requirements of IFRS 18. For more information, please refer to BDO's IFRS Accounting Standards In Practice: IFRS 18 *Presentation and Disclosure in Financial Statements*.

The interim condensed financial statements have been prepared in compliance with all standards and interpretations issued by the IASB that have to be applied by companies with a financial year beginning on 1 January 2026, with the exception of the early adoption of IFRS 18, as noted above. A Layout has historically prepared financial statements in accordance with IFRS Accounting Standards. Consequently, IFRS 1 *First-time Adoption of International Financial Reporting Standards* is not applicable.

Additional disclosures may be required in order to comply with local laws, national financial reporting standards and/or stock exchange regulations. Interim condensed consolidated financial statements would usually also include a management commentary or other narrative information either because it is required by local law or because management chooses to do so. This information is not included in this publication as they are by definition jurisdiction specific.

Updates to note in this 30 June 2026 version of the illustrative interim consolidated financial statements

New standards and amendments effective for annual reporting periods beginning on 1 January 2026 and therefore relevant to these interim financial statements

IFRS	IASB Effective Date	EU Endorsement status	BDO Resources
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*)	1 January 2026	Endorsed	IFR Bulletin: 2025/07 - Amendments to the Classification and Measurement of Financial Instruments
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026	Endorsed	IFR Bulletin: 2026/01 - 31 December 2025 Year-end IFRS Accounting Standards Update
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026	Endorsed	IFR Bulletin: 2025/02 - IASB issues Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

During November 2025, the International Accounting Standards Board (IASB) issued illustrative examples on reporting uncertainties in financial statements. Since these illustrative examples are accompanying materials to IFRS Accounting Standards, these examples do not have an effective date and will not be endorsed by the European Union. Entities are however expected to implement any changes in their financial reporting on a timely basis. For more information, please refer to IFR Bulletin: 2025/10 - IASB publishes illustrative examples: *Disclosures about Uncertainties in the Financial Statements*.

In addition to the above pronouncements, the IFRS Interpretations Committee (the Committee) has issued a number of agenda decisions in the past 12 months. These agenda decisions do not represent authoritative guidance. However, they do set out the Committee's rationale for not taking an issue onto its agenda (or referring it to the IASB) and how the requirements of applicable IFRS Accounting Standards should be applied. It is noted on the IFRS Foundation's website that they 'should be seen as helpful, informative and persuasive'. In practice, it is expected that entities reporting in accordance with IFRS Accounting Standards will take account of and follow the agenda decisions and this is the approach which is followed by securities regulators worldwide.

Since 31 December 2025 until the date of publication, the following agenda decisions have been finalised on the following topics (the text of all agenda decisions are available on the IFRS Foundation's website):

Accounting Standard	Topic
IFRS 9 *Financial Instruments*	Embedded Prepayment Option
IFRS 9 *Financial Instruments*	Determining and Accounting for Transaction Costs
IFRS 18 *Presentation and Disclosure in Financial Statements*	Scope of the Requirement to Disclose Expenses by Nature

Accounting Standard	Topic
IAS 1 *Presentation of Financial Statements*, IAS 8 *Basis of Preparation of Financial Statements*	Fair Presentation and Compliance with IFRS Accounting Standards
IFRS 16 *Leases*	Economic Benefits from Use of a Battery under an Offtake Arrangement
IFRS 18 *Presentation and Disclosure in Financial Statements*	Classification of Gains and Losses on a Derivative Managing a Foreign Currency Exposure
IFRS 18 *Presentation and Disclosure in Financial Statements*	Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset)
IFRS 18 *Presentation and Disclosure in Financial Statements*	Assessment of a Specified Main Business Activity for the Purposes of the Separate Financial Statements of a Parent

During 2026, the Committee updated references in several previously finalised agenda decisions from IAS 1 to IFRS 18. These agenda decisions are not listed above, however, they may be accessed on the IFRS Foundation's website; see agenda decisions issued in February 2026 with 'updated in January 2026' noted at the end of each agenda decision's title.

Agenda decisions that have been finalised after the date of this publication might be accessed here (see 'all agenda decisions' under the 'Agenda decisions by date' heading).

Early adoption of Standards and Amendments

The table below lists all pronouncements with a mandatory effective date in future accounting periods. Entities intending to voluntarily apply any of these pronouncements in annual financial statements of earlier period would generally apply them in interim financial statements beginning on or after the same date as those next annual financial statements, though an entity may change its accounting policies in a different interim financial reporting period.

For example, an entity that prepares quarterly interim financial statements with a calendar year-end may decide to voluntarily adopt a new IFRS Accounting Standard early if the transitional requirements permit early adoption (e.g. adoption of a new standard effective for annual reporting periods beginning on or after 1 January 20x7 on 1 January 20x6 instead). Such an entity would typically apply this new IFRS Accounting Standard from 1 January 20x6, the beginning of its first quarter, however, absent specific transitional requirements or regulatory restrictions, such an entity could choose to adopt the new IFRS Accounting Standard in Q2 or Q3 of 20x6 as well. If an entity were to do so, the entity would be required to restate the comparative quarters in that interim period (e.g. if adopted in Q3 20x6, then Q2 20x6 and Q1 20x6 would also be restated, if presented). The same approach would be required for other voluntary changes in accounting policy made by the entity.

Mandatorily effective for periods beginning on or after 1 January 2027	**BDO Resources**
IFRS 18 *Presentation and Disclosure in Financial Statements*	IFRS Accounting Standards In Practice: IFRS 18 *Presentation and Disclosure in Financial Statements* IFR Bulletin: 2024/04 - IFRS 18 *Presentation and Disclosure in Financial Statements*
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	IFR Bulletin: 2024/06 - IFRS 19 *Subsidiaries without Public Accountability: Disclosures*
Translation to a Hyperinflationary Presentation Currency (IAS 21 *The Effects of Changes in Foreign Exchange Rates*)	IFR Bulletin: 2025/09 – IASB issues Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)

Mandatorily effective for periods beginning on or after 1 January 2029	**BDO Resources**
IFRS 20 *Regulatory Assets and Regulatory Liabilities*	IFR Bulletin: 2026/02 – IASB publishes IFRS 20 *Regulatory Assets and Regulatory Liabilities*

In some cases, new pronouncements result in IAS 34 being amended to require additional disclosures in interim financial statements. Therefore, entities intending to adopt new pronouncements earlier than their mandatory effective date would also need to provide any associated disclosure requirements incorporated into IAS 34.

Therefore, since A Layout has adopted IFRS 18 early for its annual reporting period beginning on 1 January 2026, it has provided additional disclosures. See note 15 for more information.

Condensed financial statements

Condensed interim consolidated statement of profit or loss

For the six months ended 30 June (Separate statement approach)	Note	2026 CU'000	2025 CU'000 Restated – see note 15.1	IAS 34.8(a), 34.8A, 34.20(b) IFRS 18.12(b), 27(a), (b), (c) IFRS 18.27(d), (e)
Revenue	6	x	x	IFRS 15.113(a)
Cost of sales[3]		(x)	(x)	IFRS 18.78(b), 82(a)
Gross profit[2]		**x**	**x**	IFRS 18.24
General and administrative expenses[3]		(x)	(x)	IFRS 18.78(b)
Selling and distribution expenses[3]		(x)	(x)	IFRS 18.78(b)
Operating foreign exchange differences[3]		x	(x)	IFRS 18.78(a), B66(a), B67
Fair value adjustment of contingent consideration[3]		(x)	(x)	IFRS 18.24, 41
Loss on remeasurement - disposal group held for sale[3]	7	x	-	IFRS 18.78(a)
Operating profit[1]		**x**	**x**	IFRS 18.69(a), 70
Rental income		x	x	IFRS 18.53(c), 54(a)
Fair value adjustment - investment properties		x	x	IFRS 18.53(c), 54(b)
Interest income		x	x	IFRS 18.53(b), 54(a)
Expected credit loss allowance movement on lease and loan receivables		(x)	(x)	IFRS 18.53(c), 54(b)
Share of post-tax profits from investments accounted for using the equity method		x	x	IFRS 18.53(a), 75(a)(iii)
Profit before financing and income taxes[1]		x	x	IFRS 18.69(b), 71
Interest expense		(x)	(x)	IFRS 18.60(a), (b), 61(a)
Foreign exchange differences on interest-bearing leases and borrowings		(x)	x	IFRS 18.B66(b), B67
Profit before tax[2]		**x**	**x**	IFRS 18.24
Income tax expense	8	(x)	(x)	IFRS 18.67, 75(a)(iv) IAS 12.77
Profit from continuing operations[2]		x	x	IFRS 18.24
Loss on discontinued operation, net of tax	5	-	(x)	IFRS 18.68, 75(a)(v) IFRS 5.33(a)
Profit for the period[1]		**x**	**x**	IFRS 18.96(c), 72
Profit for the period attributable to:				
Owners of the parent		x	x	IFRS 18.76(b)
Non-controlling interest		x	x	IFRS 18.76(a)
Earnings per share for profit for the period attributable to the owners of the parent during the period				IAS 33.66
Basic (CU cent)		x	x	
Diluted (CU cent)		x	x	
Continuing operations				
Basic (CU cent)		x	x	
Diluted (CU cent)		x	x	

1,2,3 - Refer to the line items, totals and subtotals explanation included in the BDO Comment below

Condensed interim consolidated statement of profit or loss

BDO Comment

Due to the adoption of IFRS 18, A Layout made various changes to the classification of income and expenses and overall presentation of the statement of profit or loss. Refer to note 15 for a reconciliation explaining the changes made to the line items of the statement of profit or loss. This BDO Comment provides additional explanation of the effect of adopting IFRS 18 on the statement of profit or loss.

A Layout's income and expenses are now classified in the operating, investing, financing, income taxes or discontinued operations categories based on the classification requirements of IFRS 18. The classification of income and expenses affects how these income and expenses are presented in the statement of profit or loss.

Classification of income and expenses

One of the most significant changes to A Layout's statement of profit or loss is that certain income and expenses relating to investment property are excluded from the operating profit subtotal, as they are now classified within the investing category (IFRS 18.53(c) and 54). Other changes include classifying interest income and the income and expenses from equity method-accounted investments in the investing category (IFRS 18.53(a), 53(b) and 54), and disaggregating foreign exchange differences so that they are classified in both the operating and financing categories based on the source of the foreign exchange differences (IFRS 18.B65 – B67)).

In 2026, Pony Games Limited (see note 7) was classified as a disposal group held for sale, while the Abstract Art division (see note 5) was disposed of during 2025. Because Pony Games Limited does not meet the criteria to be classified as a discontinued operation (IFRS 5.31), its related income and expenses are classified in the operating category (IFRS 18.B63(a)). In contrast, the disposal of the Abstract Art division met the requirements to be classified as a discontinued operation, and its related income and expenses are therefore classified in the discontinued operations category (IFRS 18.68).

Line items, totals and subtotals

A Layout determined the line items presented by aggregating items with shared characteristics and disaggregating items with dissimilar characteristics, while applying aggregation and disaggregation across the primary financial statements and the notes in a manner that supports their respective roles and does not obscure material information (IFRS 18.41).
A Layout made the following changes to the structure of the statement of profit or loss (numbering corresponds to the numbering as indicated in the statement of profit or loss):

1. Presenting mandatory subtotals and totals (IFRS 18.69);
2. Presenting additional subtotals based on A Layout's assessment of a useful structured summary of its income and expenses (IFRS 18.24); and
3. Presenting operating expenses as a mixture of expenses by function and nature based on A Layout's assessment of the most useful structured summary of operating expenses (IFRS 18.78).

Condensed interim consolidated statement of comprehensive income

For the six months ended 30 June (Separate statement approach)	Note	2026	2025	IAS 34.8(a), 34.8A, 34.20(b) IFRS 18.12(b), 27(a), (b), (c)
		CU'000	CU'000	IFRS 18.27(d), (e)
Profit for the period		**x**	**x**	IFRS 18.12(b)
Other comprehensive income				
Items to be reclassified to profit or loss in subsequent periods				IFRS 18.88(a)
Gains on cash flow hedges		x	x	IFRS 7.24C(ii)
Exchange gains arising on translation of foreign operations		x	(x)	IAS 21.32, 52(b)
Income tax		(x)	(x)	IFRS 18.94(b)
		x	**x**	
Items not reclassified to profit or loss in subsequent periods				
(Losses)/gains on property revaluation	14	(x)	x	IAS 16.39
(Losses)/gains on equity investments designated at fair value through other comprehensive income		(x)	x	IFRS 7.20(a)(vii)
Income tax		x	(x)	IFRS 18.94(b)
		(x)	**(x)**	IFRS 18.88
Total other comprehensive (loss)/income for the period		**(x)**	**x**	IFRS 18.87(b)
Total comprehensive income for the period		**x**	**x**	IFRS 18.86(b)
Total comprehensive income for the period attributable to:				
Owners of the parent		x	x	IFRS 18.87(b)
Non-controlling interest		x	x	IFRS 18.87(a)

Condensed interim consolidated statement of financial position

	Note	As at 30 June 2026 CU'000	As at 31 December 2025 CU'000 Restated – see note 15.3	
				IAS 34.8(b), 34.20(a) IFRS 18.27(a), (b), (c) IFRS 18.27(d), (e)
Assets				
Non-current assets				IFRS 18.100
Property, plant and equipment	13	x	x	IFRS 18.103(a)
Right-of-use assets		x	x	IFRS 16.47(a)
Investment property		x	x	IFRS 18.103(b)
Intangible assets		x	x	IFRS 18.103(c)
Goodwill		x	x	IFRS 18.103(d)
Investments accounted for using the equity method – joint venture		x	x	IFRS 18.103(g)
Equity investments designated as FVTOCI[1]	14	x	x	IFRS 18.103(e), IFRS 7.8(h)
Loan receivable from joint venture	11	x	-	IFRS 18.103(e), IFRS 7.8(f)
Derivative financial assets	14	x	x	IFRS 18.103(e), IFRS 7.8(a)
Deferred tax assets		x	x	IFRS 18.103(r)
		x	**x**	
Current assets				IFRS 18.99
Inventories		x	x	IFRS 18.103(i)
Trade and other receivables		x	x	IFRS 18.103(j)
Cash and cash equivalents		x	x	IFRS 18.103(k)
Derivative financial assets	14	x	x	IFRS 18.103(o)
Assets in disposal groups classified as held for sale	7	x	x	IFRS 18.103(l)
		x	**x**	
Total assets		**x**	**x**	
Equity				IFRS 18.B111(f)
Issued capital and reserves attributable to owners of the parent				IFRS 18.104(b), IFRS 18.105
Share capital		x	x	
Share premium		x	x	
Treasury shares		(x)	(x)	
Share-based payment reserve		x	x	
Other reserves		x	x	
Retained earnings		x	x	
Equity attributable to owners of the parent		**x**	**x**	IFRS 18.104(b)
Non-controlling interest		x	x	IFRS 18.104(a)
Total equity		**x**	**x**	

Condensed interim consolidated statement of financial position

	Note	As at 30 June 2026 CU'000	As at 31 December 2025 CU'000	
				IAS 34.8(b), 34.20(a) IFRS 18.27(a), (b), (c) IFRS 18.27(d), (e)
Liabilities				
Non-current liabilities				IFRS 18.102
Loans and borrowings	12	x	x	IFRS 18.103(o), IFRS 7.8(g)
Lease liabilities		x	x	IFRS 16.47(b)
Derivative financial liabilities	14	x	x	IFRS 18.103(o), IFRS 7.8(e)
Provisions		x	x	IFRS 18.103(n)
Deferred tax liability		x	x	IFRS 18.103(r)
		x	**x**	
Current liabilities				IFRS 18.101
Trade and other payables		x	x	IFRS 18.103(m)
Loans and borrowings	12	x	x	IFRS 18.103(o), IFRS 7.8(g)
Lease liabilities		x	x	
Derivative financial liabilities	14	x	x	IFRS 18.103(o), IFRS 7.8(e)
Corporate tax liability		x	x	IFRS 18.103(q)
Employee benefits		x	x	IFRS 18.103, B111(e)
Provisions		x	x	IFRS 18.103(n)
Liabilities directly associated with assets in disposal groups classified as held for sale	7	x	x	IFRS 18.103(s)
		x	**x**	
Total liabilities		**x**	**x**	
Total equity and liabilities		**x**	**x**	

1: Fair value through other comprehensive income

Condensed interim consolidated statement of changes in equity

For the six months ended 30 June	Note	Share capital	Share premium	Treasury shares	Share-based payment reserve	Other reserves	Retained earnings	**Total equity attributable to owners of the parent**	Non-controlling interest	**Total equity**	IAS 34.8(c), 34.20(c) IFRS 18.27(a), (b), (c) IFRS 18.104(a), (b), 107(c), B111(f)
		CU'000	CU'000	CU'000	CU'000	CU'000	CU'000	CU'000	CU'000	CU'000	IFRS 18.27(d), (e)
Balance at 1 January 2026		x	x	(x)	x	x	x	x	x	x	
Comprehensive Income for the period											
Profit		-	-	-	-	-	x	x	x	x	IFRS 18.107(c) (i)
Other comprehensive Income		-	-	-	-	x	x	x	x	x	IFRS 18.107(c) (ii), 109
Total comprehensive Income for the period		-	-	-	-	x	x	x	x	x	IFRS 18.107(a)
Dividends	10	-	-	-	-	-	(x)	x	-	x	IFRS 18.110
Share-based payments		-	-	-	x	-	-	x	-	x	IFRS 2.10, 50
Total transactions with owners		-	-	-	x	-	(x)	x	-	x	IFRS 18.107(c) (iii)
Balance at 30 June 2026		x	x	(x)	x	x	x	x	x	x	

Condensed interim consolidated statement of changes in equity

For the six months ended 30 June	Note	Share capital CU'000	Share premium CU'000	Treasury shares CU'000	Share-based payment reserve CU'000	Other reserves CU'000	Retained earnings CU'000	**Total equity attributable to owners of the parent CU'000**	Non-controlling interest CU'000	**Total equity CU'000**	IAS 34.8(c), 34.20(c) IFRS 18.27(a), (b), (c) IFRS 18.104(a), (b), 107(c), B111(f)
Balance at 1 January 2025		x	x	(x)	x	x	x	x	x	x	
Comprehensive Income for the period											
Profit		-	-	-	-	-	x	x	x	x	IFRS 18.107(c)(i)
Other comprehensive Income		-	-	-	-	x	x	x	x	x	IFRS 18.107(c)(ii), 109
Total comprehensive Income for the period		-	-	-	-	x	x	x	x	x	IFRS 18.107(a)
Dividends	10	-	-	-	-	-	(x)	x	-	x	IFRS 18.110
Share-based payments		-	-	-	x	-	-	x	-	x	IFRS 2.10, 50
Total transactions with owners		-	-	-	x	-	x	x	-	x	IFRS 18.107(c)(iii)
Balance at 30 June 2025		x	x	(x)	x	x	x	x	x	x	

Condensed interim consolidated statement of cash flows

For the six months ended	Note	2026	2025	
				IAS 34.8(d), 34.20(d) IFRS 18.27(a), (b), (c)
		CU'000	CU'000 Restated – see note 15.4	IFRS 18.27(d), (e)
Operating activities				IAS 27.10, 18(b)
Operating profit from continuing operations		x	x	IAS 7.20
Operating profit from discontinued operations		-	x	
Total operating profit		x	x	
Adjustments for non-cash items included in operating profit:				IAS 7.18(b)(ii), 20(b)
Depreciation of property, plant and equipment and right-of-use assets		x	x	
Amortisation of intangible assets		x	x	
Gain on sale of property, plant and equipment		(x)	(x)	IAS 7.20(c)
Share-based payment expense		x	x	
Change in estimate of provision		x	x	
Loss on remeasurement on disposal group held for sale		x	-	
Operating foreign exchange differences		x	x	
Fair value movements recognised in profit and loss related to derivatives and contingent consideration		x	x	
		x	x	
Changes in working capital:				IAS 7.18(b)(iii), 20(a)
Decrease/(increase) in trade and other receivables		x	(x)	
Increase in inventories		(x)	(x)	
Increase/(decrease) in trade and other payables		x	(x)	
Increase in current employee benefits		x	x	
		x	x	
Operating cash flows not included in operating profit				IAS 7.18(b)(iv), 20(d)
Rental income received		x	x	
Income taxes paid		(x)	(x)	IAS 7.35
Net cash flows from operating activities		x	x	IAS 7.10

Condensed interim consolidated statement of cash flows

For the six months ended	Note	2026	2025	
	Note	2026	2025	IAS 34.8(d), 34.20(d) IFRS 18.27(a), (b), (c)
		CU'000	CU'000 Restated – see note 15.4	IFRS 18.27(d), (e)
Investing activities				IAS 7.10, 21
Purchases of property, plant and equipment		(x)	(x)	IAS 7.16(a)
Sale of property, plant and equipment		x	x	IAS 7.16(b)
Purchase of intangibles		(x)	(x)	IAS 7.16(a)
Purchases of equity investments designated as FVOCI		(x)	(x)	IAS 7.16(d)
Disposal of derivative financial assets		x	x	IAS 7.16(g)
Interest received		x	x	IAS 7.16, 31, 34A(b)
Dividends received from associates		x	x	IAS 7.16, 31, 34A(b)
Net cash (used)/from investing activities		**(x)**	**x**	
Financing activities				IAS 7.10, 21
Proceeds from bank borrowings		x	x	IAS 7.17(c)
Repayment of bank borrowings		(x)	(x)	IAS 7.17(d)
Principal paid on lease liabilities		x	x	IAS 7.17(e)
Interest paid		x	x	IAS 7.34A(a)
Dividends paid on shares classified as liabilities		(x)	(x)	IAS 7.33A
Dividends paid to the holders of the parent		(x)	(x)	IAS 7.33A
Net cash (used in)/from financing activities		**x**	**(x)**	
Net increase in cash and cash equivalents		x	x	IAS 7.45
Cash and cash equivalents at beginning of the period		x	x	IAS 7.45
Exchange losses on cash and cash equivalents		x	x	IAS 7.28
Cash and cash equivalents at end of the period		x	x	IAS 7.45

BDO Comment

IAS 7 *Statement of Cash Flows* requires an entity to include all of its cash flows in the statement of cash flows, including those generated from both continuing and discontinued activities.

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* requires an entity to disclose its net cash flows derived from operating, investing and financing activities in respect of discontinued operations. There are two ways in which this can be achieved:

1. Presentation in the statement of cash flows

   Net cash flows from each type of activity (operating, investing and financing) derived from discontinued operations are presented separately in the statement of cash flows.

2. Disclosure in a note

Cash flows from discontinued operations are included together with cash flows from continuing operations in each line item in the statement of cash flows. The net cash flows relating to each type of activity (operating, investing and financing) derived from discontinued operations are then disclosed separately in a note to the financial statements.

Refer to section 15 of BDO's IFRS Accounting Standards in Practice: IAS 7 *Statement of Cash Flows* for more information.

A Layout presents its statement of cash flows using the second method; including cash flows from discontinued operations together with cash flows from continuing operations in each line item in the statement of cash flows. Since the discontinued operation, the Abstract Art division, was sold during 2025, no further information is disclosed in the interim financial statements since the sale does not represent a significant event or transaction that occurred after the last set of annual financial statements. The disclosures would have been included A Layout's 31 December 2025 annual financial statements. However, if the disposal occurred during 2026, an entity would need to consider if additional disclosures are required per IAS 34 and IFRS 5. Since a discontinued operation represents a major line of business or geographical area of operations, it would be likely that further disclosures are required.

Due to the adoption of IFRS 18, the operating activities presented using the indirect method in the statement of cash flows should now start with 'operating profit or loss' as per the statement of profit or loss. This raises the question how to present the cash flows related to the discontinued operation if an entity elected to include cash flows from discontinued operations together with cash flows from continuing operations since 'operating profit or loss' excludes discontinued operations.

An entity can resolve this issue by including the operating profit or loss from discontinued operations with the continued operating profit or loss to present a total operating profit or loss. All subsequent adjustments of the operating activities and cash flows presented in the investing and financing activities will then include the cash effect of both continuing and discontinued operations.

Notes to the condensed interim consolidated financial statements

1. Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2025 annual report. IAS 34.19

A Layout has early adopted IFRS 18 *Presentation and Disclosure in Financial Statements* from 1 January 2026 and therefore, the condensed interim consolidated financial statements present the headings and subtotals that are expected to be used when A Layout prepares its annual financial statements in accordance with IFRS 18 for the year ended 31 December 2026. IFRS 18.C4

The headings, subtotals, line items and format of the 30 June 2026 condensed interim consolidated financial statements will therefore not always agree to the 2025 annual consolidated financial statements.

See note 15 for more information relating to the transition to IFRS 18.

BDO Comment

IAS 34.10 requires an entity to include 'each of the headings and subtotals that were included in its most recent annual financial statements'. This would imply that for A Layout's 30 June 2026 interim financial statements, it should use headings and subtotals included in its 31 December 2025 annual financial statements, which were prepared in accordance with IAS 1, not IFRS 18.

IFRS 18.C4 however modifies the requirements of IAS 34.10 for condensed interim financial statements in the first year of applying IFRS 18. IFRS 18.C4 requires entities to present in condensed interim financial statements each heading it expects to use in applying IFRS 18 and the subtotals required by IFRS 18, despite the requirement of IAS 34.10. Effectively, IFRS 18.C4 'overrides' the requirement in IAS 34.10.

2. Accounting policies and judgements

Accounting policies

IAS 34.16A(a)

A Layout (International) Group Plc ('A Layout' or 'the Group') has applied the same accounting policies and methods of computation in its interim condensed consolidated financial statements as in its 2025 annual financial statements, except for accounting for the disposal group held for sale (see note 7) and the adoption of IFRS 18 (see note 15).

New amendments to IFRS Accounting Standards also apply for the first time in 2026. However, these amendments had no material effect on the Group as they are either not relevant to the Group's activities or require accounting which is already consistent with the Group's current accounting policies.

2.1 New amendments effective

IAS 8.28

The following new amendments are effective for annual reporting periods beginning on or after 1 January 2026:
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*)
- Annual Improvements to IFRS Accounting Standards – Volume 11
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

1. Amendments to the Classification and Measurement of Financial Instruments (IFRS 9 and 7)

On 30 May 2024, the International Accounting Standards Board (IASB) issued Amendments to the Classification and Measurement of Financial Instruments which amended IFRS 9 and IFRS 7.

The Amendments introduce requirements:
- when to recognise financial liabilities settled through electronic transfers;
- relating to the classification of financial assets including elements of interest in a basic lending arrangement, change in timing or amount of contractual cash flows, non-recourse features and investments in contractually linked instruments; and
- disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows.

When applying the Amendments, an entity is not permitted to restate comparative information.

These Amendments have had no material effect on the interim condensed consolidated financial statements.

2. Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued a few narrow scope Amendments as part of its ongoing maintenance of IFRS Accounting Standards. These changes mainly clarify requirements, simplify drafting and address minor inconsistencies across IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial Instruments: Disclosures* (including its implementation guidance), IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statement of Cash Flows*.

These Amendments have had no material effect on the interim condensed consolidated financial statements.

3. Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

On 18 December 2024, the IASB issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7).

These amendments:
- clarifies the application of the 'own-use' requirements;
- provides hedge-accounting requirements for such contracts; and
- requires additional disclosure requirements.

These Amendments have had no material effect on the interim condensed consolidated financial statements since A Layout has no contracts referencing nature-dependent electricity in the scope of the amendments.

2.2 Early adoption of IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 is mandatorily effective for annual reporting periods beginning on or after 1 January 2027, however, A Layout has early adopted IFRS 18 P*resentation and Disclosure in Financial Statements* from 1 January 2026. IAS 8.28(a)

IFRS 18 was issued by the IASB in April 2024 and supersedes IAS 1 *Presentation of Financial Statements* and resulted in consequential amendments to several IFRS Accounting Standards including IAS 8 *Basis of Preparation of Financial Statements* (renamed from *Accounting Policies, Changes in Accounting Estimates and Errors*). Although the adoption of IFRS 18 did not have any effect on the recognition and measurement of items in its interim condensed consolidated financial statements, it has affected the presentation and disclosure of items. These changes include classification of income and expenses and adding additional sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. IAS 8.28(c)

The requirements were applied retrospectively in accordance with transition requirements of IFRS 18. The comparative period was therefore restated. IAS 8.28(d)

See note 15 for more information about the transition to IFRS 18.

BDO Comment

IAS 8.5 defines accounting policies as *'the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.'*

IAS 34.16A(a) requires an entity to disclose a statement confirming that the same accounting policies and methods of computation have been applied in the interim financial statements as in the most recent annual financial statements, or, where changes have been made, to describe the nature and effect of those changes.

Since IFRS 18 affects the *'principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements',* it is expected that disclosures about the effects of adopting IFRS 18 will be included in interim condensed financial statements taking into consideration the information specifically required by IFRS 18 in interim financial statements in the first year of applying IFRS 18 (see note 15). Determining which information should be disclosed will depend on facts and circumstances, including the extent to which IFRS 18 has affected the preparation of interim condensed financial statements compared with the most recent annual financial statements.

IFRS 18 provides limited accounting policy choices to entities, for example, the classification of income and expenses on certain liabilities if entities have main business activities of providing financing to customers. Appropriate presentation and disclosure are rather governed by assessments performed by an entity applying judgement.

2.3 Material judgements

Identification of specified main business activities IAS 8.27G

After considering all relevant facts and circumstances, including subtotals used by the entity and operating segments, A Layout has concluded that A Layout does not invest in assets or provide financing to customers as main business activity.

BDO Comment

IAS 8.27G requires an entity to disclose material judgements 'that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.'

IFRS 18.51(a) and (b) require an entity to disclose, if applicable, the fact that it invests in assets or provides financing to customers as main business activities, as this affects how certain income and expenses are classified in the statement of profit or loss. These activities are referred to as specified main business activities. IFRS 18 does not specifically require an entity to disclose that it does not have these specified main business activities.

The disclosure of the outcome of this assessment provides users of financial statements with information about the judgements made by the entity in transitioning to IFRS 18. Entities may not consider it necessary to provide this disclosure if it is concluded that the entity does not have specified main business activities.

General presentation and disclosure

IAS 8.28(c), 27G

A Layout has applied judgement in determining the most appropriate presentation of the primary financial statements and disclosures in the notes in accordance with IFRS 18. These judgements include:

- Determination of which information should be presented in the primary financial statements versus disclosed in the notes
- Classification of income and expenses in the statement of profit or loss
- Aggregation and disaggregation of information
- Appropriate presentation of operating expenses by nature, function or a mixture of nature and function
- Appropriate labelling of line items

See note 15 for a reconciliation of the comparative period to the restated presentation of the primary financial statements with accompanying explanations.

3. Summary of significant events and transactions

IAS 34.15, 15A and 16A

The following significant events and transactions occurred during the first half of 2026:

	Related note
▶ Pony Games Limited was classified as a disposal group held for sale. As at 30 June 2026, the disposal group was not sold yet.	8
▶ A loan was issued to a joint venture of A Layout	12
▶ A Layout incurred a significant revaluation loss on a building classified as property, plant and equipment	13

BDO Comment

IAS 34.16A requires that significant events and transactions that occurred after the most recent annual financial report should be disclosed. It does not require a note summarising all such events and transactions. However, including such a note may be useful to users of financial statements.

4. Seasonal business

IAS 34.16A(b), 21

As with many retailers in Western society, A Layout is heavily dependent upon successful sales during the final quarter of the year. Sales tend to peak for the Christmas season and then decline after the holidays. These increased sales from September through December and declining sales in January and February result in lower revenue for the first half year and increased revenue for the second half year.

Revenue for the 12 months ended 30 June 2026 totalled CUx (2025: CUx) and cost of sales of CUx (2025: CUx).

5. Segment information

IAS 34.16A(g)

A Layout's segment-related information is as follows:

IAS 34.16A(g)(i), (ii), (iii)

For the six months ended 30 June 2026

	Toys	**Board games**	**Outdoor games**	**All other segments**	**Total**
	CU'000	CU'000	CU'000	CU'000	CU'000
External revenue	x	x	x	x	**x**
Inter-segment revenue	x	-	-	-	**x**
Segment profit (loss) before tax	x	x	(x)	x	**x**

For the six months ended 30 June 2025

	Toys	**Board games**	**Outdoor games**	**All other segments**	**Total**
	CU'000	CU'000	CU'000	CU'000	CU'000
External revenue	x	x	x	x	**x**
Inter-segment revenue	x	-	-	-	**x**
Segment profit before tax	x	x	x	x	**x**

The discontinued operation (Abstract Art) generated revenue of CUx in the 6 months to 30 June 2025 and is included within all other segments.

Additional information

BDO Comment

Although the Abstract Art discontinued operation does not constitute a significant event or transaction arising after the most recent annual financial statements (31 December 2025), its disclosure in the segment information note is considered useful as it enhances the users of the financial statements' understanding of the change in performance between the six-month periods presented for 2026 and 2025.

The income and expenses related to the Abstract Art division were classified in the discontinued operation category in the statement of profit or loss since the disposal of the Abstract Art division met the definition of a discontinued operation per IFRS 5 (IFRS 18.68).

See the BDO Comment included in note 7. In contrast, Pony Games Limited was not classified as a discontinued operation since it does not represent a major line of business or geographical area of operations and therefore fails to meet the definition of a discontinued operation.

Reconciliation of segment profit before tax to the reported profit before tax:

Reconciliation to reported profit before tax (for the six months ended 30 June)	**2026**	**2025**
	CU'000	CU'000
Profit of reportable segments before tax	x	x
Profit of other segments before tax	x	x
	x	**x**
Loss before tax of discontinued operation	-	(x)
Share of post-tax profits of investments accounted for using the equity method	x	x
Elimination inter-segment profits	(x)	(x)
Corporate expenses	(x)	(x)
Profit before tax	**x**	**x**

6. Revenue

IAS 34.16A(l)

IFRS 15.114 - 115, B87 - B89

For the six months ended 30 June 2026

	Toys	**Board games**	**Outdoor equipment**	**All other segments**	**Total**
	CU'000	CU'000	CU'000	CU'000	CU'000
Primary Geographical Markets					
Country A	x	x	x	-	**x**
Country B	x	x	x	-	**x**
Country C	x	x	-	x	**x**
Country D	x	x	-	-	**x**
Other	x	x	x	x	**x**
Total	**x**	**x**	**x**	**x**	**x**
Product Type					
Goods	x	x	x	-	**x**
Design Services	-	-	-	x	**x**
Extended Warranties	x	-	x	-	**x**
Total	**x**	**x**	**x**	**x**	**x**
Contract Counterparties					
Retailers	x	x	x	-	**x**
Wholesalers	x	-	x	-	**x**
Direct to consumers (online)	x	x	x	-	**x**
B2B (services)	-	-	-	x	**x**
Total	**x**	**x**	**x**	**x**	**x**

For the six months ended 30 June 2026 *(continued)*

	Toys	**Board games**	**Outdoor equipment**	**All other segments**	**Total**
	CU'000	CU'000	CU'000	CU'000	CU'000
Timing of transfer of goods and services					
Point in time (delivery to customers including bill and hold)	x	x	x	-	x
Point in time (delivery to port of departure)	x	x	x	-	x
Point in time (delivery to port of arrival)	x	x	-	-	x
Over time	-	-	-	x	x
Total	x	x	x	x	x
Primary Geographical Markets					
Country A	x	x	x	-	x
Country B	x	x	x	-	x
Country C	x	x	-	x	x
Country D	x	x	-	-	x
Other	x	x	x	x	x
Total	x	x	x	x	x
Product Type					
Goods	x	x	x	-	x
Design Services	-	-	-	x	x
Extended Warranties	x	-	x	-	x
Total	x	x	x	x	x
Contract Counterparties					
Retailers	x	x	x	-	x
Wholesalers	x	-	x	-	x
Direct to consumers (online)	x	x	x	-	x
B2B (services)	-	-	-	x	x
Total	x	x	x	x	x
Timing of transfer of goods and services					
Point in time (delivery to customers including bill and hold)	x	x	x	-	x
Point in time (delivery to port of departure)	x	x	x	-	x
Point in time (delivery to port of arrival)	x	x	-	-	x
Over time	-	-	-	x	x
Total	x	x	x	x	x

BDO Comment

A Layout has analysed revenue into primary geographic markets, the product type (nature of performance obligation), the type of customers, and the timing of when revenue is recognised. Each entity will need to consider its own circumstances and needs of users when determining how to disaggregate revenue for the purposes of complying with this disclosure requirement.

A Layout applies the same recognition and measurement principles applied for the purposes of segmental disclosures in note 5 as is required by IFRS 15.

Revenue disclosed in note 6 therefore equals the revenue line presented on the face of the statement of profit or loss (except that revenue earned from discontinued operations in the comparative 6-month period of 2025 that is not included in the revenue on the face of the statement of profit or loss). In some entities, however, recognition and measurement applied for internal reporting purposes and hence forming the basis for disclosure of segment amounts, is not the same as that required by IFRS 15. In those cases, the requirement in IAS 34.16A(l) to provide the information required by IFRS 15.115 could result in more extensive disclosure than that needed to be given by A Layout.

7. Disposal group held for sale and subsequent sale

7.1 Disposal group held for sale

IAS 34.16A(c)

During the first six months of 2026, Pony Games Limited ('Pony'), with its principal activity of manufacturing board games was classified as a disposal group held for sale. It is wholly owned by A Layout.

Following a strategic review management had concluded that considerable cost savings could be achieved if Zebra Games Limited (a fellow subsidiary) undertakes the manufacturing activities previously allocated to Pony.

Carrying amounts of the disposal group's assets and liabilities and the loss on remeasurement are as follows:

	As at 30 June 2026
	CU'000
Property, plant and equipment	x
Investment property	x
Intangible assets	x
Trade and other receivables	x
Derivative financial assets	x
Trade and other payables	(x)
Derivative financial liabilities	(x)
Carrying amount of disposal group held for sale	x
Loss on remeasurement on disposal group held for sale	**(x)**

BDO Comment

The loss on remeasurement on the disposal group held for sale was classified in the operating category of the statement of profit or loss due to two reasons:

- The disposal of Pony does not meet the definition of a discontinued operation per IFRS 5. It does not represent a component of an entity that is classified as held for sale and forms part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations (IFRS 5.32(b)). The related income and expenses may therefore not be classified in the discontinued operations category in the statement of profit or loss (IFRS 18.68).
- All of the income and expenses related to the assets and liabilities included in the disposal group are not classified in single category other than the operating category. For example, the income and expenses related to the investment property will be classified in the investing category, where the income and expenses related to the trade and other payables will either be recognised in the operating or financing category (or both). IFRS 18.B63(b) requires that in such a case, all the income and expenses related to the reclassification to, subsequent remeasurement or sale of the disposal group held for sale should be classified in the operating category. Income and expenses related to the assets and liabilities prior to the reclassification as a discontinued operation are classified in their respective categories in the statement of profit or loss.

See the BDO Comment included in note 5. In contrast, Abstract Art was classified as a discontinued operation in 2025 since it represents a major line of business or geographical area of operations and therefore fails to meet the definition of a discontinued operation.

7.2 Subsequent sale

IAS 34.16A(h)

Pony was sold during July 2026 for CUx resulting in a loss of CUx.

8. Tax

IAS 34.30(c)

Tax is charged at 25% for the six months ended 30 June 2026 (30 June 2025: 25%) representing the best estimate of the average annual effective tax rate expected to apply for the full year, applied to the pre-tax income of the three-month period.

9. Management-defined performance measures

BDO Comment

The disclosure of management-defined performance measures (MPMs) is a new requirement introduced by IFRS 18. IAS 34.16A(l) requires that the MPM-related disclosures as required by IFRS 18.121 to 125 should be disclosed in condensed interim financial statements.

IFRS 18.117 defines a management-defined performance measure as *'a subtotal of income and expenses that:*
(a) an entity uses in public communications outside financial statements;
(b) an entity uses to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole; and
(c) is not listed in paragraph 118, or specifically required to be presented or disclosed by IFRS Accounting Standards.'

IFRS 18.B120 clarifies that MPMs relate to the same reporting period as the financial statements. It further states that specifically, a subtotal:

(a) relating to interim financial statements but not to the annual financial statements can only be an MPM in the interim financial statements; and
(b) relating to annual financial statements but not to interim financial statements can only be an MPM in the annual financial statements.

An entity is required to consider only public communications related to the reporting period to identify MPMs for the reporting period. However, at times, entities issue public communications after the date of issue of its financial statements. If an entity routinely issues such public communications, the entity is required to consider public communications related to the previous reporting period to identify MPMs for the current reporting period (IFRS 18.B121).

Therefore, the MPMs disclosed by an entity may differ between the interim and annual financial statements.

Refer to section 6.2.3.1 of BDO's IFRS Accounting Standards In Practice: IFRS 18 *Presentation and Disclosure in Financial Statements*.

9.1 Adjusted operating profit or loss

Since 2026, A Layout uses 'adjusted operating profit or loss' in its public communications to communicate management's view of an aspect of the operating performance of the entity. IAS 34.16A(m)

These measures are not specified by IFRS Accounting Standards and are not necessarily comparable with measures sharing similar labels or descriptions provided by other entities. IFRS 18.122

Adjusted operating profit or loss is calculated as follows: IFRS 18.123(b), B137(b), B139

Calculation	Comment
Operating profit or loss	As presented in the statement of profit or loss
Plus: Depreciation	As included in the operating category of the statement of statement of profit or loss, excluding depreciation that forms part of the production cost of inventory.
Plus: Amortisation	As included in the operating category of the statement of profit or loss, excluding amortisation that forms part of the production cost of inventory.
Plus/minus: Impairment losses / reversals of impairment losses per IAS 36 *Impairment of Assets*	If applicable, as included in the operating category of the statement of profit or loss.
Plus/minus: Non-recurring items	Items of income and expenses included in the operating category of the statement of profit or loss that A Layout does not expect to arise for several future annual reporting periods.

Adjusted operating profit or loss is used by management as a management-defined performance measure to assess the underlying operating performance of A Layout. Since these adjusting items reflect non-cash charges, events arising from past investment decisions and infrequent transactions, management believes that adjusted operating profit or loss provides useful additional insight into the operating results generated from current activities and could enhance comparability between reporting periods and with other entities. IFRS 18.123(a)

BDO Comment

Consistent with the objective of a condensed interim financial report, an entity is not required to repeat information previously provided about MPMs such as disclosures explaining why management considers a management-defined performance measure to be a useful indicator of the entity's performance (IAS 34.BC10B).

A Layout disclosed this information since these condensed interim financial statements are the first financial statements in which the entity has disclosed MPMs due to the adoption of IFRS 18. A Layout will reconsider the information is discloses about MPMs in future condensed interim financial statements if its MPM(s) remains unchanged.

Adjusted operating profit or loss is reconciled as follows: IFRS 18.123(c), (d)

	For six months ended 30 June 2026		
	Total	**Effect on non-controlling interest**	**Income tax effect**
	CU'000	CU'000	CU'000
Operating profit per statement of profit or loss	x		
Adjusted for:			
▶ Depreciation, included in line items:	x	x	x
Cost of sales	x		
General and administrative expenses	x		
Distribution expenses	x		
▶ Amortisation, included in line items:	x	x	x
Cost of sales	x		
General and administrative expenses	x		
Distribution expenses	x		
▶ Loss on remeasurement - disposal group held for sale (non-recurring item)	x	x	x
Adjusted operating profit (MPM)	x		

IFRS 18.B137, B138

IFRS 18.124(c)

	For six months ended 30 June 2025		
	Total	**Effect on non-controlling interest**	**Income tax effect**
	CU'000	CU'000	CU'000
Operating profit per statement of profit or loss	x		
Adjusted for:			
▶ Depreciation, included in line items:	x	x	x
Cost of sales	x		
General and administrative expenses	x		
Distribution expenses	x		
▶ Amortisation, included in line items:	x	x	x
Cost of sales	x		
General and administrative expenses	x		
Distribution expenses	x		
▶ Loss on remeasurement - disposal group held for sale (non-recurring item)	x	x	x
Adjusted operating profit	x		

IFRS 18.123(e), B141, B142

The income tax effect for the depreciation and amortisation was determined based on a reasonable pro rata allocation of the combined statutory tax rate of the Group, which is 25% (see note 8).

The income tax effect of the loss on remeasurement of disposal group held for sale was determined based on the statutory tax rate applicable in the United Kingdom, the jurisdiction that Pony Games Ltd operates in.

9.2 Adjusted operating profit or loss per share

IAS 33.73B and 73C

The adjusted operating profit per share is as follows:

	2026	**2025**
	CU Cent	CU Cent
Basic adjusted operating profit per share	x	x
Diluted adjusted operating profit per share	x	x

The adjusted operating profit (numerator) was calculated as disclosed per note 9.1.

The weighted average number of ordinary shares (denominator) used to calculate the basic and diluted earnings per share (as presented in the statement of profit or loss) was used consistently to calculate the basic and diluted adjusted operating profit per share.

BDO Comment

IAS 33.73B(b) permits and entity to disclose additional amounts per share using a measure of performance as a numerator such as a management-defined performance measure.

IAS 33.73C requires that such additional amounts per share not be presented in the primary financial statements but instead must be disclosed with in the notes. Furthermore, these amounts must be calculated using the weighted average number of ordinary shares required by IAS 33 to calculate the basic and diluted earnings per share (as presented in the statement of profit or loss). The additional basis and diluted earnings per share should be disclosed with equal prominence.

10. Dividends

IAS 34.16A (f)

	2026 CU'000	2025 CU'000
Final dividend of CU cent x (2025: CU cent x) per ordinary share proposed and paid during the period relating to the previous financial years results	x	x

11. Related party transactions

11.1 Loan to joint venture

IAS 24.15B(j)

During the six months ended 30 June 2026, A Layout provided a CUx (2025: CU0) loan to Garden Plastic Toys Limited, a joint venture of A Layout.

The loan is repayable in 48 monthly instalments and bears interest at SONIA plus x bps. The loan receivable is measured at amortised cost.

The following amounts relating to this loan have been recognised in the interim financial statements:

IAS 24.18(a) – (d)

	CU'000
Joint venture loan receivable	x
Expected credit losses	(x)
Interest income	x

11.2 Other related party transactions and balances

IAS 24.18(a) – (b), 19

A Layout also incurred the following significant transactions with its related parties:

	For six months ended 30 June 2026		As at 30 June 2026	
	Sales to related parties CU'000	Purchases from related parties CU'000	Related party trade receivables CU'000	Related party trade payables CU'000
A Layout (EU) Limited	x	-	x	-
Associates	-	x	-	x
Joint ventures	x		x	-

	For six months ended 30 June 2025		As at 31 December	
	Sales to related parties	Purchases from related parties	Related party trade receivables	Related party trade payables
	CU'000	CU'000	CU'000	CU'000
A Layout (EU) Limited	x	-	x	-
Associates	-	x	-	x
Joint ventures	x		x	-

Besides the loan issued to the joint venture, all related party balances are trade receivables and payables. Current related party balances are unsecured and are repayable in cash within normal credit terms (30 to 60 days).

BDO Comment

IAS 34.16A requires that significant events and transactions that occurred after the most recent annual financial report should be disclosed. IAS 24.15B(j) lists related party transactions as an example of such significant events or transactions.

Entities should apply judgement and carefully consider which related party information to disclose, and the appropriate level of detail required. Related party transactions and events may be significant even when they routinely occur in the normal course of business.

Entities should also consider the disclosure requirements of local legislation and regulators since these laws and regulators might require specific related party disclosures such as directors' remuneration.

Considering the significance of events and transactions as well as local regulatory requirements, A Layout decided not to repeat or update all disclosures that were provided in the last annual statements. It only disclosed the following information:

- the joint venture's loan that represents a significant event that occurred after the most recent annual financial report and;
- information about other significant sales, purchases and related balances with related parties.

12. Loans and borrowings

IAS 34.16A(c)

The movement of the loans and borrowings for the periods presented are as follows:

	2026	**2025**
	CU'000	CU'000
Balance at	1 January	1 January
Non-current	x	x
Current	x	x
Total	**x**	**x**
Movements for the period:		
Interest accrued	x	x
Non-current bank loan obtained (secured)	x	x
Repayments		
▶ Collateralised borrowings	(x)	(x)
▶ Current bank loan (secured)	(x)	(x)
Effect of foreign exchange	x	x
Balance at	30 June 2026	31 December 2025
Non-current	x	x
Current	x	x
Total	**x**	**x**

A Layout has repaid its current bank loan amounting to CUx in line with expected repayment terms and at the same time drew down CUx under the current loan facility with a nominal interest rate of x.x% for five years.

BDO Comment

A Layout disclosed the movement in loans and borrowings since these movements are significant in amount (IAS 34.16A(c)).

Although users of the financial statements can obtain more information about the movements of loans and borrowings, this note provides limited information about the different types of loans and borrowings included in the balances as well as risk-related information such a maturity analysis of these loans and borrowings and how the liquidity risk is managed.

To obtain more information, users of the financial statements may refer to the 2025 annual financial statements. This is consistent with the principle in IAS 34.15 and 15A being that condensed interim financial statements are meant to update users of the financial statements to events and transactions that are significant to obtain an understanding of the changes in financial position and performance of the entity since the end of the last annual financial reporting period. If this information changes substantially from the most recent annual financial statements, entities may need to include more extensive disclosures in the condensed interim financial statements.

Effect of covenants

IAS 34.15B(i)

IFRS 18.B106

A Layout's non-current loans and borrowings include a secured borrowing from Bank X (30 June 2026: CUx; 31 December 2025: CUx) which is repayable on 30 September 2030. The contract includes a covenant that requires a working capital ratio above 1.6 on 30 June and 31 December every year. The loan will be repayable on demand if the covenant is not met. A Layout met the covenant requirements as at 31 December 2025 and the borrowing was classified as non-current.

However, at the time the financial statements for the interim period ended 30 June 2026 were authorised for issue, A Layout's working capital ratio has declined to 1.4; primarily due to the reduction in demand in jurisdiction Z as a result of a natural disaster. A Layout has approached Bank X for a waiver of the potential breach of covenant and negotiations for waiver are at an advanced stage. However, if A Layout does not comply with the covenant test on 31 December 2026 and the breach of covenant is not waived by Bank X, the loan will become repayable on demand.

BDO Comment

According to IAS 34.15B(i) an entity should disclose information about a breach of loan covenants breached and not yet remedied. A Layout did not breach any loan covenants as at 30 June 2026.

IFRS 18.B106 however requires that an entity disclose information about the risk that liabilities classified as non-current could become repayable within twelve months after the reporting period including information about the covenants and facts and circumstances, that indicate the entity may have difficulty complying with the covenants.

A Layout therefore discloses information about the potential difficulty in meeting the loan covenants at the next testing date (31 December 2026), even if the loan covenants were not breached on 30 June 2026.

For more information, refer to BDO's IFRS Accounting Standards In Practice: IFRS 18 *Classification of Loans as Current or Non-current*.

13. Property, plant and equipment

IAS 34.15B(b)

The significant decrease in the value of property, plant and equipment is mainly driven the recognition of a revaluation loss of CUx (2025: surplus of CUx). This valuation loss was driven by adverse market conditions, including a decline in comparable property values in the surrounding area.

BDO Comment

For condensed interim financial statements, IAS 34.15(b), (d) and (e) requires an entity to disclose significant events or transactions related to property, plant and equipment such as the recognition of impairment losses (or reversal of it), acquisitions and disposals and commitments to purchase such assets.

An entity is however not required to disclose a detailed reconciliation as required by IAS 16.73(e) since all movements in the balance of property, plant and equipment might not be significant. Depending on each entity's facts and circumstances, it might be appropriate to merely disclose a narrative explanation of significant events.

14. Fair values

BDO Comment

IAS 34.16A(j) requires that entities disclose information about the fair value of financial instruments as required by paragraphs 91–93(h), 94–96, 98 and 99 of IFRS 13 *Fair Value Measurement* and paragraphs 25, 26 and 28–30 of IFRS 7 *Financial Instruments: Disclosures*.

IAS 34.16A(j) excludes the disclosure requirements of IFRS 13.97. While IFRS 13.97 requires entities to disclose the fair values (and related information such as valuation techniques) of financial instruments not measured at fair value (e.g. those measured at amortised cost), such disclosures are not required in condensed interim financial statements. Accordingly, only fair value-related information for financial instruments measured at fair value is required to be disclosed.

It is also important to highlight that IFRS 7.26 requires that when fair values are disclosed, an entity is required to group financial assets and financial liabilities into classes. Furthermore, these financial assets and liabilities are only offset to the extent that their carrying amounts are offset in the statement of financial position, consistent with the offsetting requirements in IFRS Accounting Standards. Said another way, the fair values of financial assets and liabilities should be disclosed in such a manner that the grouped financial assets and liabilities can be tied up to the statement of financial position.

14.1. Fair value hierarchy

The following table provides the fair value hierarchy and related amounts of the financial instruments measured at fair value.

IFRS 7.25, 26

IFRS 13.93(a), (b)

	As at 30 June 2026			
	Carrying amount and fair value	**Level 1**	**Level 2**	**Level 3**
	CU'000	CU'000	CU'000	CU'000
Financial assets				
Equity investments	x	x	-	x
Derivative financial assets	x	-	x	-
Total	**x**	**x**	**x**	**x**
Financial liabilities				
Derivative financial liabilities	x	-	x	-
Total	**x**	**-**	**x**	**-**

	As at 31 December 2025			
	Carrying amount and fair value	**Level 1**	**Level 2**	**Level 3**
	CU'000	CU'000	CU'000	CU'000
Financial assets				
Equity investments	x	x	-	x
Derivative financial assets	x	-	x	-
Total	**x**	**x**	**x**	**x**
Financial liabilities				
Derivative financial liabilities	x	-	x	-
Total	**x**	**x**	**x**	**x**

During the 3-month period to 30 June 2026: IFRS 13.93(c)
- There were no transfers between Level 1 and Level 2 fair value measurements
- There were no transfers into or out of Level 3 fair value measurements

14.2 Inputs and valuation techniques

14.2.1 Equity investments

For Level 1 equity investments classified at fair value through other comprehensive income (OCI), the group uses the closing market price as at reporting date per share multiplied by the number of shares held. Additional explanatory information

The decrease in fair value of CUx (2025: increase of CUx) of these investments is due to a decline in value of the global stock market. IAS 34.15B, 16A(h)

The fair value of Level 3 equity investments designated at fair value through OCI is reconciled as follows: IFRS 13.93(e)(ii), (iii)

	2026	**2025**
	CU'000	CU'000
Balance at 1 January	x	x
Purchases	x	-
Fair value adjustments (OCI)	(x)	x
As at	**30 June 2026**	**31 December 2025**
Closing balance	**x**	**x**

For Level 3 equity investments classified at fair value through OCI the group uses a discounted cash flow model to determine fair value as at the reporting date. This approach requires the use of assumptions about certain unobservable inputs. Significant unobservable inputs as at 30 June 2026 include. IFRS 13.93(d)
- Growth rate in cash flows: x.x% (31 December 2025: x.x%)
- Discount rate: x.x% (31 December 2025: x.x%)

The growth rates in cash flows and the discount rates are not interrelated.

A reasonably possible change in the growth rate of cash flows of +/- x.x% would result in:
- An increase in carrying value of CUx (+x.x%)
- A decrease in the carrying value of CUx (-x.x%)

A reasonably possible change in the discount rate of +/- x.x% would result in: IFRS 13.93(h)(i)
- A decrease in carrying value of CUx (+x.x%)
- An increase in the carrying value of CUx (-x.x%)

Management performs valuations internally and monitors the range of reasonably possible changes in significant observable inputs on a regular basis. Valuations of complex instruments are performed with the assistance of valuations experts on an instrument-by-instrument basis. The techniques used in determining the fair value of the group's financial instruments is selected on an instrument-by-instrument basis as to maximise to use of market based observable inputs. IFRS 13.93(g)

14.2.2 Derivative financial assets and liabilities IFRS 13.93(d)

Derivative financial assets and liabilities include foreign currency forward contracts. The determination of fair value includes reference to observable spot foreign exchange rates as at the reporting date. Derivative financial liabilities also include conversion option on convertible notes that allows the holder to convert the notes into ordinary shares of A Layout at any time before maturity. The determination of fair value of the conversion option includes reference to the fair value of the ordinary shares of A Layout as at the reporting date.

15. IFRS 18 adoption

BDO Comment

IFRS 18.C2 requires that IFRS 18 be applied retrospectively applying IAS 8. IFRS 18.C2 explains that an entity does not have to present the quantitative information specified in IAS 8.28(f). The presentation of this information is however still optional.

IAS 8.28(f) requires the disclosure of the amount of adjustment for each financial statement line item affected for both the current and prior period presented. It also requires the disclosure of the adjusted basic and diluted earnings per share. However, since IFRS 18 does not affect the measurement of income and expenses, the earnings (numerator) and therefore earnings per share are not adjusted upon the adoption of IFRS 18.

IFRS 18.C5 supersedes IAS 8.28(f) and requires that if an entity applies IAS 34 in preparing interim financial statements in the first year of applying IFRS 18, entities must disclose a reconciliation for each line item presented in the statement of profit or loss for the comparative periods immediately preceding the current and cumulative periods. This reconciliation is prepared for the comparative period presented and the cumulative comparative period presented (if applicable).

This reconciliation should therefore only be disclosed for the comparative period (instead of both the current and comparative periods) and only for the statement of profit or loss (instead of all financial statement line item affected) unless an entity elects to disclose the information required by IAS 8.28(f).

IAS 34.16A(a) also requires an entity to disclose the nature of changes due to change in accounting policies.

A Layout has elected to apply IAS 8.28(f) for the comparative period and to provide a reconciliation for the other primary financial statements affected in order to provide additional information about the effect of the IFRS 18 adoption on the other primary financial statements.

A Layout has early adopted IFRS 18 *Presentation and Disclosure in Financial Statements* from 1 January 2026. The adoption of IFRS 18 has resulted changes in the primary financial statements, in particular, the statement of profit or loss.

IFRS 18.C5,
IAS 34.16A(a),
IAS 8.28(f)

The following reconciliations explain the differences between the primary financial statements prepared in accordance with IAS 1 in comparison to being prepared in accordance with IFRS 18 for the comparative six months period ending 30 June 2025 (or as at 31 December for the statement of financial position).

A Layout has elected to disclose these reconciliations for all primary financial statements for the comparative period and not only the statement profit or loss.

15.1. Statement of profit or loss

The following adjustments were made for the comparative period, the six months ended 30 June 2025. The rows highlighted in grey indicate new or relabelled line items and rows highlighted blue indicate new or relabelled subtotals.

	IAS 1	Adjustments	IFRS 18	Note
	CU'000	CU'000	CU'000	
Revenue	x	-	x	
Cost of sales	x	-	x	
Gross profit	**x**	-	**x**	
Other operating income	x	(x)	-	a
Administrative expenses (IAS 1)/ General and administrative expenses (IFRS 18)	(x)	(x)	(x)	b
Selling and distribution expenses	(x)	-	(x)	
Other expenses	(x)	x	-	b
Operating foreign exchange differences	-	x	x	b, d
Fair value adjustment of contingent consideration	-	x	x	b
Loss on remeasurement - disposal group held for sale	(x)	-	(x)	
Profit from operations (IAS 1)/ Operating profit (IFRS 18)	x	(x)	x	
Rental income	-	x	x	a
Fair value adjustment related to investment properties	-	x	x	a
Interest income	x	-	x	
Share of post-tax profits from investments accounted for using the equity method	x	-	x	
Expected credit loss allowance movement on lease and loan receivables	-	(x)	x	b
Share of post-tax profits from investments accounted for using the equity method	x	-	x	
Profit before financing and income taxes	-	x	x	
Finance expenses (IAS 1)/ Interest expense (IFRS 18)	(x)	x	x	c, e
Foreign exchange differences on interest-bearing leases and borrowings	-	x	x	c, d
Profit before tax	**x**	-	**x**	
Income tax expense	x	-	x	
Profit from continuing operations	**x**	-	**x**	
Loss on discontinued operation, net of tax	x	-	x	
Profit for the period	**x**	-	**x**	

The following adjustments have been made to the comparative figures presented in the statement of profit or loss:

(a) Other operating income to the investing category

IFRS 18.41, 43, 53(c), 54(a), 78(b), B78(a)

Income and expenses that were previously presented as 'other operating income' relate to investment properties and have been reclassified to the 'rental income' and 'fair value adjustment related to investment properties' line items outside of operating profit because A Layout does not invest in investment properties as a main business activity. Therefore, they are classified in the investing category. Additionally, the income and expenses related to the investment properties were further disaggregated based on their different natures and presented with more descriptive labels.

(b) Operating expense presentation

IFRS 18.41, 78, B78

A Layout determined that to provide the most useful structured summary of operating expenses, they should be presented as a mixture of expenses by nature and by function.

Income and expenses previously reported in 'other expenses' have been reclassified as follows:

- changes in estimates of provisions, expected credit loss movements (classified in the operating category) to 'general and administrative expenses';
- fair value adjustments relating to contingent consideration to 'fair value adjustments of contingent considerations';
- expected credit loss allowance movements (classified in the investing category) to 'Expected credit loss allowance movement on lease and loan receivables'; and
- foreign exchange differences (classified in the operating activities – see note (d)) to 'foreign exchange differences'.

(c) Finance expense

IFRS 18.41, B78

Foreign exchange differences classified in the financing category (see note (d)) have been disaggregated from 'finance expense'. 'Finance expense' now includes interest expense and income and expenses from derivatives used to manage interest rate risks (relating to loans and borrowings) recognised in profit or loss – see note (e).

(d) Foreign exchange differences

IFRS 18.B65 - B67

Foreign exchange differences are classified in the same category as the income and expenses from the items that gave rise to the foreign exchange differences.

Management has assessed that foreign exchange differences arising from liabilities other than those relating to the raising of finance should be classified based on the primary driver of the related income or expenses. For example, foreign exchange differences related to lease liabilities are classified in the financing category since the related interest expenses (the main driver of the lease liability-related expenses) are also classified in the financing category.

BDO Comment

The classification of foreign exchange differences related to liabilities that arise from transactions other than those that involve only the raising of finance (IFRS 18.B67) is an area of judgement in applying IFRS 18.

This is because the income and expenses related to these liabilities can be classified in more than one category in the statement of profit or loss. For example, a lease liability will result in some income and expenses being classified in the financing category (e.g. finance expense) and other income and expenses in the operating category (e.g. gains or losses on the modification of the lease liability which result in a decrease in scope).

Instead of classifying a portion of the related foreign exchange difference in the operating category and remaining portion in the financing category, IFRS 18.B67 requires an entity to exercise judgement to determine how to classify these foreign exchange differences (i.e. in the operating category or the financing category).

Refer to section 3.9.3 of BDO's IFRS Accounting Standards In Practice: IFRS 18 *Presentation and Disclosure in Financial Statements*.

IFRS 18.B70-B72

(e) Gains and losses related to derivatives

A Layout does not apply hedge accounting to any of its derivative financial instruments, however, all derivatives are used to manage identified risks.

Income and expenses recognised in profit or loss relating to interest rate swaps are classified in the financing category since they are used to manage the interest rate risks related to loans and borrowings.

Income and expenses recognised in profit or loss relating to forward foreign exchange contracts are classified in the operating category since they are used to manage foreign exchange risks related to inventory purchases.

BDO Comment

Derivatives may be designated as hedging instruments in a qualifying hedge accounting relationship in IFRS 9, or they may not. Regardless of whether hedge accounting is applied, gains and losses included in the statement of profit or loss are generally classified in the same category as the income and expenses affected by the risks the financial instrument is used to manage (IFRS 18.B70). If hedge accounting is applied, the ineffective portion of a gain or loss as well as gains and losses related to any undesignated portion of the hedging instrument are also reflected in the same category as the effective portion (IFRS 18.B71).

Refer to section 3.9.2 of BDO's IFRS Accounting Standards In Practice: IFRS 18 *Presentation and Disclosure in Financial Statements*.

15.2. Statement of total comprehensive income and statement of changes in equity

The statement of changes in equity was not affected by the adoption of IFRS 18.

BDO Comment

Since no changes were made to the statement of total comprehensive income and statement of changes in equity, neither IFRS 18.C5, nor IAS 8.28(f) requires any further disclosures. A Layout however included this note for the sake of completeness.

15.3. Statement of financial position

	As at 31 December 2025		
	IAS 1	**Adjustment**	**IFRS 18**
	CU'000	CU'000	CU'000
Non-current assets			
Intangible assets	x	(x)	x
Goodwill	-	x	x

The only adjustment made to the statement of financial position was the disaggregation of goodwill from other intangible assets as required by IFRS 18.

BDO Comment

Refer to the BDO Comment at the beginning of the note 15. The reconciliation disclosure for the statement of financial position is voluntary.

15.4. Statement of cash flows

BDO Comment

Refer to the BDO Comment at the beginning of the note 15. The reconciliation disclosure for the statement of cash flows is voluntary.

The following adjustments were made for the six months ended 30 June 2025. The rows highlighted grey indicate new line items or line items moved between activities. The rows highlighted blue indicate new or relabelled subtotals or headings.

IAS 1 and IAS 7	IAS 1 and IAS 7	Adjustments	IFRS 18 and IAS 7	Note
	CU'000	CU'000	CU'000	
Operating activities				
Profit for the period (continuing and discontinued)	x	(x)	-	a
Operating profit from continuing operations	-	x	x	a
Operating profit from discontinued operations	-	x	x	a
Total operating profit	-	-	x	a
Adjustments for:				
Depreciation of property, plant and equipment and right-of-use assets	x	-	x	
Amortisation of intangible assets	x	-	x	
Gain on sale of property, plant and equipment	(x)	-	(x)	
Share-based payment expense	x	-	x	
Change in estimate of provision	x	-	x	
Loss on remeasurement on disposal group held for sale	x	-	x	
Foreign exchange changes	x	x	x	b
Fair value movements recognised in profit in loss related to derivatives and contingent consideration	x	-	x	
Fair value adjustment related to investment properties	(x)	x	-	c
Finance income	(x)	x	-	d
Finance expense	x	(x)	-	d
Income taxes expense	x	(x)	-	b
	x	x		
Changes in working capital:				
Increase in trade and other receivables	(x)	x	(x)	c
Increase in inventories	(x)	-	(x)	
Decrease in trade and other payables	(x)	-	(x)	
Increase in employee benefits	x	-	x	
	(x)	x	(x)	

IAS 1 and IAS 7	IAS 1 and IAS 7	Adjustments	IFRS 18 and IAS 7	Note
Items presented separately (IAS 1)/ Cash flows not included in Total operating profit (IFRS 18)				
Rental income received	-	x	x	c
Income taxes paid	(x)	-	(x)	
Interest paid on lease liabilities	(x)	x	-	d, e
Interest paid on convertible loan notes	(x)	x	-	d, e
Interest paid on bank borrowings	(x)	x	-	d, e
Interest received	x	(x)	-	
Dividends paid to shares classified as liabilities	(x)	x	-	d
Dividends paid to holders of the parent	(x)	x	-	d
Dividends received from associates	x	(x)	-	d
Net cash flows from operating activities	**x**	**x**	**x**	
Investing activities				
Purchases of property, plant and equipment	(x)	-	(x)	
Sale of property, plant and equipment	x	-	x	
Purchase of intangibles	(x)	-	(x)	
Purchases of equity investments designated as FVOCI	(x)	-	(x)	
Disposal of derivative financial assets	x	-	x	
Interest received	-	x	x	d
Dividends received from associates	-	x	x	d
Net cash from investing activities	**x**	**x**	**x**	
Financing activities				
Proceeds from bank borrowings	x	-	x	
Repayment of bank borrowings	(x)	-	(x)	
Principal paid on lease liabilities	x	-	x	
Interest paid	-	(x)	(x)	d, e
Dividends paid on shares classified as liabilities	-	(x)	(x)	d
Dividends paid to the holders of the parent	-	(x)	(x)	d
Net cash from financing activities	**x**	**-**	**x**	
Net increase in cash and cash equivalents	x	-	x	
Cash and cash equivalents at beginning of the period	x	-	x	
Exchange losses on cash and cash equivalents	x	-	x	
Cash and cash equivalents at end of the period	x	-	x	

The following adjustments were made:

(a) Change in point of reference IAS 7.20

As required by IAS 7 (once IFRS 18 has been adopted), the starting point of the operating activities in the statement of cash flows has been changed to 'operating profit' since A Layout uses the indirect method to report the cash flows from operating activities.

A Layout presents the continuing and discontinued cash flows together in the statement of cash flows and therefore included the 'total operating profit' (from both continued and discontinued operations) as starting point.

BDO Comment

Refer to the BDO Comment below the statement of cash flows for more information about the presentation of discontinued operations in the statement of cash flows.

(b) Removal of items foreign exchange differences and income tax expense not included in the operating category in the statement of profit or loss IAS 7.20

Due to the change in starting point (see note a), any foreign exchange rate differences and income tax expense that are not included in the operating category in the statement of profit or loss are removed from the operating profit-to-operating cash adjustment.

(c) Rental-related income and expenses IAS 7.20, 20(c)

Due to the change in starting point (see note a), fair value movements on investment property are excluded from the operating profit-to-operating cash adjustment, as they are now presented in the investing category in the statement of profit or loss.

Movements in rental-related receivables (included the expected credit losses) are also excluded from working capital for the same reason.

The rental income received is included in the operating activities in the statement of cash flows since it is not included in 'operating profit.'

(d) Reclassification of dividends and interest IAS 7.33A, 34A

To comply with the requirements of IAS 7 (once IFRS 18 has been adopted), the following reclassifications were made:

- Dividends and interest received has been reclassified to the investing activities
- Dividends and interest paid has been reclassified to financing activities.

BDO Comment

Prior to the adoption of IFRS 18, IAS 7 provided entities with an accounting policy choice to classify dividends and interest received respectively as either operating or investing activities and dividends and interest paid respectively as either the financing or investing activities.

Upon the adoption of IFRS 18, this accounting policy choice is removed. The cash flows are then presented as follows:

- Dividends and interest received are included in investing activities
- Dividends and interest paid (including borrowing cost per IAS 23 *Borrowing Costs* (IAS 7.34A(a)) are included in financing activities).

Exceptions apply to entities that have specified main business activities (IAS 7.34B – 34D).

(e) Aggregation of interest paid

Applying the aggregation criteria of IFRS 18, interest paid on lease liabilities, convertible loan notes and bank borrowings has been aggregated into a single line item. The detailed disaggregation will be visible in the notes of the annual financial statements.

IFRS 18.41

For further information about how BDO can assist you and your organisation, please get in touch with one of the IFRS Country Contacts: BDO's IFRS Country Leaders