

IFRS 18 Presentation and Disclosures in the Financial Statements

Insights for the implementation journey

IFRS Symposium, Break-out session

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Presenters



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Agenda

Presentation in the statement of profit or loss



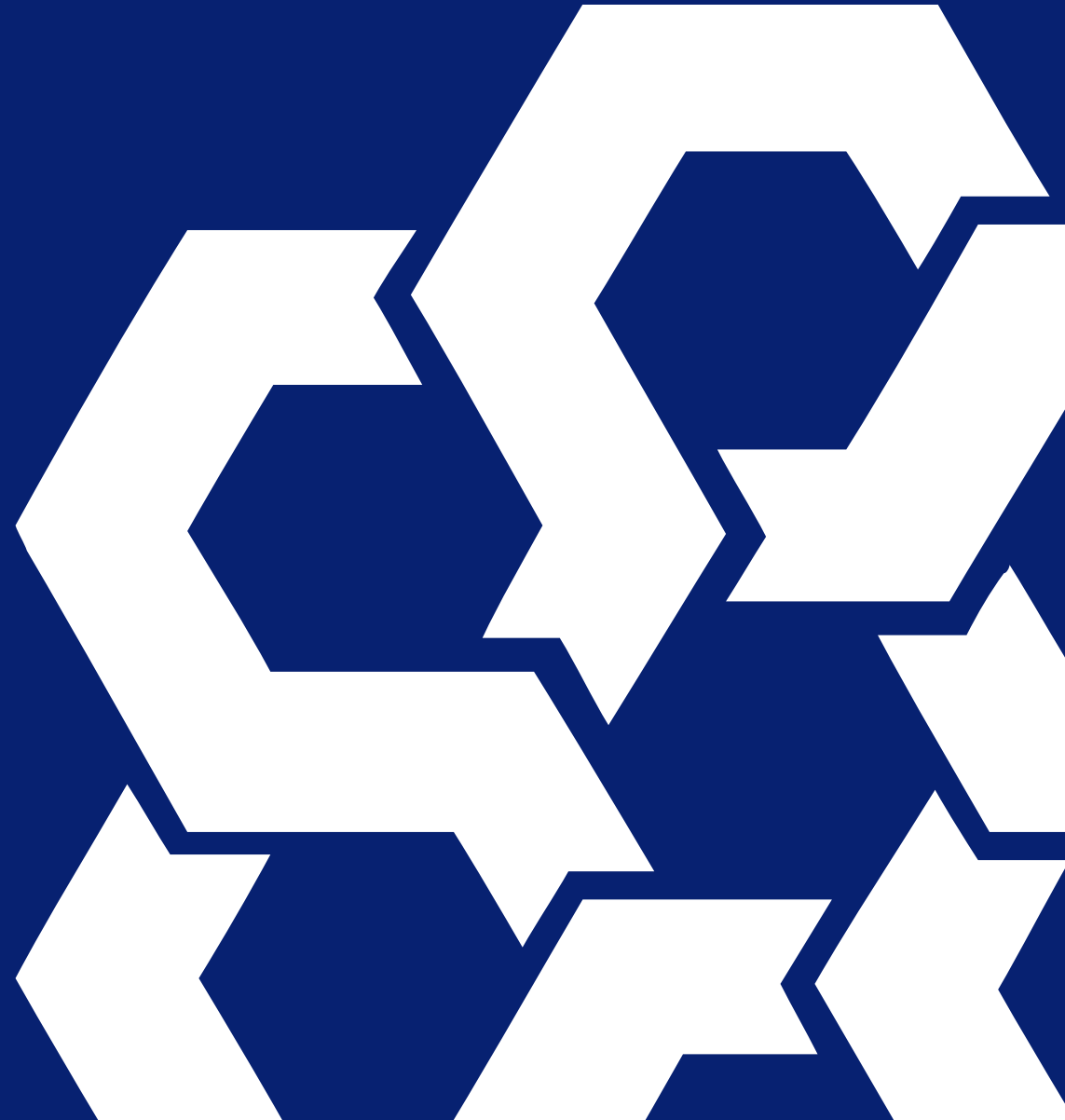
- Changing to the new categories and subtotals
- Presentation of FX gains and losses

Aggregation, disaggregation and meaningful labels



- Presentation of operating expenses
- Examples of items in the statement of financial position
- Examples of items in the statement of profit or loss

Categories and subtotals



New required subtotals

Operating profit

Gives a complete picture of a company's operations

Profit before financing and income taxes

Gives a picture of a company's performance before the effects of its financing

Statement of profit or loss

Revenue

Cost of sales

Gross profit

Other operating income

Selling expenses

Research and development expenses

General and administrative expenses

Goodwill impairment loss

Other operating expenses

Operating profit

Share of profit or loss of associates and joint ventures

Other investment income

Profit before financing and income taxes

Interest expenses on borrowings and lease liabilities

Interest expenses on pension liabilities and provisions

Profit before income taxes

Income tax expense

PROFIT

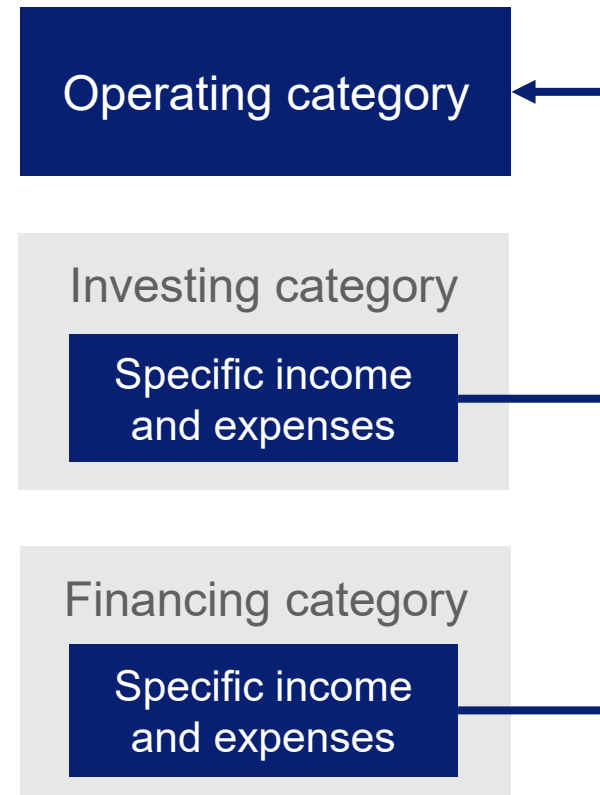
Operating

Investing

Financing

Requirements for specific companies

- For some companies, financing and investing activities are their main business activities – for example banks and insurers
- These companies include income and expenses in their operating profit that for other companies would be included in the investing or financing categories



Assessment of main business activities

The role of main business activities is limited to assessing whether a company either:

- **invests** as a main business activity; or
- **provides financing to customers** as a main business activity

A company uses **judgement** to assess its main business activities **based on evidence**. For example:

- Operating performance measures, such as net interest income and net financial result, used to explain operating performance externally
 - A reportable segment or operating segment that comprises a single business activity and performance of that segment is an important indicator of the entity's operating performance
-

Categories and subtotals – real estate company example

Before IFRS 18

Consolidated statement of profit or loss

(msek)	2026	2025
Rental revenue	4 932	4 493
Service revenue	219	198
Revenue	5 151	4 691
Property expenses	-1 282	-1 165
Property tax	-42	-36
Operating surplus	3 827	3 490
Central administration expenses	-252	-243
Other income	7	5
Other expenses	-2	-1
Share of profit or loss from associates and JVs	323	259
<i>Financial items:</i>		
Financial income	39	24
Financial expenses	-1 512	-1 445
Profit from property management	2 430	2 089
Change in fair value of investment properties, unrealised	-958	657
Change in fair value of investment properties, realised	14	-25
Change in fair value of financial holdings	-3	1
Change in fair value of derivatives	434	-593
Goodwill impairment	-98	-
Change in fair value of contingent consideration	206	-16
Remeasurement of NCI put options	45	-28
Profit before tax	2 070	2 085
Income tax	-530	-681
Profit	1 540	1 404

Potential IFRS 18 presentation

Consolidated statement of profit or loss

(msek)	2026	2025
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Property tax	-42	-36
Operating surplus	3 827	3 490
Central administration expenses	-252	-243
Other income	7	5
Other expenses	-2	-1
Changes in fair value of investment property	-944	632
Goodwill impairment	-98	-
Change in value of contingent consideration	206	-16
Operating profit	2 744	3 867
Share of profit or loss from associates and JVs	323	259
Changes in value of financial holdings	-3	1
Interest income	39	24
Profit before financing and income taxes	3 103	4 151
Interest expense	-1 478	-1 433
Change in fair value of derivatives	434	-593
Remeasurement of NCI put options	45	-28
Other financial expenses	-34	-12
Profit before tax	2 070	2 085
Income tax	-530	-681
Profit	1 540	1 404

Classification of foreign exchange differences

- Foreign exchange differences classified in same category as income or expenses giving rise to the gain or loss, for example:

Exchange difference on:	Classification
Receivables for the sale of goods	Operating
Cash and cash equivalents	Investing
Debt issued	Financing
Income tax payables	Income taxes
Provisions / lease liabilities	Apply judgement to determine the category

- If classifying foreign exchange differences in each category will involve undue cost or effort, they are classified in the operating category.
-

Classification of foreign exchange differences – some examples

Item that generated FX gains or losses	Operating	Financing	Investing
Trade payables or trade receivables	X		
Borrowings in foreign currencies		X	
Deferred consideration to seller in a business combination		X	
Holdings of bonds in foreign currency at amortised cost	X*		X
Liability for NCI put option in foreign currency		X	

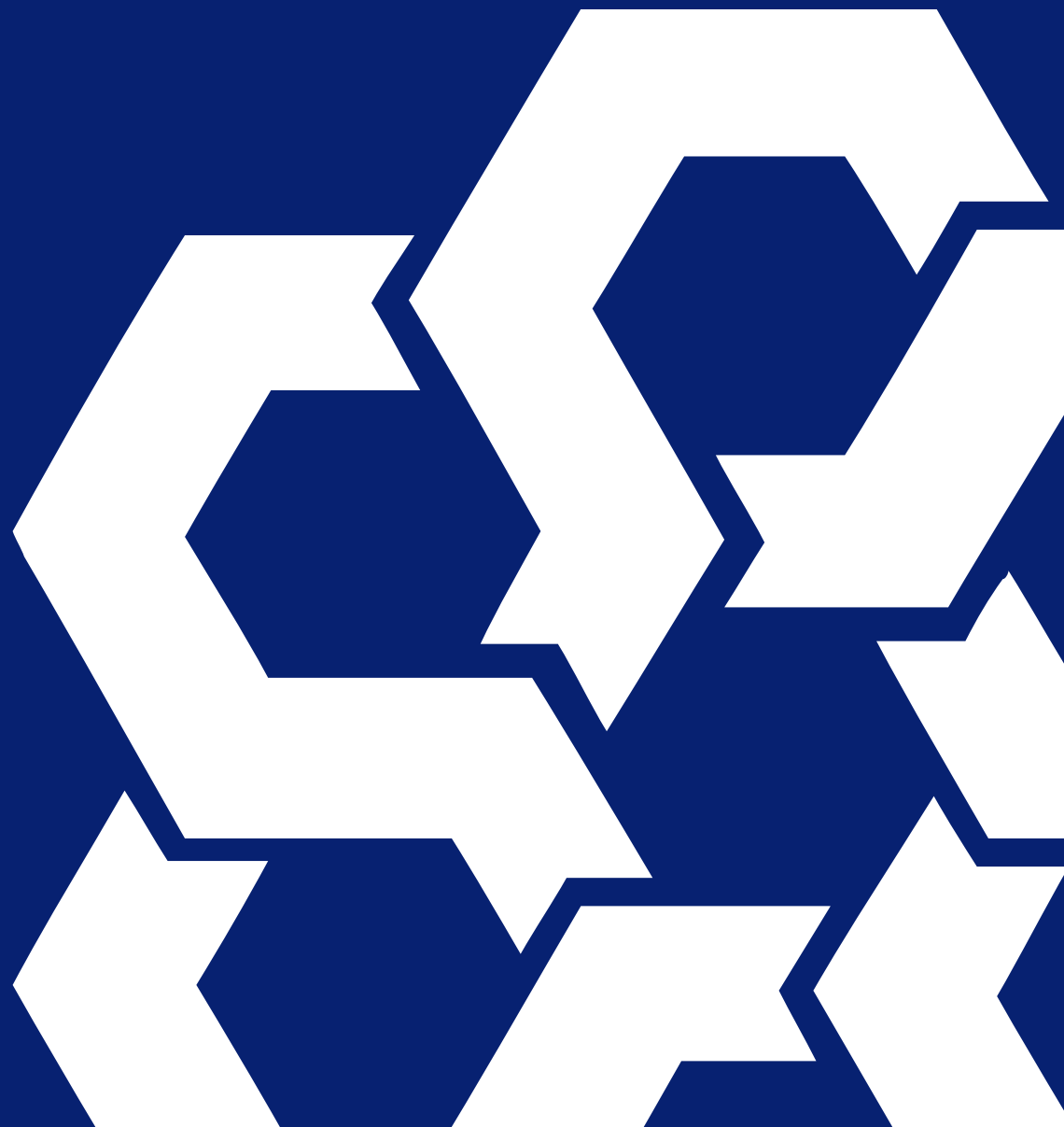
* Operating if the company has investing in financial assets as a main business activity

Classification of foreign exchange differences – intra-group examples

Item that generated FX gains or losses	Operating	Financing	Investing
Trade payables/receivables between group entities	X		
Intra-group lending	X	X	X

Consolidated financial statements

Aggregation and disaggregation



Roles of the primary financial statements and the notes

Role of primary financial statements

Provide a **useful structured summary** for:

- **obtaining an understandable overview** of company's assets, liabilities, equity, income, expenses and cash flows
- **making comparisons** between companies and reporting periods
- **identifying items or areas** about which users may wish to seek additional information in the notes

Role of the notes

Provide further material information necessary to understand items in primary financial statements

Supplement the primary financial statements with additional information to meet the objectives of financial statements

Materiality and useful structured summary



A specific presentation or disclosure not needed if resulting information is **not material**



Additional disclosures needed to enable users to understand the effect of transactions and other events and conditions



Specified line items need not be presented if it is not necessary for the statement to provide a **useful structured summary**

- required items relating to structure of a primary financial statement must always be presented

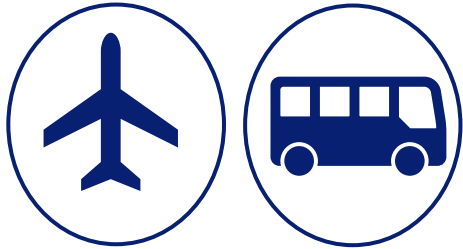


Present **additional line items and subtotals** if such presentations are necessary to provide a **useful structured summary**

Aggregation, disaggregation and meaningful labels



Aggregate based on shared characteristics



Single dissimilar characteristic can be enough to disaggregate if resulting information is material



Use meaningful labels

- use the label 'other' only when unable to find a more informative label
 - label as precisely as possible (eg 'other operating expenses')
-

Aggregation/disaggregation: examples of characteristics



Nature



Function (role) within business activities



Geography



Risks associated with an item (eg climate-related risk exposure)



Persistence (unusual / non-recurring) [*income or expenses*]



Timing of recovery / settlement [*assets or liabilities*]



Restrictions on use [*assets*]

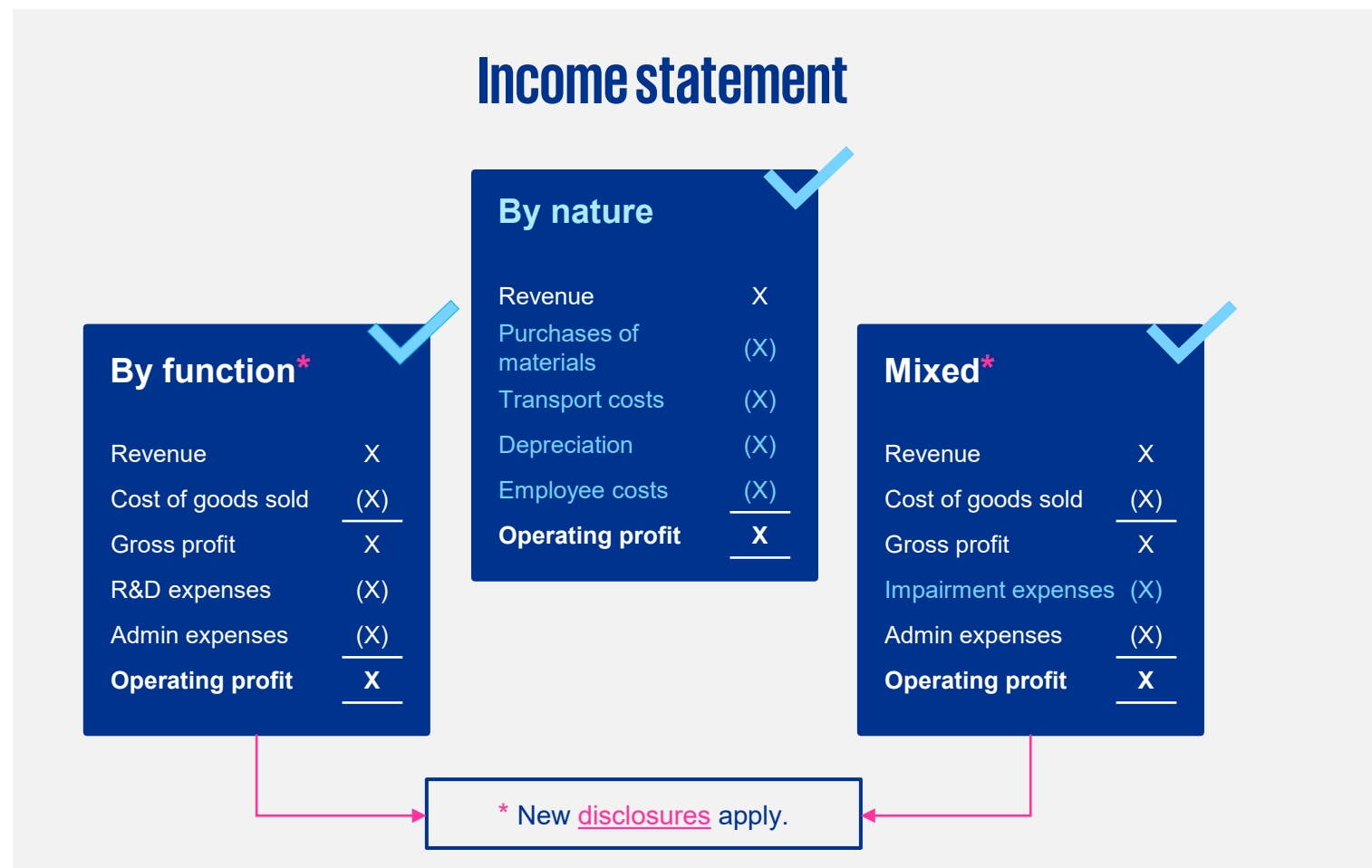
How are operating expenses presented?

An **analysis of operating expenses is presented on the face** of the income statement.

Operating expenses are presented in a way that provides the 'most useful structured summary' of its expenses, by either:

- **nature**;
- **function**; or
- using a **mixed presentation**.

If any operating expenses are presented by function, then new disclosures apply.



Presentation of operating expenses – mixed presentation example

Before IFRS 18

Consolidated statement of profit or loss

<i>(msek)</i>		2026	2025
Revenue	Note 2	24 750	23 420
Cost of sales		-16 335	-14 960
Gross profit		8 415	8 460
Other income	Note 3	2 170	140
Distribution cost		-1 578	-1 435
Administrative expenses		-5 423	-5 290
Other expenses	Note 5	-1 485	-520
Operating profit	Note 6	2 099	1 355
Financial income		40	15
Financial expenses		-495	-370
Profit before tax		1 644	1 000
Tax expense		-220	-205
Profit		1 424	795

Note 3 Other income	<i>(msek)</i>	2026	2025
Gain on sale of business		2 020	-
Bi-product sales		150	140
Total		2 170	140

Note 5 Other expenses	<i>(msek)</i>	2026	2025
Impairment of goodwill		1 075	-
Net foreign exchange loss		270	385
Other		140	135
Total		1 485	520

Note 6 Restructuring expenses			
<i>By nature</i>	<i>(msek)</i>	2026	2025
Impairment of goodwill		1 075	-
Impairment of PPE and ROU assets		430	-
Termination benefits		56	-
Total		1 561	-

<i>By function</i>	<i>(msek)</i>	2026	2025
Cost of sales		415	-
Distribution cost		28	-
Administrative expense		43	-
Other expenses		1 075	-
Total		1 561	-

Presentation of operating expenses – mixed presentation example

Before IFRS 18

Consolidated statement of profit or loss

(msek)		2026	2025
Revenue	Note 2	24 750	23 420
Cost of sales		-16 335	-14 960
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Net foreign exchange loss		270	385
Other		140	135
Total		1 485	520

Potential IFRS 18 presentation

Consolidated statement of profit or loss

(msek)		2026	2025
Revenue	Note 2	24 750	23 420
Cost of sales*		-15 920	-14 960
Gross profit*		8 830	8 460
Bi-product sales		150	140
Distribution cost*		-1 550	-1 435
Administrative expenses*		-5 380	-5 290
Other operating expenses*	Note 4	-410	-520
Restructuring expenses	Note 5	-1 561	-
Gain on sale of business		2 020	-
Operating profit	Note 5	2 099	1 355
Interest income		40	15
Profit before financing and income taxes		2 139	1 370
Interest expense		-475	-355
Other financial expenses		-20	-15
Profit before tax		1 644	1 000
Tax expense		-220	-205
Profit		1 424	795

* Excludes restructuring expenses

Note 4 Other operating expenses	2026	2025
Net foreign exchange loss	270	385
Other*	140	135
Total	410	520

* The 'Other' amount comprises only immaterial items

Restructuring expenses	2026
Cost of sales	415
Distribution cost	28
Administrative expense	43
Other expenses	1 075
Total	1 561

+ Note 6 Restructuring expenses on the previous slide as note 5 Restructuring expenses

Aggregation & disaggregation – statement of financial position example

Before IFRS 18

Consolidated statement of financial position

(msek)		2026	2025
Equity	Note 15		
Share capital		250	250
Other contributed equity		2 500	2 500
Reserves		150	10
Retained earnings incl. profit or loss		5 400	5 150
Total equity		8 300	7 910
Non-current liabilities			
Borrowings	Note 18	7 500	7 200
Lease liabilities	Note 7	1 750	1 660
Provision for pensions	Note 9	25	15
Other provisions	Note 20	60	75
Other liabilities	Note 26	3 100	1 750
Deferred tax liability	Note 12	120	110
Total non-current liabilities		12 555	10 810
Current liabilities			
Borrowings	Note 18	1 000	1 000
Lease liabilities	Note 7	1 750	1 660
Trade payables		475	460
Accrued expenses and deferred income	Note 25	2 250	2 120
Current tax liability	Note 12	20	15
Other liabilities	Note 26	450	420
Total current liabilities		5 945	5 675
Total equity and liabilities		26 800	24 395

Note 18 Borrowings

	(msek)	2026	2025
Non-current			
Loans with credit institutions		3 000	3 000
Issued bonds		2 500	2 450
Profit participating debt		2 000	1 750
Total		7 500	7 200
Current			
Loans with credit institutions		600	600
Issued bonds		400	400
Profit participating debt		-	-
Total		1 000	1 000
Note 25 Accrued expenses and deferred income		2025	2026
Accrued employee benefits (excl. pensions)		1 070	995
Accrued social security contribution		335	320
Deferred income		825	790
Other		20	15
Total		2 250	2 120

Note 26 Other liabilities

	(msek)	2026	2025
Non-current			
Liability for contingent consideration		1 475	365
Liability for non-controlling interest's put option		890	820
Derivative liabilities		700	550
Other		35	15
Total		3 100	1 750
Current			
Derivative liabilities		285	275
VAT liability		135	125
Other		30	20
Total		450	420

Aggregation & disaggregation – statement of financial position example

Before IFRS 18

Consolidated statement of financial position

<i>(msek)</i>		2026	2025
Equity	Note 15		
Share capital		250	250
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Potential IFRS 18 presentation

Consolidated statement of financial position

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Non-current liabilities			
Loans with credit institutions and issued bonds	Note18	5 500	5 450
Profit participating debt	Note 18	2 000	1 750
Lease liabilities	Note7	1 750	1 660
Provisions	Note 9,20	85	90
Liability for contingent consideration	Note 27	1 475	365
Liability for non-controlling interest's put option	Note 27	890	820
Derivative liabilities	Note 29	700	550
Deferred tax liability and other	Note 12,28	155	125
Total non-current liabilities		12 555	10 810
Current liabilities			
Loans with credit institutions and issued bonds	Note18	1 000	1 000
Lease liabilities	Note7	1 750	1 660
Trade payables		475	460
Accrued expenses	Note 25	1 425	1 330
Deferred revenue	Note 26	825	790
Derivative liabilities	Note 29	285	275
Other liabilities	Note 12,28	185	160
Total current liabilities		5 945	5 675
Total equity and liabilities		26 800	24 395

Aggregation & disaggregation – statement of financial position example

Potential IFRS 18 presentation

Consolidated statement of financial position

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Profit participating debt	Note 18	2 000	1 750
Lease liabilities	Note 7	1 750	1 660
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Derivative liabilities	Note 29	700	550
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Accrued social security contribution		335	320
Other		20	15
Total		1 425	1 330

Note 26 Deferred revenue	<i>(msek)</i>	2026	2025
Deferred subscription revenue		475	465
Prepaid consulting contracts		325	310
Other deferred revenue		25	15
Total		825	790

Note 28 Other liabilities		2026	2025
Non-current			
Deferred tax liability	Note 12	120	110
Other		35	15
Total		155	125

		2026	2025
Current			
VAT liability		135	125
Current tax liability	Note 12	20	15
Other		30	20
Total		185	160

Note 29 Derivative liabilities		2026	2025
Non-current			
Interest rate swaps, floating to fixed	Note X	210	95
Currency forwards	Note X	265	270
Electricity forwards	Note X	225	185
Total		700	550

		2026	2025
Current			
Currency forwards	Note X	155	150
Electricity forwards	Note X	130	125
Total		285	275



Aggregation & disaggregation – statement of profit or loss example

Before IFRS 18

Consolidated statement of profit or loss

<i>(msek)</i>		2026	2025
Revenue	Note 2	16 250	15 580
Other income	Note 3,17	110	1 570
Materials and consumables expense		-1 550	-1 435
Employee benefits expense	Note 4	-10 255	-9 860
Other external expenses	Note 5,8	-1 485	-1 410
Depreciation and impairment	Note 10	-1 975	-2 460
Operating profit		1 095	1 985
Financial income		40	15
Financial expenses		-495	-370
Profit before tax		640	1 630
Tax expense	Note 12	-130	-125
Profit		510	1 505

Note 3 Other income	<i>(msek)</i>	2026	2025
Gain on sale of business		-	1 520
Net foreign exchange gain		95	40
Other		15	10
Total		110	1 570

Note 5 Audit firm fees	<i>(msek)</i>	2026	2025
Audit firm X		x	y
Audit services		x	y
Etc.		x	y
Etc.		x	y
Total		13	12

Note 8 Leases

...			
	<i>(msek)</i>	2026	2025
Low value lease expense		30	27
Short-term lease expense		45	40
Variable lease payments (not index/rate based)		20	22
Total		95	89

...

Note 10 Property plant and equipment

...			
	<i>(msek)</i>	2026	2025
Depreciation		1 975	1 960
Impairment		-	500
Total		1 975	2 460

...

Aggregation & disaggregation – statement of profit or loss example

Before IFRS 18

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Other		15	10
Total		110	1 570

Potential IFRS 18 presentation

Consolidated statement of profit or loss

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Materials and consumables expense		-1 550	-1 435
Other external expenses	Note 5,7	-1 485	-1 410
Depreciation	Note 10	-1 975	-1 960
Impairment of property, plant and equipment	Note 10	-	-500
Gain on sale of business	Note 17	-	1 520
Operating profit		1 095	1 985
Interest income		40	15
Profit before financing and income taxes		1 135	2 000
Interest expense		-475	-355
Other financial expenses		-20	-15
Profit before tax		640	1 630
Tax expense	Note 12	-130	-125
Profit		510	1 505

Note 5 Other external expenses	(msek)	2026	2025
Consulting services and hired staff		670	650
Marketing expenses		310	300
Facility expenses		245	235
Lease expenses	Note 7	95	89
Audit firm fees		13	12
Other*		152	124
Total		1 485	1 410

* The 'Other' amount comprises only immaterial items

+ Audit firm fees...



Thank you!

