

Example Public Company Limited Interim Financial Report

Guide to interim reports – illustrative disclosures



How to use this guide

This publication has been produced to assist in the preparation of an entity's interim financial report in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting* (AASB 134), which is identical to the international equivalent IAS 34 *Interim Financial Reporting*. This publication illustrates one possible format for statutory interim financial reports, based on a fictitious corporation involved in general business, which has been applying Australian Accounting Standards for some time i.e. is not a first-time adopter, largely without regard to materiality.

This publication relates to both half-years ending 30 June 2026 and 31 December 2026 and focuses on compliance with AASB 134 but does not repeat all of that standard's requirements.

Navigating this guide

Given Australia's close alignment to IFRS® Accounting Standards, a substantial portion of Example Public Company Limited Interim financial report has been based on the illustrative disclosures publication prepared by our international colleagues based on 'pure' IFRS Accounting Standards.

However, to illustrate additional Australian specific disclosure and alternative presentation methods that are commonly used in Australia, a separate section has been included at the beginning of this publication. A clear cross-reference to the Australian section is included on affected international pages.

Australian specific disclosure is shown in **section I - Australian content**.

Illustrative disclosure based on IFRS Accounting Standards is shown in **section II - Guide to condensed interim financial statements**.

For more information, refer to **section II - About this guide**.

Accounting standards covered

This guide reflects standards, amendments and interpretations (broadly referred to in this guide as 'Accounting standards') that have been issued by the International Accounting Standards Board (the Board) as at 20 March 2026 and that are required to be applied by an entity with an annual reporting period beginning on 1 January 2026 ('currently effective requirements').

[Appendix I](#) provides a list of new accounting standards and amendments issued by the Board, distinguishing between those that are effective for an entity with an annual reporting period beginning on 1 January 2026 and those with a later effective date.

Our publication [Standards on Issue](#) provides a list of new Australian Accounting Standards (AAS) that listed by their effective date and those that are available for early adoption. It also includes relevant KPMG guidance on these other AAS and amendments.

ASX Appendix 4D

ASX listing rule 4.2A.3 requires the information set out in Appendix 4D to be given to the ASX. Refer to www.asx.com.au to access Appendix 4D to the ASX Listing Rules.

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Section I – Australian content

Example Public Company Limited 31 December 2026 Interim Financial Report

Directors' report

The directors of Example Public Company Limited (the "Company") present their report together with the consolidated financial statements for the six months ended 31 December 2026 and the [audit/review] report thereon.

Directors

The directors of the Company at any time during or since the end of the interim period are:

Name	Period of directorship
-------------	-------------------------------

Non-executive

[Director_Name] Chairperson	[Insert details]
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[Director_Name] Non-Executive Director	[Insert details]
---	------------------

[Director_Name] Non-Executive Director	[Insert details]
---	------------------

[Director_Name] Non-Executive Director	[Insert details]
---	------------------

[Director_Name] Non-Executive Director	[Insert details]
---	------------------

[Director_Name] Non-Executive Director	[Insert details]
---	------------------

Executive

[Director_Name]	[Insert details]
-----------------	------------------

[Director_Name]	[Insert details]
-----------------	------------------

[Director_Name]	[Insert details]
-----------------	------------------

Review of operations

[insert review of operations here]

[Where an entity takes advantage of *ASIC Corporations (Directors' Report Relief) Instrument 2016/188* and transfers the operating review from the directors' report to a document that is attached to the directors' report, other than the financial report, insert a clear cross-reference here to the page or pages containing the transferred information].

Directors' report (continued)

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page [xx] and forms part of the directors' report for the six months ended 31 December 2026.

Rounding off

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* and in accordance with that instrument, amounts in the condensed consolidated interim financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

[Director_Name]

Director

Dated at [city] thisday of2027.

Condensed consolidated statement of financial position ^{a,b,c}

<i>In thousands of dollars</i>	<i>Note</i>	31 Dec 2026	30 June 2026
Assets			
Cash and cash equivalents	20	2,355	1,850
Trade and other receivables	6, 20	20,379	19,824
Inventories ^h	13	11,589	12,119
Contract assets ⁱ	6(B)	1,316	782
Biological assets		156	140
Intangible assets ^g	16	115	120
Other investments, including derivatives ^e	20	526	1,032
Current tax assets ^j		-	228
Prepayments ^k		1,000	1,200
Assets held for sale ^l	14	12,891	-
Total current assets^f		50,327	37,295
Other investments, including derivatives ^e	20	3,752	3,525
Equity-accounted investees		1,791	1,948
Investment property	15(C)	1,555	400
Deferred tax assets		1,649	1,379
Employee benefits		383	731
Property, plant and equipment ^d	15	26,154	33,230
Biological assets	13(B)	7,629	7,662
Intangible assets and goodwill	16	6,175	4,541
Total non-current assets^f		49,088	53,416
Total assets		99,415	90,711
Liabilities			
Bank overdraft	20	120	282
Trade and other payables ^{n, q}	20	20,792	22,906
Deferred income/revenue		57	420
Loans and borrowings ^{m, p}	18, 20	5,197	4,794
Current tax liabilities ^o		1,323	-
Provisions	19	150	1,200
Contract liability ⁱ	6(B)	148	117
Liabilities held for sale ^l	14	3,650	-
Total current liabilities^f		31,437	29,719
Loans and borrowings ^m	18, 20	23,017	21,145
Employee benefits	10	606	841
Provisions	19	1,100	400
Trade and other payables ⁿ	20	252	1,675
Deferred tax liabilities		2,587	1,567
Total non-current liabilities^f		27,562	25,628
Total liabilities		58,999	55,347
Net assets		40,416	35,364
Equity			
Share capital	17	19,756	18,050
Reserves		1,188	426
Retained earnings		15,975	13,795
Total equity attributable to owners of the Company		36,919	32,271
Non-controlling interests		3,497	3,093
Total equity		40,416	35,364

The notes on pages [37] to [76] are an integral part of these condensed consolidated interim financial statements.

For footnotes, see page [26].

Condensed consolidated statement of profit or loss and other comprehensive income ^{a,b}

For the six months ended 31 December

<i>In thousands of dollars</i>	<i>Note</i>	2026	2025 re-presented*
Continuing operations			
Revenue ^c	6	52,530	51,586
Cost of sales	13,15,19	(31,303)	(31,922)
Gross profit		21,227	19,664
Other income	8,15	644	190
Selling and distribution expenses		(7,698)	(7,498)
Administrative expenses	10,19,21	(8,474)	(8,358)
Research and development expenses		(605)	(179)
Impairment loss on trade receivables and contract assets ^{b,d}	20	(190)	(170)
Other expenses	8,14,16,21	(686)	-
Operating profit		4,218	3,649
Finance income ^e	20,21	457	345
Finance costs ^f	20	(1,002)	(1,007)
Net finance costs		(545)	(662)
Share of profit of equity-accounted investees, net of tax		233	278
Profit before tax		3,906	3,265
Income tax expense	11	(1,109)	(741)
Profit from continuing operations		2,797	2,524
Discontinued operation^g			
Profit (loss) from discontinued operation, net of tax ^h	7	379	(422)
Profit for the period		3,176	2,102
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of property, plant and equipment	15	200	-
Remeasurement of the defined benefit liability (asset)		72	(15)
Related tax ⁱ		(137)	(11)
Equity investments at FVOCI – net change in fair value		141	48
		276	22

*Comparative information has been re-presented due to a discontinued operation. See Note 7.

The notes on pages [37] to [76] are an integral part of these condensed consolidated interim financial statements.

For footnotes, see page [29].

Condensed consolidated statement of profit or loss and other comprehensive income (continued)

For the six months ended 31 December

<i>In thousands of dollars</i>	<i>Note</i>	2026	2025 <i>*re-presented</i>
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		437	330
Net investment hedge – net loss		(3)	(8)
Equity-accounted investees – share of other comprehensive income		10	-
Reclassification of foreign currency differences on loss of significant influence	21	20	-
Cash flow hedges – effective portion of changes in fair value ^j		(93)	97
Cash flow hedges – reclassified to profit or loss ^{i,k}		(17)	(11)
Cost of hedging reserve – changes in fair value		34	10
Cost of hedging reserve – reclassified to profit or loss ^k		8	2
Debt investments at FVOCI – net change in fair value		55	74
Debt investments at FVOCI – reclassified to profit or loss ^k		(47)	(48)
Related tax ⁱ		19	(40)
		423	406
Other comprehensive income for the period, net of tax		699	428
Total comprehensive income for the period		3,875	2,530
Profit attributable to:			
Owners of the Company		2,985	2,014
Non-controlling interests		191	88
		3,176	2,102
Total comprehensive income attributable to:			
Owners of the Company		3,660	2,396
Non-controlling interests		215	134
		3,875	2,530
Earnings per share			
Basic earnings per share (dollars)		0.82	0.51
Diluted earnings per share (dollars)		0.80	0.50
Earnings per share - Continuing operations^l			
Basic earnings per share (dollars)		0.70	0.64
Diluted earnings per share (dollars)		0.69	0.63

^l*Comparative information has been re-presented due to a discontinued operation. See [Note 7](#).

The notes on pages [37] to [76] are an integral part of these condensed consolidated interim financial statements.

For footnotes, see [page \[29\]](#).

Condensed consolidated statement of changes in equity

For the six months ended 31 December 2026

In thousands of dollars	Attributable to owners of the Company											Non-Controlling interests	Total equity
	Note	Share capital	Translation reserve	Hedging reserve ¹	Fair value reserve	Revaluation reserve	Profits reserve ²	Reserve for own shares	Equity component of convertible notes	Retained earnings	Total		
Balance at 30 June 2026		18,050	143	464	99	-	-	(280)	-	13,795	32,271	3,093	35,364
Total comprehensive income for the period													
Profit for the period		-	-	-	-	-	-	-	-	2,985	2,985	191	3,176
Other comprehensive income for the period		-	440	(47)	100	134	-	-	-	48	675	24	699
Total comprehensive income for the period		-	440	(47)	100	134	-	-	-	3,033	3,660	215	3,875
Hedging gains and losses and costs of hedging transferred to the cost of inventory		-	-	8	-	-	-	-	-	-	8	-	8
Transactions with owners of the Company													
Contributions and distributions													
Issue of ordinary shares	<u>17</u>	1,550	-	-	-	-	-	-	-	-	1,550	-	1,550
Issue of ordinary shares related to business combinations	<u>21</u>	87	-	-	-	-	-	-	-	120	207	-	207
Issue of convertible notes	<u>18</u>	-	-	-	-	-	-	-	109	-	109	-	109
Treasury shares sold ^a		19	-	-	-	-	-	11	-	-	30	-	30
Transfer to profits reserve		-	-	-	-	-	-	-	-	-	-	-	-
Dividends	<u>17</u>	-	-	-	-	-	-	-	-	(1,243)	(1,243)	-	(1,243)
Equity-settled share-based payment ^b	<u>9</u>	-	-	-	-	-	-	-	-	363	363	-	363
Share options exercised	<u>17</u>	50	-	-	-	-	-	-	-	-	50	-	50
Total contributions and distributions		1,706	-	-	-	-	-	11	109	(760)	1,066	-	1,066
Changes in ownership interests													
Acquisition of non-controlling interests without a change in control	<u>22</u>	-	8	-	-	-	-	-	-	(93)	(85)	(115)	(200)
Acquisition of subsidiary with non-controlling interests	<u>21</u>	-	-	-	-	-	-	-	-	-	-	304	304
Total changes in ownership interests		-	8	-	-	-	-	-	-	(93)	(85)	189	104
Total transactions with owners of the Company		1,706	8	-	-	-	-	11	109	(853)	981	189	1,170
Balance at 31 December 2026		19,756	591	425	199	134	-	(269)	109	15,975	36,919	3,497	40,416

¹ The Hedging reserve includes the cost of the hedging reserve.

² A company may have a profits reserve representing profits of entities within the Group to preserve their profit character. Such profits are available to enable payment of franked dividends in future years. Transfers to and payments of dividends from the profits reserve are illustrated in [Example Public Company Limited annual financial statements](#).

For footnotes, see [page \[31\]](#).

Condensed consolidated statement of changes in equity (continued)

For the six months ended 31 December 2025

<i>In thousands of dollars</i>	Attributable to owners of the Company											Non-Controlling interests	Total equity
	<i>Note</i>	Share capital	Translation reserve	Hedging reserve ¹	Fair value reserve	Revaluation reserve	Profits reserve	Reserve for own shares	Equity component of convertible notes	Retained earnings	Total		
Balance at 1 July 2025, as previously reported		18,050	(129)	399	17	-	-	-	-	8,516	26,853	2,720	29,573
Total comprehensive income for the period													
Profit for the period		-	-	-	-	-	-	-	-	2,014	2,014	88	2,102
Other comprehensive income		-	248	82	62	-	-	-	-	(10)	382	46	428
Total comprehensive income for the period		-	248	82	62	-	-	-	-	2,004	2,396	134	2,530
Hedging gains and losses and costs of hedging transferred to the cost of inventory		-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners of the Company													
Contributions and distributions													
Transfer to profits reserve		-	-	-	-	-	-	-	-	-	-	-	-
Dividends	<u>17</u>	-	-	-	-	-	-	-	-	(524)	(524)	-	(524)
Equity-settled share-based payment	<u>9</u>	-	-	-	-	-	-	-	-	173	173	-	173
Total transactions with owners of the Company		-	-	-	-	-	-	-	-	(351)	(351)	-	(351)
Balance at 31 December 2025		18,050	119	481	79	-	-	-	-	10,169	28,898	2,854	31,752

The notes on pages [37] to [76] are an integral part of these condensed consolidated interim financial statements.

¹ The Hedging reserve includes the cost of the hedging reserve.

Condensed consolidated statement of cash flows

<i>In thousands of dollars</i>	<i>Note</i>	2026	2025
For the six months ended 31 December			
Cash flows from operating activities			
Cash receipts from customers		39,787	53,739
Cash paid to suppliers and employees		(37,373)	(46,491)
Cash generated from operations		2,414	7,248
Interest paid ^{c,d}		(920)	(800)
Income taxes paid		(200)	(950)
Net cash (used in) from operating activities^b		1,294	5,498
Cash flows from investing activities			
Interest received ^c		116	85
Dividends received ^c		51	100
Proceeds from sale of property, plant and equipment	<u>15</u>	1,177	406
Proceeds from sale of investments		427	213
Disposal of discontinued operations, net of cash disposed of ^e	<u>7</u>	10,890	-
Acquisition of subsidiary, net of cash acquired	<u>21</u>	(1,799)	-
Acquisition of property, plant and equipment	<u>15</u>	(11,859)	(2,315)
Acquisition of investment property		(300)	-
Purchase of non-current biological assets		(155)	(219)
Acquisition of other investments		(215)	-
Development expenditure		(846)	(881)
Receipt of asset-related government grant ^f		68	146
Net cash (used in) from investing activities		(2,445)	(2,465)
Cash flows from financing activities			
Proceeds from the issue of share capital	<u>17</u>	1,550	-
Proceeds from the issue of convertible notes	<u>18</u>	5,000	-
Proceeds from the issue of redeemable preference shares	<u>18</u>	2,000	-
Proceeds from sale of treasury shares		30	-
Proceeds from the exercise of share options	<u>17</u>	50	-
Proceeds from settlement of derivatives		6	11
Transaction costs related to loans and borrowings	<u>18</u>	(311)	-
Acquisition of non-controlling interests	<u>22</u>	(200)	-
Repayment of borrowings	<u>18</u>	(4,811)	(3,408)
Payment of lease liabilities ^g	<u>18</u>	(254)	(123)
Dividends paid ^c	<u>17</u>	(1,243)	(524)
Net cash from (used in) financing activities		1,817	(4,044)
Net increase (decrease) in cash and cash equivalents		666	(1,011)
Cash and cash equivalents at 1 July*		1,568	2,226
Effect of movements in exchange rate on cash held		1	7
Cash and cash equivalents at 31 December*		2,235	1,222
<p>* Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.</p> <p><i>The notes on pages [37] to [76] are an integral part of these consolidated interim financial statements.</i></p>			

For footnotes, see page [36].

Notes to the condensed consolidated interim financial statements^a

1. Reporting entity

Example Public Company Limited (the Company) is a company domiciled in Australia. These condensed consolidated interim financial statements (the 'interim financial statements') as at and for the six months ended 31 December 2026 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in [description of business].

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2026 are available upon request from the Company's registered office at [address] or at [Web site address].

2. Basis of preparation^{b, c}

AASB 134.10,
15, 19

These interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, and with IAS 34 *Interim Financial Reporting*.

Insights
5.9.30.10

They do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2026.

These interim financial statements were authorised for issue by the Company's Board of Directors on [date].^d

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* and in accordance with the legislative instrument, amounts in the consolidated interim financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

For footnotes, see [page \[37\]](#).

Directors' declaration

In the opinion of the directors of Example Public Company Limited ("the Company"):

1. the condensed consolidated financial statements and notes set out on pages [37] to [76], are in accordance with the *Corporations Act 2001* including:
 - a. giving a true and fair view of the Group's financial position as at 31 December 2026 and of its performance for the six month period ended on that date and
 - b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Director_Name

[Director_signing_position]

Dated at [city] this day of2027

Section II – Guide to condensed interim financial statements

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About this guide

This guide has been produced by the KPMG International Standards Group (part of KPMG IFRG Limited).

When preparing condensed interim financial statements in accordance with IAS 34 *Interim Financial Reporting*, this guide can help entities to...



This guide illustrates one possible format for financial statements for a fictitious multinational corporation ('the Group') involved in general business activities. This hypothetical reporting entity has been applying IFRS® Accounting Standards (broadly referred to in this guide as Accounting Standards) for some time – i.e. it is not a first-time adopter. For more information on first-time adoption, see Chapter 6.1 in the 22nd Edition 2025/26 of our publication [Insights into IFRS®](#).

Content

This guide assumes that the hypothetical reporting entity:

- chooses to publish a set of condensed interim financial statements under IAS 34;
- issued annual financial statements previously and the users of the interim financial statements will have access to the last annual financial statements;
- provides only significant updates to the information that was reported in the notes to the last annual financial statements;
- prepares its interim financial statements on a consolidated basis;
- applies the same accounting policies as in its last annual financial statements, unless otherwise stated; and
- prepares a half-yearly interim report, but does not prepare quarterly interim reports.

What's new in 2026?

[Appendix I](#) provides a comprehensive list of new accounting standards and amendments issued by the International Accounting Standards Board (IASB), distinguishing between those that are effective for an entity with an annual reporting period beginning on 1 January 2026 and those with a later effective date.

The Group applied *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)* for the first time in 2026. These newly effective amendments do not introduce any new disclosures that are explicitly required in the condensed interim financial statements. However, the Group's financial statements were impacted by the following.^a

	Detail	Illustrative disclosures reference
Derecognition of financial instruments	<p>The amendments clarify the timing of recognition and derecognition of financial assets and financial liabilities and introduce a derecognition exception for financial liabilities settled using an electronic payment system.</p> <p>Adopting the amendments resulted in a change in the Group's accounting policy only for derecognition of financial liabilities settled by electronic payments. However, the change in accounting policy did not have a material effect on the Group's financial statements for the periods presented.</p>	Note 4
Additional disclosures for certain financial instruments	<p>The amendments also introduce additional disclosures for:</p> <ul style="list-style-type: none"> investments in equity instruments designated at FVOCI; and financial instruments not measured at FVTPL with certain contingent features. <p>Although not explicitly required by IAS 34, the Group has disclosed information about a new sustainability-linked secured bank loan that is subject to certain contingent features. Under the loan agreement, the contractual interest cash flows could decrease based on the Group's performance against specific sustainability targets. The Group assessed that the information is relevant to users' understanding of the effect on the Group's future cash flows.</p> <p>The Group did not disclose additional information for investments in equity instruments designated at FVOCI.</p>	Note 18(E)

The Group does not have any transactions or balances that were affected by the other newly effective amendments^b.

- ^{a.} The amendments on classifying and measuring financial instruments add a further test when assessing the sole payments of principal and interest criteria for certain financial assets whose contractual cash flows change based on a contingent event unrelated to basic lending risks or costs. They also clarify the characteristics of contractually linked instruments and how these differ from financial assets with non-recourse features. These amendments did not have an impact on the Group's interim financial statements. For further information on the amendments, see our [article](#).
- ^{b.} The other newly effective amendments relate to *Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)*. The amendments introduce guidance on accounting for nature-dependent electricity contracts. For further information on the amendments, see our [article](#). For illustrative disclosures related to these amendments, see our [Guide to annual financial statements – Illustrative disclosures](#) (March 2026).

Key considerations

The following considerations are important for an entity when preparing condensed interim financial statements.



Focus on decision-useful information

Investors, regulators and other report users rely on the financial statements to provide decision-useful information – i.e. information about an entity that is useful in making decisions about providing resources to that entity.

Materiality is relevant when making judgements about the presentation and disclosure of items in the interim financial statements and needs to be assessed based on interim-period financial information, not that for the full annual reporting period. The overriding goal is to ensure that the interim financial statements include all information that is relevant to understanding an entity's financial position on the interim reporting date and its financial performance during the interim period.

Entities need to take care not to reduce the understandability of their interim financial statements by obscuring material information with immaterial information or by aggregating material items that differ by nature or function. Individual disclosures that are not material to the interim financial statements do not need to be provided – even if they are a specific requirement of an accounting standard. Entities need to consider the appropriate level of disclosure based on materiality for the interim period.

In assessing materiality, an entity also considers the purpose of interim financial statements – i.e. to provide an update on the latest annual financial statements – which differs from the purpose of annual financial statements. The disclosure requirements in IAS 34 assume that users of an entity's condensed interim financial statements will have access to that entity's last annual financial statements. Therefore, the notes to the condensed interim financial statements provide only significant updates to the information reported in the notes to the last annual financial statements.

Specific guidance on materiality and its application to interim financial statements is included in paragraphs 23–25 of IAS 34. Entities may also consider paragraphs 84–88 of Practice Statement 2 *Making Materiality Judgements*, which provides guidance on applying materiality in the preparation of interim financial statements.

This guide is part of our suite of [guides to financial statements](#) and specifically focuses on compliance with IAS 34. Although it is not exhaustive, this guide illustrates the disclosures required for a hypothetical reporting entity, merely for illustrative purposes and, as such, largely without regard to materiality. The information contained herein is of a general nature and is not intended to address the circumstances of any particular entity.

Be clear in times of uncertainty

In times of heightened uncertainty – e.g. from rapid changes in global policies or geopolitical tensions – investors and regulators look for clarity in both the annual and interim reports. They want to know how an entity is affected and how it addresses the challenges, and what judgements, estimates and assumptions management makes.

Uncertainty, including climate-related impacts, brings numerous issues and risks for entities, such as shifts in consumer demand, disrupted supply chains, staff shortages, inflationary pressures and increased market volatility. It also creates the potential for additional accounting and disclosure implications. The IASB issued examples in November 2025 illustrating how an entity may report uncertainties in financial statements. For more about these examples, see our [article](#).

Depending on the industry and economic environment in which an entity operates, various external events may affect the recognition and measurement of its assets and liabilities, and income and expenses. As a consequence of these events, entities may also be facing going concern

difficulties due to liquidity pressures. The considerations that apply for management's going concern assessment and the related disclosures when preparing annual financial statements also apply for interim financial statements.

This guide does not illustrate the potential impacts of external events on the interim financial statements of the hypothetical reporting entity.

For further guidance, see our [Uncertain times hub](#), specifically the article [Interim financial statements – Assessing the impact](#), and our [Clear on climate reporting hub](#).

Tell a connected story

An entity's general purpose financial reports usually contain three key areas that provide insights into the business model and strategy: the financial statements; the sustainability disclosures; and management commentary – e.g. management's discussion and analysis (MD&A). An entity may face direct challenge from investors, regulators and other report users if those insights are not connected. Climate-related matters and other uncertainties are under particular scrutiny.

To achieve connectivity in both annual and interim reports, it is important that the front and back part of the report tell the same story. To tell a connected story, an entity:

- joins the dots between the financial and non-financial information; and
- ensures compliance with relevant standards.

Connectivity is especially important when reporting on issues that create volatility for the entity's prospects, such as climate-related matters and other uncertainties. The interim report is just one piece of the reporting puzzle – an entity needs to tell a clear, coherent and connected story across all parts of its corporate reporting. For more about connectivity, see our [Connected Reporting](#) web page.

Resources are also available on [IFRS Sustainability Disclosure Standards](#), [European Sustainability Reporting Standards](#) and [investor-focused management commentary](#).

This guide illustrates only disclosures for financial statements prepared in accordance with IAS 34 and does not include illustrations of sustainability disclosures or management commentary.

Remember the bigger picture

Financial reporting is not just about technical compliance, but also effective communication. Investors continue to ask for a step-up in the quality of reporting, so entities need to be careful not to become buried in compliance to the detriment of relevance. In preparing their interim financial statements, entities need to focus on improving their communication by reporting financial information in a meaningful way.

Entities may also consider innovating their financial statement presentation and disclosure in the broader context of corporate reporting. For more information, see our [Connected Reporting](#) web page.

Accounting standards covered

This guide reflects accounting standards, amendments and interpretations that have been issued by the IASB as at 20 March 2026 and that are required to be applied by an entity with an annual reporting period beginning on 1 January 2026 ('currently effective requirements'). The early adoption of accounting standards that are effective for annual periods beginning after 1 January 2026 ('forthcoming requirements') has not been illustrated.

Accounting standards other than IAS 34 are not illustrated in this guide, except in the context of disclosures on the face of, or in the notes to, the condensed interim financial statements.

Accounting standards and their interpretation change over time. Accordingly, this guide is not to be used as a substitute for referring to their requirements and other relevant interpretative guidance.

Entities also need to consider applicable legal and regulatory requirements. This guide does not consider the requirements of any particular jurisdiction – e.g. IFRS Accounting Standards do not require the presentation of separate financial statements for the parent entity but laws in certain jurisdictions may require preparation of separate financial statements. This guide illustrates only consolidated financial statements and does not illustrate separate financial statements.

References and abbreviations

References are included in the left-hand margin of this guide to identify their sources. Generally, they relate only to presentation and disclosure requirements.

<i>IAS 34.15</i>	Paragraph 15 of IAS 34.
<i>[IFRS 2.45]</i>	Paragraph 45 of IFRS 2 <i>Share-based Payment</i> . The square brackets indicate that the paragraph relates to presentation or disclosure requirements in annual financial statements. Such presentation or disclosures are not specifically required in condensed interim financial statements, unless they are judged to be material to understanding the interim reporting period.
<i>Insights 2.3.60.10</i>	Paragraph 2.3.60.10 of the 22nd Edition 2025/26 of our publication Insights into IFRS® .

The following markings in the left-hand margins indicate the following.

█ Disclosures that apply only to entities in the scope of IFRS 8 *Operating Segments* and IAS 33 *Earnings per Share*.

|| Major changes since the previous edition of this guide.

The following abbreviations are used often in this guide.

CGU	Cash-generating unit
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECL	Expected credit loss
EPS	Earnings per share
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
NCI	Non-controlling interests
Notes	Notes to the condensed interim financial statements
OCI	Other comprehensive income

[Name of the Company]

**Independent auditors' report
on review of condensed
consolidated interim financial
statements**



Independent auditors' report on review of condensed consolidated interim financial statements^a

Example international audit report not tailored for Australian context

^a. This example report has been prepared based on International Standards on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. Its format does not reflect the legal requirements of any particular jurisdiction.

[Name of the Company]

Condensed consolidated interim financial statements

30 June 2026

Condensed consolidated statement of financial position^{a, b, c}

IAS 34.8(a), 10, 20(a)

Refer to Page 6 of Section I for Australian style Condensed consolidated statement of financial position

[IFRS 15.105]

[IFRS 5.38, 40]

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For footnotes, see [page 26](#).

Condensed consolidated statement of financial position (continued)

IAS 34.8(a), 10, 20(a)

Refer to Page 6 of Section I for Australian style Condensed consolidated statement of financial position

[IFRS 15.105]

[IFRS 5.38, 40]

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For footnotes, see [page 26](#).

IAS 34.10

a. Each of the condensed primary financial statements includes, at a minimum, each of the headings and subtotals that were included in the last annual financial statements. Additional line items are included if their omission would make the condensed interim financial statements misleading.

b. When the interim financial statements are unaudited, this fact may be disclosed. This disclosure may also be a requirement in some jurisdictions.

IAS 1.BC33, 34.8, 15B(g), 16A(a), 20(a), Insights 5.9.30.22

c. Under IAS 34, the minimum components of condensed interim financial statements do not include a statement of financial position as at the beginning of the preceding period when comparative information is restated following a change in accounting policy, correction of an error or reclassification of items. However, disclosure is required for certain events and transactions, including a change in accounting policy or correction of a material prior-period error.

IFRS 16.47(a), 48

d. The Group has presented right-of-use assets that do not meet the definition of investment property within 'property, plant and equipment' – i.e. the same line item in which it presents underlying assets of the same nature that it owns – with a separate disclosure in the notes. Alternatively, the Group may choose to present right-of-use assets separately in the statement of financial position. Right-of-use assets that meet the definition of investment property are presented within 'investment property'.

Insights 7.10.40.50

e. The Group has presented its derivative assets within the 'other investments' line item because they are not significant. In our view, derivative assets and liabilities should be presented in separate line items in the statement of financial position if they are significant.

IAS 1.60–61

f. The Group has made a current/non-current distinction in the statement of financial position. An entity may present its assets and liabilities broadly in order of liquidity if such a presentation provides information that is reliable and more relevant. Our [Guide to annual financial statements – Illustrative disclosures for banks](#) (December 2025) provides an example presentation of assets and liabilities in order of liquidity.

IAS 1.66, Insights 3.1.30

g. The Group has classified certain intangible assets (emissions allowances) as current (see [Note 19\(C\)](#)) because they are expected to be realised within 12 months of the reporting date. An entity needs to apply the requirements in IAS 1 *Presentation of Financial Statements* in determining whether to classify intangible assets as current or non-current.

IFRS 15.B21, BC367

h. IFRS 15 *Revenue from Contracts with Customers* and other accounting standards do not specify where assets for rights to recover products from customers with regards to sales with a right of return should be presented. The Group has included the assets in 'inventories' and disclosed them separately in the notes (see [Note 13\(C\)](#)).

IAS 1.54–55, IFRS 15.105, 109, A, BC320–BC321, Insights 4.2.510

i. Although it is not specifically required, the Group has presented in the statement of financial position line items related to contract assets and contract liabilities. For further guidance on applying the requirements in IAS 1 for classification of contract assets and contract liabilities as current or non-current, see [Insights into IFRS® 4.2.510](#). Although this guide uses the terms 'contract assets' and 'contract liabilities', an entity may also use other terms.

IAS 1.66, 69, 71, Insights 3.13.615

j. The Group has classified amounts payable to or receivable from tax authorities in relation to current income taxes as current, applying the general classification criteria in IAS 1. The Group's current tax liabilities include amounts related to Pillar Two top-up taxes (see [Note 11\(B\)](#)) which are subject to the same payment terms as other corporate income taxes in the relevant jurisdictions. In our view, the classification of current tax liabilities is driven by the payment terms rather than the filing dates for tax returns because filing does not constitute a settlement.

IAS 1.66, Insights 3.1.30

k. The Group has classified prepayments as current because they relate to the purchase of inventories and are expected to be realised within 12 months of the reporting date. An entity applies the requirements in IAS 1 in determining whether to classify prepayments as current or non-current.

IFRS 5.30, IAS 34.10, Insights 5.9.40.20

l. Although it is not specifically required by IAS 34, in our view non-current assets or a disposal group classified as held-for-sale or held-for-distribution at the interim reporting date should be presented separately from other assets and liabilities in the condensed statement of financial position.

IFRS 16.47(b)

m. The Group has presented lease liabilities within 'loans and borrowings'. Alternatively, an entity (a lessee) may choose to present lease liabilities separately from other liabilities in the statement of financial position.

Insights 3.1.10.30, 7.10.35.70–100, IU 12–20

n. The Group has presented amounts owed for the purchase of goods or services but related to a supplier finance arrangement within 'trade and other payables'. It considers that the nature and function of these payables is not different from other trade payables and therefore does not warrant a separate presentation on the face of the statement of financial position. In our view, regardless of whether the original trade payable is derecognised, an entity should consider the appropriate presentation of amounts related to supplier finance arrangements in the statement of financial position. The Group has disclosed those amounts separately in the notes (see [Note 20](#)).

IAS 1.69, 71

o. The current tax liabilities balance includes amounts payable for Pillar Two taxes (see [Note 11\(B\)](#)). The Group has classified its Pillar Two tax liabilities as current because the payment terms applicable to these taxes are similar to the existing payment terms for other corporate income taxes and they meet the criteria in IAS 1 for current classification. The Group considered the specific payment terms in the relevant jurisdiction(s) rather than the filing dates of the tax returns in determining whether to classify Pillar Two tax liabilities as current or non-current.

Insights 7.10.310.10, 30–40, IAS 1.29, IFRS 7.8(e)(iii)

p. There is no specific guidance in the Accounting Standards on the presentation of embedded derivatives and the related host contracts. The Group has presented its separable embedded derivative liability related to certain convertible notes together with the host contract on the basis that the host and the embedded derivative are subject to the same contract. However, as the separable embedded derivative is mandatorily measured at FVTPL, it has been disclosed separately in the notes (see [Note 20](#)).

IFRS 15.55

q. The Group has presented its refund liabilities under IFRS 15 as 'trade and other payables'. The Group's returns policy offers only an exchange for another good – i.e. the Group does not offer a cash refund. Therefore, refund liabilities do not meet the definition of a financial liability in IAS 32 *Financial Instruments: Presentation*. If a refund liability or a liability related to a repurchase agreement meets the definition of a financial liability in IAS 32, then it is subject to the disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*.

Condensed consolidated statement of profit or loss and other comprehensive income^{a, b}

IAS 34.8(b), 10, 20(b)

[IAS 1.82(a)]

[IAS 1.82(ba)]

[IAS 1.82(b)]

[IAS 1.82(c)]

[IAS 1.82(d)]

[IAS 1.82A(a)(i)]

[IAS 1.82A(a)(iii)]

Refer to Page 7 of Section I for Australian style Condensed consolidated statement of profit or loss and other comprehensive income

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For footnotes, see [page 29](#).

Condensed consolidated statement of profit or loss and other comprehensive income (continued)

IAS 34.8(b), 10, 20(b)

Refer to Page 8 of Section I for Australian style Condensed consolidated statement of profit and loss and other comprehensive income

IAS 34.11

IAS 34.11

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For footnotes, see [page 29](#).

<p>IAS 1.10A, 99–100, 34.8(b), 8A, 10, 20(b)</p>	<p>a. The Group has elected to present comprehensive income under a ‘one-statement’ approach and has elected to analyse expenses recognised in profit or loss based on functions within the Group. Alternatively, an entity may present the analysis based on nature if this presentation provides information that is reliable and more relevant. The analysis may also be presented in the notes. For an illustration of the alternative ‘two-statement’ approach, see Appendix II.</p>
<p>IAS 34.10, IAS 1.82</p>	<p>b. Each of the condensed primary financial statements includes, at a minimum, each of the headings and subtotals that were included in the last annual financial statements. Additional line items are included if their omission would make the financial statements misleading. IAS 1 requires the separate presentation of specific line items in the statement of profit or loss. The Group has not presented certain line items because during the interim reporting period it did not have any events or transactions to be reflected in those line items.</p>
<p>IFRS 15.113, IAS 1.29–30, 85, Insights 4.2.560.25</p>	<p>c. In our view, an entity is not required to present revenue from contracts with customers as a separate line item in the statement of profit or loss and may aggregate it with other types of revenue considering the requirements in IAS 1. However, in providing a separate disclosure of revenue from contracts with customers – either in the notes or in the statement of profit or loss – we believe that an entity should not include amounts that do not fall in the scope of IFRS 15.</p>
<p>IAS 1.31, 82(ba), 85, 97, 99, Insights 4.1.20.40</p>	<p>d. An entity that presents the analysis of expenses by function or by nature in the statement of profit or loss and OCI may face challenges in determining how this presentation interacts with the specific requirements to present the effect of some events or circumstances as a single amount in the statement of profit or loss and OCI – e.g. impairment losses determined under Section 5.5 of IFRS 9 <i>Financial Instruments</i>.</p> <p>The Group has applied judgement in determining an appropriate presentation and disaggregated the impairment loss amount into:</p> <ul style="list-style-type: none"> • impairment related to trade and other receivables, including contract assets, which is presented separately in the statement of profit or loss and OCI; and • impairment related to investments in debt securities, which is not presented separately but included under ‘finance costs’ due to materiality considerations. <p>The Group believes that this presentation is relevant to an understanding of its financial performance.</p>
<p>IAS 1.82(a), Insights 7.10.70.15–20</p>	<p>e. The Group has presented interest income on financial assets that are subsequently measured at amortised cost or FVOCI as part of ‘finance income’ because it does not consider it as part of its revenue-generating activities. If the interest income, calculated under the effective interest method, constituted revenue, then the entity would be required to separately present that income as interest revenue in the statement of profit or loss and OCI. In our view, an entity may present interest income from other financial assets in another revenue line item if it arises in the course of the entity’s ordinary activities.</p>
<p>IAS 1.82(b), IFRS 16.49, 7.IG13</p>	<p>f. The Group has presented interest expense on the lease liability separately from the depreciation charge for the right-of-use asset. Interest expense on the lease liability is a component of finance costs, which is presented separately in the statement of profit or loss and OCI.</p>
<p>IFRS 5.30, IAS 34.10, Insights 5.9.40.20</p>	<p>g. Although it is not specifically required by IAS 34, in our view operations that are discontinued at the interim reporting date or disposed of during the interim period should be presented separately, following the principles in IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>.</p>
<p>IFRS 5.33(a)–33(b), IAS 1.82(ea)</p>	<p>h. The Group has elected to disclose a single amount of post-tax profit or loss of discontinued operations in the statement of profit or loss and OCI, and has analysed that single amount into revenue, expenses and the pre-tax profit or loss in Note 7. Alternatively, an entity may present the analysis in the statement.</p>
<p>IAS 1.90–91, 34.10</p>	<p>i. The Group has elected to present individual components of OCI before related tax with an aggregate amount presented for tax in the statement of profit or loss and OCI. Alternatively, an entity may present individual components of OCI net of related tax in the statement.</p>
<p>IFRS 9.6.5.11, 6.5.15, IAS 1.82A(a), Insights 7.10.90.35</p>	<p>j. IFRS 9 specifies whether and when amounts previously recognised in OCI are reclassified to profit or loss. However, in some circumstances it may be unclear at the time when a gain or loss is recognised in OCI whether it will subsequently be reclassified to profit or loss. For example, if an entity hedges a future purchase of a non-financial item, then the related hedging gains and losses will subsequently be included in the initial cost of the non-financial item and affect profit or loss when the non-financial item is disposed of or written down. Conversely, if the future hedged cash flows are no longer expected to occur or if a loss is no longer expected to be recoverable, then the hedging gains or losses will be reclassified to profit or loss. Accordingly, in our view gains or losses on cash flow hedges and costs of hedging relating to the future recognition of a non-financial asset or liability should be presented in OCI as items that may be subsequently reclassified to profit or loss when specific conditions are met.</p>
<p>IAS 1.94, 34.10</p>	<p>k. The Group has elected to present reclassification adjustments in the statement of profit or loss and OCI. Alternatively, an entity may present these adjustments in the notes.</p>
<p>IAS 34.10, Insights 5.9.50.10</p>	<p>l. Although it is not specifically required by IAS 34, the Group has disclosed:</p> <ul style="list-style-type: none"> • the EPS from continuing operations on the face of the condensed consolidated statement of profit or loss and OCI; and • the EPS from discontinued operations in the notes (see Note 7). <p>The appropriate level of disclosure for an interim reporting period may vary depending on materiality.</p>
<p>IAS 34.10, IAS 1.85–85B, BC38G, Insights 4.1.150</p>	<p>m. The Group has disclosed adjusted EBITDA because management believes that this measure is relevant to an understanding of the entity’s financial performance. This disclosure is provided for illustrative purposes only.</p>

Condensed consolidated statement of changes in equity

IAS 34.8(c), 10, 20(c)

Refer to Page 9 of Section I for Australian style Condensed consolidated statement of changes in equity

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Refer to Page 9 of Section I for Australian style Condensed consolidated statement of changes in equity

IAS 32.33,
Insights 7.3.750.10–20

- a. The Accounting Standards do not mandate a specific method of presenting treasury shares within equity. However, local laws may prescribe the allocation method. Therefore, an entity needs to take into account its legal environment when choosing how to present its own shares within equity. An entity needs to choose a presentation format, to be applied consistently to all treasury shares. The Group has elected to present the total cost of treasury shares as a separate category of equity.

IAS 1.78(e), 79(b), 108,
Insights 4.5.900.20

- b. Generally, IFRS 2 does not address whether an increase in equity recognised in connection with a share-based payment transaction should be presented in a separate component within equity or within retained earnings. In our view, either approach is allowed under the Accounting Standards. The Group has elected to present this increase in retained earnings.

Condensed consolidated statement of changes in equity (continued)

IAS 34.8(c), 10, 20(c)

Refer to Page 9 of Section I for Australian style Condensed consolidated statement of changes in equity

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Condensed consolidated statement of cash flows

IAS 34.8(d), 10, 20(d)

Refer to Page 11 of Section I for Australian Style of Condensed consolidated statement of cash flows

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For footnotes, see [page 36](#).

Condensed consolidated statement of cash flows (continued)

IAS 34.8(d), 10, 20(d)

Refer to Page 11 of Section I for Australian Style of
Condensed consolidated statement of cash flows

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For footnotes, see [page 36](#).

<i>IAS 7.18, 34.10</i>	<p>a. The Group has elected to present cash flows from operating activities under the indirect method. Alternatively, an entity may present operating cash flows under the direct method, disclosing major classes of gross cash receipts and payments related to operating activities. An example of this presentation is illustrated in Appendix III to our Guide to annual financial statements – Illustrative disclosures (March 2026).</p>
<i>IAS 76, 11, Insights 2.3.20.11</i>	<p>b. The Group has classified cash flows related to emissions allowances (current intangible assets) within operating activities because they relate to the Group's principal revenue-generating activities and the assets are not considered long-term in nature. The emissions allowances are expected to be realised within 12 months of the reporting date by surrendering them to the government to settle the annual emissions obligation. In determining the classification of cash flows, an entity considers the nature of the activity to which they relate.</p>
<i>IAS 7.31, Insights 2.3.50.10–20</i>	<p>c. The Accounting Standards require cash flows from interest and dividends received and paid to be disclosed separately. In our view, such disclosure is required in the statement of cash flows, rather than in the notes. In the absence of specific guidance in the Accounting Standards, an entity chooses an accounting policy, to be applied consistently, to classify interest and dividends paid as either operating or financing activities, and interest and dividends received as either operating or investing activities. The Group has elected to classify cash flows from interest paid as operating activities, cash flows from interest received and dividends received as investing activities, and cash flows from dividends paid as financing activities.</p> <p>Interest paid includes the interest portion of the lease liabilities. See footnotes (d) and (g) below.</p>
<i>Insights 2.3.50.38</i>	<p>d. In our view, an entity should choose an accounting policy, to be applied consistently, to classify cash flows related to capitalised interest as follows:</p> <ul style="list-style-type: none"> • as cash flows from investing activities if the other cash payments to acquire the qualifying asset are reflected as investing activities; or • consistently with interest cash flows that are not capitalised. <p>The Group has presented capitalised interest consistently with interest cash flows that are not capitalised.</p>
<i>IAS 7.10, IFRS 5.33(c), Insights 5.4.220.50</i>	<p>e. The Group has presented a condensed consolidated statement of cash flows that includes an analysis of all cash flows in total – i.e. including both continuing and discontinued operations; amounts related to discontinued operations by operating, investing and financing activities are disclosed (see Note 7). However, in our view there are numerous ways in which the requirements of IFRS 5 and IAS 7 <i>Statement of Cash Flows</i> regarding cash flow presentation may be met.</p>
<i>IAS 7.10–11, Insights 2.3.20.11</i>	<p>f. There is no specific guidance in the Accounting Standards on the classification of cash flows from the receipt of government grants. Cash flows should be classified based on the nature of the activity to which they relate. The Group has classified cash flows related to asset-related grants as investing activities and those related to income-related grants as operating activities because this reflects the nature of the related activities.</p>
<i>IFRS 16.50, IAS 7.17(e)</i>	<p>g. The Group has classified:</p> <ul style="list-style-type: none"> • cash payments for the principal portion of lease payments as financing activities; • cash payments for the interest portion as operating activities (see footnote (c) above); and • short-term lease payments and payments for leases of low-value assets as operating activities.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements^a

Refer to Page 12 of Section I for Australian version of "Note 1 Reporting entity and Note 2 Basis of preparation"

IAS 34.10, 15, 19,
Insights 5.9.30.10

IAS 1.113–114

- a.** Notes are presented, to the extent practicable, in a systematic manner and are cross-referred to/from items in the primary statements. In determining a systematic manner of presentation, an entity considers the effect on the understandability and comparability of the financial statements. The Group has applied its judgement in presenting related information together in a manner that it considers to be most relevant to an understanding of its financial performance and financial position. The order presented is only illustrative and entities need to tailor the organisation of the notes to fit their specific circumstances.

IAS 1.4, 25, 122,
10.14, 16, 34.15

Insights 5.9.10.35,
37

- b.** Although not illustrated in this guide, an entity considers whether it is relevant to disclose certain matters related to the use of the going concern basis of accounting in its interim financial statements. An entity discloses in interim financial statements any material uncertainties related to events or conditions that may cast significant doubt on its ability to continue as a going concern, identified before the date of authorisation for issue, regardless of whether they were disclosed in the last annual financial statements. Even when management concludes that there are no material uncertainties but reaching that conclusion involved significant judgement (a 'close-call' scenario), judgements made in concluding that there remain no material uncertainties related to events or conditions that may cast significant doubt on its ability to continue as a going concern need to be disclosed. For further details, see our [article](#).

For example disclosures related to going concern matters, see Appendix IV to our [Guide to annual financial statements – Illustrative disclosures](#) (March 2026).

IAS 1.4, 34.20,
Insights 5.9.70

- c.** Unless an entity is a new company, condensed interim financial statements include comparative primary financial statements; otherwise, they cannot claim to comply with IAS 34. However, IAS 34 is less specific in respect of the comparative information (both quantitative and narrative) that should be included in the selected explanatory notes. In our experience, entities generally include both quantitative and narrative comparative information in the explanatory notes because the disclosure is of continuing relevance to the current interim period. In our view, management should exercise judgement to decide what comparative information should be included in the selected explanatory notes.

IAS 10.17–18

- d.** Although it is not specifically required by IAS 34, it may be relevant to a user's understanding to disclose the date of authorisation and who gave the authorisation, because any event that occurs after that date is not disclosed or adjusted in the condensed interim financial statements of the current interim period. These disclosures may also be required by local laws.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

3. Use of judgements and estimates^a

IAS 34.41

In preparing these interim financial statements, management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

IAS 34.15, 16A(d), 28

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Measurement of fair values^b

IAS 34.16A(j),
IFRS 13.93(g)

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets, and financial and non-financial liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

IAS 34.15, 16A(d),
28

- a. Although it is not illustrated in this guide, an entity needs to carefully evaluate and consider the impact of external events – e.g. geopolitical changes, natural disasters, climate-related effects and inflationary pressures – on its financial reporting and provide an update to relevant, entity-specific disclosures since the last annual reporting date. For relevant guidance, see our [Uncertain times hub](#) and especially our article [What is the impact of external events on interim financial statements?](#)

IAS 34.15, 16A(j),
Insights 5.9.140.30

- b. IAS 34 is clear that the fair value measurement (IFRS 13 *Fair Value Measurement*) disclosure requirements relate only to financial instruments, even though the related disclosure requirements of IFRS 13 also apply to other assets and liabilities. However, fair value disclosures related to non-financial assets and non-financial liabilities may be necessary in some circumstances – e.g. when an entity provides an explanation of events and transactions that are significant to an understanding of the changes in its financial position and performance since the last annual reporting date.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

3. Use of judgements and estimates (continued)

IFRS 13.95,
IAS 34.16A(j)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in [Note 20](#).

4. Change in accounting policy^a

IAS 34.16A(a)

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2025. The policy for recognising and measuring income taxes in the interim period is consistent with that applied in the previous interim period and is described in [Note 11](#).

Derecognition of financial liabilities settled via electronic payment systems

IFRS 9.B3.1.2A, B3.3.8

The Group has adopted *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)* from 1 January 2026. The amendments clarify when a financial asset or a financial liability is recognised and derecognised. They also introduce an exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled with cash, using an electronic payment system that meets specific criteria.

Adopting the amendments resulted in a change in the accounting policy for the derecognition of trade payables settled with cash using qualifying electronic payment systems, for which the Group has elected to apply the exception. Previously, the Group derecognised trade payables settled with cash using an electronic payment system on the settlement date. Under the new policy, derecognition of these trade payables occurs on the date when the Group's ability to withdraw, stop or cancel the payment instruction is surrendered and the other eligibility criteria are met. As a result, the Group derecognises certain trade payables and cash earlier.

IFRS 9.72.47–48

The amendments apply retrospectively; however, the Group was not required to restate prior periods to reflect their application under the transitional provisions. In addition, the change in accounting policy did not have a material effect on the Group's interim financial statements for the periods presented.^{b, c}

The change in accounting policy will also be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2026.

- a. The Group chose to present a separate note describing its change in accounting policy since the last annual financial reporting period. Alternatively, this information could be provided in another note (for example, the basis of accounting note – see [Note 2](#)).
- Amendments to accounting standards and interpretations that are effective for annual reporting periods beginning on 1 January 2026 are described in [Appendix I](#).
- b. For some entities, these amendments may have a material effect on their financial statements. If the effect of the change in accounting policy had been material for the Group, then the Group would have derecognised trade payables meeting the specified criteria and recognised a corresponding decrease to cash and cash equivalents at the date of initial application. The adjustment to cash and cash equivalents would also have impacted the opening balance in the statement of cash flows at the date of initial application. For further information on the amendments, see our [article](#).
- c. Adopting the amendments did not result in a change in the accounting policy for the derecognition of financial assets settled with cash via electronic payment systems. The Group's accounting policy for derecognition of financial assets applies equally to trade receivables settled with cash using an electronic payment system.
- In our view, an outstanding receivable which will be settled with cash via an electronic payment system does not qualify as a cash equivalent while the cash transits through the system because treating it as such would have a similar effect as derecognising the receivable before the cash is received. Such receivables are derecognised only on completion of the settlement.

Insights 2.3.15.30

Notes to the condensed consolidated interim financial statements (continued)

5. Operating segments

A. Information about reportable segments

In thousands of EUR	Reportable segments					
	Non-recycled Papers		Recycled Papers		Packaging (discontinued)** ^a	
	30 June 2026	30 June 2025 restated*	30 June 2026	30 June 2025 restated*	30 June 2026	30 June 2025 restated*
Segment profit (loss) before tax	2,035	2,630	3,449	1,101	(158)	(458)
External revenues	34,716	36,814	13,607	11,030	7,543	23,193
Inter-segment revenue	-	-	159	161	940	2,835

In thousands of EUR	Reportable segments					
	Non-recycled Papers		Recycled Papers		Packaging (discontinued)** ^a	
	30 June 2026	31 December 2025 restated*	30 June 2026	31 December 2025 restated*	30 June 2026	31 December 2025 restated*
Segment assets ^b	39,054	25,267	21,025	16,003	-	13,250
Segment liabilities ^b	37,399	26,907	9,875	14,316	-	2,959

* As a result of the acquisition of Papyrus Pty Limited (Papyrus) during the six months ended 30 June 2026 (see Note 21), the Group has changed its internal organisation and the composition of its operating segments, which resulted in a change in reportable segments. Accordingly, the Group has restated the previously reported segment information for the six months ended 30 June 2025 and as at 31 December 2025.

** See Note 7.

B. Reconciliation of reportable segment profit before tax

In thousands of EUR	For the six months ended 30 June	
	2026	2025 restated*
Total profit before tax for reportable segments	5,964	4,454
Profit before tax for other segments	385	98
Elimination of inter-segment profit	(1,695)	(1,235)
Elimination of discontinued operation	158	458
Unallocated amounts:		
– Other corporate expenses	(906)	(510)
Consolidated profit before tax from continuing operations	3,906	3,265

* See Notes 5(A)(*) and 7.

IAS 34.8(e)

IAS 34.16A(g)(iii)

IAS 34.16A(g)(i)

IAS 34.16A(g)(ii)

IAS 34.16A(g)(iv)

IAS 34.16A(g)(iv)

IFRS 8.29

IAS 34.16A(g)(vi)

Reportable segments											
Forestry		Timber Products		Research and Development		Total reportable segments		All other segments		Total	
30 June 2026	30 June 2025 restated*	30 June 2026	30 June 2025 restated*	30 June 2026	30 June 2025 restated*	30 June 2026	30 June 2025 restated*	30 June 2026	30 June 2025 restated*	30 June 2026	30 June 2025
708	508	(120)	640	50	33	5,964	4,454	385	98	6,349	4,552
1,925	1,823	1,504	1,493	-	-	59,296	74,353	777	426	60,073	74,779
1,341	1,338	923	962	438	497	3,801	5,793	444	383	4,245	6,176

Reportable segments											
Forestry		Timber Products		Research and Development		Total reportable segments		All other segments		Total	
30 June 2026	31 December 2025 restated*	30 June 2026	31 December 2025 restated*	30 June 2026	31 December 2025 restated*	30 June 2026	31 December 2025 restated*	30 June 2026	31 December 2025 restated*	30 June 2026	31 December 2025
20,046	16,942	4,521	3,664	2,323	1,946	86,969	77,072	6,398	3,683	93,367	80,755
4,769	7,097	1,236	1,456	169	158	53,448	52,893	237	454	53,685	53,347

IAS 34.16A(g)(v)

- a. The Group has presented the Packaging segment, which is also a discontinued operation, as an operating segment. If it no longer met the definition of an operating segment, then it would not have been included in the segment disclosures; however, a description of the difference from the last annual financial statements in the basis of segmentation would have been provided.

IAS 34.16A(g)(iv)

- b. The Group has disclosed measures of segment assets and segment liabilities for all reportable segments, although they are required only if they are regularly provided to an entity's chief operating decision maker (CODM) and are materially different from the amounts disclosed in the entity's last annual financial statements for that reportable segment.

Notes to the condensed consolidated interim financial statements (continued)

6. Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements (see also [Note 7](#) for an operation that was discontinued during the reporting period). The Group's revenue is derived from contracts with customers, except for immaterial amounts related to hedge accounting presented as 'other revenue'.

A. Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers (including revenue related to a discontinued operation) is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see [Note 5](#)).^{a, b, c}

For six months ended 30 June <i>In thousands of EUR</i>	Reportable segments					
	Non-recycled Papers		Recycled Papers		Packaging (discontinued) ^d	
	2026	2025	2026	2025	2026	2025
Primary geographic markets						
Europe	27,771	29,820	10,884	8,935	6,034	18,786
US	6,943	6,995	2,721	2,096	1,509	4,407
	34,714	36,815	13,605	11,031	7,543	23,193
Major products/service lines						
Standard paper products	27,771	29,452	10,884	8,825	-	-
Made-to-order paper products	6,943	7,363	2,721	2,206	-	-
Forestry services	-	-	-	-	-	-
Timber products	-	-	-	-	-	-
Packaging and other	-	-	-	-	7,543	23,193
	34,714	36,815	13,605	11,031	7,543	23,193
Timing of revenue recognition						
Products transferred at a point in time	27,771	29,452	10,884	8,825	7,543	23,193
Products and services transferred over time	6,943	7,363	2,721	2,206	-	-
Revenue from contracts with customers	34,714	36,815	13,605	11,031	7,543	23,193
Other revenue	2	(1)	2	(1)	-	-
External revenue as reported in Note 5	34,716	36,814	13,607	11,030	7,543	23,193

IFRS 15.114, B88, IE210–IE211

- a. The extent to which an entity's revenue is disaggregated for the purposes of this disclosure depends on the facts and circumstances of the entity's contracts with customers.

In determining the appropriate categories, an entity considers how revenue is disaggregated in:

- disclosures presented outside the financial statements: e.g. earnings releases, annual reports or investor presentations;
- information reviewed by the CODM for evaluating the financial performance of operating segments; and
- other similar information that is used by the entity or users of the entity's financial statements to evaluate performance or make resource allocation decisions.

IFRS 15.B89

Examples of categories that might be appropriate in disclosing disaggregated revenue include, but are not limited to, the following.

Type of category	Example
Type of good or service	Major product lines
Geographic region	Country or region
Market or type of customer	Government and non-government customers
Type of contract	Fixed-price and time-and-materials contracts
Contract duration	Short-term and long-term contracts
Timing of transfer of goods or services	Goods or services transferred to customers: <ul style="list-style-type: none"> • at a point in time • over time
Sales channels	Goods or services sold: <ul style="list-style-type: none"> • directly to consumers • through intermediaries

Reportable segments

Forestry		Timber Products		Total reportable segments		All other segments		Total	
2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
1,540	1,477	1,203	1,209	47,433	60,228	467	240	47,900	60,467
385	346	301	284	11,859	14,127	155	81	12,015	14,208
1,925	1,823	1,504	1,493	59,292	74,355	622	321	59,914	74,676
-	-	-	-	38,655	38,277	-	-	38,655	38,277
-	-	-	-	9,665	9,569	-	-	9,665	9,569
1,925	1,823	-	-	1,925	1,823	-	-	1,925	1,823
-	-	1,504	1,493	1,504	1,493	-	-	1,504	1,493
-	-	-	-	7,543	23,193	622	321	8,165	23,514
1,925	1,823	1,504	1,493	59,292	74,355	622	321	59,914	74,676
-	-	1,504	1,493	47,702	62,963	195	87	47,897	63,050
1,925	1,823	-	-	11,590	11,392	428	234	12,018	11,626
1,925	1,823	1,504	1,493	59,292	74,355	622	321	59,914	74,676
-	-	-	-	4	(2)	155	105	159	103
1,925	1,823	1,504	1,493	59,296	74,353	777	426	60,073	74,779

IFRS 15.112, 114, BC340

b. Some entities may not be able to meet the objective in paragraph 114 of IFRS 15 for disaggregating revenue by providing segment revenue information and may need to use more than one type of category. Other entities may meet the objective by using only one type of category. Even if an entity uses consistent categories in the segment note and in the revenue disaggregation note, further disaggregation of revenue may be required because the objective of providing segment information under IFRS 8 is different from the objective of the disaggregation disclosure under IFRS 15 and, unlike IFRS 8, there are no aggregation criteria in IFRS 15.

Nonetheless, an entity does not need to provide disaggregated revenue disclosures if the information about revenue provided under IFRS 8 meets the requirements of paragraph 114 of IFRS 15 and those revenue disclosures are based on the recognition and measurement requirements in IFRS 15.

IFRS 15.115

c. An entity is required to disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue and revenue information that is disclosed for each reportable segment, if the entity applies IFRS 8.

IFRS 15.114, 5.5B

d. Although it is not explicitly required by IAS 34 to include discontinued operations as part of the disaggregation of revenue from contracts with customers, the Group has provided that information.

Notes to the condensed consolidated interim financial statements (continued)

6. Revenue (continued)

B. Contract balances^a

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

<i>In thousands of EUR</i>	<i>Note</i>	30 June 2026	31 December 2025
Receivables, which are included in 'trade and other receivables'		20,364	19,816
Receivables, which are included in 'assets held for sale'	<i>14</i>	1,385	-
Contract assets		1,316	782
Contract liabilities		(148)	(117)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on made-to-order paper products. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers for construction of storage units and warehouses, for which revenue is recognised over time, and to the unredeemed customer loyalty points. This will be recognised as revenue when the points are redeemed by customers, which is expected to occur over the next two years.

The amount of EUR 117 thousand included in contract liabilities at 31 December 2025 has been recognised as revenue in the six months ended 30 June 2026.

The amount of revenue recognised in the six months ended 30 June 2026 from performance obligations satisfied (or partially satisfied) in previous periods is EUR 8 thousand (2025: nil). This is mainly due to changes in the estimate of the stage of completion of construction of storage units and warehouses.

C. Seasonality of operations

The Group's Forestry segment is subject to seasonal fluctuations as a result of weather conditions. In particular, the cultivation of pine trees and the provision of related services in key geographic areas are adversely affected by winter weather conditions, which occur primarily from January to March. This segment typically has lower revenues and results for the first half of the year.

For the 12 months ended 30 June 2026, the Forestry segment reported revenue of EUR 6,486 thousand (12 months ended 30 June 2025: EUR 6,280 thousand) and profit before tax of EUR 1,184 thousand (12 months ended 30 June 2025: EUR 1,687 thousand).^b

IAS 34.8(e)

IAS 34.15, 15C,
[IFRS 15.116–118]

IAS 34.16A(b)

IAS 34.21

IAS 34.15, 15C

a. Although it is not explicitly required by IAS 34, this disclosure is provided because the Group believes that it is relevant to an understanding of the changes in the Group's financial position and performance during the interim period.

IAS 34.21

b. An entity whose business is highly seasonal is encouraged to disclose additional information, including:

- financial information for the 12 months ended at the interim reporting date; and
- comparative information for the prior 12-month period.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

7. Discontinued operation^a

In February 2026, the Group sold its entire Packaging segment (see Note 5). Management committed to a plan to sell this segment in January 2026, following a strategic decision to place greater focus on the Group's key competencies – i.e. the manufacture of paper used in the printing industry, forestry and the manufacture of timber products.

The Packaging segment was not previously classified as held-for-sale or as a discontinued operation. The comparative condensed consolidated statement of profit or loss and OCI has been re-presented to show the discontinued operation separately from continuing operations.

Subsequent to the disposal, the Group has continued to purchase packaging from the discontinued operation. Although intra-group transactions have been fully eliminated in the consolidated financial results, management has elected to attribute the elimination of transactions between the continuing operations and the discontinued operation before the disposal in a way that reflects the continuance of these transactions subsequent to the disposal, because management believes that this is useful to the users of the financial statements.

To achieve this presentation, management has eliminated from the results of the discontinued operation the inter-segment sales (and costs thereof, less unrealised profits) made before its disposal. Because purchases from the discontinued operation will continue after the disposal, inter-segment purchases made by the continuing operations before the disposal are retained in continuing operations.

 IAS 34.16A(i),
 Insights 5.4.230

IAS 1.98(e)]

IFRS 5.33(b)(i)]

IFRS 5.33(b)(i)]

IFRS 5.33(b)(i)]

IFRS 5.33(b)(ii)]

IFRS 5.33(b)(iii)]

IFRS 5.33(b)(iv)]

IFRS 5.33(a)]

IAS 33.68]

IAS 33.68]

In thousands of EUR	For the six months ended 30 June	
	2026	2025
A. Results of discontinued operation^b		
Revenue	8,483	26,028
Elimination of inter-segment revenue	(940)	(2,835)
External revenue	7,543	23,193
Expenses	(8,641)	(26,486)
Elimination of expenses related to inter-segment sales	936	2,827
External expenses	(7,705)	(23,659)
Results from operating activities	(162)	(466)
Income tax	25	44
Results from operating activities, net of tax	(137)	(422)
Gain on sale of discontinued operation	846	-
Income tax on gain on sale of discontinued operation	(330)	-
Profit (loss) from discontinued operation for the period, net of tax	379	(422)
Basic earnings (loss) per share (EUR) ^c	0.12	(0.14)
Diluted earnings (loss) per share (EPS) ^c	0.11	(0.14)

IAS 34.15C, 16A(i)

a. An entity discloses the effects of changes in its composition during an interim reporting period. Although it is not specifically required by IAS 34, the Group has disclosed information that would be required by IFRS 5 in its annual financial statements. The appropriate level of disclosure may vary depending on the significance of the discontinued operation.

Insights 5.4.230.40

b. In our view, considering that IFRS 5 does not specify how the elimination should be attributed to continuing and discontinued operations, an entity may present transactions between the continuing and discontinued operations in a way that reflects the continuance of those transactions, when that is useful to the users of the financial statements. It may be appropriate to present additional disclosure either on the face of the statement of profit or loss and OCI or in the notes. In our experience, if the additional disclosure is provided in the statement of profit or loss and OCI, then judgement may be required whether the disaggregated information should be presented as part of the statement itself or as an additional disclosure alongside the totals in that statement. Clear disclosure of the approach taken to the elimination of intra-group transactions will be relevant, including an explanation of any additional analysis of discontinued operations in the notes to the statement of profit or loss and OCI.

IAS 33.68

c. The Group has elected to present basic and diluted EPS for the discontinued operation in the notes. Alternatively, basic and diluted EPS for the discontinued operation may be presented in the statement of profit or loss and OCI.

Notes to the condensed consolidated interim financial statements (continued)

7. Discontinued operation (continued)

A. Results of discontinued operation (continued)

The profit from the discontinued operation of EUR 379 thousand (2025: loss of EUR 422 thousand) is attributable entirely to the owners of the Company. Of the profit from continuing operations of EUR 2,811 thousand (2025: EUR 2,524 thousand), an amount of EUR 2,674 thousand is attributable to the owners of the Company (2025: EUR 2,022 thousand).

B. Cash flows from (used in) discontinued operation^a

<i>In thousands of EUR</i>	For the six months ended 30 June	
	2026	2025
Net cash used in operating activities	(225)	(910)
Net cash from investing activities	10,890	-
Net cash flows for the period	10,665	(910)

C. Effect of disposal on the financial position of the Group

<i>In thousands of EUR</i>	Note	2025
Property, plant and equipment	15	(7,986)
Inventories		(134)
Trade and other receivables		(3,955)
Cash and cash equivalents		(110)
Deferred tax liabilities		110
Trade and other payables		1,921
Net assets and liabilities		(10,154)
Consideration received, satisfied in cash		11,000
Cash and cash equivalents disposed of		(110)
Net cash inflows		10,890

IAS 34.8(e)

[IFRS 5.33(d)]

[IFRS 5.33(c), 34]

[IAS 7.40(d)]

[IAS 7.40(c)]

[IAS 7.40(a)–(b)]

IAS 7.10,
IFRS 5.33(c),
Insights 5.4.220.50

^a In our view, there are numerous ways in which the requirements of IFRS 5 and IAS 7 on cash flow presentation may be met. The Group has elected to present:

- a statement of cash flows that includes an analysis of all cash flows in total: i.e. including both continuing and discontinued operations; and
- amounts related to discontinued operations by operating, investing and financing activities in the notes.

Alternatively, cash flows attributable to operating, investing and financing activities of discontinued operations can be presented separately in the statement of cash flows.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

IAS 34.16A(c)

8. Other income/expenses

A. Government grants^{a, b}

The Group was awarded a government grant, received in 2025, amounting to EUR 420 thousand. This grant was conditional on the Group meeting certain volume targets for production and sale of recycled paper.

During the six months ended 30 June 2026, when the terms attached to the grant were complied with, the grant was recognised in 'other income' in the condensed consolidated statement of profit or loss and OCI.

B. Earthquake-related expenses^a

During the six months ended 30 June 2026, expenses of EUR 219 thousand were incurred due to an earthquake near production facilities in [*country*]. The expenses relate to the survey of production facilities and the removal of damaged items. These are included in 'other expenses' in the condensed consolidated statement of profit or loss and OCI. There was no damage to the production facilities themselves.

IAS 34.16A(c)

a. This is an example of disclosures about the nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

IAS 20.29,
Insights 4.3.140.10

b. The Group has elected to present government grants related to income separately as 'other income'. Alternatively, an entity may offset these grants against the related expenditure (net presentation).

IAS 34.8(e)

IAS 34.15,
[IFRS 2.44-45(a), 50]

[IFRS 2.46, 47(a)(i), (iii)]

[IFRS 2.47(a)(i)]

IAS 34.15

Notes to the condensed consolidated interim financial statements (continued)

9. Share-based payment arrangements^a

A. Description of share-based payment arrangements

At 30 June 2026, the Group had the following share-based payment arrangements.

i. Share option programmes (equity-settled)

On 1 January 2022 and 1 January 2025, the Group established share option programmes that entitle key management personnel to purchase shares in the Company. On 1 January 2026, a further grant on similar terms was offered to key management and senior employees. Under these programmes, holders of vested options are entitled to purchase shares at the market price of the shares at grant date. Currently, these programmes are limited to key management personnel and other senior employees.

The key terms and conditions of the share options granted during the six months ended 30 June 2026 are as follows; all options are to be settled by physical delivery of shares.

Grant date/employees entitled	Number of instruments in thousands	Vesting conditions	Contractual life of options
Options granted to key management personnel on 1 January 2026	225	3 years' service from grant date and 5% increase in operating income in each of the 3 years	10 years
Options granted to senior employees on 1 January 2026	100	3 years' service from grant date	10 years
Total share options	325		

The fair value of the employee share options has been measured using the Black-Scholes model.

ii. Replacement awards (equity-settled)

In connection with the acquisition of Papyrus, the Group exchanged equity-settled share-based payment awards held by employees of Papyrus for 150,000 equity-settled share-based payment awards of the Group with a contractual life of nine years from the vesting date (see [Note 21](#)).

The fair value of the replacement awards at grant date (business combination date of acquisition) was measured using the Black-Scholes model.

iii. Share purchase plan (equity-settled)

On 1 January 2026, the Group offered 26 of its employees the opportunity to participate in an employee share purchase plan. To participate in the plan, the employees are required to save an amount of 5 percent of their gross monthly salary, up to a maximum of EUR 300 per month, for a period of 36 months. Under the terms of the plan, at the end of the three-year period the employees are entitled to purchase shares using funds saved at a price 20 percent below the market price at grant date. Only employees who remain in service and save the required amount of their gross monthly salary for 36 consecutive months will become entitled to purchase the shares. Employees who cease their employment, do not save the required amount of their gross monthly salary in any month before the 36-month period expires, or elect not to exercise their options to purchase shares, will be refunded their saved amounts. The arrangement includes a dividends protection feature, preventing any decline in the value of the option caused by the payment of a dividend.

The fair value of the employee share purchase plan has been measured using a Monte Carlo simulation. The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behaviour.

^a Although it is not explicitly required by IAS 34, share-based payment transactions may be significant to an understanding of the current interim reporting period. The Group has provided details of share-based payment transactions in the period and disclosed the changes since the last annual financial statements. The appropriate level of disclosure for an interim reporting period may vary depending on the significance of the events and transactions to an understanding of the interim reporting period.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

9. Share-based payment arrangements (continued)

A. Description of share-based payment arrangements (continued)

iv. Share appreciation rights (cash-settled)

On 1 January 2026, the Group granted 300,000 share appreciation rights (SARs) to employees that entitle them to a cash payment after three years of service. The SARs expire at the end of a five-year period after grant date. The amount of the cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise.

[IFRS 2.47(a)(i)]

The fair value of the SARs has been measured using the Black-Scholes model. The fair value of the liability, classified as an employee benefit liability, is remeasured at each reporting date and at settlement date.

B. Measurement of fair values

[IFRS 2.52]

The inputs used in the measurement of the fair values at grant date of the share-based payment plans were as follows.

	Share option programmes				
	Key management personnel (see (A)(ii))	Senior employees (see (A)(i))	Replacement awards (see (A)(iii))	Share purchase plan (see (A)(iii))	SARs (see (A)(iv))
Fair value at grant date	EUR 3.54	EUR 3.14	EUR 3.81	EUR 4.02	EUR 2.82
Share price at grant date	EUR 10.10	EUR 10.10	EUR 10.30	EUR 10.10	EUR 10.10
Exercise price	EUR 10.10	EUR 10.10	EUR 10.30	EUR 8.08	EUR 10.10
Expected volatility (weighted average)	46.6%	45.7%	52.0%	46.1%	46.4%
Expected life (weighted average)	8.6 years	5.4 years	5.9 years	3.0 years	3.2 years
Expected dividends	3.2%	3.2%	3.2%	N/A	3.2%
Risk-free interest rate (based on government bonds)	1.0%	0.9%	1.5%	0.8%	0.8%

[IFRS 2.47(a)(i)]

Expected volatility is estimated taking into account historical volatility of the Company's share price.

10. Employee benefits^a

IAS 34.15, 16A(d)

As a result of a plan amendment in the pension arrangements for a number of employees in [country], the Group's defined benefit obligation decreased by EUR 100 thousand during the six months ended 30 June 2026 (six months ended 30 June 2025: nil). A corresponding past service credit was included in 'administrative expenses' in the condensed consolidated statement of profit or loss and OCI for the six months ended 30 June 2026.

IAS 19.99, BC59, 34.IE.B9, Insights 5.9.150

a. Determining whether there is a need to remeasure the net defined benefit liability (asset) for interim reporting purposes requires judgement and depends on the potential materiality of the remeasurements. However, an updated measurement of plan assets and obligations is required when a plan amendment, curtailment or settlement is recognised. In addition, significant market fluctuations may trigger the need for an updated actuarial valuation to remeasure the net defined benefit liability (asset). The Group has remeasured the net defined benefit liability during the interim reporting period due to a plan amendment, and has provided relevant disclosure. The appropriate level of disclosure for an interim reporting period may vary depending on the materiality.

Notes to the condensed consolidated interim financial statements (continued)

IAS 34.8(e)

IAS 34.15

IAS 34.30(c)

11. Income taxes^a

A. Income tax expense for the period

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2026 was 28 percent (six months ended 30 June 2025: 23 percent). The change in effective tax rate was caused mainly by the following factors.

- In March 2026, the government in [country] introduced one-off tax relief in the form of additional tax deductions in response to a country-wide emergency. These deductions were available for a limited time against taxable income earned between 1 January and 30 June 2026. The Group recognised the impact of the tax relief in full during the six months ended 30 June 2026.
- On 31 March 2026, Papyrus, a former associate of the Group, became a subsidiary (see [Note 21](#)). The profit or loss from Papyrus, which operates in a tax jurisdiction with higher tax rates, had been presented as 'net of tax' under the equity method. This impact has been considered in determining the weighted-average annual income tax rate for the full financial year.
- In April 2026, the tax rate in [country], in which the Group generates 50 percent of its taxable income, increased by 3 percent. The new rate applies to taxable income generated after 1 May 2026.
- During the six months ended 30 June 2026, adjustments regarding transfer pricing at a subsidiary [entity name] caused an additional tax expense as a result of different tax rates between [entity name] and the Group. The Group recognised this obligation during the period.
- During the six months ended 30 June 2026, adjustments related to prior-period tax filings were recognised in full. These expenses relate to tax assessments raised by tax authorities from their review of filed tax returns for open tax years in certain jurisdictions.
- In April 2026, the government in [country] removed the five-year limit for the use of tax losses carried forward and companies will be able to utilise their tax losses indefinitely. As a result, the Group's management determined that a previously unrecognised deferred tax asset in relation to unused tax losses has become recoverable. This change has been reflected in calculating the expected annual effective tax rate and will be apportioned between the interim periods^b.

IAS 34.IE.B19

IAS 34.15

^{a.} Although it is not explicitly required by IAS 34, this is an example of events and transactions for which disclosures are provided because the events and transactions are significant to an understanding of the current interim reporting period.

Insights 5.9.180.50

^{b.} If management's estimate of the recoverability of unused tax losses changes during an interim period, then in our view it is acceptable for this change to be reflected in calculating the expected annual effective tax rate and apportioned between the interim periods.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

11. Income taxes (continued)

B. Global minimum top-up tax^{a, b}

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The top-up tax relates to the Group's operations in [Country F] and in [Country G]. In [Country F], the statutory tax rate is 10 percent, and top-up tax is levied on the Company under the Income Inclusion Rule (IIR)^c. In [Country G], Subsidiary X receives government support through additional tax deductions that reduce its effective tax rate to below 15 percent and is subject to a qualified domestic minimum top-up tax^d. The Group recognised a current tax expense of EUR 168 thousand related to the top-up tax in the six months ended 30 June 2026 (six months ended 30 June 2025: 131).

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

[IAS 12.88A–88D,
E1.88C–88D(a), (b)(i)]

- a. The Organisation for Economic Co-operation and Development's legislative framework for the global minimum top-up tax (GloBE model rules) applies to multinational enterprise groups with a total consolidated group revenue of EUR 750 million or more in at least two of the four preceding years, although jurisdictions may introduce a lower threshold. Although the Group may not be subject to this global minimum top-up tax, the disclosures are included for illustrative purposes.
- b. Global minimum top-up taxes are often referred to as 'top-up taxes' or 'Pillar Two taxes'. For further information about the financial reporting impacts of these taxes, see our [digital guide](#) with FAQs and Chapter 3.13 of our publication [Insights into IFRS®](#).
- c. The ultimate parent company of the Group is Cameron Paper Co (see [Note 24\(A\)](#)). However, it is located in a jurisdiction that has not adopted Pillar Two legislation. Therefore, the Company, as an intermediate parent, is liable for Pillar Two taxes levied under the IIR in relation to the Group's operations in [Country F].
- d. The mandatory deferred tax exception applies to three active mechanisms under Pillar Two model rules that countries can adopt, including a qualified domestic minimum top-up tax. A domestic minimum top-up tax (DMTT) may be substantively enacted or become effective in one reporting period but its qualified status may be confirmed only in a later reporting period. In our view, a DMTT may be considered qualified for the purpose of applying the mandatory deferred tax exception for Pillar Two taxes, based on an assessment performed at a jurisdictional level, before its qualified status is formally confirmed. We believe that this assessment requires judgement, based on the specific facts and circumstances.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

12. Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)^a

Management has presented the performance measure adjusted EBITDA because it monitors this performance measure at a consolidated level and it believes that this measure is relevant to an understanding of the Group's financial performance. The definition of adjusted EBITDA is the same as in the last annual financial statements.

Adjusted EBITDA is not a defined performance measure in IFRS Accounting Standards. The Group's definition of adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

<i>In thousands of EUR</i>	For the 12 months ended 30 June	2025 re-presented*
Profit from continuing operations		2,524
Income tax expense		741
Profit before tax		3,265
Adjustments to:		
– Net finance costs		662
– Depreciation		2,490
– Amortisation		355
– (Reversal of) impairment losses on property, plant and equipment		1,123
– Impairment losses on goodwill		-
– (Reversal of) impairment losses on intangible assets		285
– Impairment loss on remeasurement of disposal group		-
– Share of profit of equity-accounted investees, net of tax		(278)
Adjusted EBITDA		7,902

* Comparative information has been re-presented due to a discontinued operation. See [Note 7](#).

IAS 34.10, 1.55A, 85–85B, BC38G, Insights 4.1.150

- a. The Group has disclosed adjusted EBITDA because management believes that this measure is relevant to an understanding of the Group's financial performance. This disclosure is provided for illustrative purposes only.
- If an entity presents additional subtotals in the statement of financial position or statement of profit or loss and OCI, then the subtotals:
- comprise line items made up of amounts recognised and measured in accordance with the Accounting Standards;
 - are presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable;
 - are consistent from period to period;
 - are displayed with no more prominence than other subtotals and totals presented in the statement of financial position or statement of profit or loss and OCI; and
 - for the additional subtotals presented in the statement of profit or loss and OCI, are reconciled with the subtotals and totals required by IAS 1.

Notes to the condensed consolidated interim financial statements (continued)

13. Inventories

A. Write-down of inventories^a

During the six months ended 30 June 2026, the Group wrote down its finished goods inventory by EUR 258 thousand due to a chemical reaction that rendered the goods obsolete. The write-down is included in 'cost of sales' in the condensed consolidated statement of profit or loss and OCI.^b There were no inventory write-downs recognised during the six months ended 30 June 2025.

B. Transfer from biological assets^a

During the six months ended 30 June 2026, harvested timber amounting to EUR 1,131 thousand (2025: EUR 985 thousand) was transferred to inventories.

C. Right to recover returned goods^a

Inventories at 30 June 2026 include a right to recover returned goods amounting to EUR 572 thousand (2025: EUR 478 thousand). These are measured with reference to the former carrying amount of the sold inventories less any expected costs to recover those inventories.

14. Disposal group held for sale^c

In June 2026, management committed to a plan to sell part of a manufacturing facility within the Non-recycled Papers segment. Accordingly, part of that facility is presented as a disposal group held for sale. Efforts to sell the disposal group have started and a sale is expected by April 2027.

At 30 June 2026 the disposal group comprised assets of EUR 12,891 thousand less liabilities of EUR 3,650 thousand, detailed as follows.

<i>In thousands of EUR</i>	<i>Note</i>	
Property, plant and equipment	15	8,756
Inventories		2,750
Trade and other receivables	6(B)	1,385
Trade and other payables		(3,650)
		9,241

Impairment losses of EUR 25 thousand for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been included in 'other expenses' in the condensed consolidated statement of profit or loss and OCI.^a

IAS 34.8(e)

IAS 34.15B(a)

(IFRS 15.B25)

IAS 34.16A(i),
(IFRS 5.38, 41(a)–(b),
41(d))

IAS 34.15B(b),
(IFRS 5.41(c))

IAS 34.15B

Insights 3.8.400.70

IAS 34.16A(i)

- a.** This is an example of events and transactions for which, if they are significant, disclosures are required by IAS 34.
- b.** In our view, for an entity that presents an analysis of expenses by function in the statement of profit or loss and OCI, the write-down of inventories to net realisable value and any reversals should be included in 'cost of sales'.
- c.** An entity discloses the effects of changes in its composition during an interim reporting period. Although it is not specifically required by IAS 34, the Group has disclosed details of non-current assets and non-current liabilities held for sale that would be required in its annual financial statements. The appropriate level of disclosure may vary depending on the significance of the effects on the entity. For example disclosures for the distribution of non-cash assets to owners, see Appendix IV to our [Guide to annual financial statements – Illustrative disclosures](#) (March 2026).

IAS 34.8(e)

IAS 34.15B(d)

IAS 34.15B(b), 16A(d)

[IAS 36.130(a)–(d)]

[IAS 36.130(e)]

[IAS 36.130(a)–(e)]

IAS 34.15B

IAS 34.15B(b),
15C, 16A(d),
IE.B35–IE.B36

Notes to the condensed consolidated interim financial statements (continued)

15. Property, plant and equipment

A. Acquisitions and disposals^a

During the six months ended 30 June 2026, the Group acquired assets with a cost of EUR 12,156 thousand (six months ended 30 June 2025: EUR 2,315 thousand). This amount excludes capitalised borrowing costs, but includes assets acquired through a business combination (see Note 21) of EUR 1,955 thousand (six months ended 30 June 2025: nil). In addition, the Group acquired a piece of land with the intention of constructing a new factory on the site. The cost of acquisition was EUR 1,100 thousand. The Group commenced construction of the new factory, and costs incurred up to the reporting date totalled EUR 682 thousand.

During the six months ended 30 June 2026, the Group entered into a new lease agreement for use of production equipment for 10 years. The Group makes fixed payments and additional variable payments depending on the usage of the asset during the contract period. On lease commencement, the Group recognised EUR 200 thousand of right-of-use asset and lease liability.

Assets with a carrying amount of EUR 7,986 thousand were disposed of as part of the discontinued operation (see Note 7). Other assets with a carrying amount of EUR 1,127 thousand were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: EUR 381 thousand), resulting in a gain on disposal of EUR 50 thousand (six months ended 30 June 2025: gain of EUR 25 thousand), which was included in 'other income' in the condensed consolidated statement of profit or loss and OCI. Assets with a carrying amount of EUR 8,756 thousand were transferred to held-for-sale (see Note 14) (six months ended 30 June 2025: nil).

B. Reversal of impairment loss in relation to a new product^b

In 2025, regulatory restrictions on the manufacture of a new product in the Non-recycled Papers segment caused the Group to assess the recoverable amount of the related production line.

The production line relates to a new product that was expected to be available for sale in 2026. However, a regulatory inspection in 2025 revealed that the product did not meet certain environmental standards, necessitating substantial changes to the manufacturing process. As a result, production and the expected launch date were deferred.

Accordingly, management estimated the recoverable amount of the CGU (the product line) in 2025 and recognised an impairment loss. The recoverable amount was estimated based on its value in use, assuming that the production line would go live in August 2025. Based on the assessment in 2025, the carrying amount of the production line was determined to be higher than its recoverable amount of EUR 1,083 thousand and an impairment loss of EUR 1,408 thousand was recognised for the year ended 31 December 2025. EUR 1,123 thousand of the loss related to property, plant and equipment and EUR 285 thousand related to capitalised development costs (see Note 16).

During the six months ended 30 June 2026, following certain changes to its plans, the Group reassessed its estimates and reversed part of the initially recognised impairment. The recoverable amount was determined to be EUR 1,626 thousand. As a result, EUR 543 thousand of the initially recognised impairment has been reversed; of this amount, EUR 393 thousand related to property, plant and equipment and EUR 150 thousand related to capitalised development costs.

- ^{a.} This is an example of events and transactions for which, if they are significant, disclosures are required by IAS 34.
- ^{b.} IAS 34 requires disclosure of the nature and amount of changes in estimates. In addition, impairment losses and reversals of impairment losses are examples of events and transactions for which, if they are significant, disclosures are required by IAS 34. IAS 36 *Impairment of Assets* provides relevant disclosures to be considered in this regard. Furthermore, the Group has disclosed the key assumptions used (discount rate and terminal growth rate) to determine the value in use of this CGU, although only disclosure of the discount rate is required if the recoverable amount is value in use and the CGU does not contain goodwill or intangible assets with indefinite useful lives. The appropriate level of disclosure for an interim reporting period may vary depending on the circumstances of the entity.

Notes to the condensed consolidated interim financial statements (continued)

15. Property, plant and equipment (continued)

B. Reversal of impairment loss in relation to a new product (continued)

The impairment loss and subsequent reversal have been included in 'cost of sales' in the condensed consolidated statement of profit or loss and OCI.^a

The estimate of value in use was determined using a pre-tax discount rate of 10.5 percent (2025: 9.8 percent) and a terminal value growth rate of 3 percent from 2032 (2025: 3 percent from 2031).

C. Transfer to investment property^b

During the six months ended 30 June 2026, a building with a carrying amount of EUR 600 thousand was transferred to investment property, because it was no longer used by the Group and it was decided that the building would be leased to a third party.

Immediately before the transfer, the Group remeasured the property to fair value and recognised a gain of EUR 200 thousand in OCI.

D. Capital commitments^b

During the six months ended 30 June 2026, the Group entered into a contract to buy property, plant and equipment for EUR 1,465 thousand (six months ended 30 June 2025 and year ended 31 December 2025: nil). Delivery is expected in March 2027.

16. Intangible assets and goodwill

A. Reversal of impairment loss in relation to a new product

As described in [Note 15](#), the Group recognised an impairment loss of EUR 285 thousand in respect of capitalised development costs related to the affected production line for the year ended 31 December 2025. During the six months ended 30 June 2026, EUR 150 thousand of the loss was reversed.

B. Impairment loss in relation to Timber Products^c

The carrying amount of the CGU was determined to be higher than its recoverable amount of EUR 3,604 thousand and an impairment loss of EUR 166 thousand (six months ended 30 June 2025: nil) was recognised. The impairment loss was allocated fully to goodwill, reducing the goodwill included in the Timber Products segment to EUR 910 thousand, and has been included in 'other expenses' in the condensed consolidated statement of profit or loss and OCI.^a

The recoverable amount of the CGU was based on its value in use.

IAS 34.8(e)

IAS 34.15B(b), 16A(d)

[IAS 36.126(a)–(b)]

[IAS 36.130(g)]

IAS 34.15B(e)

IAS 34.15B(b), 16A(d),
[IAS 36.126(a)–(b)]

[IAS 36.130(e)]

[IAS 36.134(c)]

IAS 36.126,
Insights
3.10.410.20–30

^{a.} If an entity classifies expenses based on their function, then any loss is allocated to the appropriate function. In our view, in the rare case that an impairment loss cannot be allocated to a function, it should be included in 'other expenses' as a separate line item if it is significant – e.g. impairment of goodwill – with additional information given in a note. In our view, an impairment loss that is recognised in published interim financial statements should be presented in the same line item as in the annual financial statements, even if the asset is subsequently sold and the gain or loss on disposal is included in a line item that is different from impairment losses in the annual financial statements.

IAS 34.15B

^{b.} This is an example of events and transactions for which, if they are significant, disclosures are required by IAS 34.

IAS 34.15B(b), 15C,
16A(d), B35–B36

^{c.} IAS 34 requires disclosure of the nature and amount of changes in estimates. In addition, impairment losses and reversals of impairment losses are examples of events and transactions for which, if they are significant, disclosures are required by IAS 34. IAS 36 provides relevant disclosures to be considered in this regard. The appropriate level of disclosure for an interim reporting period may vary depending on the circumstances of the entity.

IAS 34.8(e)

[IAS 1.125, 36.134(d),
134(f)]

Notes to the condensed consolidated interim financial statements (continued)

16. Intangible assets and goodwill (continued)

B. Impairment loss in relation to Timber Products (continued)

Value in use was determined by discounting the future cash flows to be generated from the continuing use of the CGU. Value in use as at 30 June 2026 was determined similarly to the 31 December 2025 goodwill impairment test, and was based on the following key assumptions^a.

- A pre-tax discount rate of 9.5 percent (2025: 9.6 percent) was applied and based on the yield on 10-year government bonds, issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.
- Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity of 1.7 percent from 2032 (2025: 1.8 percent from 2031) has been determined as the lower of the nominal gross domestic product rates for the countries in which the CGU operates and the long-term compound annual EBITDA growth rate estimated by management.
- An average forecast EBITDA growth rate for the next five years of 7.5 percent (2025: 8.0 percent) was applied. This was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth and cost increases. This includes the impact of the Group's voluntary commitment in 2026 to reduce the carbon footprint of its Timber Products segment to 50 percent of its 2020 levels by 2030 and to purchase carbon credits to offset residual emissions produced in 2030 and thereafter. The Group has committed to reducing its carbon footprint through the use of green energy in the production and transportation of timber products. The Group expects that the project will decrease its carbon footprint to sufficiently low levels that potential regulatory developments will not adversely affect the forecast EBITDA. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that sales prices would grow at a constant margin above forecast inflation over the next five years, in line with information obtained from external brokers who publish a statistical analysis of long-term market trends.
- The prices of carbon credits are a key assumption used in determining the terminal value. These prices are based on externally sourced forecast prices in voluntary carbon credit markets in the countries in which the CGU operates^b. Prices are expected to increase from a range of EUR 75–85/tonne in 2030 to EUR 240–260/tonne in 2050.
- Capital expenditure of EUR 1,400 thousand^c, expected to be incurred in the next four years, was included in calculating the recoverable amount, consistent with the Group's commitment to reduce its carbon footprint.

IAS 1.I.G31–IG39

- a. See [the IASB's new example](#) illustrating how an entity applies the requirements in paragraphs 125 and 129 of IAS 1 to disclose information about assumptions used to determine a CGU's recoverable amount. The example includes assumptions about climate-related transition risks to which the entity is exposed that have a significant risk of resulting in a material adjustment to the carrying amount of the CGU within the next financial year. The considerations in the example are relevant to assumptions about uncertainties more broadly. See our [article](#) for more information on the six new illustrative examples issued by the IASB which aim to help drive clarity on uncertainty in financial reporting.

IAS 36.IE90–IE95

- b. See [the IASB's new example](#) illustrating how an entity applies the requirements in paragraph 134(d)(i)–(ii) and (f) of IAS 36 to disclose information about key assumptions used to measure value in use. This example includes assumptions about future emissions allowance costs, including the future price of emissions allowances and future emissions regulations. The considerations in the example are relevant to assumptions about uncertainties more broadly.

IAS 36.33(b),
Insights
3.10.250.20

- c. IAS 36 requires that, when determining value in use, the benefits from capital expenditure to improve or enhance an asset's performance are taken into account in the future net cash flow estimation only once the expenditure is incurred. In our view, capital expenditure should be considered incurred once the project has substantively commenced, rather than it being necessary for the project to have been completed.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

16. Intangible assets and goodwill (continued)

B. Impairment loss in relation to Timber Products (continued)

Following the impairment loss recognised in the Group's Timber Products CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse change in a key assumption would lead to further impairment.

Other CGUs were not tested for impairment because there were no impairment indicators at 30 June 2026.

C. Reconciliation of carrying amount of goodwill

<i>In thousands of EUR</i>	<i>Note</i>	30 June 2026
Cost		
Balance at 1 January 2026		3,545
Acquisition through business combination	21	541
Balance at 30 June 2026		4,086
Impairment losses		
Balance at 1 January 2026		138
Impairment loss		166
Balance at 30 June 2026		304
Carrying amounts		
At 1 January 2026		3,407
At 30 June 2026		3,782

17. Capital and reserves

A. Issue of ordinary shares

In April 2026, the general meeting of shareholders approved the issue of 130,000 ordinary shares at a price of EUR 11.92 per share (2025: nil).

Additionally, 5,000 ordinary shares were issued as a result of the exercise of vested options arising from the 2022 share option programme by key management personnel (2025: nil). Options were exercised at an average price of EUR 10 per share.

During the six months ended 30 June 2026, 8,000 ordinary shares were also issued as a result of the acquisition of Papyrus (see [Note 21](#)) (2025: nil).

All ordinary shares were issued with a par value of EUR 3.

B. Dividends

The following dividends were declared and paid by the Company.

<i>In thousands of EUR</i>	For the six months ended 30 June	
	2026	2025
25.97 cents per qualifying ordinary share (2025: 4.28 cents)	805	86
25.03 cents per non-redeemable preference share (2025: 25.03 cents)	438	438
	1,243	524

IFRS 3.B67(d),
IAS 34.16A(i)

IAS 34.16A(e)

IAS 34.16A(f)

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Notes to the condensed consolidated interim financial statements (continued)

18. Loans and borrowings^a

The movement in the loans and borrowings balances during the reporting period was as follows.

<i>In thousands of EUR</i>	<i>Note</i>	<i>Currency</i>	<i>Nominal interest rate</i>	<i>Year of maturity</i>	<i>Face value</i>	<i>Carrying amount</i>
Balance at 1 January 2026						25,939
New issues						
Convertible notes (series A)	18(A)	EUR	3.00%	2029	4,000	3,646
Convertible notes (series B) including embedded conversion option	18(B)	USD	4.50%	2029	1,000	950
Redeemable preference shares	18(C)	EUR	4.40%*	2032	2,000	1,939
Secured bank loan assumed	18(E), 21	EUR	Euribor+ (0.65–1.1)%	2032	510	501
Lease liabilities	15	EUR	6.2%	2036	282	200
Repayments						
Loan from associate		EUR	4.80%	-	(1,000)	(1,000)
Secured bank loan		GBP	SONIA+1.1%	-	(3,694)	(3,694)
Unsecured bank loan		EUR	5.5%	-	(117)	(117)
Lease liabilities		EUR	6.5–7.0%	-	(254)	(254)
Other movements						
				-	-	59
Balance at 30 June 2026						28,169

* Dividend rate for redeemable preference shares.

A. Convertible notes (series A)

In thousands of EUR

Proceeds from issue of convertible notes (1,000,000 notes at EUR 4 par value)	4,000
Transaction costs	(200)
Net proceeds	3,800
Amount classified as equity (net of transaction costs of EUR 9 thousand)	(163)
Accrued interest	9
Carrying amount of liability at 30 June 2026	3,646

The Company issued 1,000,000 convertible notes on 15 June 2026 (2025: nil). The notes have a three-year term. Interest is payable at maturity. The conversion option may be exercised by the holders of the notes at any time until maturity. When the conversion option is exercised, the outstanding principal of the notes are converted into 250,000 ordinary shares of the Company; any accrued but unpaid interest as at the exercise date is required to be paid in cash. Otherwise, the total principal and accrued interest outstanding is repayable in cash at maturity. The liability is classified as non-current at 30 June 2026.^b

IAS 34.16A(e)

a. Although IAS 34 only requires the disclosure of issues and repayments of debt securities, the Group has provided additional disclosure by reconciling the opening and closing balance of total loans and borrowings. The appropriate level of disclosure for an interim reporting period may vary depending on the significance of these transactions.

IAS 1.69,
76A–76B,
IAS 32.11, 16,
Insights 3.1.100

b. The Group classified the liability as non-current at 30 June 2026 as the maturity date is not within 12 months of the reporting date and the equity-classified conversion option does not impact the classification of the host liability as current or non-current. The Group therefore has the right to defer settlement of the liability for at least 12 months after the reporting date. The conversion option is classified as an equity component under IAS 32 because the conversion will result in a fixed amount (i.e. the outstanding principal amount of the notes), exchanged for a fixed number of ordinary shares (i.e. the 'fixed for fixed' requirement is met).

Notes to the condensed consolidated interim financial statements (continued)

18. Loans and borrowings (continued)

B. Convertible notes (series B)

In thousands of EUR

Proceeds from issue of convertible notes (250,000 notes at EUR 4 (USD 4.4) par value)	1,000
Transaction costs ^a	(50)
Net proceeds	950
Fair value of embedded derivative liability (equity conversion option)	(45)
Accrued interest	-
Carrying amount of host liability at 30 June 2026	905

The Company issued 250,000 foreign currency (USD) convertible notes on 30 June 2026 (2025: nil). The notes have a three-year term. Interest is payable annually in arrears. The conversion option may be exercised by the holders of the notes at any time until maturity. When the conversion option is exercised, the outstanding principal of the notes are converted into 100,000 ordinary shares of the Company; any accrued but unpaid interest as at the exercise date is required to be paid in cash. Otherwise, the total principal and accrued interest outstanding is repayable in cash at maturity. The host liability is classified as current at 30 June 2026.^b

C. Redeemable preference shares

In thousands of EUR

Proceeds from issue of redeemable preference shares	2,000
Transaction costs	(61)
Carrying amount at 30 June 2026	1,939

On 30 June 2026, 1,000,000 redeemable preference shares were issued as fully paid with a par value of EUR 2 per share (2025: nil). The redeemable preference shares do not carry the right to vote. The holders of the redeemable preference shares participate in the Company's residual assets only to the extent of the face value of the shares.

The redeemable preference shares are mandatorily redeemable at par on 30 June 2032 and classified as a non-current liability at 30 June 2026. The Group is obliged to pay holders of these shares annual dividends of 4.4 percent of the par amount on 30 June each year until and including on maturity.

Insights 7.750.80 ^a. In our view, an entity should choose an accounting policy, to be applied consistently, to allocate transaction costs relating to a hybrid (combined) instrument that includes a non-derivative host contract which is not accounted for at FVTPL and an embedded derivative that is accounted for at FVTPL. The Group's accounting policy is to allocate all of the transaction costs to, and deduct from, the carrying amount of the non-derivative host contract on initial recognition and measure the embedded derivative at fair value on initial recognition.

IAS 1.69, 76A–76B, IAS 32.11, Insights 3.1.100 ^b. Even though the maturity date is not within 12 months from the reporting date, the Group classified the host liability as current at 30 June 2026 because the Group takes the liability-classified conversion option into account when classifying the host liability. The note holders may exercise the conversion option at any time, which would result in the notes being settled by the Group. As such, the Group does not have the right to defer settlement of the host liability for at least 12 months after the reporting date. The conversion option contains an obligation for the Company to issue a fixed number of shares in exchange for a variable amount of cash. As the note payable is denominated in USD rather than EUR, the Company's functional currency, the cash is fixed in USD terms but is variable in the Company's functional currency terms. In addition, the conversion option has economic characteristics of equity and is not closely related to those of the host debt instrument. Therefore, the conversion option is a separable embedded derivative liability.

IAS 34.8(e)

[IAS 1.69, 72A–72B,
75A, 76ZA]

[IFRS 720(B)–(D)]

Notes to the condensed consolidated interim financial statements (continued)

18. Loans and borrowings (continued)

D. Secured bank loan (EUR)^a

The Group has a secured bank loan with a carrying amount of EUR 3,460 thousand at 30 June 2026 (2025: EUR 3,460 thousand). This loan is repayable in tranches within five years from the issue date, with the next tranche due in January 2028. However, the loan contains a covenant stating that at the end of each quarter the Group's debt (defined in the covenant as the Group's loans and borrowings and trade and other payables) cannot exceed 2.5 times the Group's quarterly revenue from continuing operations, otherwise the loan will be repayable on demand.

The Group complied with the covenant at the end of the first and second quarters of 2026. Accordingly, the loan is classified as a non-current liability at 30 June 2026.

The Group expects to comply with the quarterly covenants for at least 12 months after the reporting date.

E. Sustainability-linked secured bank loan^b

The Group has also entered into a sustainability-linked secured bank loan whereby the amount of contractual interest cash flows could decrease based on the occurrence of certain contingent events.

In January 2026, Papyrus entered into a sustainability-linked secured bank loan with a term of six years. The Group assumed this loan when it gained control of Papyrus during the year (see [Note 21\(C\)](#)). The loan has a face value of EUR 510 thousand and a carrying amount of EUR 501 thousand at 30 June 2026. Interest is borne at a rate of Euribor plus 1.10 percent, subject to a non-cumulative maximum annual step-down of 45 basis points dependent on the Group's performance against the following annual sustainability targets:

- reduced carbon footprint of its manufacturing facilities located in Kentucky; and
- increased recycling rate for packaging paper and cardboard consumed in Kentucky.

If either target is met, then the interest rate applied to the next interest period decreases by 25 basis points. If both targets are met, the interest rate further decreases by 20 basis points. At the end of the annual reporting period, the Group will assess whether these targets are met and the resultant impact on the interest rate applicable to the 2027 interest period.

IAS 34.15, 15C

a. Although it is not explicitly required by IAS 34, the Group has disclosed information about its non-current loans that are subject to covenants because it is relevant to users' understanding of the risk that the loans could become repayable within 12 months after the interim reporting period.

IAS 34.15, 15C

b. Although it is not explicitly required by IAS 34, the Group has disclosed information about its new sustainability-linked secured bank loan that is subject to certain contingent features because it is relevant to users' understanding of the effect on the Group's future cash flows.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

19. Provisions

A. Restructuring^a

IAS 34.15B(c),
Insights 3.12.850.10,
4.1.30.40

A provision of EUR 600 thousand was recognised during the year ended 31 December 2025 in respect of the Group's commitment to a plan to restructure the manufacturing and distribution division of Paper Pabus Co. This was due to a decrease in demand as a result of deteriorating economic conditions. The restructuring was completed during the six months ended 30 June 2026 at a cost of EUR 500 thousand. The unused provision of EUR 100 thousand was reversed and has been included in 'cost of sales' in the condensed consolidated statement of profit or loss and OCI.

B. Site restoration

i. Romania

IAS 34.16A(c)

In accordance with Romanian law, the Group's subsidiary in Romania is required to restore contaminated land to its original condition before the end of 2028. During the six months ended 30 June 2026, the Group provided EUR 500 thousand for this purpose.

Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has assumed that the site will be restored using technology and materials that are currently available. The provision has been calculated using a discount rate of 5.9 percent, which is the risk-free rate in Romania as at 30 June 2026. The rehabilitation is expected to occur progressively over the next two to three years.

ii. Acquisition of Papyrus

As part of the acquisition of Papyrus, the Group recognised environmental provisions of EUR 150 thousand, measured on a provisional basis (see Note 21).

C. Emissions schemes

IAS 34.16A(c)

The Group participates in a 'cap and trade' scheme in various countries. The Group recognises a liability to surrender emissions allowances as it emits pollutants. The liability is measured based on the carrying amount of the allowances on hand (which are recognised as intangible assets) to the extent of emissions within the annual limit, and at the current market value of allowances to the extent that the Group would be required to purchase additional allowances to settle the obligation.

During the six months ended 30 June 2026, the Group recognised a provision for pollutants emitted of EUR 60 thousand.

D. Levies

IAS 34.16A(c)

The Group recognised a liability to pay environmental taxes imposed by legislation in full at the end of the tax year (31 March), when the obligating event as stated in the legislation occurs. The levy for the year ended 31 March 2026 of EUR 30 thousand (2025: EUR 30 thousand) has been recognised as 'administrative expenses' in profit or loss for the six months ended 30 June 2026. At 30 June 2026, no liability for environmental taxes has been recognised.

IAS 34.15B

a. This is an example of events and transactions for which, if they are significant, disclosures are required by IAS 34.

Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management

A. Accounting classifications and fair values^{a, b}

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Trade and other receivables and trade and other payables classified as held-for-sale are not included in the table below (see [Note 14](#)). Their carrying amount is a reasonable approximation of fair value.

30 June 2026 <i>In thousands of EUR</i>	Carrying amount		
	Fair value – hedging instruments	Mandatorily at FVTPL – others	FVOCI – debt instruments
Financial assets measured at fair value			
Interest rate swaps used for hedging	116	-	-
Forward exchange contracts used for hedging	227	-	-
Other forward exchange contracts	-	86	-
Sovereign debt securities	-	213	-
Corporate debt securities	-	-	118
Equity securities	-	251	-
	343	550	118
Financial assets not measured at fair value			
Trade and other receivables	-	-	-
Cash and cash equivalents	-	-	-
Corporate debt securities	-	-	-
	-	-	-
Financial liabilities measured at fair value			
Interest rate swaps used for hedging	(20)	-	-
Forward exchange contracts used for hedging	(8)	-	-
Contingent consideration	-	(232)	-
Convertible notes – embedded derivative liability	-	(45)	-
	(28)	(277)	-
Financial liabilities not measured at fair value			
Bank overdrafts	-	-	-
Secured bank loans	-	-	-
Unsecured bond issues	-	-	-
Convertible notes – liability	-	-	-
Redeemable preference shares	-	-	-
Dividends payable on redeemable shares	-	-	-
Trade and other payables* ^c	-	-	-
	-	-	-

* Other payables that are not financial liabilities (refund liabilities recognised under IFRS 15 – EUR 883 thousand) are not included. Trade payables also include EUR 3,165 thousand of trade payables that have been factored by suppliers in a supplier finance arrangement.

Insights
7.10.35.70–100

IFRS 7, 29

a. In this table, the Group has disclosed the fair value of each class of financial assets and financial liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9. This presentation method is optional and different presentation methods may be desirable, depending on circumstances.

The Group has not disclosed the fair values of financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair value.

Carrying amount				Fair value			
FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
-	-	-	116	-	116	-	116
-	-	-	227	-	227	-	227
-	-	-	86	-	86	-	86
-	-	-	213	213	-	-	213
-	-	-	118	48	70	-	118
710	-	-	961	961	-	-	961
710	-	-	1,721				
-	20,379	-	20,379				
-	2,355	-	2,355				
-	2,557	-	2,557	2,561	-	-	2,561
-	25,291	-	25,291				
-	-	-	(20)	-	(20)	-	(20)
-	-	-	(8)	-	(8)	-	(8)
-	-	-	(232)	-	-	(232)	(232)
-	-	-	(45)			(45)	(45)
-	-	-	(305)				
-	-	(120)	(120)				
-	-	(8,090)	(8,090)	-	(8,844)	-	(8,844)
-	-	(9,012)	(9,012)	-	(9,675)	-	(9,675)
-	-	(4,551)	(4,551)	-	(4,671)	-	(4,671)
-	-	(1,939)	(1,939)	-	(2,036)	-	(2,036)
-	-	(20)	(20)	-	(22)	-	(22)
-	-	(20,161)	(20,161)				
-	-	(43,893)	(43,893)				

IFRS 7.6, B1–B3

- b. An entity groups financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. Although IFRS 7 does not define ‘classes’, at a minimum, instruments measured at amortised cost need to be distinguished from instruments measured at fair value.

IFRS 7.8, 29

- c. The Group has provided an explanation about its participation in supplier finance arrangements, as this information is considered relevant for an understanding of the interim period.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management (continued)

A. Accounting classifications and fair values (continued)

IFRS 7.8, 25–26, 29,
13.93(a)–(b), 94, 97, 99,
IAS 34.16A(j)

31 December 2025 <i>In thousands of EUR</i>	Carrying amount		
	Fair value – hedging instruments	Mandatorily at FVTPL – others	FVOCI – debt instruments
Financial assets measured at fair value			
Interest rate swaps used for hedging	131	-	-
Forward exchange contracts used for hedging	375	-	-
Other forward exchange contracts	-	89	-
Sovereign debt securities	-	568	-
Corporate debt securities	-	-	373
Equity securities	-	254	-
	506	911	373
Financial assets not measured at fair value			
Trade and other receivables	-	-	-
Cash and cash equivalents	-	-	-
Corporate debt securities	-	-	-
	-	-	-
Financial liabilities measured at fair value			
Interest rate swaps used for hedging	(5)	-	-
Forward exchange contracts used for hedging	(7)	-	-
	(12)	-	-
Financial liabilities not measured at fair value			
Bank overdrafts	-	-	-
Secured bank loans	-	-	-
Unsecured bank loans	-	-	-
Unsecured bond issues	-	-	-
Loan from associate	-	-	-
Trade payables*	-	-	-
	-	-	-

* Other payables that are not financial liabilities (refund liabilities recognised under IFRS 15 – EUR 1,128 thousand) are not included. Trade payables also include EUR 3,165 thousand of trade payables that have been factored by suppliers in a supplier finance arrangement because they are considered to have a similar nature and function to other trade payables.

Insights
7.10.35.70–100

Carrying amount				Fair value			
FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
-	-	-	131	-	131	-	131
-	-	-	375	-	375	-	375
-	-	-	89	-	89	-	89
-	-	-	568	568	-	-	568
-	-	-	373	72	301	-	373
511	-	-	765	590	-	175	765
511	-	-	2,301				
-	19,824	-	19,824				
-	1,850	-	1,850				
-	2,256	-	2,256	2,259	-	-	2,259
-	23,930	-	23,930				
-	-	-	(5)	-	(5)	-	(5)
-	-	-	(7)	-	(7)	-	(7)
-	-	-	(12)				
-	-	(282)	(282)				
-	-	(11,093)	(11,093)	-	(12,861)	-	(12,861)
-	-	(117)	(117)	-	(125)	-	(125)
-	-	(9,200)	(9,200)	-	(9,381)	-	(9,381)
-	-	(1,000)	(1,000)	-	(1,039)	-	(1,039)
-	-	(23,453)	(23,453)				
-	-	(45,145)	(45,145)				

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values at 30 June 2026 and 31 December 2025 for financial instruments in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in [Note 3](#).

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	<i>Discounted cash flows:</i> The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	<ul style="list-style-type: none"> Expected cash flows (30 June 2026: EUR 318–388 thousand, 31 December 2025: N/A). Risk-adjusted discount rate (30 June 2026: 15%, 31 December 2025: N/A). 	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> the expected cash flows were higher (lower); or the risk-adjusted discount rate were lower (higher).
Equity securities	<i>Market comparison technique:</i> The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity securities, and the revenue and EBITDA of the investee. The estimate is adjusted for the net debt of the investee.	<ul style="list-style-type: none"> Adjusted market multiple (30 June 2026: N/A*, 31 December 2025: 4–7). 	The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower).
Corporate debt securities	<i>Market comparison/discounted cash flow:</i> The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted yields of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.	Not applicable.	Not applicable.

* See [Note 20\(B\)\(iii\)](#).

IFRS 13.91(a), 92, 93(d), (h)–(i), 99, IAS 34.16A(j)

IFRS 3.B67(b)(iii)

IAS 34.8(e)

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values (continued)

i. Valuation techniques and significant unobservable inputs (continued)

Financial instruments measured at fair value (continued)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable.	Not applicable.
Interest rate swaps	<i>Swap models:</i> The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable.	Not applicable.
Equity conversion option (embedded in convertible notes)	<i>Least Squares Monte Carlo:</i> The fair value is estimated by utilising a simulation of possible future share prices and foreign exchange rates, and applying least squares regression analysis, as well as comparing at each potential exercise date the discounted risk-neutral expectation of the option payoff if not exercised and the relevant exercise price.	Expected volatility (30 June 2026: 47%, 31 December 2025: N/A).	The estimated fair value would increase (decrease) if the expected volatility were higher (lower).

ii. Transfers between Levels 1 and 2

At 30 June 2026, FVOCI corporate debt securities with a carrying amount of EUR 48 thousand were transferred from Level 1 to Level 2 because quoted prices in the market for such debt securities were no longer regularly available. To determine the fair value of such debt securities, management used a valuation technique in which all significant inputs were based on observable market data. There were no transfers from Level 2 to Level 1 during the six months ended 30 June 2026 and no transfers in either direction during the six months ended 30 June 2025.

IFRS 13.91(a), 92, 93(d), (h)–(i), 99, IAS 34.16A(j)

IFRS 13.93(c), 95, IAS 34.15B(k), 16A(j)

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Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values (continued)

iii. Level 3 recurring fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

<i>In thousands of EUR</i>	<i>Note</i>	Equity securities	Contingent consideration	Equity conversion option
Balance at 1 January 2025		-	-	-
Gain included in OCI				
– Net change in fair value (unrealised)		6	-	-
Purchases		162	-	-
Balance at 30 June 2025		168	-	-
Balance at 1 January 2026		175	-	-
Assumed in a business combination	<i>21</i>	-	(250)	-
Issues	<i>18(B)</i>			(45)
Gain included in ‘finance income’				
– Net change in fair value (unrealised)		-	18	-
Gain included in OCI				
– Net change in fair value (unrealised)		18	-	-
Transfers out of Level 3		(193)	-	-
Balance at 30 June 2026		-	(232)	(45)

Transfer out of Level 3

The Group holds an investment in equity shares of MSE Limited with a fair value of EUR 193 thousand at 30 June 2026. The fair value of this investment was categorised as Level 3 at 31 December 2025 (for information on the valuation technique, see [Note 20B\(i\)](#)). This was because the shares were not listed on an exchange and there were no recent observable arm’s length transactions in the shares.

During the six months ended 30 June 2026, MSE Limited listed its equity shares on an exchange and they are currently actively traded in that market. Because the equity shares now have a published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy at 30 June 2026.

Sensitivity analysis

For the fair value of contingent consideration and the equity conversion option, reasonably possible changes at 30 June 2026 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

IFRS 13.93(h)(ii)

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

20. Financial instruments – Fair values and risk management (continued)

B. Measurement of fair values (continued)

Contingent consideration

Effect in thousands of EUR	Profit or loss	
	Increase	Decrease
30 June 2026		
Expected cash flows (10% movement)	(23)	23
Risk-adjusted discount rate (1% movement (100 bps))	6	(6)

Equity conversion option

Effect in thousands of EUR	Profit or loss	
	Increase	Decrease
30 June 2026		
Expected volatility (10% movement)	13	(13)

C. Concentration of credit risk^a

The Group's strategy to generate an increasing proportion of its revenue from its wholesale customers has resulted in an increase in trade receivables outstanding (because wholesale customers are entitled to more favourable credit terms than other customers). As at 30 June 2026, wholesale customers comprised EUR 14,672 thousand or approximately 72 percent of trade receivables (31 December 2025: EUR 11,894 thousand or approximately 60 percent).

The movement in the allowance for impairment in respect of trade receivables and contract assets during the reporting period was as follows.

In thousands of EUR

Balance at 31 December 2025	214
Amounts written off	(84)
Net remeasurement of loss allowance	190
Balance at 30 June 2026	320

The increase in the impairment loss allowance is mainly attributable to the total increase in the gross carrying amounts of trade receivables and contract assets. The increase in the proportion of wholesale customers and increase in the gross carrying amount for other customers more than 90 days past due contributed to the increase in the loss allowance. The methodology for the calculation of ECLs is the same as described in the last annual financial statements.

D. Impairment of debt securities

During the six months ended 30 June 2026, the Group recognised an impairment charge of EUR 30 thousand related to debt securities at amortised cost (six months ended 30 June 2025: EUR 8 thousand). The impairment is included in 'finance costs' in the condensed consolidated statement of profit or loss and OCI.

[IFRS 7.35H]

IAS 34.15B(b)

[IAS 1.82(ba)]

IAS 34.15–15C

^a Although it is not specifically required by IAS 34, the Group has disclosed information that is relevant to an understanding of changes in the concentration of credit risk attributed to its trade receivables and contract assets.

Notes to the condensed consolidated interim financial statements (continued)

21. Acquisition of subsidiary^a

On 31 March 2026, the Group acquired 65 percent of the shares and voting interests in Papyrus. As a result, the Group's equity interest in Papyrus increased from 25 to 90 percent, granting it control of Papyrus. Papyrus is one of the Group's strategic suppliers and is principally engaged in the production of paper pulp in Kentucky, US. Papyrus is not publicly listed.

Taking control of Papyrus will enable the Group to modernise its production process through access to Papyrus's patented technology. The acquisition is also expected to provide the Group with an increased share of the standard paper market through access to Papyrus's customer base. The Group also expects to reduce costs through economies of scale.

In the three months to 30 June 2026, Papyrus contributed revenue of EUR 4,500 thousand and profit of EUR 90 thousand to the Group's results. If the acquisition had occurred on 1 January 2026, management estimates that consolidated revenue would have been EUR 58,480 thousand, and consolidated profit for the period would have been EUR 3,427 thousand. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2026.

A. Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred.

<i>In thousands of EUR</i>	<i>Note</i>	2026
Cash		2,500
Equity instruments (8,000 ordinary shares)	17	87
Replacement share-based payment awards	9	120
Contingent consideration	20	250
Settlement of pre-existing relationship		(326)
Total consideration transferred		2,631

i. Equity instruments issued

The fair value of the ordinary shares issued was based on the listed share price of the Company at 31 March 2026 of EUR 10.88 per share.

ii. Replacement share-based payment awards

In accordance with the terms of the acquisition agreement, the Group exchanged equity-settled share-based payment awards held by employees of Papyrus (the acquiree's awards) for equity-settled share-based payment awards of the Company (the replacement awards). The details of the acquiree's awards and replacement awards are as follows.

	Acquiree's awards	Replacement awards
Terms and conditions	Grant date: 1 April 2025 Vesting date: 31 March 2029 Service condition	Vesting date: 31 March 2029 Service condition
Fair value at date of acquisition	EUR 527 thousand	EUR 571 thousand

IAS 34.8(e)

IAS 34.16A(i)

IFRS 3.B64(a)–(c)

IFRS 3.B64(d)

IFRS 3.B64(q)

IFRS 3.B64(f)

[IAS 7.40(a)–(b),
IAS 7.43], IFRS 3.B64(f)
(i), IFRS 3.B64(f)(iv)

IFRS 3.B64(f)(iii)

IFRS 3.B64(f)(iv)

IFRS 3.B64(l)

IFRS 3.59, 61,
63, IAS 34.16A(i)

^a Under IAS 34, an entity discloses the effects of changes in its composition as a result of business combinations during an interim reporting period by providing information required by IFRS 3 *Business Combinations*.

If the specific disclosures under the requirements of IFRS 3 and other accounting standards are not sufficient to enable evaluation of the nature and financial effects of:

- business combinations effected in the current period; or
- any adjustments recognised in the current period relating to business combinations effected in prior periods, then additional information necessary to meet these objectives is disclosed.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

21. Acquisition of subsidiary (continued)

A. Consideration transferred (continued)

ii. Replacement share-based payment awards (continued)

The value of the replacement awards is EUR 520 thousand, after taking into account an estimated forfeiture rate of 9 percent. The consideration for the business combination includes EUR 120 thousand transferred to employees of Papyrus when the acquiree's awards were substituted by the replacement awards, which relates to past service. The balance of EUR 400 thousand will be recognised as post-acquisition compensation cost. For further details on the replacement awards, see [Note 9](#).

iii. Contingent consideration

IFRS 3.B64(g), B67(b)

The Group has agreed to pay the selling shareholders in three years' time additional consideration of EUR 600 thousand if the acquiree's cumulative EBITDA over the next three years exceeds EUR 10,000 thousand. The Group has included EUR 250 thousand as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition. At 30 June 2026, the contingent consideration had decreased to EUR 232 thousand (see [Note 20](#)).

iv. Settlement of pre-existing relationship

IFRS 3.B64(l)

The Group and Papyrus were parties to a long-term supply contract under which Papyrus supplied the Group with timber products at a fixed price. Under the contract, the Group could terminate the agreement early by paying Papyrus EUR 326 thousand. This pre-existing relationship was effectively terminated when the Group acquired Papyrus.

The Group has attributed EUR 326 thousand of the consideration transferred to the extinguishment of the supply contract and has included the amount in 'other expenses' in the condensed consolidated statement of profit or loss and OCI. This amount is the lower of the termination amount and the value of the off-market element of the contract. The fair value of the contract at the date of acquisition was EUR 600 thousand, of which EUR 400 thousand related to the unfavourable aspect of the contract to the Group relative to market prices.

B. Acquisition-related costs

IFRS 3.B64(l)-(m)

The Group incurred acquisition-related costs of EUR 50 thousand relating to external legal fees and due diligence costs. These costs have been included in 'administrative expenses' in the condensed consolidated statement of profit or loss and OCI.

C. Identifiable assets acquired and liabilities assumed

IFRS 3.B64(i),
[IAS 7.40(c)-(d)]

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

<i>In thousands of EUR</i>	<i>Note</i>	2026
Property, plant and equipment	<i>15</i>	1,955
Intangible assets		250
Inventories		825
Trade receivables		848
Cash and cash equivalents		375
Loans and borrowings	<i>18</i>	(500)
Deferred tax liabilities		(79)
Contingent liabilities		(20)
Site restoration provision	<i>19</i>	(150)
Trade and other payables		(460)
Total identifiable net assets acquired		3,044

IFRS 3.B64(h)(i)

[IAS 7.40(c)]

Notes to the condensed consolidated interim financial statements (continued)

21. Acquisition of subsidiary (continued)

C. Identifiable assets acquired and liabilities assumed (continued)

Trade receivables comprise gross contractual amounts due of EUR 900 thousand, of which EUR 52 thousand was expected to be uncollectable at the date of acquisition.

Fair values measured on a provisional basis

The following amounts have been measured on a provisional basis.

- The fair value of Papyrus's intangible assets (patented technology and customer relationships) has been measured provisionally, pending completion of an independent valuation.
- Papyrus is a defendant in legal proceedings brought by a customer that alleges that Papyrus supplied defective goods. Management's assessment, based on its interpretation of the underlying sales contract and independent legal advice, is that the basis for the customer's claim has little merit and it is not probable that an outflow will be required to settle the claim. Management's assessment of the fair value of this contingent liability, taking into account the range of possible outcomes of the judicial process, is EUR 20 thousand.
- Papyrus's operations are subject to specific environmental regulations. The Group has conducted a preliminary assessment of the site restoration provisions arising from these regulations and has recognised a provisional amount. The Group will continue to review these matters during the measurement period.

D. Goodwill

Goodwill arising from the acquisition has been recognised as follows.

<i>In thousands of EUR</i>	<i>Note</i>	<i>2026</i>
Consideration transferred	21(A)	2,631
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of Papyrus		304
Fair value of pre-existing interest in Papyrus		650
Fair value of identifiable net assets	21(C)	(3,044)
Goodwill	16	541

The remeasurement to fair value of the Group's existing 25 percent interest in Papyrus resulted in a gain of EUR 250 thousand (EUR 650 thousand less the EUR 420 thousand carrying amount of the equity-accounted investee at the date of acquisition plus EUR 20 thousand of translation reserve reclassified to profit or loss). This amount has been included in 'finance income' in the condensed consolidated statement of profit or loss and OCI.

The goodwill is attributable mainly to the skills and technical talent of Papyrus's work force, and the synergies expected to be achieved from integrating the Company into the Group's existing Standard Papers business. None of the goodwill recognised is expected to be deductible for tax purposes.

IAS 34.8(e)

IFRS 3.B64(h)(ii)–(iii)

IFRS 3.B67(a)(i)–(ii),
[IAS 1.125]IFRS 3.B64(j), B67(c),
[IAS 37.85]

IFRS 3.B64(o)(ii)

IFRS 3.B64(p)(i)

IFRS 3.B64(p)(iii)

IFRS 3.B64(e), B64(k)

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

IAS 34.16A(i)

22. Acquisition of non-controlling interests

In June 2026, the Group acquired an additional 15 percent interest in Swissolote AG, increasing its ownership from 60 percent to 75 percent. The carrying amount of Swissolote's net assets in the Group's consolidated financial statements on the date of acquisition was EUR 767 thousand.

[IFRS 12.10(b)(iii), 18]

The following table summarises the effect of changes in the Company's ownership interest in Swissolote.

In thousands of EUR

Carrying amount of NCI acquired (EUR 767 x 15%)	115
Consideration paid to NCI	200
A decrease in equity attributable to owners of the Company	(85)

The decrease in equity attributable to owners of the Company comprised:

- a decrease in retained earnings of EUR 93 thousand; and
- an increase in the translation reserve of EUR 8 thousand.

23. Contingencies^a

IAS 34.15B(m)
[IAS 10.9(a)]

Since 2021, a subsidiary has been defending an action brought by an environmental agency in Europe. The Group initially recognised a provision of EUR 100 thousand in relation to this action because it appeared probable that settlement of the obligation would be enforced by law. However, in July 2026 the Group successfully defended the claim and has derecognised the provision in the current period. The counterparty will appeal the claim and if the appeal is successful, then fines and legal costs could amount to EUR 450 thousand, of which EUR 350 thousand would be reimbursable under an insurance policy. Based on legal advice, management does not expect the outcome of the action to have a material effect on the Group's financial position.

IAS 34.15B

^a. This is an example of events and transactions for which, if they are significant, disclosures are required by IAS 34.

Notes to the condensed consolidated interim financial statements (continued)

IAS 34.8(e)

IAS 34.15B(j)

24. Related parties^{a, b}

A. Parent and ultimate controlling party^c

During the six months ended 30 June 2026, a majority of the Company's shares were acquired by Cameron Paper Co from Brown Products Corporation. As a result, the new ultimate controlling party of the Group is AJ Pennypacker.

B. Transactions with key management personnel

i. Loans to directors

Unsecured loans advanced to directors during the six months ended 30 June 2026 were EUR 65 thousand (six months ended 30 June 2025: EUR 35 thousand). No interest is payable by the directors, and the loans are repayable in full three months after the issue date. As at 30 June 2026, the balance outstanding was EUR 15 thousand (as at 31 December 2026: EUR 8 thousand) and is included in 'trade and other receivables'.

[IAS 19.171, 24.17(d)]

ii. Key management personnel compensation^a

As a result of the termination of the employment of one of the Group's executives in France, the executive received an enhanced retirement entitlement. Accordingly, the Group has recognised an expense of EUR 25 thousand for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

[IAS 24.18]

C. Other related party transactions

In thousands of EUR	Transactions values for the six months ended		Balance outstanding	
	30 June 2026	30 June 2025	30 June 2026	31 December 2025
Sale of goods and services				
Parent of the Group – Cameron Paper Co (2025: Brown Products Corporation)	128	165	110	150
Joint venture	328	67	156	121
Associates	208	71	157	119
Purchase of goods				
Joint venture	518	416	-	-
Others				
Associates – Loan and related interest	2	3	-	1,000

During the six months ended 30 June 2026, the Group repaid a loan of EUR 1,000 thousand received from one of its associates (see [Note 18](#)).

All outstanding balances with related parties are to be settled in cash within six months of the reporting date. None of the balances are secured.

25. Subsequent event

IAS 34.16A(h)

On 22 July 2026, the Group announced its intention to acquire all of the shares of ABC Company for EUR 6,500 thousand. The transaction still has to be approved by the Group's shareholders and by regulatory authorities. Approvals are not expected until late in 2026 or early in 2027.

IAS 34.15B(j),
Insights 5.9.60.50

- a. In respect of related party transactions, care needs to be taken in determining the level of disclosure that is necessary in the condensed interim financial statements. If related party transactions are significant, then disclosure may be necessary, even though the nature and amounts of those transactions are consistent with previous periods.
- b. For example disclosures for government-related entities that apply the exemption in paragraph 25 of IAS 24 *Related Party Disclosures*, see Appendix IV to our [Guide to annual financial statements – Illustrative disclosures](#) (March 2026).

Insights 5.9.60.60

- c. In our view, an entity does not generally have to update the disclosure of related party relationships unless there has been a significant change, such as a change in the ultimate controlling party.

IAS 34.8(e)

Notes to the condensed consolidated interim financial statements (continued)

26. Accounting standards issued but not yet effective^a

IAS 8.30–31

IFRS 18 *Presentation and Disclosure in Financial Statements*^a will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted the new accounting standard in preparing these interim financial statements; however, earlier application is permitted.^b

IFRS 18 requires a more structured statement of profit or loss and greater disaggregation of information. The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements.

The expected impacts in the period of initial application are described below. The actual impacts of adopting the accounting standard on 1 January 2027 may change because:

- the Group has not finalised the assessment and implementation of changes to processes and controls; and
- the new accounting policies are subject to change until the Group presents its first consolidated financial statements that include the date of initial application.

A. Structure of the statement of profit or loss

IFRS 18 requires entities to classify all income and expenses into five categories in the statement of profit or loss – namely operating, investing, financing, income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Group has determined that it does not have a specified main business activity of investing in assets and/or providing financing to customers.

Neither net profit nor net assets will change as a result of the Group's adoption of IFRS 18. However, the Group will be required to present two newly defined subtotals, which are 'operating profit' and 'profit or loss before financing and income taxes'. The operating profit subtotal differs from the current operating profit subtotal presented by the Group. Based on the information currently available, the Group expects significant changes to the current structure of the statement of profit or loss to result from the following.

- Share of profit (loss) of equity-accounted investees is currently presented below net finance costs and above profit before tax. Income and expenses from equity-accounted investments are always classified in the investing category under IFRS 18. Accordingly, the Group's share of profit of equity-accounted investees will be classified and presented in the investing category.
- Interest income and expenses are generally included in finance income and finance costs under the Group's current accounting policy and are presented in the 'net finance costs' subtotal. IFRS 18 provides specific guidance on the income and expenses classified in the investing and financing categories.
 - Interest income on certain financial assets held by the Group (e.g. interest income on corporate debt securities and on cash and cash equivalents) will be classified and presented in the investing category.
 - Interest expense on certain liabilities will continue to be classified and presented in the financing category (e.g. interest expense on financial liabilities not measured at FVTPL and unwind of discount on site restoration provision).

a. For further information on IFRS 18, see our [article](#) and read our [First Impressions](#) publication.

IAS 8.30–31

b. Although it is not explicitly required by IAS 34, an entity might describe updates to information relevant to assessing the possible impact that the application of new or amended accounting standards will have on its financial statements in the period of initial application. The appropriate level of disclosure generally depends on the status of the reporting entity's preparations to adopt any accounting standards not yet effective as well as the extent of disclosure in the last annual financial statements. See [Appendix I](#) for a list of new accounting standards or amendments issued by the IASB that are required to be applied for an annual reporting period beginning after 1 January 2026.

Notes to the condensed consolidated interim financial statements (continued)

26. Accounting standards issued but not yet effective (continued)

A. Structure of the statement of profit or loss (continued)

- Net foreign exchange losses are currently included in finance costs and presented in net finance costs. Under IFRS 18, foreign exchange differences are required to be presented in the same category as the income and expenses from the items that gave rise to the differences. The Group has determined that it has foreign exchange differences to be classified in the operating, investing and financing categories. For example, foreign exchange differences on trade payables will be classified in the operating category.
- Gains and losses on certain designated cash flow hedging instruments are currently included in finance costs and presented in net finance costs. Under IFRS 18, gains and losses on designated hedging instruments are required to be classified in the same category as the income and expenses affected by the hedged risks. The Group has determined that gains or losses on these hedging instruments will be classified in the operating and financing categories.

Under IFRS 18, operating expenses are classified and presented by nature, function or using a mixed presentation. The Group has determined that classification and presentation on a mixed basis will provide the most useful structured summary of operating expenses.

B. Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.

The Group has developed a process to determine public communications relevant when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

C. Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing line items currently labelled as 'other' and will use more informative labels.

D. Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses 'profit or loss' as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point. For example, the Group's share of profit (loss) of equity-accounted investees will no longer be an adjusting item, as this amount will not be included in the operating profit starting point. Cash distributions from these investees will be included in cash flows from investing activities.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash flows from interest paid as financing activities rather than operating activities under this guidance. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

Appendix I

New accounting standards or amendments for 2026 and forthcoming requirements

Since the 2025 edition of this guide, a number of accounting standards, amendments to or interpretations of accounting standards have been issued. This appendix lists those new requirements that have been issued by the IASB as at 20 March 2026, and contains two tables, as follows.

- **New currently effective requirements:** This table lists the recent changes to the Accounting Standards that are required to be applied by an entity with an annual reporting period beginning on 1 January 2026.
- **Forthcoming requirements:** This table lists the recent changes to the Accounting Standards that are required to be applied for annual reporting periods beginning after 1 January 2026 and that are available for early adoption in annual periods beginning on 1 January 2026. These requirements are not included in this guide.

The tables also include a cross-reference to further KPMG guidance, as appropriate. All of the effective dates in the tables refer to the beginning of an annual accounting period.

New currently effective requirements

Effective date	New accounting standards or amendments	KPMG guidance
1 January 2026	<i>Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7</i>	<i>Insights into IFRS®</i> (2.3.15, 7.4.175, 7.4.295, 7.4.335, 7.4.372, 7.4.385, 7.6.15, 7.6.65, 7.6.365, 7.10.235, 7.10.357, 7.11.260), <i>Classification of financial assets</i> article , <i>Settlement by electronic payments</i> article
	<i>Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7</i>	<i>Insights into IFRS®</i> (7.1.235, 7.9.305, 7.10.677, 7.11.270), article
	<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>Insights into IFRS®</i> (5.1.379, 7.1.155, 7.7.22), article

Forthcoming requirements

Effective date	New accounting standards or amendments	KPMG guidance
1 January 2027	<i>IFRS 18 Presentation and Disclosure in Financial Statements</i>	<i>Insights into IFRS®</i> (1.2.45, 2.1.15, 2.2.15, 2.3.35, 2.3.55, 2.7.165, 2.10.116, 3.1.15, 3.12.155, 3.13.535, 3.13.647, 4.1A, 4.4.1105, 5.1.385, 5.3.565, 5.8.15, 5.9.45, 5.9.68, 7.7.376, 7.10.95, 7.10.175, 7.10.355, 8.1.405), article , First Impressions
	<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	<i>Insights into IFRS®</i> (1.1.185, 1.1.203), article
To be determined ^a	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</i>	

^a. The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted.

Appendix II

Presentation of comprehensive income – Two-statement approach

Condensed consolidated statement of profit or loss^a

For the six months ended 30 June

IAS 34.8(b), 8A, 10, 20(b)

<i>In thousands of EUR</i>		<i>Note</i>	2026	2025 re-presented*
Continuing operations				
Revenue		6	52,530	51,586
Cost of sales		13, 15, 19	(31,303)	(31,922)
Gross profit			21,227	19,664
Other income		8, 15	644	190
Selling and distribution expenses			(7,698)	(7,498)
Administrative expenses		10, 19, 21	(8,474)	(8,358)
Research and development expenses			(605)	(179)
Impairment loss on trade receivables and contract assets		20	(190)	(170)
Other expenses		8, 14, 16, 21	(686)	-
Operating profit			4,218	3,649
Finance income		20, 21	457	345
Finance costs		20	(1,002)	(1,007)
Net finance costs			(545)	(662)
Share of profit of equity-accounted investees, net of tax			233	278
Profit before tax			3,906	3,265
Income tax expense		11	(1,109)	(741)
Profit from continuing operations			2,797	2,524
Discontinued operation				
Profit (loss) from discontinued operation, net of tax		7	379	(422)
Profit for the period			3,176	2,102
Profit attributable to:				
Owners of the Company			2,985	2,014
Non-controlling interests			191	88
			3,176	2,102
Earnings per share				
Basic EPS (EUR)			0.82	0.51
Diluted EPS (EUR)			0.80	0.50
EPS – Continuing operations				
Basic EPS (EUR)			0.70	0.64
Diluted EPS (EUR)			0.69	0.63
Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)		12	6,765	7,902

* Comparative information has been re-presented due to a discontinued operation. See Note 7.

IAS 1.10A

a. This appendix illustrates the two-statement approach to the presentation of comprehensive income, consisting of an income statement displaying profit or loss, and a second statement displaying the components of OCI.

Condensed consolidated statement of profit or loss and other comprehensive income

For the six months ended 30 June

<i>In thousands of EUR</i>	<i>Note</i>	2026	2025 re-presented*
Profit for the period		3,176	2,102
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of property, plant and equipment	15	200	-
Remeasurements of the defined benefit liability (asset)		72	(15)
Equity investments at FVOCI – net change in fair value		141	48
Related tax		(137)	(11)
		276	22
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		437	330
Net investment hedge – net loss		(3)	(8)
Equity-accounted investees – share of OCI		10	-
Reclassification of foreign currency differences on loss of significant influence	21	20	-
Cash flow hedges – effective portion of changes in fair value		(93)	97
Cash flow hedges – reclassified to profit or loss		(17)	(11)
Cost of hedging reserve – changes in fair value		34	10
Cost of hedging reserve – reclassified to profit or loss		8	2
Debt investments at FVOCI – net change in fair value		55	74
Debt investments at FVOCI – reclassified to profit or loss		(47)	(48)
Related tax		19	(40)
		423	406
OCI for the period, net of tax		699	428
Total comprehensive income for the period		3,875	2,530
Total comprehensive income attributable to:			
Owners of the Company		3,660	2,396
Non-controlling interests		215	134
		3,875	2,530

* Comparative information has been re-presented due to a discontinued operation. See [Note 7](#).

IAS 34.8(b), 8A, 10, 20(b)

IAS 1.82A(a)(ii)

IAS 1.82A(a)(iii)

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APPENDICES

Appendix III

Condensed consolidated statement of profit or loss and OCI – Quarterly reporter^a

IAS 34.20(b)	In thousands of EUR	Note	For the three months ended 30 June		For the six months ended 30 June	
			2026	2025 re-presented*	2026	2025 re-presented*
			Continuing operations			
[IAS 1.82(a)]		6	27,823	26,421	52,530	51,586
		13, 15, 19	(15,405)	(16,119)	(31,303)	(31,922)
			12,418	10,302	21,227	19,664
		8, 15	570	101	644	190
			(4,337)	(3,802)	(7,698)	(7,498)
		10, 19, 21	(5,783)	(4,098)	(8,474)	(8,358)
			(260)	(145)	(605)	(179)
[IAS 1.82(ba)]						
		20	(87)	(10)	(190)	(170)
		8, 14, 16, 21	(244)	-	(686)	-
			2,277	2,348	4,218	3,649
		20, 21	257	214	457	345
[IAS 1.82(b)]		20	(614)	(754)	(1,002)	(1,007)
			(357)	(540)	(545)	(662)
[IAS 1.82(c)]						
			124	172	233	278
			2,044	1,980	3,906	3,265
[IAS 1.82(d)]		11	(596)	(447)	(1,109)	(741)
			1,448	1,533	2,797	2,524
		7	197	(220)	379	(422)
			1,645	1,313	3,176	2,102

* Comparative information has been re-presented due to a discontinued operation. See [Note 7](#).

IAS 34.20

^a This appendix illustrates a condensed consolidated statement of profit or loss and OCI for an entity that publishes quarterly financial statements. The statement of financial position, statement of changes in equity and statement of cash flows for a quarterly interim reporter will be the same as those illustrated for the example entity that publishes a half-year interim report only.

Condensed consolidated statement of profit or loss and OCI – Quarterly reporter (continued)

IAS 34.20(b)

IAS 1.82A(a)(i)

IAS 1.82A(a)(iii)

<i>In thousands of EUR</i>	<i>Note</i>	For the three months ended 30 June		For the six months ended 30 June	
		2026	2025 re-presented*	2026	2025 re-presented*
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of property, plant and equipment	15	-	-	200	-
Remeasurements of the defined benefit liability (asset)		72	(15)	72	(15)
Equity investments at FVOCI – net change in fair value		148	-	141	48
Related tax		(69)	5	(137)	(11)
		151	(10)	276	22
Items that are or may be reclassified subsequently to profit or loss					
Foreign operations – foreign currency translation differences		245	153	437	330
Net investment hedge – net loss		(3)	(5)	(3)	(8)
Equity-accounted investees – share of OCI		10	-	10	-
Reclassification of foreign currency differences on loss of significant influence	21	-	-	20	-
Cash flow hedges – effective portion of changes in fair value		(72)	32	(93)	97
Cash flow hedges – reclassified to profit or loss		(5)	(11)	(17)	(11)
Cost of hedging reserve – changes in fair value		16	6	34	10
Cost of hedging reserve – reclassified to profit or loss		5	-	8	2
Debt investments at FVOCI – net change in fair value		16	32	55	74
Debt investments at FVOCI – reclassified to profit or loss		(23)	-	(47)	(48)
Related tax		8	(24)	19	(40)
		197	183	423	406
OCI for the period, net of tax		348	173	699	428
Total comprehensive income for the period		1,993	1,486	3,875	2,530

* Comparative information has been re-presented due to a discontinued operation. See [Note 7](#).

Condensed consolidated statement of profit or loss and OCI – Quarterly reporter (continued)

IAS 34.20(b)

<i>In thousands of EUR</i>	<i>Note</i>	For the three months ended 30 June		For the six months ended 30 June	
		2026	2025 re-presented*	2026	2025 re-presented*
Profit attributable to:					
Owners of the Company		1,547	1,258	2,985	2,014
Non-controlling interests		98	55	191	88
		1,645	1,313	3,176	2,102
Total comprehensive income attributable to:					
Owners of the Company		1,883	1,407	3,660	2,396
Non-controlling interests		110	79	215	134
		1,993	1,486	3,875	2,530
Earnings per share					
Basic EPS (EUR)		0.44	0.34	0.82	0.51
Diluted EPS (EUR)		0.40	0.33	0.80	0.50
EPS – Continuing operations					
Basic EPS (EUR)		0.32	0.47	0.70	0.64
Diluted EPS (EUR)		0.28	0.46	0.69	0.63
Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)					
	<i>12</i>	3,515	4,586	6,765	7,902

* Comparative information has been re-presented due to a discontinued operation. See [Note 7](#).

IAS 34.11

IAS 34.11

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