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WENSEN VAN DE VOORZITTER VAN HET IBR

Beste TAA-lezer,

Allereerst wil ik u een uitstekend 2026 toewensen. Ik wens u een rustig jaar toe, betekenisvol en gevuld met inspirerende en productieve ontmoetingen.

Het begin van het jaar is traditioneel een geschikt moment om na te denken en vooruit te kijken. Daarom wil ik enkele onderwerpen aanhalen die centraal staan in de belangrijke ontwikkelingen en uitdagingen voor ons beroep, zoals ik die ook heb vermeld in mijn toespraak tijdens de nieuwjaarsreceptie van het IBR en het ITAA, waar ongeveer honderd mensen uit de politieke wereld en onze belanghebbenden aanwezig waren.

Private equity

Een eerste onderwerp is de opkomst van *private equity* in onze sector, een trend die innovatie en groeikansen biedt aan de kantoren maar die ook reflectie vergt over onafhankelijkheid, *governance* en kwaliteit van de audit. Tijdens mijn toespraak heb ik een oproep gedaan naar onze beleidsmakers en regelgevers om een constructieve dialoog aan te gaan met het IBR over deze evolutie en de opportuniteiten en risico's die dit met zich meebrengt.

Meerwaardebelasting

Een tweede werf is de meerwaardebelasting. Samen met het ITAA werken we aan *guidance*

VŒUX DU PRÉSIDENT DE L'IRE

Chère lectrice, cher lecteur du TAA,

Je tiens tout d'abord à vous souhaiter une excellente année 2026. Je vous la souhaite sereine, pleine de sens et dotée de rencontres inspirantes et productives.

Le début d'année est traditionnellement un moment propice à la réflexion et à la projection. C'est pourquoi je voudrais évoquer quelques sujets au cœur des évolutions et défis importants pour notre profession, mentionnés dans mon discours lors de la réception organisée par l'IRE et l'ITAA pour le nouvel an et qui rassemblait une centaine de personnes issues du monde politique et de nos parties prenantes.

Private equity

Un premier sujet concerne l'émergence du *private equity*, une tendance qui offre des opportunités d'innovation et de croissance aux cabinets, mais qui nécessite également une réflexion sur l'indépendance, la gouvernance et la qualité de l'audit. Lors de mon discours, j'ai appelé nos décideurs politiques et nos régulateurs à engager un dialogue constructif avec l'IRE sur cette évolution et les opportunités et risques qu'elle comporte.

Taxation des plus-values

Un deuxième chantier concerne la taxation des plus-values. En collaboration avec l'ITAA, nous

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voor onze leden, zodat zij goed voorbereid zijn op deze nieuwe opdracht. Ook in deze context willen we de dialoog aangaan met alle betrokken stakeholders, want er blijven ook vandaag nog een hele reeks onbeantwoorde vragen. Het is cruciaal dat we niet alleen informeren, maar ook luisteren naar de noden en verwachtingen uit het veld. Daarom deed ik recent een oproep om op korte termijn samen met de beleidsmakers een vormingsevent te organiseren, waarin we kennis delen, vragen beantwoorden en samen tot gedragen oplossingen komen. Dit event kan een waardevolle gelegenheid zijn om inzichten te bundelen en de praktijk te versterken.

Omnibus en ESG

Het jaar 2025 stond sterk in het teken van de Omnibus-regelgeving. Het Europees Parlement heeft een compromis bereikt dat de administratieve lasten aanzienlijk vermindert en uiteindelijk veel minder ondernemingen verplicht om hun duurzaamheidsinformatie te laten certificeren. We reiken de hand naar de beleidsmakers die deze maatregel nu moeten omzetten in Belgische wetgeving, rekening houdend met de realiteit van het Belgische ondernemingslandschap.

ESG mag niet worden beschouwd als een loutere compliance-oefening, maar moet verankerd zijn in de strategie en de *governance* van ondernemingen. Daarom organiseert het IBR de *Belgian Awards for Sustainability Reports* (BAS), die dit jaar hun 25^{ste} editie vieren. De voordelen en het nut die blijken uit de beloning van de uitgebrachte verslagen tonen aan dat vrijwillige rapportering significante toegevoegde waarde kan bieden voor de belanghebbenden en het vertrouwen in de onderneming versterkt.

travillons à l'élaboration de lignes directrices à l'intention de nos membres, afin qu'ils soient bien préparés à cette nouvelle mission. Dans ce contexte également, nous souhaitons engager le dialogue avec toutes les parties prenantes concernées, car toute une série de questions restent encore sans réponse à ce jour. Il est essentiel non seulement d'informer, mais aussi d'écouter les besoins et les attentes du terrain. C'est pourquoi j'ai récemment lancé un appel pour organiser à court terme, en collaboration avec les décideurs politiques, un événement de formation au cours duquel nous partagerons nos connaissances, répondrons aux questions et trouverons ensemble des solutions satisfaisantes. Cet événement pourrait être une occasion précieuse de rassembler des idées et de renforcer la pratique.

Omnibus et ESG

L'année 2025 a également été fortement marquée par la réglementation Omnibus. Le Parlement européen est parvenu à un compromis qui réduit considérablement la charge administrative et, au final, oblige beaucoup moins d'entreprises à faire certifier leurs informations en matière de durabilité. Nous tendons la main aux décideurs politiques qui doivent désormais transposer cette mesure dans la législation belge, en tenant compte de la réalité du paysage entrepreneurial belge.

L'ESG ne doit pas être considéré comme un simple exercice de compliance, mais doit être ancré dans la stratégie et la gouvernance des entreprises. C'est pourquoi l'IRE organise également les *Belgian Awards for Sustainability Reports* (BAS), qui fêteront leur 25^e édition cette année. La récompense des rapports montre que le reporting volontaire est bénéfique et qu'il ajoute non seulement de la valeur pour les parties prenantes, mais qu'il renforce également la confiance dans l'entreprise.

Artificial intelligence

Artificiële intelligentie was ook een blijvend thema binnen onze sector in 2025. De opkomst van deze vorm van automatisering en digitalisering zal enorme efficiëntiewinsten brengen, ook voor ons beroep. Routineuze taken verdwijnen, waardoor we meer tijd hebben voor analyse en intellectueel werk. Betrokkenheid op het terrein blijft echter cruciaal. De sterkte van de bedrijfsrevisor ligt in het professioneel oordeel op wat technologie aanreikt. Al kan ondersteunen, maar nooit menselijke expertise en verantwoordelijkheid vervangen. Het zal een kernthema zijn waar we ons nog meer concreet over moeten buigen in 2026.

Jong talent

Als afsluiter kan ik jullie nog meegeven dat we moeten en zullen blijven investeren in het aantrekken en behouden van jong talent in onze sector. We geven soms nog de indruk van een wat saai en grijs beroep te zijn, maar wie eenmaal onze toegevoegde waarde ziet, zal al snel tot andere inzichten komen en het is net daarvan dat we jongeren moeten kunnen overtuigen. Het IBR heeft vorig jaar een groot offensief naar studenten uitgewerkt met onze 'Tel mee'-campagne die alleen al op de sociale media honderduizenden profielen heeft bereikt.

Bovendien organiseert het IBR op 18 februari voor het eerst een "Revisor Cup", waarbij studenten van de acht grootste Belgische universiteiten, gecoacht door hun docenten en aangemoedigd door hun medestudenten, het tegen elkaar opnemen in een quiz over ons beroep en de economische actualiteit. Na deze quiz krijgen ze ook de kans om genietend van een drankje een hartelijke babbel te slaan met onze bedrijfsrevisoren en stagiairs. Het uiteindelijke doel is om deze jongeren een positiever en realistischer beeld te geven van ons beroep.

Intelligence artificielle

L'intelligence artificielle a, elle aussi, été un thème récurrent dans notre secteur en 2025. L'émergence de cette forme d'automatisation et de digitalisation apportera d'énormes gains d'efficacité, y compris pour notre profession. Les tâches routinières disparaîtront, ce qui nous laissera plus de temps pour l'analyse et le travail intelligent. Mais l'implication sur le terrain reste cruciale. La force du réviseur d'entreprises réside dans son jugement professionnel sur ce que la technologie lui apporte. L'IA peut apporter un soutien, mais elle ne remplacera jamais l'expertise et la responsabilité humaines. Il s'agit d'un thème central sur lequel nous devons nous pencher de manière plus concrète en 2026.

Jeunes talents

Pour conclure, je voudrais vous dire que nous devons continuer à investir, et nous le ferons, dans le recrutement et la fidélisation des jeunes talents au sein de notre secteur. Nous donnons parfois l'impression d'être une profession quelque peu ennuyeuse et terne, mais ceux qui prennent conscience de notre valeur ajoutée changent rapidement d'avis, et c'est précisément là que nous devons convaincre les jeunes. L'année dernière, l'IRE a lancé une grande offensive auprès des étudiants avec notre campagne « Parce que tu comptes », qui a atteint à elle seule des centaines de milliers de profils sur les réseaux sociaux.

Le 18 février, l'IRE organise en outre pour la première fois une « Revisor Cup » durant laquelle des étudiants des huit plus grandes universités du pays, coachés par leurs professeurs et encouragés par leurs pairs, s'affronteront dans un quiz sur la réalité de notre métier et l'actualité économique. Après ce quiz, ils auront également l'occasion d'échanger cordialement autour d'un verre avec nos réviseurs d'entreprises et stagiaires. L'objectif final est de donner à ces jeunes une vision plus positive et plus réaliste de notre métier.

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Met deze mooie perspectieven wens ik jullie allen een succesvol en boeiend 2026 toe!

Eric VAN HOOF
Voorzitter van het IBR



Avec ces belles perspectives, je vous souhaite à tous une année 2026 couronnée de succès et passionnante !

Eric VAN HOOF
Président de l'IRE

IMPLEMENTATION OF IFRS 18 – PRACTICAL CONSIDERATIONS FOR BELGIAN ENTERPRISES

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IFRS 18 – Presentation and Disclosure in Financial Statements (hereafter referred to as 'IFRS 18'), which will replace IAS 1 – Presentation of Financial Statements (hereafter 'IAS 1') starting from 1 January 2027, represents a significant evolution in financial reporting aimed at enhancing transparency and comparability across entities. Although it does not affect the bottom-line profit or loss, IFRS 18 introduces a fundamental restructuring of the statement of financial performance, dividing it into three distinct categories: operating, investing, and financing. This new classification requires entities to carefully assess their main business activities, especially in sectors such as banking, insurance, and notably Belgian holding entities and Real Estate Investment Trusts (REITs).

In the Belgian context, IFRS 18 presents particular challenges. Holding entities that do not qualify as investment entities face uncertainty in classifying income and expenses related to unconsolidated investments, requiring careful judgement and clear disclosures. For Belgian

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REITs, the standard explicitly recognises investing in investment property as a main business activity, but the existing regulatory framework, including the applicable Royal Decree, will need updating to align with the new IFRS requirements. Additionally, the interaction with the European Single Electronic Format (ESEF) introduces technical complexities related to digital tagging and filing, necessitating system upgrades and staff training.

A key change introduced by IFRS 18 is the inclusion of disclosures on Management-Defined Performance Measures (MPMs) within the audited financial statements. Belgian entities, accustomed to using alternative performance measures (APMs) in investor communications, must reconcile these MPMs to IFRS subtotals and disclose related tax and non-controlling interest effects. This change enhances accountability and comparability but requires a thorough review of existing metrics.

The transition to IFRS 18 demands a comprehensive approach encompassing regulatory engagement, internal training, communication strategies, and system enhancements. Belgian entities must proactively manage this change to ensure compliance, maintain investor confidence, and leverage the opportunity to improve the clarity and consistency of their financial reporting.

IFRS 18 – Presentatie en informatieverschaffing in financiële overzichten (hierna 'IFRS 18' genoemd), die vanaf 1 januari 2027 IAS 1 – Presentatie van de financiële overzichten (hierna 'IAS 1' genoemd) zal vervangen, betekent een belangrijke evolutie in de financiële verslaggeving, die tot doel heeft de transparantie en vergelijkbaarheid tussen entiteiten te verbeteren. Hoewel IFRS 18 geen invloed heeft op het nettoresultaat, introduceert het een fundamentele herstructurering van de staat van financiële prestaties, die wordt onderverdeeld in drie afzonderlijke categorieën: operationele activiteiten, investeringsactiviteiten en financieringsactiviteiten. Deze nieuwe classificatie vereist dat entiteiten hun belangrijkste bedrijfsactiviteiten zorgvuldig beoordelen, met name in sectoren zoals het bankwezen, het verzekeringswezen en in het bijzonder Belgische holdingentiteiten en vastgoedbeleggingsfondsen (REIT's in het Engels).

In de Belgische context stelt IFRS 18 bijzondere uitdagingen. Holdingentiteiten die niet als beleggingsentiteiten kwalificeren, worden geconfronteerd met onzekerheid bij het classificeren van inkomsten en uitgaven met betrekking tot niet-geconsolideerde beleggingen, wat een zorgvuldig oordeel en duidelijke informatieverschaffing vereist. Voor Belgische REIT's erkent de standaard expliciet het beleggen in vastgoed als een hoofdactiviteit, maar het bestaande regelgevingskader, met inbegrip van het toepasselijke koninklijk besluit, zal moeten worden aangepast om in overeenstemming te zijn met de nieuwe IFRS-vereisten. Bovendien brengt de interactie met het European Single Electronic Format (ESEF) technische complexiteiten met zich mee op het gebied van digitale tagging en indiening, waardoor systeemupgrades en opleiding van het personeel noodzakelijk zijn.

Een belangrijke wijziging die door IFRS 18 wordt ingevoerd, is de opname van informatie over door het management gedefinieerde prestatie maatstaven (MPM's) in de gecontroleerde jaarrekening. Belgische entiteiten, die gewend zijn om alternatieve prestatie maatstaven (APM's)

te gebruiken in hun communicatie met beleggers, moeten deze MPM's afstemmen op de subtotalen van IFRS en de daarmee samenhangende fiscale effecten en effecten verbonden aan minderheidsbelangen vermelden. Deze wijziging versterkt de verantwoordingsplicht en de vergelijkbaarheid, maar vereist een grondige herziening van de bestaande maatstaven.

De overgang naar IFRS 18 vereist een alomvattende aanpak die regelgeving, interne opleidingen, communicatiestrategieën en systeemverbeteringen omvat. Belgische entiteiten moeten deze verandering proactief beheren om naleving te garanderen, het vertrouwen van beleggers te behouden en de kans te benutten om de duidelijkheid en consistentie van hun financiële verslaggeving te versterken.

La norme IFRS 18 – Présentation des états financiers et informations à fournir (ci-après dénommée « IFRS 18 »), qui remplacera la norme IAS 1 – Présentation des états financiers (ci-après dénommée « IAS 1 ») à compter du 1^{er} janvier 2027, représente une évolution significative dans le domaine de l'information financière visant à améliorer la transparence et la comparabilité entre les entités. Bien qu'elle n'ait pas d'incidence sur le résultat net, la norme IFRS 18 introduit une restructuration fondamentale de l'état de la performance financière, en le divisant en trois catégories distinctes : l'exploitation, l'investissement et le financement. Cette nouvelle classification oblige les entités à évaluer soigneusement leurs principales activités commerciales, en particulier dans des secteurs tels que la banque, l'assurance et, tout spécialement, les holdings belges et les sociétés d'investissement immobilier cotées (REIT en anglais).

Dans le contexte belge, la norme IFRS 18 pose des défis particuliers. Les entités holding qui ne sont pas considérées comme des entités d'investissement sont confrontées à une incertitude quant à la classification des produits et des charges liés aux investissements non consolidés, ce qui nécessite un jugement prudent et des informations claires. Pour les SIIC belges, la norme reconnaît explicitement l'investissement dans des immeubles de placement comme une activité principale, mais le cadre réglementaire existant, y compris l'arrêté royal applicable, devra être mis à jour pour s'aligner sur les nouvelles exigences IFRS. En outre, l'interaction avec le format électronique unique européen (ESEF) introduit des complexités techniques liées au balisage et au dépôt numériques, ce qui nécessite des mises à niveau du système et la formation du personnel.

L'une des principales modifications engendrées par la norme IFRS 18 est l'inclusion d'informations sur les mesures de performance définies par la direction (MPM) dans les comptes annuels audités. Les entités belges, habituées à utiliser des mesures de performance alternatives (APM) dans leurs communications avec les investisseurs, doivent rapprocher ces MPM des sous-totaux IFRS et divulguer les effets fiscaux et les effets liés aux intérêts minoritaires. Cette modification renforce la responsabilité et la comparabilité, mais requiert un examen approfondi des mesures existantes.

La transition vers la norme IFRS 18 exige une approche globale englobant la réglementation, la formation interne, les stratégies de communication et les améliorations des systèmes. Les entités belges doivent gérer ce changement de manière proactive afin de garantir la conformité, de maintenir la confiance des investisseurs et de tirer parti de l'opportunité d'améliorer la clarté et la cohérence de leurs rapports financiers.

Introduction

IFRS 18 – Presentation and Disclosure in Financial Statements (hereafter referred to as ‘IFRS 18’) will replace IAS 1 – Presentation of Financial Statements (hereafter ‘IAS 1’) and is a pivotal step forward in financial reporting, setting the scene to improve transparency and comparability of financial statements across entities. IFRS 18 will become applicable for reporting periods starting on or after 1 January 2027 (pending approval by the European Commission for EU companies), with earlier application permitted. The standard requires retrospective application, meaning Belgian entities will need to restate comparative information.

The objective of this article is to highlight the key changes introduced by IFRS 18 with a particular focus on its implications in a Belgian context. This article addresses the specific challenges and considerations for Belgian holding entities and Real Estate Investment Trusts (REITs), highlighting how the new standard interacts with existing regulatory frameworks. Subsequently, the article covers the intersection of IFRS 18 with European Single Electronic Format (ESEF) requirements, emphasising the implications for tagging, filing, and investor communication. Particular attention is given to the disclosure requirements for Management Performance Measures (MPMs), including how European Public Real-Estate Association (EPRA) metrics relate to and influence these new reporting obligations. Finally, it discusses the broader strategic and operational considerations for Belgian entities preparing for the mandatory adoption of IFRS 18 from 1 January 2027 onwards.

Key changes introduced by IFRS 18

While many of the requirements under IAS 1 were taken over, the new standard does introduce some new requirements to address stakeholders’ feedback on the lack of comparability of financial statements across entities reporting under IFRS today. Although

IFRS 18 may appear as a non-event – leaving the bottom-line profit or loss untouched – its true significance lies in the profound changes it brings to the structure of the financial statements of all entities. IFRS 18 is indeed not one of those standards entities could escape from on the basis of materiality and it affects entities in all industries. Despite the absence of complex calculations, the impact of IFRS 18 is expected to extend beyond the finance teams, affecting broader organizational functions as discussed below in section *Broader considerations and related topics*.

A. Three new categories in the statement of financial performance

The biggest change introduced by IFRS 18 relates to the statement of financial performance (hereafter “P&L” or “profit or loss”), which will aside from “income taxes” and “discontinued operations” be divided into three clear categories: operating, investing and financing. While these categories may appear similar to those used in the statement of cash flows, it is important to highlight that the definitions of these categories differ between the two statements. Entities must categorise all income and expense items into one of these foregoing categories, knowing that IFRS 18 provides a precise definition of the investing and financing items, with all other P&L items falling in the operating category. By doing so, the operating category serves as a residual one in which income and expense items linked to an entity’s main business activities are presented.

However, applying these general requirements could result in some entities – such as banks or insurers – presenting income and expenses arising from their core business activities within the investing and financing categories. To address this, IFRS 18 introduces the concept of a specified main business activity. Entities must assess whether they have one or both of the following specified main business activities: i) Investing in particular types of assets (referred to hereafter as ‘investing in assets’), and ii)

Providing financing to customers. If an entity has a specified main business activity, certain income and expense items that would otherwise be classified under investing or financing must instead be presented within the operating category to accurately reflect the nature of these operations for that entity.

B. Two new subtotals in the statement of financial performance

The new standard also requires entities to present a subtotal for i) operating profit or loss, and ii) profit or loss before financing and income taxes. Although many entities are already showing a subtotal for operating result today, under IFRS 18 this key figure is being standardised to ensure greater consistency across entities and hence enhance comparability and transparency.

C. Enhanced disclosure requirements for Management-Defined Performance Measures

As part of reshaping the financial reporting framework, IFRS 18 also tackles the use of some alternative performance measures, which are being referred to as Management-Defined Performance Measures (MPMs). Although European Securities and Markets Authority (ESMA) guidance¹ has previously addressed disclosure requirements of the so-called alternative performance measures, these were often presented outside of the financial statements. Recognising that stakeholders often seek additional insight beyond the standard profit or loss figures, IFRS 18 sets out clear guidance on how entities should disclose and explain these non-GAAP measures. These new requirements aim to enhance transparency and comparability by ensuring that MPMs are presented consistently and with sufficient context, helping users better understand the

performance metrics that management relies on to run the business.

Implications for the Belgian holding sector

IFRS 10 – Consolidated Financial Statements (hereafter referred to as 'IFRS 10') contains an exception from its general consolidation requirements for 'investment entities' and requires such entities to measure their investments in subsidiaries at fair value through profit or loss. In Belgium, there are multiple examples of holding entities that do not qualify as investment entity under IFRS 10, yet they hold a portfolio of investments that are neither linked by an industrial logic nor expected to generate synergies between the businesses. These holdings are primarily maintained to generate returns through capital appreciation and investment income. Applying IFRS 18 to such holding entities raises important considerations, whereby the observations that follow are made from the perspective of the IFRS consolidated financial statements of the holding entity, considering IFRS is in principle not applicable to statutory financial statements in Belgium.

For entities that do qualify as investment entities, IFRS 18 is relatively clear: such entities are generally expected to have a specified main business activity of investing in assets. This allows them to present income and expenses from associates, joint ventures, and unconsolidated subsidiaries not accounted for using the equity method (but which are measured at fair value through P&L) within the operating category of the P&L.

However, for those holding entities that do not meet the investment entity definition, IFRS 18 brings complex challenges. Considering that income and expenses linked to equity-accounted investees are to be presented in the investing category regardless of whether the entity has a specified main business activity, the key challenge lies in determining where to present income and expenses related to

1 European Securities and Markets Authority (ESMA), "ESMA Guidelines on Alternative Performance Measures", <https://www.esma.europa.eu/sites/default/files/library/2015/10/2015-esma-1415en.pdf>.

non-consolidated entities. Under the general requirements for entities without specified main business activities, IFRS 18 prescribes income and expense items linked to unconsolidated entities to be presented in the investing category. However, entities with a specified main business activity of investing in assets are required to present these income and expense items within the operating category.

While IFRS 18 contains a list of examples of entities for which investing in assets could be viewed as specified main business activity, it is remarkable that holding entities are not captured in this list. This omission creates uncertainty about whether the typical Belgian holding entities that do not qualify as investment entities are intended to fall within the scope of the specified main business activity rules.

Although the standard is somewhat unclear regarding the application of IFRS 18 to holding entities that are not investment entities, there are indicators suggesting these entities could indeed be subject to the specified main business activity requirements. This is because the standard mandates entities to assess whether investing in assets that generate returns individually and largely independently of the entity's other resources constitutes a main business activity. Equity instruments, such as investments in non-consolidated entities, are cited in the standard as examples of such assets.

While IFRS 18 offers general guidance on indicators supporting the existence of a specified main business activity, it does not prescribe a detailed approach for making this assessment, leaving room for interpretation and the consideration of other relevant factors.

The lack of explicit guidance on holding entities means that entities must exercise careful judgement, supported by a thorough understanding of their business model and the nature of their investments. This complexity underscores the need for robust analysis and clear disclosure to ensure that

financial statements provide a faithful and transparent representation of performance. As IFRS 18 reshapes financial reporting, holding entities must engage proactively with these requirements to navigate the uncertainties and deliver clarity to their stakeholders.

Management-Defined Performance Measures

The widespread use of non-GAAP performance indicators by Belgian IFRS reporters has long been a feature of the local capital markets landscape. Entities often rely on alternative performance measures (APMs) – such as adjusted EBIT, underlying net profit, or EBITDA excluding specific items – to communicate their performance story to analysts and investors. These figures, while not defined by IFRS, have become normalised within investor communication, particularly in quarterly earnings releases and management commentary. ESMA's APM Guidelines have provided some structure in recent years by requiring reconciliations and definitions, but these disclosures were typically placed outside the audited financial statements.

IFRS 18 formalises a significant portion of this narrative by introducing Management-Defined Performance Measures (MPMs) as part of the audited financial statements. An MPM, under IFRS 18, is defined as a subtotal of income and expenses that is used in public communications and that is not one of the specified IFRS subtotals. Entities are now required to present MPMs in a dedicated note to the financial statements, reconcile them to the closest IFRS-defined subtotal, and disclose the tax and non-controlling interest effects. This shift brings alternative measures firmly into the scope of IFRS reporting and audit scrutiny.

For Belgian entities, this means that many of their current APMs will need to be reviewed, reformulated, or discontinued. The longstanding practice of presenting adjusted results without clear, consistent reconciliation

may no longer be acceptable. Entities will need to carefully assess whether the performance metrics they've historically communicated qualify as MPMs and, if so, adapt them to meet IFRS 18's strict reconciliation and consistency requirements. The inclusion of MPMs within the audited financial statements increases the accountability around such metrics. Audit committees, CFOs, and investor relations teams in Belgium will need to coordinate more closely to ensure that performance measures are both informative and meeting the new disclosure requirements of IFRS 18.

This transition also creates an opportunity for Belgian entities to improve transparency and comparability. By aligning the presentation of key metrics with IFRS definitions and providing detailed reconciliations, entities can enhance the

credibility of their performance communication. For investor relations professionals, this should lead to more consistent communication across earnings calls, investor decks, and financial reports. At the same time, financial analysts will benefit from clearer bridges to adjusted results, reducing reliance on informal or inconsistent adjustments.

The below example illustrates the required reconciliation table to be disclosed for MPMs.

Illustrative example note – Management-Defined Performance Measures

Entity X uses Adjusted EBITDA as its key internal performance metric, which is publicly communicated in quarterly earnings releases and investor presentations.

(a) Reconciliation to most directly comparable IFRS subtotal (in EUR million)

Description	2027			2026 (Restated)		
	Amount	Tax (20%)	NCI (10%)	Amount	Tax (20%)	NCI (10%)
Operating profit	145,0			137,0		
+ Depreciation and amortization	58,0	11,6	5,8	54,5	10,9	5,5
+ Non-recurring restructuring (incl. in line item 'Other operating expenses')	12,5	2,5	1,3	9,8	1,9	0,9
- Gains on asset disposal (incl. in line item 'Other operating income')	(2,0)	(0,4)	(0,2)	(4,1)	(0,8)	(0,4)
Adjusted EBITDA	213,5			197,2		

(b) Separate disclosure of tax and NCI effect

The MPM note shall include the effect of tax and non-controlling interest per adjustment. IFRS 18 allows different methods for the calculation of the tax effect, if different methods are applied to different reconciling items, the entity should explain how the tax effect for each item is determined.

(c) Explanation why this measure is used

Adjusted EBITDA provides insight into operating performance by excluding items not directly related to day-to-day operations, such as restructuring and asset gains. It is used by management for budgeting, capital allocation, and assessing profitability across business units.

(d) Further development of any changes and comparability

There have been no changes to the definition of Adjusted EBITDA in the current period. Comparatives have been restated to reflect IFRS 18 categories.

Impact on the Belgian Real Estate Investment Trust (REIT)² sector

In contrast to holding entities, the concept of a specified main business activity under IFRS 18 is much less judgmental for Belgian REITs. Investing in investment property — the core activity of a REIT — is explicitly recognised in IFRS 18 as an example of a main business activity. Investment property and related receivables are also clearly identified as assets that generate returns individually and largely independently from other assets.

Accordingly, IFRS 18 requires REITs to classify income and expenses arising from these assets within the operating category. This means that gains and losses related to the fair value measurement of investment property, as well as any gains or losses on disposal, must be presented in the operating category.

The true challenge for Belgian REITs lies not in the assessment of their main business activity, but in the current regulatory framework. The Royal Decree dated 13 July 2014, which governs Belgian REITs and includes a standard template for the statement of profit or loss, has not been updated to reflect recent IFRS changes, including IFRS 15, IFRS 9, and now IFRS 18. For example, while the Royal Decree currently presents three types of operating results, IFRS 18 consolidates these into a single operating category. Certain items currently included in the financial result — such as gains or losses on derivatives linked to operations — will need

to be reclassified to the operating category, while others, like interest received on cash or the share in the result from equity-accounted investees, will move to the investing category, which is not currently foreseen in the Royal Decree.

The significant changes introduced by IFRS 18 provide a momentum to revise the standard P&L template in the Royal Decree. Assessing the impact of IFRS 18 on the statement of financial performance of Belgian REITs at an industry-wide level is generally efficient but maintaining one single standard P&L format could become more difficult. This is due to the fact that the new standard requires primary financial statements to provide a useful and structured summary, allowing for variations in presentation tailored to the specific nature and significance of the transactions conducted by a specific REIT. Consequently, the Royal Decree regulating the standard template under which a REIT reports in Belgium should leave sufficient flexibility for providing this useful and structured summary.

Interaction between IFRS 18 MPMs and EPRA performance measures

Comparing the main EPRA performance indicators with the IFRS 18 criteria allows us to assess which EPRA metrics could qualify as MPMs.

EPRA earnings

EPRA earnings serve as a key indicator of an entity's operational performance and reflect the extent to which its dividend payments to shareholders are supported by income generated from operational activities. As a subtotal of income and expenses, EPRA earnings can be directly reconciled to IFRS net profit. It is widely used by management to assess operational performance, is highly relevant for investors and is consistently maintained in EPRA Best Practice Recommendations. This makes it fully compliant with the IFRS 18 definition of an MPM.

² "Gereguleerde vastgoedvennootschappen" (hereafter "GVVs") in Dutch or "Sociétés immobilières réglementées" (hereafter "SIR") in French.

EPRA performance indicators	Does it meet the criteria of an MPM?
EPRA earnings	YES
EPRA NAV metrics	NO
EPRA Net Initial Yield (NIY) & 'Topped-Up' NIY	NO
EPRA vacancy rate	NO
EPRA cost ratios	NO
EPRA loan-to-value (LTV)	NO
Like-for-like rental growth	NO
EPRA CAPEX	NO

EPRA NAV metrics (NRV, NTA, NDV)

These indicators are balance sheet-based and reflect net asset value adjusted for, amongst others, the fair value of financial instruments, deferred taxes on fair value gains of investment properties, real estate transfer taxes, intangibles, and goodwill. As IFRS 18 defines MPMs strictly as subtotals of income and expenses, equity or asset measures are excluded from its scope. While they are relevant for investors and reconcilable to IFRS equity, EPRA NAV metrics are not MPMs.

EPRA Net Initial Yield (NIY) & 'Topped-Up' NIY

These yield metrics are ratios: e.g., annualised passing rental income (less non-recoverable property operating expenses) divided by market value of property, with adjustments for rent free periods or other lease incentives. They provide useful insight into yield or return on assets. Although IFRS 18 clearly states that financial ratios cannot be classified as MPM since they are not subtotals of income and expenses, the disclosure requirements may still apply to a subtotal that is the numerator or denominator, provided that the subtotal itself would qualify as an MPM if it would not have been part of the ratio. In the case of these yield metrics, the numerator is based on cash rents passing at the balance sheet date, and the denominator is an asset-based measure. It is therefore reasonably expected that neither the numerator nor the denominator qualifies as an MPM.

EPRA vacancy rate

It is a non-financial indicator expressed as the percentage of vacant space (based on estimated rental values) in the portfolio. Since IFRS 18 requires MPMs to be derived from income and expenses, a metric based on estimated rental values, square meters or occupancy cannot meet the criteria, regardless of its usefulness in assessing portfolio efficiency.

EPRA cost ratios

They express operating costs as a percentage of gross rental income. Although based on financial data, the ratio format means they are not presented as subtotals of income and expenses. Furthermore, it is not expected that either the numerator or denominator would meet the definition of an MPM, as each represents an aggregation of only expense or only income items. As such, they fall outside the IFRS 18 definition of an MPM, even if reconciliations to IFRS expenses and income are provided.

EPRA LTV (Loan-to-Value)

EPRA LTV is defined as net debt divided by total property value, with guidance on what to include or exclude. It is a leverage or gearing metric, not a profitability or operational performance measure. It does not derive from subtotals of income and expenses and hence does not qualify as an MPM.

Like-for-like rental growth

It measures the evolution in rental income without taking into account disposals or acquisitions over the period. Although it can be linked to IFRS rental income and provides insights into portfolio performance, it represents only income items rather than a subtotal of income and expenses, and therefore it cannot qualify as an MPM.

EPRA CAPEX (Capitalised Expenditures)

This metric represents the capitalised expenses for the period (related to investment property). Capitalised expenditures are balance sheet/investment items rather than ongoing income/expense operations; they are not profit/loss subtotals. They do not reflect operating performance in the profit and loss context, cannot be reconciled to a directly comparable IFRS income subtotal, and are not consistently recognised as performance metrics under IFRS 18. Therefore, they do not qualify as MPMs.

Practical implications for Belgian REITs

EPRA metrics can serve a dual purpose, functioning both as market-driven disclosures under EPRA and as MPMs under IFRS 18. The new standard requires enhanced reconciliation of MPMs to IFRS measures, meaning Belgian REITs must clearly demonstrate how EPRA Earnings reconcile to IFRS net profit and highlight adjustments such as fair value changes, one-off items, and deferred taxes.

Tagging considerations under ESEF/iXBRL also come into play, as IFRS 18 subtotals can be tagged and EPRA metrics reconciled to MPMs could be tagged as extensions, improving machine readability and comparability. Finally, from an investor communication perspective, IFRS 18 formalises the narrative around performance metrics, allowing EPRA tables included in annual reports to be directly integrated into the IFRS 18 MPM section, providing a single source of truth for stakeholders.

Interaction of IFRS 18 with ESEF

The changes introduced by IFRS 18 intersect closely with the European Single Electronic Format (ESEF) requirements.

ESEF is a regulatory mandate underpinned by the amended EU Transparency Directive, requiring all EU-listed entities to prepare their annual financial reports in a digital, machine-readable format. Specifically, entities must use Inline XBRL (iXBRL), a technology that embeds structured data tags into human-readable financial statements. This initiative, led by the European Securities and Markets Authority (ESMA), is designed to enhance accessibility, transparency, and comparability of financial data across EU capital markets. For many entities this has already meant adapting their reporting infrastructure to support the technical tagging of IFRS-compliant disclosures, using a taxonomy aligned with the IFRS Foundation's standards.

For Belgian entities, the dual challenge lies in aligning both content and format. The content must comply with IFRS 18's new structure and disclosures, while the format must adhere to ESEF's digital requirements. Many local issuers will find that their existing consolidation and reporting tools, especially those developed for legacy IAS 1 formats, may not be flexible enough to accommodate these shifts. Furthermore, Belgian firms often operate in bilingual reporting environments, adding complexity to the XBRL-tagging process, especially when manual overrides or language-dependent taxonomy labels are involved. Investing in modern disclosure management systems that support both IFRS 18 content structures and ESEF output formats will be critical. In addition, staff will need training not only on IFRS 18 but also on iXBRL tagging principles and the nuances of taxonomy mapping. As such, close collaboration with software vendors, audit firms, and perhaps ESMA or FSMA regulators will help Belgian companies navigate this intersection of regulatory compliance and digital innovation.

For ESEF purposes, the changes introduced by IFRS 18 necessitate updates to the IFRS taxonomy, particularly around:

- New defined subtotals: operating profit, profit before financing and income taxes, etc.
- MPM disclosures, which now must be reconciled to IFRS numbers.
- Standardised structure of the statement of profit or loss.

In May 2024, the IASB proposed amendments to the IFRS Accounting Taxonomy to align with IFRS 18, including line-item modelling for new categories and dimensional tags for

Management-Defined Performance Measures (MPMs) and specified expenses. For Belgian entities, this means that their systems must be updated not only to report the new financial statement structure but also to tag every new subtotal and category correctly.

ESMA will likely issue amendments to the ESEF taxonomy to reflect IFRS 18's structure. Entities must review their current tagging processes, anticipate updates to the 2026 taxonomy, and potentially re-engineer their reporting workflows and software to accommodate these new elements.

The table below provides an overview of the IFRS 18 implications for the ESEF tagging / filing.

Aspect	Current situation	IFRS 18 impact	Implications for ESEF tagging / filing
Statement presentation	IFRS balance sheet, income statement, cash flow, equity, notes per IAS 1	IFRS 18 requires more standardised, digital-friendly presentation. Possibly more structured disclosure formats for reconciliations, performance measures, and subtotals.	<ul style="list-style-type: none"> - ESEF taxonomy may need updates to include new line items/subtotals defined under IFRS 18. - Entities may need to map IFRS 18 subtotals to ESMA tags or create extensions. - Could simplify automated tagging if IFRS 18 standardises presentation.
Notes / disclosures	Notes are often free-text, block-tagged in iXBRL	IFRS 18 promotes structured note disclosure and more explicit linking of subtotals to performance metrics.	<ul style="list-style-type: none"> - iXBRL tagging may need more granular tagging for key notes - Enhanced comparability for investors
Revenue & profit metrics	IFRS revenue, operating profit, net profit	May require redefinition and presentation of management-defined performance measures (MPMs) in accordance with IFRS 18.	<ul style="list-style-type: none"> - Subtotals may be automatically tagged for ESEF (if taxonomy updated)
Overall filing workflow	IFRS accounts iXBRL submission	Likely minor changes in mapping and taxonomy extensions	<ul style="list-style-type: none"> - Revision of iXBRL tags in preparation for filing cycles - Investor reports may require dual tagging: IFRS 18-line items

Broader considerations and related topics

The transition to IFRS 18 in Belgium presents a number of strategic and operational considerations that extend beyond the technical adjustments to financial statement formats. One of the key aspects of this transition is regulatory oversight. In Belgium, the Financial Services and Markets Authority (FSMA) plays a central role in supervising listed entities' compliance with financial reporting standards. As IFRS 18 introduces significant changes, particularly in the presentation of the income statement and in the disclosure of Management-Defined Performance Measures (MPMs), the FSMA is expected to issue detailed guidance, similar to how it handled the introduction of ESEF reporting and recent ESMA enforcement priorities. Belgian entities should anticipate early engagement with the FSMA to ensure alignment on the interpretation of the new subtotals, the proper definition and reconciliation of MPMs, and the consistent tagging of these measures within the ESEF taxonomy. This is especially important given that MPMs, although provided by management, are subject to audit and regulatory scrutiny under IFRS 18. IFRS 18 also requires the inclusion of transition disclosures in interim reporting in accordance with IAS 34 – Interim Financial Reporting.

With respect to compliance timelines, entities will need to carefully plan their transition roadmaps. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but the preparation work must begin well in advance. This includes assessing internal reporting systems, revising chart-of-account structures to capture the new income statement categories (such as "Investing" and "Financing" income and expenses), and updating accounting manuals and group reporting packages.

A critical part of this transition is the communication strategy aimed at informing external and internal stakeholders of the changes. For external audiences, including

investors, analysts, and creditors, it is essential that entities develop a transparent narrative around how IFRS 18 alters the structure of their financial statements and affects key financial metrics. Many Belgian entities use adjusted EBITDA or similar non-GAAP indicators to communicate performance. Under IFRS 18, these must be formalised as MPMs, reconciled to IFRS subtotals, and disclosed with tax and NCI impacts. This transparency is expected to improve comparability across entities, but it may also raise questions from investors and analysts unfamiliar with the new framework. Belgian entities should consider holding investor education sessions and include mandatory transition disclosures to illustrate the impact of IFRS 18 on reported performance.

Internally, the transition demands extensive training and education. Finance teams, internal audit, investor relations, and business unit controllers all need to understand the new requirements and how they affect day-to-day reporting practices. Training programs should emphasise not only the technical mechanics of IFRS 18 but also the implications for governance, audit readiness, and regulatory compliance. Workshops or interactive tools can be especially useful for business unit leaders who need to understand how internal KPIs may evolve under the new structure.

The introduction of IFRS 18 may also have knock-on effects on performance-related compensation schemes, bank covenants, and bonus agreements that are tied to specific income statement metrics. As the new presentation may shift the location of certain items, such as reclassifying finance income or adjusting subtotals like operating profit, entities will need to reassess whether existing definitions of EBITDA, net profit, or other covenant metrics still hold. It is advisable for Belgian groups to conduct a detailed review of financing agreements and employee incentive plans, ideally in collaboration with treasury and HR departments, to determine whether amendments are necessary. For public

entities, these changes may also require board or shareholder approval, especially where bonus targets or long-term incentive plans are explicitly linked to pre-IFRS income measures.

Finally, from a systems and infrastructure standpoint, the transition to IFRS 18 may serve as a catalyst for broader updates to ERP systems and consolidation platforms, especially as many Belgian entities are already moving toward cloud-based solutions in response to increasing digitalization and ESEF compliance requirements. Integrating IFRS 18 into these platforms will require not just mapping new account structures but also updating tagging logic for Inline XBRL, automating MPM reconciliations, and redesigning management reporting dashboards. Entities using local

Belgian software vendors or legacy SAP setups may need to invest in add-on tools or engage with third-party providers to support IFRS 18 reporting in combination with ESEF tagging. Early testing and validation of these systems particularly for the presentation of subtotals and the automated generation of disclosure notes, will be crucial to avoid last-minute bottlenecks.

The transition to IFRS 18 in Belgium is a multi-dimensional exercise involving regulatory engagement, internal transformation, external communication, and systems redesign. While the new standard offers the opportunity to enhance transparency and comparability in financial reporting, Belgian entities must carefully manage its implementation to avoid disruption and ensure stakeholder confidence.

GLOSSARY OF ABBREVIATIONS

APM: Alternative Performance Measure

CAPEX: Capital Expenditures

CFO: Chief Financial Officer

EBIT: Earnings Before Interest and Taxes

EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortisation

EPRA: European Public Real Estate Association

EPRA NAV: EPRA Net Asset Value

EPRA NDV: Net Disposal Value

EPRA NRV: EPRA Net Reinstatement Value

EPRA NTA: Net Tangible Assets

ERP: Enterprise Resource Planning

ESEF: European Single Electronic Format

ESMA: European Securities and Markets Authority

EU: European Union

FSMA: Financial Services and Markets Authority

GAAP: Generally Accepted Accounting Principles

GVV / SIR: Gereguleerde Vastgoedvennootschappen (Dutch) / Sociétés Immobilières Réglementées (French)

HR: Human Resources

IAS 1: International Accounting Standard 1 – Presentation of Financial Statements

IAS 34: International Accounting Standard 34 – Interim Financial Reporting

IASB: International Accounting Standards Board

IFRS: International Financial Reporting Standard

IFRS 9: International Financial Reporting Standard 9 – Financial Instruments

IFRS 10: International Financial Reporting Standard 10 – Consolidated Financial Statements

IFRS 15: International Financial Reporting Standard 15 – Revenue from Contracts with Customers

IFRS 18: International Financial Reporting Standard 18 – Presentation and Disclosure in Financial Statements

iXBRL: Inline eXtensible Business Reporting Language

LTV: Loan-to-Value

MPM: Management-Defined Performance Measure

NCI: Non-Controlling Interest

NIY: Net Initial Yield

P&L: Profit or Loss

REIT: Real Estate Investment Trust