IFRS Foundation update

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Agenda

1. Taking stock
2. Two-year transformation programme
3. The path to sustainable funding
4. Q & A (via Slido)

Submit your questions through Slido

Stock take (SWOT)

Strengths	Weaknesses
• Critical component of global financial system • Financially material standards, trusted by the market • Proven model of global cooperation • Track record of achievements • High quality staff and due process • Often cited as a blueprint for others	• Standards as a free good • Erosion or uncertainties on funding model • Risk of misunderstandings and confusion on mandate
Opportunities	**Threats**
• Focus on mandate and message • Further transparency and engagement • Transformation programme: An organisation fit for the future • Securing sustainable funding base	• Geopolitical • Economic • Technological

Two-year transformation programme

Objective

*To build a **stronger, more focused and resilient** Foundation that is **fit for the future** and **resourced** to meet its vital public interest mission.*

Transformation programme: How we get there

Simplified our management structures and reporting lines and streamlined our decision-making

Undertook a review of operating costs to ensure the efficient and effective use of resources across the Foundation

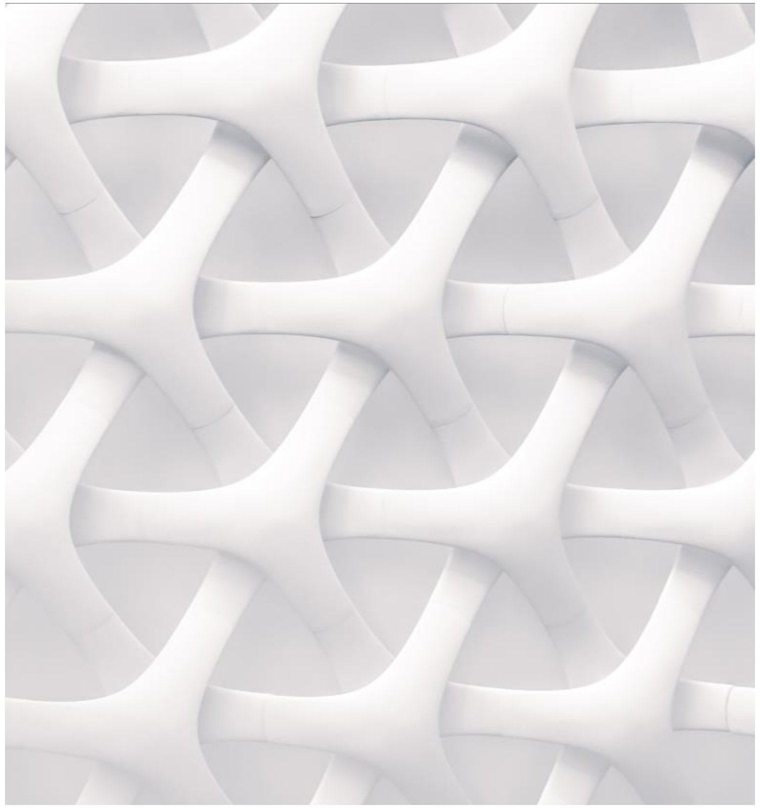
Introduced plans to strengthen income-generating programmes, including creation of a unified revenue team

Began work to refresh the Foundation's medium to long term strategy

Focus on funding

Sharing the costs and benefits of IFRS Standards

- IFRS Standards **bring benefits to all jurisdictions**, regardless of whether they require use of or align with IFRS Standards
- However, whilst the benefits of IFRS Standards as market infrastructure are universal, **contributing to the costs** of their development and maintenance is not
- International standard-setting **requires significant ongoing investment** to deliver high-quality outcomes
- Our work requires **sustainable, segregated funding** that must be structured to avoid undue influence by specific jurisdictions or stakeholder groups



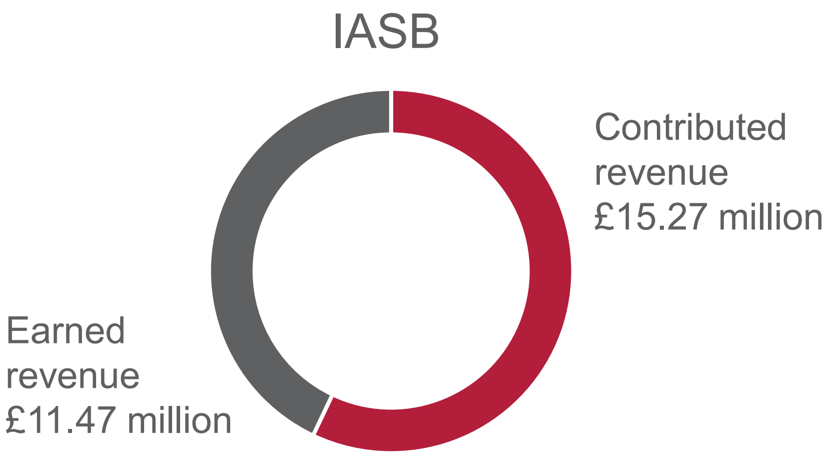
IFRS Foundation

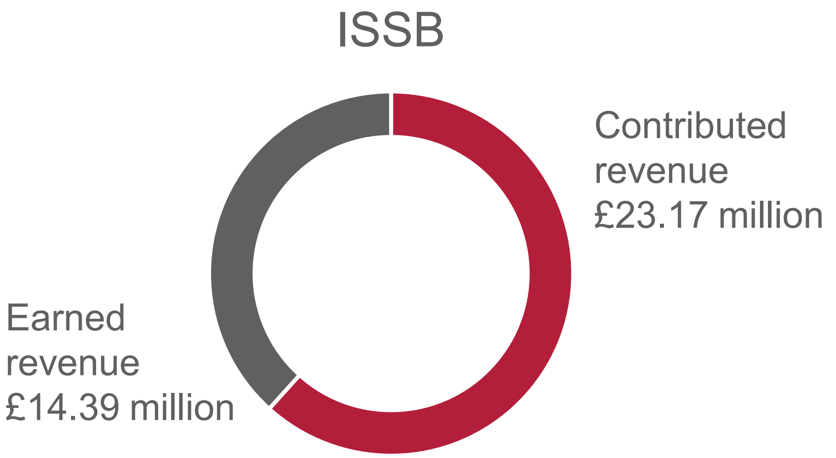
How we are funded

- **Total revenue in 2024:** £67.6 million – made up of contributed revenue supplemented by earned revenue

- **Contributed revenue:** voluntary contributions from jurisdictions + seed funding, philanthropic funding, contributions from companies

- **Earned revenue:** licensing IP, subscription services, membership and education programmes, conferences





Jurisdictional funding objectives

SHORT TERM (2025-2026)

IASB
Adjust contributions for inflation

ISSB
Extend / replace seed funding

MEDIUM TERM (2027-2029)

BOTH BOARDS
Sustainable funding model

- Segregated funding for IASB, ISSB
- Fair share of costs for jurisdictions
- Complemented by earned revenue, contributions from philanthropies / corporates

Our segregated funding model allows for jurisdictions to limit their contribution to supporting exclusively the board whose Standards they are using.

What we need from you

- National standard-setters uniquely positioned to support the IFRS Foundation in its jurisdiction funding discussions
- Work with our team, to develop concrete plans to ensure the costs and benefits of developing IFRS Standards are fairly shared among all
- We are receptive to your feedback and ideas

Key takeaways

1. **A two-decade success story**
   - Unique model of market-driven, global cooperation
   - As relevant today, as we were at the beginning
   - Our success is your success
2. **Two-year transformation programme**
   - Natural stock take and recalibration of any successful organisation
   - Ensure the Foundation is fit for the future
3. **Need for continued support**
   - NSS have a vested interest in our long-term financial sustainability
   - We want to partner with you on jurisdictional funding and are receptive to your ideas

SLIDO Q&A

Submit your questions through Slido