



European Institute of  
Innovation & Technology

Final annual accounts of  
the  
European Institute of  
Innovation and  
Technology

Financial year 2025

## CONTENTS

CERTIFICATION OF THE ACCOUNTS .....	3
BACKGROUND INFORMATION NOTE .....	4
FINANCIAL STATEMENTS AND EXPLANATORY NOTES .....	10
BALANCE SHEET .....	12
STATEMENT OF FINANCIAL PERFORMANCE .....	13
CASHFLOW STATEMENT .....	14
STATEMENT OF CHANGES IN NET ASSETS .....	15
THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES .....	59

## CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of EIT in accordance with Article 102 of the Framework Financial Regulation ('FFR')<sup>1</sup> and I hereby certify that the annual accounts of the EIT for the year 2025 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the EIT's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the EIT.

Andreas Miltos

**Accounting Officer of the  
European Institute of Innovation &  
Technology**

---

<sup>1</sup> COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

## BACKGROUND INFORMATION NOTE

### 1. General background on the entity

#### Establishment

The European Institute of Innovation and Technology (EIT) is an EU body created by Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 as recast by Regulation (EU) 2021/819 of the European Parliament and of the Council of 20 May 2021 (the founding Regulation) to strengthen Europe's ability to innovate. The EIT is an integral part of Horizon Europe, the EU's Framework Programme for Research and Innovation. The seat of EIT is Budapest, Hungary.

#### Mission

The EIT's mission is to contribute to Europe's sustainable economic growth and competitiveness by reinforcing the innovation capacity of the Member States and the EU to address major challenges faced by our societies. It shall do this by promoting synergies and integrating higher education, research, and innovation of the highest standards, including by fostering entrepreneurship. The EIT shall also contribute to delivering on the general and specific objectives of the EU's framework programme for research and innovation.

The EIT reinforces the EU's innovation capacity and addresses societal challenges through the integration of the knowledge triangle of higher education, research, and innovation. During the 2021-2027 programming period, the EIT, as an integral part of the Horizon Europe Framework Programme, contributes to delivering on its overarching objectives and priorities, including the strategic orientations as detailed in the Horizon Europe Strategic Plan 2025-2027. The EIT's Knowledge and Innovation Communities (EIT KICs or EIT Communities) are parts of the Institutionalised European Partnerships, meaning they follow a set of principles and life-cycle criteria to ensure a more coherent, open, and impact-driven approach. Therefore, the EIT's mission and objectives reflect its overall role in Horizon Europe and its place in the Innovative Europe Pillar.

The EIT also ensures coherence with the European Innovation Ecosystems strand of Horizon Europe and explores opportunities for synergies and disseminating results. Furthermore, the EIT will further exploit and establish synergies with other EU programmes supporting human capital development and innovation (e.g., the ESF+, ERDF, Erasmus, MSCA, DEAP, and NEB). The EIT's initiative to enhance innovation and entrepreneurship capacity at higher education institutions is key driver in this respect. The EIT also contributes to the implementation of the New European Innovation Agenda, which positions the EIT as one of the key innovation actors contributing to EU innovation flagship initiatives like the EIT Deep Tech Talent Initiative, Innovation Valleys, the Next Generation Innovation Talents Scheme, and Women Entrepreneurship and Leadership schemes.

The EIT supports its KICs to strengthen the innovation ecosystems that help tackle global challenges by fostering the integration of education, research, and business (thereby creating environments conducive to innovation), by promoting and supporting a new generation of entrepreneurs, and by stimulating the creation of innovative companies.

The EIT contributes to Horizon Europe and the European Commission's objectives by continuing to integrate the knowledge triangle. This integration takes place primarily via

the EIT KICs, which bring together excellent organisations on a long-term basis around societal challenges. Based on existing European excellence, the EIT KICs continuously build upon and create new ecosystems tackling fragmentation and duplication of efforts across borders to generate critical mass, enhance and strengthen collaboration, optimise the use of human, financial and physical resources, and attract top talent from all over the world. In compliance with the EIT’s Strategic Innovation Agenda for 2021 to 2027 (EIT SIA), the EIT expands its portfolio of EIT KICs to further enhance its impact and to incentivise innovation in new areas of societal challenges. Building on the existing nine EIT KICs, the EIT in 2025 completed a call for a new KIC “EIT Water”, which was officially established in November 2025.

**Main operational activities**



EIT supports the development of dynamic, long-term European partnerships among leading companies, research labs and higher education. These partnerships are called Knowledge and Innovation

Communities (KIC). Each is dedicated to find solutions to a specific global challenge, ranging from climate, digitisation, efficient and renewable energies, health, and sustainable raw materials to food, manufacturing, urban mobility, culture and creativity and water as an additional area of focus starting as of 2025.

Bringing together more than 2,400 partners, the EIT is Europe’s largest innovation network. EIT powers innovators and entrepreneurs across Europe to turn their best ideas into products, services, jobs and growth. This is crucial to fulfilling the EIT’s mission: creating jobs and delivering sustainable economic growth opportunities for Europe.



Together with leading partners, the EIT Community offers a wide range of innovation and entrepreneurship activities: education courses that combine technical and entrepreneurial skills, tailored business creation and acceleration services and innovation driven research projects. This brings new ideas and solutions to the market, turns students into entrepreneurs and, most importantly, delivers innovation.

## Governance

EIT is headed by a Director who is appointed by the Governing Board. He is accountable to the Governing Board for the administrative and financial management of the EIT and acts as the legal representative of the EIT.

The Governing Board is the principal governing body of the EIT and entrusted with the role of strategic leadership as well as the overall direction of the operational activities implemented by the EIT. It is independent and autonomous in its decision-making and is responsible for the selection, evaluation and support of the EIT Knowledge and Innovation Communities. The Governing Board consists of 15 members which are appointed by the Commission. For their appointment the Commission takes into account the balance between higher education, research, innovation and business experience, gender and geographical distribution, as well as an appreciation of the higher education, research and innovation environment across the Union. The Members have a four-year term of office that may be extended once by a two-year period.

The Executive Committee supports the activities of the Governing Board by overseeing the implementation of its strategic decisions. It consists of the EIT Governing Board Chairperson and four members of the EIT Governing Board.

The Member State Representatives Group (MSRG) advises the Governing Board and the Director on the extension or termination of the EIT's partnership agreements with the KICs, on the conclusion of a memorandum of cooperation with each KIC and on strategically important issues to the EIT. It is composed of one representative from each Member State and each country associated to Horizon Europe.

## Sources of financing

The EIT is mainly financed through a contribution from the general budget of the European Union.

# 2. Annual accounts

## Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by the Framework Financial Regulation (FFR)<sup>2</sup>. As per this regulation, the annual accounts are prepared in accordance with the rules adopted by the accounting officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

## Accounting Officer

In accordance with the FFR, the Governing Board of the EIT appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts, which are consolidated in those of the EU.

Following the decision nr 21/2023 of 21 June 2023 of the EIT's Governing Board, Mr Andreas Miltsos, the Accounting Officer of the European Union Agency for Fundamental

---

<sup>2</sup> COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

Rights (FRA), shall, as of 21 June 2023, act as the Accounting Officer of EIT and Mr Manuel Wenigwieser, the deputy Accounting Officer of the European Union Agency for Fundamental Rights (FRA), shall, as of 21 June 2023, act as the deputy Accounting Officer of EIT. As at 31 December 2025, Mr Manuel Wenigwieser was no longer a member of the FRA staff.

### **Composition of the annual accounts**

The annual accounts cover the period from 1 January to 31 December and comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

### **Process from provisional accounts to discharge**

The provisional annual accounts prepared by the Accounting Officer are transmitted, by 1 March of the following year, to the European Court of Auditors (ECA) and to the audit company selected by the EIT. Following the audit, the Accounting Officer prepares the final annual accounts and submits them to the Governing Board for opinion.

The final annual accounts, together with the opinion of the Governing Board, are sent to the Accounting Officer of the Commission, the Court of Auditors, the European Parliament and the Council by 1 July of the following financial year. The ECA scrutinises the final annual accounts and includes any findings in the annual report for the European Parliament and the Council.

It falls to the Council to recommend, and then to the European Parliament to decide, whether to grant discharge to the Director in respect of the implementation of the budget for a given financial year. Amongst other elements this decision is also based on a review of the accounts and the annual report of the ECA.

## **3. Budget and budget implementation**

### **Revenue**

In the initial adopted budget, the total commitment and payment appropriations amounted to 493 912 and 425 998 kEUR, respectively. The revenue and expenditure estimates in the initial budget are typically adjusted during the budgetary year by way of amending budgets. During 2025, three amending budgets were adopted. Taking them into account, the final adopted revenue for 2025 amounted to 506 738 kEUR in commitment appropriations and 435 056 kEUR in payment appropriations. The main increase concerned:

- 3 768 kEUR that were received as a consequence of repayment of the budget outturn 2024 to the European Commission, and
- 8 900 kEUR received from contribution agreements.

### **Expenditure**

In 2025 the commitment budget (Titles 1-4) of the EIT amounted to 529 087 kEUR, an increase of 75 229 kEUR or 17 % compared to the previous year (2024: 453 858 kEUR). This increase is mainly due to higher amounts granted to KICS (2025: 484 362 kEUR vs

2024: 418 535 kEUR), and the higher amounts assigned to other grants (2025: 27 836 kEUR vs 2024: 20 612 kEUR).

The largest part of the commitment budget, i.e. 484 362 kEUR (92 %) was allocated to grants, namely for the 3<sup>rd</sup> year cycle of the 2023-2025 multiannual KIC grants. For commitments, the EIT reached an implementation rate of 99 %, which is 4 % higher compared to 2024 (i.e. 95 %). For payments, the EIT reached an implementation rate of 97 %, which is 9 % higher compared to 2024 (i.e. 88 %).

The EIT's administrative commitment budget is kept on a yearly basis, below a 3 % ratio compared to the overall EIT annual budget. In 2025, the administrative commitment budget on Titles 1 and 2 was 10 813 kEUR, which represents 2 % of the total EIT 2025 commitment budget. Out of this amount, 86 % was allocated to the staff costs on Title 1 and 14 % to the general administrative expenditure on Title 2.

The budget implementation on Title 1 (staff related expenses) in terms of budget used by commitments was 100 %, which is 3 % higher compared to 2024 (i.e. 97 %). In the same context, payments reached 95 %, 11 % higher compared to last year.

For commitments on Title 2 (administrative expense), EIT achieved an implementation rate of 87 % cancelling 63 kEUR, which represents 0.01 % of the overall commitment appropriations available in 2025. As for the payment appropriations, the budget consumption reached 70 %, which is 9 % higher compared to previous year, i.e. 61 %.

The budget implementation on Title 3 (operational expense) for commitments reached 100 %, which is 5 % higher compared to 2024. Similarly, for payments, the implementation rate reached 100 %, which is higher by 12 % compared to last year.

The budget implementation on Title 4 (Contribution Agreements) for commitments reached 77 % and 61 % for payments. The remaining funds were carried over to 2026.

## 4. Impact of the activities in the financial statements

In the financial statements, the impact of the above-mentioned activities can be noted in the:

- Increase in **accrued charges on pre-financing** (see note **2.3**) of 90 091 kEUR (2025: -561 531 kEUR versus 2024: -651 622 kEUR) comes from the new grant agreements that were signed in 2025 and will be implemented in the following financial years.
- Decrease in **exchange receivables and non-exchange recoverables** (see note **2.4**) of 37 963 kEUR (2025: 25 146 kEUR versus 2024: 63 109 kEUR) mainly comes from the decrease of central treasury liaison accounts (i.e. 15 914 kEUR in 2025 and 58 119 kEUR in 2024).
- **Financial liabilities** (see note **2.6**) that have been increased by 4 430 kEUR, i.e. 20 615 kEUR in 2025 and 16 185 kEUR in 2024, due to the new contribution agreements signed with the European Commission as well as the additional payments received during 2025 on the contribution agreements signed in previous years.
- Decreased in **payables** (see note **2.7**) of 19 378 kEUR, i.e. from 29 002 kEUR in 2024 to 9 624 kEUR in 2025, mainly refers to the decrease in the European Commission's balancing subsidy (i.e. 502 kEUR in 2025 vs 21 971 kEUR in 2024). This decrease was caused by the higher implementation rate achieved in 2025.

- The decrease in **accrued charges** (see note **2.8**) from 37 270 kEUR in 2024 to 19 125 kEUR in 2025, is linked to the new multiannual grant agreements that were signed in 2025 and the stage of their implementation at the end of year. Accrued charges represent the grant expense accruals, in excess of the pre-financing provided.
- The increase of revenue from **non-exchange transaction** (see note **3.1**) from 429 087 kEUR in 2024 to 439 496 kEUR in 2025 is linked to the increase of the European Union Subsidy and the recovery of expenses.
- The **operational costs** (see note **3.3**) were decreased by 115 543 kEUR (2024: 392 615 kEUR versus 2025: 277 072 kEUR). This difference is primarily linked to changes in accrued grants expenditure, since new grant agreements were signed that will be implemented in the following financial years.
- The **outstanding commitments not yet expensed** (see note **4.2**) were increased by 19 718 kEUR (2025: 108 403 kEUR versus 2024: 88 685 kEUR). This difference is primarily linked to the new multiannual grant agreements that were signed in 2025 and had low levels of accrued charges. This heading includes the commitments linked to the contribution agreements between EIT and the European Commission.

# FINANCIAL STATEMENTS AND EXPLANATORY NOTES

*It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables below may appear not to add-up.*

## CONTENTS

BALANCE SHEET .....	12
STATEMENT OF FINANCIAL PERFORMANCE.....	13
CASHFLOW STATEMENT .....	14
STATEMENT OF CHANGES IN NET ASSETS .....	15
1. SIGNIFICANT ACCOUNTING POLICIES .....	17
2. NOTES TO THE BALANCE SHEET .....	28
3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE .....	39
4. OTHER SIGNIFICANT DISCLOSURES.....	52
5. FINANCIAL RISK MANAGEMENT .....	56

**BALANCE SHEET**

	Note	31.12.2025	31.12.2024
<i>EUR '000</i>			
<b>NON-CURRENT ASSETS</b>			
<i>Intangible assets</i>	2.1	-	-
<i>Property, plant and equipment</i>	2.2	43	51
<i>Pre-financing</i>	2.3	6 213	-
<i>Exchange receivables and non-exchange recoverables</i>	2.4	4 457	-
		<b>10 713</b>	<b>51</b>
<b>CURRENT ASSETS</b>			
<i>Pre-financing</i>	2.3	237 448	87 139
<i>Exchange receivables and non-exchange recoverables</i>	2.4	20 689	63 109
<i>Cash and cash equivalents</i>	2.5	-	-
		<b>258 137</b>	<b>150 248</b>
<b>TOTAL ASSETS</b>		<b>268 849</b>	<b>150 299</b>
<b>NON-CURRENT LIABILITIES</b>			
<i>Financial liabilities</i>	2.6	(20 615)	(16 185)
		<b>(20 615)</b>	<b>(16 185)</b>
<b>CURRENT LIABILITIES</b>			
<i>Payables</i>	2.7	(9 624)	(29 002)
<i>Accrued charges</i>	2.8	(19 125)	(37 270)
		<b>(28 749)</b>	<b>(66 272)</b>
<b>TOTAL LIABILITIES</b>		<b>(49 364)</b>	<b>(82 457)</b>
<i>Accumulated Surplus/(Deficit)</i>		67 842	41 350
<i>Economic result of the year</i>		151 644	26 492
<b>NET ASSETS</b>		<b>219 486</b>	<b>67 842</b>

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	2025	EUR '000 2024
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>	3.1		
<i>Funds from the Commission</i>		430 339	429 087
<i>Recovery of expenses</i>		9 157	-
		<b>439 496</b>	<b>429 087</b>
<b>Revenue from exchange transactions</b>			
<i>Financial revenue</i>	3.2	147	-
<i>Other</i>		32	72
		<b>179</b>	<b>72</b>
<b>Total revenue</b>		<b>439 675</b>	<b>429 160</b>
<b>EXPENSES</b>			
<i>Operational costs</i>	3.3	(277 072)	(392 615)
<i>Staff costs</i>	3.4	(7 872)	(7 253)
<i>Finance costs</i>	3.5	(1)	-
<i>Other expenses</i>	3.6	(3 065)	(2 780)
<i>Depreciation/Amortisation</i>	3.7	(21)	(20)
<b>Total expenses</b>		<b>(288 031)</b>	<b>(402 668)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>151 644</b>	<b>26 492</b>

**CASHFLOW STATEMENT<sup>3</sup>**

	<i>EUR '000</i>	
	2025	2024
<i>Economic result of the year</i>	151 644	26 492
<b>Operating activities</b>		
<i>Depreciation and amortization</i>	21	20
<i>(Increase)/decrease in pre-financing</i>	(156 522)	(63 062)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	37 963	(31 081)
<i>Increase/(decrease) in payables</i>	(19 378)	21 434
<i>Increase/(decrease) in accrued charges &amp; deferred income</i>	(18 145)	34 778
<i>Increase/(decrease) in financial liabilities</i>	4 430	11 434
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(13)	(16)
<b>Investing activities</b>		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	-	-
<b>NET CASHFLOW</b>	-	-
<i>Net increase/(decrease) in cash and cash equivalents</i>	-	-
<i>Cash and cash equivalents at the beginning of the year</i>	-	-
<i>Cash and cash equivalents at year-end</i>	-	-

<sup>3</sup> The treasury of EIT has been integrated into the Commission's treasury system. Because of this, EIT maintains zero balance with its bank account with BNP Paribas. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading exchange receivables.

## STATEMENT OF CHANGES IN NET ASSETS

	<i>EUR '000</i>		
	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
<b>BALANCE AS AT 31.12.2023</b>	<b>(20 071)</b>	<b>61 421</b>	<b>41 350</b>
<i>Allocation of the 2023 economic result</i>	<i>61 421</i>	<i>(61 421)</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>26 492</i>	<i>26 492</i>
<b>BALANCE AS AT 31.12.2024</b>	<b>41 350</b>	<b>26 492</b>	<b>67 842</b>
<i>Allocation of the 2024 economic result</i>	<i>26 492</i>	<i>(26 492)</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>151 644</i>	<i>151 644</i>
<b>BALANCE AS AT 31.12.2025</b>	<b>67 842</b>	<b>151 644</b>	<b>219 486</b>

# **NOTES TO THE FINANCIAL STATEMENTS**

# 1. SIGNIFICANT ACCOUNTING POLICIES

## 1.1. Accounting principles

The objective of financial statements is to provide information about the financial position, performance and cashflows of the EIT that is useful to a wide range of stakeholders.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

## 1.2. Basis for preparation

### 1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December 2025.

### 1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

#### Euro exchange rates

Currency	31.12.2025	31.12.2024	Currency	31.12.2025	31.12.2024
<b>BGN</b>	1.9558	1.9558	<b>SEK</b>	10.8215	11.459
<b>CZK</b>	24.237	25.185	<b>CHF</b>	0.9314	0.9412
<b>DKK</b>	7.4689	7.4578	<b>GBP</b>	0.8726	0.82918
<b>HUF</b>	385.15	411.35	<b>JPY</b>	184.09	163.06
<b>PLN</b>	4.221	4.275	<b>USD</b>	1.175	1.0389
<b>RON</b>	5.0968	4.9743			

### 1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known, if the change affects that period only, or that period and future periods, if the change affects both.

The European Institute of Innovation and Technology (EIT) provides grants to KICs and other partners to support innovation projects. Grant accruals play a pivotal role in EIT accounting, which extensively use grants as a means of funding and facilitating projects. It is crucial for EIT to accurately recognise grant accrued charges in its financial statements.

In 2023 the EIT's grant agreement structure and consequently the grant accruals estimate methodology was changed. The methodology was further updated in 2024 as explained under 3.3.1. No significant changes are noted in the methodology in 2025. However, it should be noted that, in the 2025 final annual accounts, a significant portion of the grant expense accruals was determined on the basis of the final cost reports submitted by the KICs, as these reports were available at the time of closing the final accounts, whereas in prior periods (including the 2025 provisional accounts) such accruals were determined on the basis of an estimate, i.e. time proportionate grant amount multiplied by the historical implementation rate.

This grant accruals estimate methodology, including the modalities on pre-financing, is in line with the practices of the European Commission.

In 2023 multi-annual grant agreement model was introduced (two years for the first wave EIT Knowledge and Innovation Communities "KICs" – EIT Digital, EIT Climate-KIC, EIT InnoEnergy, and three years for all other EIT KICs). For these grant agreements the EIT uses the model grant agreement prepared and used by the European Commission for the Horizon Europe framework programme.

According to this model, the EIT provides pre-financing payments to KICs (first and second pre-financing) as well as an interim payment in the case of three-years grant agreements. The first cost reports were submitted by the KICs to the EIT in September 2024, corresponding to the interim reports covering the first 18 months of implementation, while the final cost reports were submitted in early 2026 upon completion of the grant agreements. The EIT's methodology for recognising grant expense accruals reflects this sequence: throughout the implementation period, grant expense accruals are determined on the basis of an estimate, whereas, once the final cost reports become available following the end of the grant term, the reported costs, where appropriate adjusted by the expected non-eligible costs, are used as the basis for the recognition of grant expense accruals.

Hence, in the accounts for the financial year 2024 and for the provisional accounts of 2025 the grant expenses were based on the interim payments (i.e. expensed) and the accrual estimates, taking into consideration the following assumptions:

- grant agreements recognized on a time-proportionate basis during the multi-annual grant periods
- the total amount of the grant is divided by its duration in months and multiplied by the number of months elapsed at the end of the accounting period
- grant agreements are implemented homogeneously throughout their duration and the actual costs are equally expensed per month, and
- a correction multiplier is applied based on the historical implementation rates (i.e. between 89 % and 99 % per KIC with an average of 95 %) recorded during the past three grant cycles.

In 2023, grant expenses were equal to the pre-financing paid to the KICs in the financial year 2023 – which was ca. 35 % on average. In 2024 a weighted average calculation method was applied, while in 2023 a simple average was used. The impact of this change on the 2023 accruals was estimated at 0.04 %.

In the final annual accounts of 2025:

- the time proportionate grant amount multiplied by the historical implementation rate was applied for ongoing grant agreements (i.e. not ended on 31 December 2025 so no final cost report is submitted – mostly contribution agreements representing 1.6% of the total grant expense accruals), and
- for the multi-annual grant agreements ended on 31 December 2025 and at which the final cost reports were submitted by the KICs: the final costs reported by the KICs were used as the basis of grant accruals, amended with any deduction already assessed by EIT (and considered as reliable based on past practices/ratios). This applies to 98.4% of the total accrued grant expenses.

Therefore, most of the 2025 grant accrued charges are based on actual expenditure reported by the KICs rather than a calculation formula compared to prior periods as explained under 3.3.1 Significant change in accrual estimation.

#### 1.2.4. Application of new and amended European Union Accounting Rules (EAR)

##### **New EAR which are effective for annual periods beginning on or after 1 January 2025**

On 12 December 2025 the Accounting Officer of the European Commission adopted a targeted amendment of EAR 1 'Financial Statements'. The amendment, which is effective for reporting periods beginning on or after 1 January 2025, introduced changes to the guidance on the Segment Report. As the EIT is not obliged to, and does not prepare, a Segment Report, the amendment has no impact on these annual accounts.

##### **New EAR adopted but not yet effective on 31 December 2025**

###### *EAR 8 (revised 2025)*

On 15 April 2025 the Accounting Officer of the European Commission adopted the revised EAR 8 'Leases', which is effective for accounting periods beginning on or after 1 January

2027. The revised EAR 8 has been updated in line with IPSAS 43 'Leases' (including the amendment 'Concessionary Leases and Other Arrangements Conveying Rights over Assets'). The main change as compared to the current EAR 8 is the introduction of a right-of-use recognition and measurement model, which requires lessees to recognise all leases, including concessionary leases, on the balance sheet, unless the short-term or low-value exemption applies. The current distinction of leases as either operating leases or finance leases, with only the latter recognised on the balance sheet, will no longer be applicable. For lessors, the revised EAR 8 largely carries forward the existing accounting requirements, with additional guidance and clarifications. Consequently, the initial application of the revised EAR 8 is expected to result in more leases being recognised on the balance sheet, with a corresponding increase in right-of-use assets and lease liabilities. The impact of the revised EAR 8, including on concessionary leases and other relevant arrangements, will continue to be assessed over the 2026 calendar year prior to the 1 January 2027 effective date.

#### *EAR 1 (revised 2025)*

On 15 April 2025 the Accounting Officer of the European Commission adopted the amended EAR 1 'Financial Statements', which is effective for accounting periods beginning on or after 1 January 2027. The objective of the amendment is to ensure a consistent classification of all borrowings within financing activities. Under the current EAR 1 borrowings related to leases, the acquisition of property, plant and equipment, and back-to-back operations are classified within operating activities. Under the revised EAR 1, financing activities will include all activities that result in changes on the size and composition of borrowings, without the above exceptions. Consequently, the initial application of the revised EAR 1 is expected to result in cash flows relating to the principle portion of lease liabilities to be classified within financing activities rather than operating activities. The impact of the revised EAR 1 will continue to be assessed over the 2026 calendar year prior to the 1 January 2027 effective date.

### **1.3. Balance sheet**

Tangible or intangible items acquired whose purchase price or production cost is € 5,000 or more, with a period of use greater than one year and which are not consumables, are recorded as fixed assets.

#### **1.3.1. Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable (i.e. it is capable of being separated or divided from the entity, e.g. by being sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so), or arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations).

Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU Accounting Rules are met and the expenses relate solely to the development phase of the asset are € 500 000 or above. The capitalisable costs include

all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred.

Intangible assets are amortised on a straight-line basis over their estimated useful lives (3 to 11 years). The estimated useful lives of intangible assets depend on their specific economic life time or legal lifetime determined by an agreement.

### 1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

Land is not depreciated, as it is deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	<i>4 % to 10 %</i>
<i>Plant and equipment</i>	<i>10 % to 25 %</i>
<i>Furniture and vehicles</i>	<i>10 % to 25 %</i>
<i>Computer hardware</i>	<i>25 % to 33 %</i>
<i>Other</i>	<i>10 % to 33 %</i>

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

### 1.3.3. Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee. When entering a finance lease as a lessee, the assets acquired under the finance lease are recognised as assets and the associated lease obligations as liabilities as from the commencement of the lease term. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Over the period of the lease term, the assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term. The minimum lease payments are apportioned between the finance charge (the interest element) and the reduction of the outstanding liability (the capital element). The finance charge is

allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability, which is presented as current/non-current, as applicable. Contingent rents are charged as expenses in the period in which they are incurred.

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither an asset nor a liability recognised in the balance sheet.

#### 1.3.4. Impairment of non-financial assets

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through amortisation or depreciation (as applicable). Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

#### 1.3.5. Financial assets

The classification of the financial instruments is determined at initial recognition. Based on the management model and the asset contractual cash-flow characteristics the financial assets can be classified in three categories: Financial assets at amortised cost ('AC'), financial assets at fair value through net assets/equity ('FVNA') or financial assets at fair value through surplus or deficit ('FVSD'). Based on this classification, the entity has only 'financial assets at amortised cost', which are exchange receivables.

Financial assets at amortised cost are non-derivative financial assets that meet two conditions: 1) the entity holds them in order to collect the contractual cash flows. 2) On specified days, there are contractual cash flows that are solely payments of the principal and interest on the outstanding principal.

Financial assets at amortised cost are included in current assets, except for those with maturity of more than twelve months from the balance sheet reporting date.

##### Initial recognition and measurement

Financial assets at amortised cost are initially recognised at their fair value plus the transaction costs.

### Subsequent measurement

Financial assets at amortised cost are carried at amortised cost, which is the amount initially recognised minus the principal repayments, plus or minus the cumulative amortisation of the interests using the effective interest method. In addition, the entity recognises a loss allowance for expected credit losses over the lifetime of the financial assets. At each reporting date, the annual movement in the loss allowance adjusts the carrying amount of the financial asset. In the statement of financial performance, the entity recognises an impairment gain or loss for the adjustment of the loss allowance.

### De-recognition

Financial assets at amortised cost are derecognised either when the rights to receive cash flows from the investments have expired or are waived, or when the entity has transferred substantially all risks and rewards of ownership to another party.

### 1.3.6. Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is recognised as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

### 1.3.7. Exchange receivables and non-exchange recoverables

The EU accounting rules require separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions meet the definition of financial instruments. The entity classified them as financial assets at amortised cost and measured them accordingly.

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

### 1.3.8. Cash and cash equivalents

Cash and cash equivalents are financial instruments and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

### 1.3.9. Provisions

Provisions are recognised when the EIT has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

### 1.3.10. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services, and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding, or pre-financing received.

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount, at the moment when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount. The corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

### 1.3.11. Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, or the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is made in accordance with detailed operational and practical guidelines issued by the Accounting

Officer. These aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

## 1.4. Statement of financial performance

### 1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance, revenue is distinguished between:

#### *(i) Revenue from non-exchange transactions*

Revenue from non-exchange transactions are taxes and transfers, because the transferor provides resources to the recipient entity, without the recipient entity providing approximately equal value directly in exchange. Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. For the EU entities, transfers mostly comprise funds received from the Commission (e.g. balancing subsidy to the traditional agencies, operating subsidy for the delegation agreements).

The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability.

#### *(i) Revenue from exchange transactions*

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

### 1.4.2. Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or the incurring of liabilities that result in decreases in net assets. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at the original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

## **1.5. Contingent assets and liabilities**

### **1.5.1. Contingent assets**

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

### **1.5.2. Contingent liabilities**

A contingent liability is either a possible obligation of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation where it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation. A contingent liability also arises in the rare circumstances where a present obligation exists but cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the accounts. They are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

## **1.6. Cashflow statement**

The cashflow statement is prepared using the indirect method. This means that the economic result for the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cashflows.

Cashflows arising from transactions in a foreign currency are recorded in the entity's reporting currency (Euro), by applying to the foreign currency amount the exchange rate between the euro and the foreign currency at the date of the cashflow.

The cashflow statement reports cashflows during the period classified by operating, investing and financing activities.

Operating activities are the activities of the EU that are not investing or financing activities. These are the majority of the activities performed.

Investing activities are the acquisition and disposal of intangible assets and property, plant and equipment and of other investments which are not included in cash equivalents. Investing activities do not include loans granted to beneficiaries as they are part of the general objectives and thus daily operations of the entity. The objective is to show the real investments made by the entity.

Financing activities are activities that result in changes in the size and composition of borrowings other than those granted to beneficiaries on a back-to-back basis or for the acquisition of property, plant and equipment (which are included under operating activities).

## **1.7. Consolidation**

The accounts of the EIT are fully consolidated in the consolidated annual accounts of the EU.

## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. Intangible assets

	<i>EUR '000</i>
	<b>Computer Software (Intangible)</b>
<i>Gross carrying amount at 31.12.2024</i>	408
<i>Additions</i>	-
<i>Disposals</i>	-
<i>Transfer between asset categories</i>	-
<i>Other changes</i>	-
<b>Gross carrying amount at 31.12.2025</b>	<b>408</b>
<i>Accumulated amortisation at 31.12.2024</i>	(408)
<i>Amortisation charge for the year</i>	-
<i>Disposals</i>	-
<i>Transfer between asset categories</i>	-
<i>Other changes</i>	-
<b>Accumulated amortisation at 31.12.2025</b>	<b>(408)</b>
<b>Net carrying amount at 31.12.2025</b>	<b>-</b>
<i>Net carrying amount at 31.12.2024</i>	-

The amounts under this heading entirely comprise computer software, which are fully amortised by the year-end (annual amortisation rate was 25 %).

#### 2.2. Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one reporting period – see overleaf.

## Property, plant and equipment

EUR '000

	Land and Buildings	Plant and Equipment	Furniture and vehicles	Computer hardware	Other	Assets under construction	Total
<i>Gross carrying amount at 31.12.2024</i>	-	-	90	366	32	-	487
<i>Additions</i>	-	-	-	13	-	-	13
<i>Disposals</i>	-	-	(53)	(247)	(8)	-	(307)
<i>Transfer between asset categories</i>	-	-	-	-	-	-	-
<i>Other changes</i>	-	-	-	-	-	-	-
<b>Gross carrying amount at 31.12.2025</b>	-	-	<b>37</b>	<b>132</b>	<b>24</b>	-	<b>193</b>
<i>Accumulated depreciation at 31.12.2024</i>	-	-	(82)	(327)	(28)	-	(437)
<i>Depreciation charge for the year</i>	-	-	(1)	(16)	(3)	-	(21)
<i>Disposals</i>	-	-	53	247	8	-	307
<i>Transfer between asset categories</i>	-	-	-	-	-	-	-
<i>Other changes</i>	-	-	-	-	-	-	-
<b>Accumulated depreciation at 31.12.2025</b>	-	-	<b>(30)</b>	<b>(97)</b>	<b>(23)</b>	-	<b>(150)</b>
<b>NET CARRYING AMOUNT AT 31.12.2025</b>	-	-	<b>7</b>	<b>35</b>	<b>1</b>	-	<b>43</b>
<i>NET CARRYING AMOUNT AT 31.12.2024</i>	-	-	9	39	4	-	51

During the financial year the EIT disposed of assets such as obsolete computer hardware and furniture.

## 2.3. Pre-financing

EUR '000

	Note	31.12.2025	31.12.2024
<i>Non-current pre-financing</i>	2.3.1	6 213	-
		<b>6 213</b>	-
<i>Current pre-financing</i>	2.3.1	798 978	738 762
<i>Accrued charges on pre-financing</i>	2.3.1	(561 531)	(651 622)
<b>Total pre-financing</b>		<b>243 660</b>	<b>87 139</b>

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular underlying contract, decision, agreement or basic legal act.

The 2025 accrued charges on pre-financing are lower compared to 2024 since new grant agreements were signed in 2025 for which the pre-financing will be paid in 2026. In addition, during 2025 part of the pre-financing paid in the previous years was cleared.

### 2.3.1. Pre-financing

EUR '000

Pre-financing	Gross amount	Cleared via accruals	Net amount at 31.12.2025	Gross amount	Cleared via accruals	Net amount at 31.12.2024
<i>Administrative pre-financing payments</i>	-	-	-	-	-	-
<i>Pre-financing payments to consolidated entities</i>	-	-	-	-	-	-
<i>Operational pre-financing payment – KIC related grants</i>	796 281*	(552 725)	243 556	729 851	(643 286)	86 566
<i>Operational pre-financing payment – Other grants (EBA)</i>	8 910	(8 806)	104	8 910	(8 336)	574
<b>Total</b>	<b>805 192</b>	<b>(561 531)</b>	<b>243 660</b>	<b>738 762</b>	<b>(651 622)</b>	<b>87 139</b>

\* Out of which 6 213 refer to non-current pre-financing payment.

#### 2.3.1.1. Open pre-financing

EUR '000

	Total at 31.12.2024	PF cleared in 2025	New pre-financing paid in 2025	Total at 31.12.2025
<i>Pre-financing paid</i>	738 762	165 802	232 232	805 192

Pre-financing represents money paid out, and thus the implementation of payment appropriations. As explained in note 1.3.6, these are advances and so not yet expensed. Thus while pre-financing reduces outstanding RAL (see note 4.2) it represents expenses still to be accepted and recognised in the statement of financial performance.

In 2023, the EIT concluded multi-annual grant agreements on a basis of three-year grant cycle and changed the methodology of the grant expense estimation as indicated in section 1.2.3 above. Details per grant agreement are provided below under heading 3.3.2. Details on grant accrued charges.

#### **Guarantees received in respect of pre-financing**

These are guarantees that the EIT requests in certain cases from beneficiaries when making advance payments (pre-financing). There are two values to disclose for this type of guarantee, the 'nominal' and the 'on-going' values. For the nominal value, the generating event is linked to the existence of the guarantee. For the on-going value, the guarantee's generating event is the pre-financing payment made against the guarantee, then reduced by subsequent clearings. As of the end of the financial year the Agency had received three guarantees for the total amount of kEUR 586 concerning pre-financing payments.

Pre-financing amounts paid under grant agreements under Horizon Europe are covered by the Mutual Insurance Mechanism (MIM). The MIM is a mutual benefit instrument set up to cover the risks relating to non-payment of amounts by the beneficiaries during the implementation of the indirect actions under those programmes. Actions receiving grant from the EIT under Horizon Europe contribute 5 % of the maximum EIT contribution to the MIM's capital. At the end of the actions the contributions are paid back to the participants, in case the final balance is positive. Should the final balance be negative, i.e. the beneficiary received more money compared to the final grant amount, the MIM contribution is returned to EIT.

## **2.4. Exchange receivables and non-exchange recoverables**

Exchange transactions are transactions in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Non-exchange transactions are transactions in which an entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

		EUR '000	
	Note	31.12.2025	31.12.2024
<b>Non-current</b>			
Recoverables from non-exchange transactions		-	-
Receivables from exchange transactions		4 457	-
		<b>4 457</b>	-
<b>Current</b>			
Recoverables from non-exchange transactions	2.4.1	83	516
Receivables from exchange transactions	2.4.1	20 606	62 593
		<b>20 689</b>	<b>63 109</b>
<b>Total</b>		<b>25 146</b>	<b>63 109</b>

The receivables are lower by 37 963 kEUR compared to 2024. As shown below under 2.4.1, this difference refers mainly to the lower amount maintained with the central treasury liaison accounts (i.e. 15 914 kEUR in 2025 compared to 58 119 kEUR in 2024). This reflects the higher implementation rate in payments (i.e. 88 % in 2024 compared to 97 % in 2025).

#### 2.4.1. Current recoverables and receivables

	EUR '000	
	31.12.2025	31.12.2024
<b>Recoverables from non-exchange transactions</b>		
Member States	83	516
	<b>83</b>	<b>516</b>
<b>Receivables from exchange transactions</b>		
Amounts receivable for customers	4 300*	3
Amounts receivable from public bodies	-	-
Amounts receivable from consolidated entities	-	2 500
Central treasury liaison accounts	15 914	58 119
Deferred charges relating to exchange transactions	388	319
Guarantee fund: Other receivables	-	1 500
Other receivables	4	151
	<b>20 606</b>	<b>62 593</b>
<b>Total</b>	<b>20 689</b>	<b>63 109</b>

\* please see the disclosure under note 2.4.2 overleaf

The EIT benefits from an indirect exemption for VAT from the Republic of Hungary for purchases above the threshold of EUR 240. The recoverables from Member States comprise VAT amounts to be recovered from the Republic of Hungary in this respect.

The treasury of EIT was integrated into the Commission's treasury system. Because of this, EIT does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury and registered on intercompany accounts which are presented under this heading. The result of the incoming and outgoing payments represents the ending cash balance.

Deferred charges related to exchange transactions comprise school fees paid in advance for the academic year 2025-2026, etc.

#### 2.4.2. Non-current recoverables and receivables

	<i>EUR '000</i>	
	31.12.2025	31.12.2024
<b>Receivables from exchange transactions</b>		
<i>Amounts receivable from customers</i>	4 457	-
<b>Total</b>	<b>4 457</b>	<b>-</b>

The amounts receivable from customers refer to the recovery of 8 757 kEUR (i.e. 4 300 kEUR ST shown under note 2.4.1 and 4 457 kEUR LT shown under note 2.4.2) that was agreed with the debtor to be settled in nine instalments between December 2025 and December 2027, and it refers to the case disclosed under heading 4.8. subject to an assessment of all reasonable and supportable information available at the reporting date. In light of the liquidation proceedings opened shortly after year-end, i.e. on 9 April 2026, this event provides evidence of credit risk and, therefore, constitutes a relevant indicator for assessing whether an impairment allowance is required in the 2025 annual accounts.

In the assessment, the following factors are taken into consideration:

- In Q3 2026 the assessment of the grant cost reports is expected to have been completed regarding the grant agreement with this KIC. This will likely result in a grant reduction estimated at 5.2 mEUR, with a margin of +/- 2.5%, leading to an offsetable payment against the debt of 2.3 mEUR.
- An amount of 5.9 mEUR pertaining to the Mutual Insurance Mechanism will also be due, bringing the total offsetable payment against the debt to 8.3 mEUR.
- Any residual debt, should it remain, will be addressed through either the final payments due concerning other grant agreements with the debtor or through the liquidation process. Nevertheless, the liquidation process is expected to take at least one year, i.e. until April 2027, subject to any extension under the applicable national legal framework.

EIT will continue to assess the recoverable amount as further evidence becomes available and assesses the extent to which offsetting may be legally and operationally feasible from the above or other sources.

The exact final amount to be recovered cannot be estimated at the time of preparation of the 2025 final annual accounts, therefore, no impairment takes place. However, the uncertainty affecting its recoverability and the possible need for a partial adjustment is estimated to be below 0.5 mEUR and, therefore, does not have a significant impact on the overall fair presentation of the final accounts.

## 2.5. Cash and cash equivalents

The treasury of EIT has been integrated into the Commission's treasury system. The payments and receipts are processed via the Commission's treasury system and registered on liaison accounts, which are presented under heading 'receivables from exchange transactions'.

## LIABILITIES

### 2.6. Financial liabilities

A financial liability is any liability that is:

- (a) a contractual obligation: to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments.

Financial liabilities are classified in the following categories: 'financial liabilities at fair value through surplus or deficit' and 'other financial liabilities measured at amortised cost'.

	Note	31.12.2025	31.12.2024
<i>Pre-financing received from EC - operating subsidy</i>	2.6.1	20 615	16 185

EUR '000

Under this heading only the long-term part of the liability is recorded. The short-term part is recognised under payables (see note 2.7).

#### 2.6.1. Maturity analysis of pre-financing received from EC – operating subsidy

	Amounts to be cleared in the future			Total
	< 1 year	1- 5 years	> 5 years	
<i>DG GROW</i>	-	-	-	-
<i>DG INTPA</i>	271	903	-	1 174
<i>DG EMPL</i>	7 401	12 688	-	20 089
<i>DG RTD</i>	1 417	7 025	-	8 442
<b>Total</b>	<b>9 089</b>	<b>20 615</b>	<b>-</b>	<b>29 705</b>

EUR '000

During 2025, the contribution agreements that had been signed with DG GROW were transferred to DG EMPL. For short term part please refer to heading 2.7.

## 2.6.2. Pre-financing received from EC &amp; cleared via accruals - operating subsidy

EUR '000

	Gross amount 2025	Cleared via accruals in 2025	Net amount at 31.12.2025	Gross amount 2024	Cleared via accruals in 2024	Net amount at 31.12.2024
<i>DG GROW</i>	-	-	-	11 420	1 605	9 815
<i>DG INTPA</i>	1 870	696	1 174	1 870	-	1 870
<i>DG EMPL</i>	32 820	12 731	20 089	10 000	2 818	1 664
<i>DG RTD</i>	9 800	1 358	8 442	9 800	-	9 800
<b>Total</b>	<b>44 490</b>	<b>14 786</b>	<b>29 704</b>	<b>33 090</b>	<b>4 423</b>	<b>23 149</b>

## 2.7. Payables

Payables are liabilities to pay for goods or services that have been received or supplied and - unlike accrued charges - have already been invoiced or formally agreed with the supplier. Payables can relate to both exchange transactions (such as the purchase of goods and services) and non-exchange transactions (e.g. cost claims from beneficiaries of grants, pre-financing or other EU funding).

EUR '000

	Note	31.12.2025	31.12.2024
<b>Current</b>			
<i>Pre-financing received from EC - operating subsidy</i>	2.6.1	9 089	6 964
<i>Pre-financing received from EC - balancing subsidy</i>		502	21 971
<i>Current payables</i>		33	68
<b>Total</b>		<b>9 624</b>	<b>29 002</b>

The outstanding amount of balancing subsidy represents the part of the 2025 Commission's balancing subsidy that was unused during the year. The outstanding operating subsidy relates to the Commission's contribution agreements. The part under this heading is expected to be spent in 2026. The amounts related to 2027 and beyond are recorded under non-current financial liabilities (see note 2.6 above).

## 2.8. Accrued charges and deferred income

Accruals are liabilities to pay for goods or services that have been received or supplied but - unlike payables - have not yet been invoiced or formally agreed with the supplier. They include amounts due to employees (e.g. accruals for untaken holidays). The calculation of accruals is based on the open amount of budgetary commitments at year-end. The portion of the estimated accrued charges relating to pre-financing paid has been recorded as a reduction of the pre-financing amounts.

	EUR '000	
	31.12.2025	31.12.2024
Accrued charges with consolidated entities	-	8
Deferred income	-	-
Staff accruals	235	155
Grant agreement accruals	17 497	36 626
Other accruals	1 393	481
<b>Total</b>	<b>19 125</b>	<b>37 270</b>

Accrued charges are primarily composed of grant-related accrued expenses, complemented by staff accruals and other operational procurement accruals.

During 2023, EIT concluded new models of multi-annual grant agreements and implemented a new methodology for the estimation of the grant accrued expenses. Up to 2024, the total amount of the grant accruals was based on time proportionate grant amount (expense) recognition adjusted with a coefficient of historical implementation rate of the KICs based on the last three grant cycles (please refer to 1.2.3 and 2.3). At the end of 2025 the multi-annual grant agreements reached the end of their term, hence the grant accruals are established, mostly, based on the final cost reports submitted by the KICs. For non-expired grant agreements (e.g. contribution agreements) the same estimate methodology is used as in prior years.

Included under this heading are accrued expenses for grant agreements (17 497 kEUR) building, equipment and other administrative costs (kEUR 265), staff accruals for untaken leave (kEUR 204), other operational expenses, etc.

A table that shows per beneficiary/grant agreement, the total pre-financing payments, the accruals calculated per year and the pre-financing payments accrued and the amounts cleared by interim and final payments per year is presented under heading 3.3.2. Details on grant accrued charges as well as the pre-financing payments that were cleared during the financial year through interim or final payments for grant agreements that were under implementation in 2025.

### 2.8.1. Accrued charges – sensitivity analysis

A sensitivity analysis is presented showing how the 2025 Balance Sheet and Statement of Financial Performance would have been affected if the final expenses relating to the estimated portion of accrued charges deviated by +/- 5 %.

As shown in the tables below, if the actual expenses are higher by 5 % compared to the estimated accrued charges, then the impact on the Balance Sheet and Statement of Financial Performance would be as follows:

#### Balance sheet

	EUR '000			
	2025	2025 (deviation of final expenses by +5 %)	Deviation (kEUR)	Deviation (%)
<b>CURRENT ASSETS</b>				
Pre-financing	237 448	236 996	(452)	(0 %)

EUR '000

	2025	2025 (deviation of final expenses by +5 %)	Deviation (kEUR)	Deviation (%)
<b>TOTAL CURRENT ASSETS</b>	<b>258 137</b>	<b>257 685</b>	<b>(452)</b>	<b>(0 %)</b>
<b>TOTAL ASSETS</b>	<b>268 849</b>	<b>268 397</b>	<b>(452)</b>	<b>(0 %)</b>
<b>CURRENT LIABILITIES</b>				
<i>Accrued charges</i>	(19 125)	(19 125)	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>(28 749)</b>	<b>(28 749)</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>(49 364)</b>	<b>(49 364)</b>	<b>-</b>	<b>-</b>
<i>Economic result of the year</i>	151 644	151 192	(452)	(0 %)
<b>NET ASSETS</b>	<b>219 486</b>	<b>219 034</b>	<b>(452)</b>	<b>(0 %)</b>

## Statement of financial performance

EUR '000

	2025	2025 (deviation of final expenses by +5 %)	Deviation (kEUR)	Deviation (%)
<b>EXPENSES</b>				
<i>Operational costs</i>	(277 072)	(276 620)	452	0 %
<b>Total expenses</b>	<b>(288 031)</b>	<b>(287 579)</b>	<b>452</b>	<b>0 %</b>
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>151 644</b>	<b>151 192</b>	<b>(452)</b>	<b>(0 %)</b>

As shown in the tables below, if the actual expenses are lower by 5 % compared to the estimated accrued charges, then the impact on the balance sheet would be as follows:

## Balance sheet

EUR '000

	2025	2025 (deviation of -5 %)	Deviation (kEUR)	Deviation (%)
<b>CURRENT ASSETS</b>				
<i>Pre-financing</i>	237 448	237 900	452	0 %
<b>TOTAL CURRENT ASSETS</b>	<b>258 137</b>	<b>258 589</b>	<b>452</b>	<b>0 %</b>
<b>TOTAL ASSETS</b>	<b>268 849</b>	<b>269 301</b>	<b>452</b>	<b>0 %</b>
<b>CURRENT LIABILITIES</b>				
<i>Accrued charges</i>	(19 125)	(19 125)	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>(28 749)</b>	<b>(28 749)</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>(49 364)</b>	<b>(49 364)</b>	<b>-</b>	<b>-</b>
<i>Economic result of the year</i>	151 644	152,096	(452)	0 %
<b>NET ASSETS</b>	<b>219 486</b>	<b>219 938</b>	<b>(452)</b>	<b>0 %</b>

## Statement of financial performance

EUR '000

	2025	2025 (deviation of -5 %)	Deviation (kEUR)	Deviation (%)
<b>EXPENSES</b>				
<i>Operational costs</i>	(277 072)	(276 620)	452	0 %
<b>Total expenses</b>	<b>(288 031)</b>	<b>(287 579)</b>	452	<b>0 %</b>
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>151,644</b>	<b>151,192</b>	<b>(452)</b>	<b>(0 %)</b>

For the financial year 2025, and in line with the EIT's grant accruals methodology, the recognition of grant-related accrued charges is based on a combination of actual reported information and estimation techniques, depending on the implementation stage of the underlying grant agreement.

As a consequence:

- for grant agreements that have been completed, the recognised amounts are based on actual reported eligible costs, adjusted where relevant for expected ineligible expenditure
- for grant agreements still under implementation, the recognised amounts include estimated accrued charges derived from pre-financing paid and adjusted using historical implementation rates in accordance with the methodology described in notes 1.2.3 and 2.3, and
- any remaining estimation uncertainty is considered limited and not expected to result in a material difference between the recognised accrued charges and the final accepted amounts.

Given the nature and quality of the available information, any potential deviation between the recognised accrued charges and the final accepted amounts at closure is expected to be immaterial.

## 2.9. Provisions

Provisions are reliably estimated amounts, arising from past events, which will probably have to be paid by the EIT budget in the future. No provisions have been recognised for 2025.

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### REVENUE

##### 3.1. Non-exchange revenue

Revenue from non-exchange transactions relates to transactions where the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange. The heading mainly includes amounts received from the Commission during the year and recoveries of operational expenses.

	<i>EUR '000</i>	
	2025	2024
<i>Funds from the Commission</i>	430 339	429 087
<i>Recovery of expenses</i>	9 157	-
<b>Total</b>	<b>439 496</b>	<b>429 087</b>

The heading "*Funds from the Commission*" corresponds to the amounts of the balancing and operating subsidy used during 2025. Unused amounts are recorded as pre-financing liabilities under accounts payable (see note 2.7 above) and will be reimbursed to the Commission in 2026.

The amount of 9 157 kEUR refers to the recovery of ineligible expenses that was agreed to be recovered in the following two years. By the end of 2025 EIT recovered the first installment of 454 kEUR, which includes repayment of the initial recovery as well as payment of the related interest.

##### 3.2. Exchange revenue

The revenue from exchange transactions and events relates to the following types of transactions: rendering of services; sale of goods; and the use by others of entity assets yielding interest, royalties and dividends.

	<i>EUR '000</i>	
	2025	2024
<i>Financial revenue</i>	147	-
<i>Other</i>	32	72
<b>Total</b>	<b>179</b>	<b>72</b>

The increase in exchange revenue is due to the interest revenue (i.e. 147 kEUR in 2025 compared to 0 kEUR in 2024).

## EXPENSES

### 3.3. Operational expenses

Included under this heading are expenses incurred in relation to operational activities.

	<i>EUR '000</i>	
	2025	2024
<i>Grant related expenses</i>	273 392	391 710
<i>Other operational expenses</i>	3 680	906
<b>Total</b>	<b>277 072</b>	<b>392 615</b>

The operational costs also include amounts related to expert fees, online events, online communication expenses and other operational activities. Both the amounts incurred and the amounts estimated under accrued charges are included under this heading. The decrease of 115 543 kEUR in the operational costs is primarily linked to the implementation of a three-year grant cycle towards the KICs, which means that operational expenditure is accrued for according to the below methodology, 3.3.1.

#### 3.3.1. EIT accruals estimation

##### *Methodology – 2023-2024*

In the financial statements for the year ending 2023, EIT changed the accrual estimation methodology. The previous accrual estimation method relied on actual costs reported by the KICs on a yearly basis at the beginning of year N+1 for year N. The reported costs were scrutinised by the Agency and, following clarifications, the amounts finally agreed between the Agency and the KICs were those considered for the accruals in the annual accounts.

2023 was the first year for the Agency where multiannual grant agreements were implemented (three or two years) in a structured way. Based on these agreements the reporting of the actual costs has been changed from annual to 18 months. Therefore, the first reports on expenditure based on declaration were received in September 2024. For this reason, the estimation of the 2023 accruals for the grant agreements was based on the pre-financing payments made (i.e. one third or half of the total amount indicated in the grant agreement depending their implementation stage based on their overall implementation period) multiplied by the average historical absorption grant rate (please refer to 1.2.3 Use of estimates).

In 2024, the methodology was further fine-tuned by taking into consideration first the specific conditions, milestones and performance obligations, and assessing obligating events, i.e. by identifying events that give rise to a present obligation, such as the signing of a grant agreement or the achievement of a project milestone by the recipient. However, in the absence of evidence to identify the grant obligations in such way, the measurement considers the following:

- duration of grant agreement, i.e. 24 or 36 months
- period of implementation elapsed between the signature of the grant agreement and the end of the reporting period (i.e. 31 December 2024)
- probability of outflow, therefore, accruals are recognised only when it is likely that EIT will need to use its resources to settle an obligation
- adjustments concerning changes in grant agreements and, in particular, project timelines and resource requirements should be reflected in the accrued charges, and
- historical implementation rates referring to the actual eligible costs per KIC over the last three grant periods of availability of such data.

Therefore, the following steps took place for the calculation of the 2024 grant accruals:

- a. the total amount of the grant was divided by its duration in months and multiplied by the number of months elapsed at the end of the accounting period, and
- b. the historical implementation rates were calculated taking into consideration, where available, the last three grant agreements' of known data for a given KIC taking into account the total actual costs divided by the total grant agreement amount (where there was no historical absorption rates available, either the average absorption rate of all KICs was considered or monitoring data, e.g. level of implementation).

The result of step a. was multiplied by the historical absorption rates, i.e. step b. assuming that future changes in these rates will remain immaterial.

It should be noted that the cost reports received in September 2024 were not taken into consideration for the estimation of the grant accrued charges (for the elapsed 18 months period). During the verification process the following were noted:

- part of the expenses reported referred to the first 18 months of the grant agreements when these expenses were implemented directly by the KIC, which was in line with the grant agreement reporting requirements
- part of the expenses reported referred to the first year of the grant agreement when these expenses were implemented by another organisation, which was in line with the agreement between the KIC and the organisation concerned, and
- the expenses reported are under verification process and are audited by external firms at this stage of the process.

For this reason, the first reports on actual expenditure were considered not to be representative of the 18 months actual costs as they were lacking the actual costs for the organisations other than the KICs for the first half of 2024.

Therefore, compared to 2023:

- the historical implementation rates had been recalculated taking into consideration the average implementation rate of the available historical data, (i.e. total final eligible costs divided by the amounts paid for period) where in 2023, this average was the average per year (i.e. total final eligible costs for a given year divided by the amounts paid for that year, and the yearly percentages were further averaged). The impact of this change on the historical implementation rates is estimated at 0.04% increase, which is below materiality level, and

- the historical implementation rates were applied to the pre-financing paid, however, in 2024 accruals they were applied to the period elapsed compared to the grant agreement's total period of implementation. The reason of this change is due to the fact that in 2023 KICs were not expected to spend more than the pre-financing payment received. As from 2024, KICs are expected to have gained the financial capacity to implement grant agreements beyond the amounts pre-financed. Therefore, the new methodology could not have been applied in 2023.
- However, should the 2023 accounts have been prepared based on the new methodology (as applied as from 2024), the grant expenses would have been higher by 4% theoretical impact of the change of grant estimate methodology).

The main challenges and uncertainties associated with the methodologies are:

- This is the first cycle of three-year grants with 18 months reporting period. The lack of historical data and experience in handling such grants can lead to uncertainty in accrual estimations.
- Implementation rates may vary significantly over the grant period, with lower implementation during initial years and higher implementation in later years. This can complicate the accurate allocation of accrued charges.
- KICs may have varying implementation rates depending on the nature of the grant. This can lead to inconsistent accruals and potential misstatements.
- Accurately assessing the probability of outflow to determine if it is likely that the EIT will need to use its resources to settle an obligation can be subjective and prone to estimation errors.

#### *Methodology – 2024-2025*

Methodology in 2025 and changes from 2024. In September 2024 EIT received the first 18 months reports that were assessed in 2025 and pre-financing payments were cleared accordingly. In 2025 for the preparation of the provisional accounts the same methodology was applied as in 2024. For the preparation of the final accounts, the KIC's final costs reports were submitted and EIT performed the initial assessment of the reports. Therefore, the grant expense accruals were established on the basis of the final cost reports of the KICs, with deduction of any ineligible expenses as assessed by EIT.

For grant agreements financed through Contribution Agreements (i.e. grant agreements that were under implementation at the end of 2025) the accruals are calculated using the time proportionate grant amount multiplied by the historical implementation rate as foreseen in the 2024 grant accruals methodology. From an operational perspective the historical implementation rate is more accurate than accruals based on 100% implementation.

#### *Risk management*

A detailed analysis of the historical implementation rates for each KIC while considering the specific circumstances of each grant takes place continuously. Through this exercise weightings may be defined and applied per KIC and type of grant to ensure consistency and accuracy.

Cross checking of the reception of grant funds (either through the EU Subsidy or through contribution agreements) takes place before recognising accrued charges. In addition, project managers take into consideration historical data and trends for an informed probability assessment of outflow ensuring that accruals are based on well-supported and justifiable assumptions.

## 3.3.2. Details on grant accrued charges

2025

EUR '000

Knowledge Innovation Communities (KIC)	Grant Agreement (GA)	Start date	End date	GA total amount (EUR)	Committed	Pre-financing paid	Pre-financing cleared <sup>1</sup>	Amounts expensed <sup>2</sup>	GA duration (months)	GA part until end 2025 (months)	Historical implementation rate	Accruals deducted from pre-financing	Accruals
CLIMATE	101113277	01.01.2023	31.12.2024	22 712	22 712	17 037	17 037	3 768	24	24	98.57%	-	-
URBAN MOBILITY <sup>6</sup>	101112673	01.01.2023	31.12.2025	152 113	152 113	94 939	-	50 148	36	36	91.80%	82 962	-
MANUFACTURING <sup>6</sup>	101113259	01.01.2023	12.09.2025	97 019	92 447	85 095	-	-	36	36	91.23%	85 095	1 005
RAW MATERIALS <sup>6</sup>	101113035	01.01.2023	31.12.2025	79 854	79 854	34 138	-	35 229	36	36	91.80%	34 138	2 981
RAW MATERIALS <sup>6</sup>	101113034	01.01.2023	31.12.2025	155 518	155 518	107 316	22 261	46 150	36	36	95.76%	76 679	-
RAW MATERIALS <sup>3,6</sup>	101113078	01.01.2023	31.12.2025	25 917	25 917	20 151	5 647	3 174	36	36	95.76%	13 018	-
MANUFACTURING <sup>3,6</sup>	101113099	01.01.2023	31.12.2025	2 553	2 577	1 765	38	532	36	36	91.23%	1 285	-
FOOD <sup>6</sup>	101101912	01.01.2023	31.12.2025	196 110	196 110	139 226	6 619	51 044	36	36	94.20%	129 993	-
FOOD <sup>3,6</sup>	101113151	01.01.2023	31.12.2025	13 395	13 395	9 308	3 362	2 748	36	36	94.20%	5 945	574
HEALTH <sup>3,6</sup>	101113214	01.01.2023	31.12.2025	9 630	9 630	5 847	-	2 634	36	36	95.43%	5 847	383
URBAN MOBILITY <sup>3,6</sup>	101113131	01.01.2023	31.12.2025	19 027	19 027	13 426	3 453	3 698	36	36	91.80%	9 974	334
HEALTH <sup>6</sup>	101112921	01.01.2023	31.12.2025	127 959	127 959	113 523	44 011	1 640	36	36	95.43%	69 512	7 117
HEALTH <sup>3,6</sup>	101113201	01.01.2023	31.12.2025	6 366	6 366	4 425	1 211	1 318	36	36	95.43%	3 213	505
INNOENERGY	101191580	01.03.2024	28.02.2027	8 820	8 804	5 834	-	-	36	22	98.06%	5 285	-
CULTURE & CREATIVITY <sup>6</sup>	101159520	01.01.2024	31.12.2025	20 754	20 754	18 749	-	-	24	24	100.00%	11 688	-
RAW MATERIALS <sup>4</sup>	101223585	22.10.2024	21.10.2027	1 870	1 870	1 870	-	-	36	14	95.76%	696	-
DIGITAL <sup>6</sup>	101217488	01.01.2025	31.12.2025	6 667	6 667	5 333	-	-	12	12	89.11%	5 333	1 210
DIGITAL	101113245	01.01.2023	31.12.2024	33 696	33 696	25 551	25 551	3 488	24	24	89.11%	-	-
INNOENERGY <sup>6</sup>	101217013	01.01.2025	31.12.2025	6 333	6 333	5 067	-	-	12	12	98.06%	5 067	1 149
INNOENERGY	101112778	01.01.2023	31.12.2024	47 992	47 892	36 613	36 613	11 279	24	24	24	-	-
CLIMATE <sup>6</sup>	101217462	01.01.2025	31.12.2025	6 888	6 888	3 926	-	-	12	12	98.57%	3 926	2 282
URBAN MOBILITY	101269525	01.01.2026	31.12.2028	206 871	185 746	113 779	-	-	36	-	91.80%	-	-
RAW MATERIALS <sup>3</sup>	101270329	01.01.2026	31.12.2028	116 000	116 000	86 010	-	-	36	-	95.76%	-	-

EUR '000

Knowledge Innovation Communities (KIC)	Grant Agreement (GA)	Start date	End date	GA total amount (EUR)	Committed	Pre-financing paid	Pre-financing cleared <sup>1</sup>	Amounts expensed <sup>2</sup>	GA duration (months)	GA part until end 2025 (months)	Historical implementation rate	Accruals deducted from pre-financing	Accruals
RAW MATERIALS <sup>4</sup>	101227742	15.01.2025	14.01.2028	5 000	5 000	4 998	-	-	36	11.5	95.76%	1 530	-
RAW MATERIALS <sup>4</sup>	101227747	15.01.2025	14.01.2029	7 400	7 400	6 860	-	-	60	11.5	95.76%	1 358	-
EIT-BEST	101234240	01.10.2025	31.03.2030	3 248	3 248	1 299	-	-	54	3	100%	180	-
INNOENERGY <sup>6</sup>	EBA	17.01.2022	16.01.2025	9 978	9 976	8 910	-	-	36	36	98.06%	8 809	-
<b>Grant total</b>				<b>1 389 689</b>	<b>1 363 899</b>	<b>970 944</b>	<b>165 802</b>	<b>216 850</b>				<b>561 530</b>	<b>17 541</b>

<sup>1</sup> 'pre-financing cleared' refers to eligible costs found in the cost reports submitted by the KICs, which have been verified by EIT.

<sup>2</sup> 'amounts expensed' are interim payments made to KICs.

<sup>3</sup> these grant agreements are implemented as cross-KICs.

<sup>4</sup> based on the accruals methodology, the accruals for these grant agreements should have been estimated without taking into consideration the KIC's historical implementation rates. However, taking into consideration the actual information, considering the historical implementation rate results in more accurate estimation of accruals.

<sup>5</sup> accruals are based on actual costs.

<sup>6</sup> accruals are based on the assessment of the cost claim reports received from KICs

2024

EUR '000

Knowledge Innovation Communities (KIC)	Grant Agreement (GA)	Start date	End date	GA total amount (EUR)	Committed	Pre-financing paid	GA duration (months)	GA part until end 2025 (months)	Historical implementation rate	Accruals deducted from pre-financing	Accruals
CLIMATE	101113277	01.01.2023	31.12.2024	22 712	22 712	17 037	24	24	98.57% <sup>1</sup>	17 036	5 350
CULTURE & CREATIVITY	101159520	01.01.2024	31.12.2025	25 000	25 000	18 749	24	12	N/A <sup>2</sup>	5 000	-
DIGITAL	101113245	01.01.2023	31.12.2024	33 696	33 696	25 551	24	24	89.11% <sup>1</sup>	25 551	4 476
FOOD	101101912	01.01.2023	31.12.2025	194 057	150 701	139 226	36	24	94.20%	121 868	-
HEALTH	101112921	01.01.2023	31.12.2025	160 025	115 661	113 523	36	24	95.43%	101 808	-
INNOENERGY	101112778	01.01.2023	31.12.2024	47 992	47 992	36 613	24	24	98.06% <sup>1</sup>	36 613	10 448
MANUFACTURING	101113259	01.01.2023	31.12.2025	119 780	92 447	85 095	36	24	91.23%	72 850	-
RAW MATERIALS	101113034	01.01.2023	31.12.2025	150 518	115 285	107 316	36	24	95.76%	96 091	-
URBAN MOBILITY	101112673	01.01.2023	31.12.2025	141 220	108 644	94 939	36	24	91.80%	86 426	-
URBAN MOBILITY	101113131	01.01.2023	31.12.2025	16 934	13 426	13 426	36	24	94.84%	10 707	-
FOOD	101113151	01.01.2023	31.12.2025	11 609	9 313	9 308	36	24	94.84%	7 340	-
HEALTH	101113214	01.01.2023	31.12.2025	8 130	6 345	5 847	36	24	94.84%	5 140	-
HEALTH	101113201	01.01.2023	31.12.2025	5 895	4 563	4 425	36	24	94.84%	3 727	-
MANUFACTURING	101113099	01.01.2023	31.12.2025	2 471	1 765	1 765	36	24	94.84%	1 563	-
RAW MATERIALS	101113035	01.01.2023	31.12.2025	79 854	79 854	34 138	36	24	94.84%	34 138	16 351
RAW MATERIALS	101113078	01.01.2023	31.12.2025	25 025	20 155	20 151	36	24	94.84%	15 822	-
INNOENERGY <sup>3</sup>	101191580	01.03.2024	28.02.2026	3 920	3 920	2 744	24	10	N/A <sup>4</sup>	1 605	-
INNOENERGY <sup>3</sup>	EBA	17.01.2022	16.07.2025	9 978	9 978	8 910	42	23.5	N/A <sup>4</sup>	8 336	-
<b>Grant total</b>				<b>1 058 816</b>	<b>861 457</b>	<b>738 762</b>				<b>651 622</b>	<b>36 625</b>

No pre-financing payments were cleared during the financial year through interim or final payments.

- <sup>1</sup> In April 2025 EIT received the final reports of three first wave grant agreements covering the years 2023 - 2024. The reported figures exceed the accrual estimates, allowing for potential cost rejections and, ultimately, grant reductions. At the time of preparing the final accounts, the assessment, evaluating both performance and cost eligibility, remains ongoing, with its completion to be expected in the coming months. Consequently, the current estimates rely on historical data, which represents the most reliable basis at this stage.
- <sup>2</sup> This is the first grant agreement concluded with the Culture and Creativity KIC, therefore, there is no available historical implementation rate. The accruals have been estimated based on available monitoring data.
- <sup>3</sup> This grant agreement is financed through a Contribution Agreement with the EC.
- <sup>4</sup> There is no available historical implementation rates for this kind of grant agreements, which are implemented under Contribution Agreements with the EC. The accruals have been estimated taking into consideration the period elapsed (i.e. the duration in months between the grant agreement's start date and the end of the reporting period, 31.12.2024).

### 3.3.3. The impact of the new methodology on the 2025 accounts

The grant accrued charges for the grant agreements that have been implemented at the end of 2025, have been recognised based on the final cost reports received and adjusted considering the estimated ineligible costs. This method would have been used either under the 2023 grant accruals methodology or the new one implemented as from 2024. These grant agreements are presented in the table below:

KIC	Grant Agreement (GA)	EUR '000
		2025 Accruals based on final cost reports
URBAN MOBILITY	101112673	82 962
MANUFACTURING	101113259	86 100
RAW MATERIALS	101113035	37 119
RAW MATERIALS	101113034	76 679
RAW MATERIALS	101113078	13 018
MANUFACTURING	101113099	1 285
FOOD	101101912	129 993
FOOD	101113151	6 520
HEALTH	101113214	6 230
URBAN MOBILITY	101113131	10 307
HEALTH	101112921	76 629
HEALTH	101113201	3 719
CULTURE & CREAT.	101159520	11 688
DIGITAL	101217488	6 543
INNOENERGY	101217013	6 216
CLIMATE	101217462	6 208
INNOENERGY	EBA	8 806
<b>Total</b>		<b>570 022</b>

As mentioned under heading 3.3.1. Significant change in accrual estimation, in 2023 KICs were not expected to implement more than the pre-financing payment received. As from 2024, KICs were expected to gain the financial capacity to implement grant agreements beyond the amounts pre-financed. Therefore, the new methodology could not have been applied in 2023.

However, should the 2025 accounts have been prepared based on the previous methodology (as applied in 2023) for the ongoing grant agreements, the grant accruals would have been 0.1 % higher as shown below in tabular format.

KIC	Grant Agreement (GA)	Based on 2023 methodology		Based on 2024 methodology		Difference	EUR '000
		Historical implementation rate (2023)	2025 Accruals	Historical implementation rate (2024)	2025 Accruals		
INNOENERGY	101191580	98.01%	5 283	98.06%	5 285	2	
RAW MATERIALS	101223585	96.11%	699	95.76%	696	(3)	
URBAN MOBILITY	101269525	92.68%	-	91.80%	-	-	
RAW MATERIALS	101270329	96.11%	-	95.76%	-	-	
RAW MATERIALS	101227742	96.11%	1 535	95.76%	1 530	(5)	
RAW MATERIALS	101227747	96.11%	1 363	95.76%	1 358	(5)	
EIT-BEST	101234240	100.00%	180	100.00%	180	0	
<b>Total</b>			<b>9 060</b>		<b>9 049</b>	<b>(11)</b>	

### 3.4. Staff costs

This heading includes the expenses for salaries, allowances and other employment-related benefits. Based on the service level agreement between the entity and the Commission, the calculations of staff-related costs are carried out by the Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office - PMO).

The pensions of the entity staff members are covered by the Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement depends on several factors, the most important of which is years of service. Both the entity staff and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme. The cost to the EU Budget is not reflected in the EIT accounts.

Similarly, no provision related to the future pension payments is recognised in the annual accounts of the entity, as the obligation falls to the Commission. Consequently, both the annual cost to the EU budget, and the future benefits payable to the entity staff, are accounted for in the Commission's annual accounts as part of its provision for pensions and other post-employment benefits. The pension costs included in the Commission's Statement of Financial Performance represent current service cost (rights accrued during the year due to service) and interest cost (unwinding of the liability discounting) which have arisen following the year-end actuarial valuation of the employee benefits liabilities.

	EUR '000	
	2025	2024
Staff expenses	7 872	7 253

The main reason for the increase in staff expenses is the increase in salaries and allowances, schooling as well as other related expenses.

### 3.5. Finance costs

The heading comprises interest on late payments.

	<i>EUR '000</i>	
	2025	2024
<i>Finance costs</i>	1	-

### 3.6. Other expenses

Included under this heading are expenses of administrative nature such as external non-IT services, operating leasing expenses, communications and publications, training costs etc.

	<i>EUR '000</i>	
	2025	2024
<i>External non-IT services</i>	1 266	1 069
<i>Expenses with other consolidated entities</i>	714	439
<i>External IT services</i>	297	239
<i>Experts' expenses</i>	222	193
<i>Missions</i>	160	145
<i>Maintenance &amp; Security - Building</i>	122	253
<i>External IT development costs</i>	83	28
<i>Training costs</i>	66	26
<i>Office Supplies &amp; maintenance</i>	43	158
<i>Operating leasing expenses</i>	27	96
<i>Communications &amp; publications</i>	24	54
<i>Taxes related to building</i>	17	11
<i>Transport expenses</i>	14	8
<i>Foreign exchange losses</i>	9	7
<i>Legal expenses</i>	4	23
<i>Recruitment expenses</i>	(3)	31
<b>Total</b>	<b>3 066</b>	<b>2 780</b>

The administrative expenses have increased by 285 kEUR mainly due to the external non IT services and the expenses with other consolidated entities. In 2025 EIT also managed to save significantly on items related to building maintenance, operating leasing expenses, and office supplies and maintenance to make up for the IT services increase.

The operating lease expenses relates to a leasing contract for the office in Budapest and in Brussels as well as printers placed in both offices.

The aggregate amount of research and development expenditure recognised as an expense during the financial year is as follows:

	<i>EUR '000</i>	
	2025	2024
<i>Research costs</i>	-	-
<i>Non-capitalised development costs</i>	83	28
<b>Total</b>	<b>83</b>	<b>28</b>

### 3.7. Depreciation/amortisation

Included under this heading are expenses related to depreciation/amortisation.

	EUR '000	
	2025	2024
<i>Amortisation of intangible fixed assets</i>	-	-
<i>Depreciation of tangible fixed assets</i>	21	20
<b>Total</b>	<b>21</b>	<b>20</b>

## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. Assessment of the legality and regularity of payments

The assurance in the legality and regularity of payments is provided by EIT management based on the functioning of the EIT internal control systems. In 2023 EIT started to implement multiannual grant agreements with multiple pre-financing payments (all following Horizon Europe grant agreement model).

It should be noted, that due to its multi-annual nature, the effectiveness of the control strategy of the multi annual grant agreement can only be measured and assessed fully in the final stages of the grant agreement, once the ex-post audit strategy has been fully implemented, and errors, have been detected and corrected.

The legality and regularity of 572 960 kEUR of open pre-financing payments, related to the first three years grant cycle, can only be assessed after the preparation of the accounts. Concerning the first three years grant cycle, during the financial year, 165 802 kEUR of pre-financing payments was cleared, 205 571 kEUR was expenses through interim payments and 544 806 kEUR was expensed through accrued charges.

### 4.2. Outstanding commitments not yet expensed

The outstanding commitments not yet expensed comprise the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the current year's statement of financial performance. The RAL represents the open budgetary commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.

	<i>EUR '000</i>	
	31.12. 2025	31.12. 2024
<i>Outstanding commitments not yet expensed</i>	108 403	88 685

The increase of 62 272 kEUR compared to last year mainly refers to the multiannual grant agreements signed in 2025 for which lower amounts had been expensed via accruals.

### 4.3. Significant legal commitments

The significant legal commitments refer to amounts which reflect the long-term legal commitments that were not covered by commitment appropriations in the budget at year-end. These binding obligations will be budgeted and paid in future years.

	<i>EUR '000</i>	
	31.12. 2025	31.12. 2024
<i>Operating lease commitments</i>	874	974

EUR '000

	31.12. 2025	31.12. 2024
<i>Other contractual commitments</i>	105	16

#### Operating lease commitments

Minimum amounts committed to be paid according to the underlying lease contracts during the remaining term of these lease contracts are as follows:

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	156	421	297	874
<i>IT materials and other equipment</i>	-	-	-	-
<b>Total</b>	<b>156</b>	<b>421</b>	<b>297</b>	<b>874</b>

The lease payments mainly relate to the two rental contracts for EIT building in Brussels. The first one was signed in 2018 and it will end in 2027. In December 2024, a new lease contract was signed for additional space in the building in Brussels starting as from the beginning of 2025 and ending at the end of 2033 with a possibility of terminating the contract in 2027.

#### Other contractual commitments

The amounts included under this disclosure correspond to amounts committed to be paid during the term of administrative contracts which will be covered by future budgetary commitments.

## 4.4. Services in kind

According to the Article 3 of the Host Agreement between the Hungarian Government and EIT, entered in force in 2010, the headquarters building in Budapest and the related services (maintenance, security services, etc.) are provided to EIT free of charge. The contract is valid for 20 years and its yearly value is estimated to be 33 kEUR.

## 4.5. Related parties

The related parties of the EIT are the EU consolidated entities and the key management personnel of these entities. Transactions between these entities take place as part of the normal operations of the Agency and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

## 4.6. Key management entitlements

The Director, or head of entity, is remunerated in accordance with the Staff Regulations of the European Union, which establish the rights and obligations of all officials of the EU. The Staff Regulations are published on the Europa website.

	31.12.2025	31.12.2024
<i>Director</i>	<i>AD 15</i>	<i>AD 14</i>

## 4.7. Legal cases

No legal cases remained open at the end of 2025.

	31.12.2025	31.12.2024
<i>No. of legal cases pending</i>	-	-

## 4.8. Contingent assets

### Guarantees received

A contingent asset is a possible asset that arises from past events and of which existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Institute.

EIT has, at the end of the reported year, three valid pre-financing guarantee letters summing to the amount of 586 kEUR.

	<i>EUR '000</i>	
	31.12.2025	31.12.2024
<b>Guarantees received</b>		
<i>Pre-financing guarantees</i>	<i>586</i>	<i>586</i>
<b>Total</b>	<b>586</b>	<b>586</b>

Guarantees are requested to ensure that beneficiaries of funding meet the obligations of their contracts with the EIT.

### OLAF cases

As disclosed in the 2024 Accounts under 4.8 Contingent Assets and 4.10 Other Events, in 2024 OLAF had completed the investigation of three cases related to the implementation of grants. In 2025 EIT investigated the findings and established the amounts to be reimbursed, based on the completed contradictory procedures and confirmation of the eligible costs, as follows:

- Under one of the three cases an amount to be reimbursed was established for the grants provided to an organization in the period 2020-2022. The amount was claimed

by the EIT and confirmed by the grant recipient, and a repayment schedule has been agreed of nine (9) instalments in the period December 2025 - December 2027, with an interest rate of 5.65 %. The amount agreed to be repaid is 9 801 kEUR, which includes a principal amount of 9 157 kEUR and the estimated interest under the repayment schedule of 645 kEUR. By the end of 2025 EIT recovered the first installment of 454 kEUR, which includes repayment of the initial recovery as well as payment of the related interest for the whole amount.

The EIT has recognised this amount as receivable and is included under heading 2.4 above. Collection of this amount may be subject to administrative and/or legal processes and affected by counterparty's financial capacity. Uncertainty exists in relation to their recovery.

- Under the second of the three cases, an amount for reimbursement of 22 kEUR was established and the grant recipient was respectively informed. In 2026 the EIT will issue the debit note and it expects that the amount will be reimbursed in the same year.
- Under the third of the above-mentioned cases, the amount for reimbursement has been established, the grants recipient has been informed. Once the standard post-notification process is finalised, and unless there are objections from the grants recipient, EIT will issue the debit note. Based on the currently available information, it is not expected that the amount would exceed 360 kEUR.
- In addition to the above-mentioned cases, during 2025 OLAF concluded another case and submitted the final case report to the EIT. The report contains recommendations for reimbursement of amounts. The EIT reviewed the findings and established the amount to be claimed for repayment. The EIT consequently submitted a pre-information letter to the grant recipient, informing them of the EIT's intention to recover the specified amounts, the reasons for the planned recoveries, and the deadline for submitting objections. In the absence of comments or objections from the debtor, debit notes will be issued. However, if valid reasons are received against the recovery of the amounts, either the full amount or part of the amount to be recovered will need to be reassessed before establishing the final amounts. Based on the currently available information, it is not expected that the recoveries would exceed €2 million.
- In December 2025 OLAF concluded another case, linked to the case mentioned in the first bullet point in this section, and submitted its report to the EIT. Investigation under this case is ongoing for a possible amount to be reimbursed regarding grants allocated to this organisation in the period 2023-2025, as well as to another organization for the period 2020-2025. Once these ongoing contradictory procedures are concluded, the EIT will establish the final amount to be reimbursed, which is expected to remain in the range of 15 to 20 MEUR as indicated in the 2024 Accounts.

## 4.9. Events after the balance sheet date

At the date of transmission of these annual accounts, no material issues were reported that would require separate disclosure under this section. The annual accounts and related notes were prepared using the most recently available information and this is reflected in the information presented.

## 4.10. Going concern

In its Opinion 02/2026<sup>4</sup> on the proposal for a regulation establishing Horizon Europe for the 2028–2034 period, the European Court of Auditors noted that the proposal was silent on the future of the EIT and its Knowledge and Innovation Communities and suggested that the proposal clarify how the EIT and its KICs are intended to continue under the 2028–2034 MFF, if applicable. This matter was considered in the EIT’s going concern assessment. At the time of preparation of the final annual accounts, the European Commission has informed the EIT that the EIT will continue to exist in the period 2028-2034 under the next MFF. The Commission is currently working on a revised EIT Regulation. On this basis, management considers that the annual accounts continue to be prepared on a going concern basis.

---

<sup>4</sup> [Opinion 02/2026: concerning the proposal for a regulation of the European Parliament and of the Council establishing Horizon Europe, the Framework Programme for Research and Innovation, for the period 2028 2034, laying down its rules for participation and dissemination, and repealing Regulation \(EU\) 2021/695 \[COM\(2025\) 543 final\]](#)

## 5. FINANCIAL RISK MANAGEMENT

### 5.1. Types of risk

**Market risk** is the risk that the fair value or future cash flows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises *currency risk*, *interest rate risk* and *other price risk*.

- *Currency risk* is the risk that the EIT's operations will be affected by changes in exchange rates. This risk arises from the change in the price of one currency against another;
- *Interest rate risk* is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa; and
- *Other price risk* is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

**Credit risk** is the risk of loss due to a debtor's non-payment or other failure to meet a contractual obligation. The default events include a delay in repayments, and bankruptcy.

**Liquidity risk** is the risk that an EU entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

### 5.2. Currency risk

At the end of the year, the financial assets are composed of exchange receivables and non-exchange recoverables. The financial liabilities are composed of accounts payable. Their ending balances are mainly quoted in EUR, the entity is thus not exposed to currency risk.

EIT's financial statements are presented in thousands of EUR (euros), unless stated otherwise, the euro being the European Union's functional currency. Due to the Agency's location outside of EUR-zone, a number of transactions during the reporting period occurred in HUF (Hungarian Forint). Year-end balances of monetary assets and liabilities denominated in HUF are converted into EUR on the basis of the official exchange rates applying on 31<sup>st</sup> of December of the reported year. Foreign currency exchange rate gains and losses resulting from transactions in HUF have been reflected in the Statement of Financial Performance.

The table below provides with an overview of the foreign currencies (FX) to which EIT is exposed for its financial assets and financial liabilities as at 31 December 2025.

## Financial instruments exposure of EIT to currency risk at year-end – net position

'000

	HUF
<b>Assets</b>	<b>1 112</b>
Receivables*	1 112
<b>Liabilities</b>	-
Payables	-
<b>Total</b>	<b>1 112</b>

\* Excluding deferred charges

A sensitivity analysis is required in compliance with paragraph 28 of EU Accounting Rule 11 for each type of market risk that an entity is exposed to at the end of the reporting date, showing how surplus or deficit and net assets would have been affected by changes in the relevant risk variable that were reasonably possible at that date.

As shown in the table below, if the EUR had strengthened or weakened against HUF by 10 %, then the impact it would have had on the economic result would be below 1 kEUR:

EUR '000

FX Rate Increase (+) / Decrease (-)	2025 HUF
+10 %	-
-10 %	-

### 5.3. Interest rate risk

The EIT does not have any securities thus it is not exposed to the interest rate risk.

### 5.4. Other price risk

The EIT is not exposed to other price risks.

### 5.5. Credit risk

At the end of the year, the financial assets comprise exchange receivables that are not past due for more than 30 days. The credit quality of exchange receivables and non-exchange recoverables that are neither past due nor impaired is as follows:

EUR '000

	31.12.2025	31.12.2024
Counterparty without external credit rating - European Commission	15 914	60 619
Counterparty without external credit rating - debtors who have never defaulted	8 707	1 654
<b>Total amount due in &lt; 1 year</b>	<b>24 621</b>	<b>62 273</b>

At the end of the year, the financial assets comprise exchange receivables that are not past due for more than 30 days as soon the table below.

#### Receivables: credit quality

EUR '000

	Not due	Past due 0-30 days	Past due 31-90 days	Past due 91 days – 1 year	Past due > 1 year	Total
<i>Receivables gross carrying amount</i>	24 621	-	-	-	-	24 621
<i>Impairment (-)*</i>	-	-	-	-	-	-
<b>Net receivables</b>	<b>24 621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 621</b>

\* The amounts in this table do not include deferred charges. In addition, the amounts for which payment in instalments has been agreed and the payment of the instalments is not overdue are considered under column 'Not due'.

#### Cash and cash equivalents: credit quality

EUR '000

	Cash and Cash equivalent
<i>Prime and high grade</i>	-
<i>Upper medium grade</i>	-
<i>Lower medium grade</i>	-
<i>Non-investment grade</i>	-
<b>Net receivables</b>	<b>-</b>

The four risk categories mentioned above are in principle based on the rating categories of external rating agencies and correspond to:

- Prime and high grade: Moody's P-1, Aaa – Aa3; S&P A-1+, A-1, AAA – AA –; Fitch F1+, F1, AAA – AA and equivalent
- Upper medium grade: Moody's P-2, A1 – A3; S&P A-2, A+ – A-; Fitch F2, A+ – A- and equivalent
- Lower medium grade: Moody's P-3, Baa1 – Baa3, S&P A-3, BBB+ – BBB-; Fitch F3, BBB+ – BBB- and equivalent
- Non-investment grade: Moody's not prime, Ba1 – C; S&P B, C, D, BB+ – D; Fitch B, C, D, BB+ – D and equivalent

The EU uses these external rating agencies' categories as a reference point notably for financial instruments and commercial banks, but may, after making its own analysis of individual cases, keep amounts in one of the above risk categories even though one or more of the above-mentioned rating agencies may have downgraded the corresponding counterparty.

No cash was held in banks during this accounting period.

## **5.6. Liquidity risk**

The financial liabilities are mainly composed of accounts payable. All the accounts payable have remaining contractual maturity of less than 1 year.

# THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

*It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables below may appear not to add-up.*

## CONTENTS

1.	BUDGETARY PRINCIPLES AND STRUCTURE .....	61
2.	RESULT OF THE IMPLEMENTATION OF THE BUDGET .....	63
3.	RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT .....	64
4.	IMPLEMENTATION OF BUDGET REVENUE .....	65
5.	IMPLEMENTATION OF BUDGET EXPENDITURE .....	69
6.	OUTSTANDING COMMITMENTS.....	94
7.	GLOSSARY .....	100

# 1. BUDGETARY PRINCIPLES AND STRUCTURE

## 1.1. Budgetary principles

The establishment and implementation of the budget of EIT is governed by the following basic principles set out in the Title II of the EIT Financial Regulation:

### **Principles of unity and budget accuracy**

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of EIT. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure which is considered necessary.

### **Principle of annuality**

The appropriations entered in the budget shall be authorised for a financial year, which shall run from 1 January to 31 December.

### **Principle of equilibrium**

Revenue and payment appropriations shall be in balance.

### **Principle of unit of account**

The budget shall be drawn up and implemented in euros and the accounts shall be presented in euros.

### **Principle of universality**

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

### **Principle of specification**

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and items.

### **Principle of sound financial management**

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

### **Principle of transparency**

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. A summary of the budget of the EIT and any amending budget of the EIT, as definitively adopted, shall be published in the Official Journal of the European Union within three months of their adoption. The budget and any amending budgets shall be published on EIT's internet site within four weeks of adoption and shall be transmitted for information to the European Parliament and the Council, to the Commission and the Court of Auditors.

## 1.2. Structure and presentation of the budget

EIT makes use of non-differentiated appropriations for its administrative expenditure and of differentiated appropriations for its operational expenditure.

Following the provisions of the EIT Financial Rules, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed in the following titles:

### **Title 1**

Budget lines relating to staff expenditure such as salaries and allowances for persons working with EIT. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

### **Title 2**

Budget lines relating to all infrastructure, equipment, meetings, studies, and miscellaneous administrative expenditure.

### **Title 3**

Budget lines providing for the implementation of the activities and tasks assigned to EIT in accordance with its establishing Regulation (EC) No 294/2008 as amended by Regulation (EU) No 1292/2013.

### **Title 4**

Budget lines relating to contribution agreements that the Institute has entered into with the European Commission.

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>	
	Title	2025	2024
<b>Revenue</b>		<b>435 056</b>	<b>465 795</b>
<i>of which:</i>			
Contributions	2	434 898	463 305
Revenue from administrative operation	3	158	33
Revenue from operational activities	4	-	2 457
<b>Expenditure</b>		<b>(444 827)</b>	<b>(432 449)</b>
<i>of which:</i>			
Staff expenditure	1	(9 039)	(8 215)
Administrative expenditure	2	(1 090)	(1 091)
Operational expenditure	3	(434 698)	(423 143)
<b>Payment appropriations carried over to the following year</b>		<b>(451)</b>	<b>(18 705)</b>
<i>of which:</i>			
Staff expenditure	1	(204)	(1 094)
Administrative expenditure	2	(247)	(501)
Operational expenditure	3	(0)	(17 110)
<b>Cancellation of unused appropr. carried over from year n-1</b>		<b>398</b>	<b>21 070</b>
<b>Evolution of assigned revenue (B)-(A)</b>		<b>(10 328)</b>	<b>(13 970)</b>
Unused appropriations at the end of current year (A)		(11 098)	21 426
Unused appropriations at the end of previous year (B)		21 426	7 457
EU Subsidy returned during the year for the year concerned		-	-
<b>Cancellation of commitments which cannot be carried forward to the following year</b>		<b>-</b>	<b>202</b>
<b>Exchange rate differences</b>		<b>-</b>	<b>27</b>
<b>Budget result</b>		<b>502</b>	<b>21 971</b>

### 3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR '000	
	2025	2024
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>151 644</b>	<b>26 492</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	<b>598 969</b>	<b>384 555</b>
<i>Adjustments for accrual cut-off (net)</i>	(109 520)	383 700
<i>Unpaid invoices at year-end but booked in expenses</i>	-	-
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	21	20
<i>Recovery orders issued in the year and not yet cashed</i>	(8 697)	(3)
<i>Pre-financing given in previous year and cleared in the year</i>	738 762	6 077
<i>Pre-financing received in previous year and cleared in the year</i>	(23 149)	(8 402)
<i>Payments made from carry-over of payment appropriations</i>	1 552	3 162
<i>Other individually immaterial</i>	-	-
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	<b>(751 115)</b>	<b>(389 076)</b>
<i>Asset acquisitions (less unpaid amounts)</i>	(13)	(7)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(805 192)	(425 072)
<i>New pre-financing received in the year and remaining open as at 31 December</i>	30 206	45 119
<i>Budgetary recovery orders issued before 2025 and cashed in the year</i>	2 503	231
<i>Budgetary recovery orders issued in 2025 on balance sheet accounts (not 7 or 6 accounts) and cashed before 2025</i>	-	2 219
<i>Payment appropriations carried over to next year</i>	(451)	(40 131)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	398	20 978
<i>Adjustment for carry-over of assigned revenue appropriations from previous year</i>	21 425	7 549
<i>Other</i>	9	38
<b>BUDGET RESULT OF THE YEAR</b>	<b>502</b>	<b>21 971</b>

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1. Implementation of budget revenue – Title 2

EUR '000

	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
20-0	EUROPEAN COMMISSION	347 534	347 534	347 534	-	347 534	347 534	-	347 534	-	-
Total Chapter 20-0		347 534	347 534	347 534	-	347 534	347 534	0	347 534	-	-
<b>Total Title 20-0</b>		<b>347 534</b>	<b>347 534</b>	<b>347 534</b>	<b>-</b>	<b>347 534</b>	<b>347 534</b>	<b>0</b>	<b>347 534</b>	<b>-</b>	<b>-</b>

EUR '000

	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
21-0	EFTA CONTRIBUTION	9 456	9 456	9 456	-	9 456	9 456	-	9 456	-	-
Total Chapter 21-0		9 456	9 456	9 456	-	9 456	9 456	-	9 456	-	-
<b>Total Title 20-1</b>		<b>9 456</b>	<b>9 456</b>	<b>9 456</b>	<b>-</b>	<b>9 456</b>	<b>9 456</b>	<b>-</b>	<b>9 456</b>	<b>-</b>	<b>-</b>

EUR '000

		Income appropriations		Entitlements established			Revenue				Out-standing
Item		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
23-0	THIRD COUNTRIES	69 008	69 008	69 008	-	69 008	69 008	-	69 008	-	-
Total Chapter 23-0		69 008	69 008	69 008	-	69 008	69 008	-	69 008	-	-
<b>Total Title 20-3</b>		<b>69 008</b>	<b>69 008</b>	<b>69 008</b>	<b>-</b>	<b>69 008</b>	<b>69 008</b>	<b>-</b>	<b>69 008</b>	<b>-</b>	<b>-</b>

EUR '000

		Income appropriations		Entitlements established			Revenue				Out-standing
Item		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
24-0	OTHER CONTRIBUTION	-	8 900	6 400	2 500	8 900	6 400	2 500	8 900	-	-
Total Chapter 24-0		-	8 900	6 400	2 500	8 900	6 400	2 500	8 900	-	-
<b>Total Title 20-4</b>		<b>-</b>	<b>8 900</b>	<b>6 400</b>	<b>2 500</b>	<b>8 900</b>	<b>6 400</b>	<b>2 500</b>	<b>8 900</b>	<b>-</b>	<b>-</b>

## 4.2. Implementation of budget revenue – Title 3

EUR '000

	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
37-0	ADMINISTRATIVE REFUN	-	158	155	3	158	155	3	158	-	-
Total Chapter 37-0		-	158	155	3	158	155	3	158	-	-
<b>Total Title 30-7</b>		-	<b>158</b>	<b>155</b>	<b>3</b>	<b>158</b>	<b>155</b>	<b>3</b>	<b>158</b>	-	-

### 4.3. Implementation of budget revenue – Title 4

EUR '000

	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
41-0	REVENUE AS A RESULT	-	-	9 157	-	9 157	-	-	-	-	9 157
Total Chapter 41-0		-	-	9 157	0	9 157	-	-	-	-	9 157
<b>Total Title 40-1</b>		-	-	<b>9 157</b>	<b>0</b>	<b>9 157</b>	-	-	-	-	<b>9 157</b>
<b>GRAND TOTAL</b>		<b>425 998</b>	<b>435 056</b>	<b>468 067</b>	<b>231</b>	<b>468 298</b>	<b>465 565</b>	<b>231</b>	<b>465 795</b>	<b>(8,129 %)</b>	<b>2 503</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1. Breakdown & changes in commitment appropriations

#### 5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
1100	REMUNERATION AND ALL	5 161	-	139	5 300	-	3	3	5 304
1101	EXPENSES AND ALLOWAN	66	-	26	92	-	-	-	92
1110	REMUNERATION AND ALL	1 671	-	54	1 725	-	-	-	1 725
1120	SCHOOLING	410	-	(20)	390	-	47	47	437
1121	KINDERGARTEN	87	-	15	102	-	3	3	105
1122	RECRUITMENT	25	-	(19)	6	-	-	-	6
1123	MISSION	170	-	(20)	150	-	-	-	150
1124	MEDICAL EXPENSE	25	-	(3)	22	-	-	-	22
1125	TRAINING	55	-	28	83	-	-	-	83
1126	SOCIAL ACTIVITIES	36	-	(1)	35	-	-	-	35
1127	REPRESENTATION	2	-	-	2	-	-	-	2
Total Chapter 11		7 709	-	198	7 906	-	54	54	7 960
1200	AGENCY STAFF	529	-	297	826	-	-	-	826

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropr. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
1201	SECONDED NATIONAL EX	65	-	(9)	56	-	-	-	56
1202	TRAINEE	150	-	(69)	81	-	-	-	81
1203	ADMINISTRATIVE ASSIS	354	-	(2)	352	-	-	-	352
Total Chapter 12		1 098	-	217	1 315	-	-	-	1 315
<b>Total Title 1</b>		<b>8 807</b>	-	<b>415</b>	<b>9 222</b>	-	<b>54</b>	<b>54</b>	<b>9 275</b>

## 5.1.2. Breakdown &amp; changes in commitment appropriations – Title 2

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2100	BUILDING RENTAL ACQ	154	-	(119)	35	-	74	74	108
2101	BUILDING MAINTENANCE	203	-	(17)	186	-	40	40	227
2109	OTHER BUILDING EXPEN	24	-	45	69	-	24	24	93
2110	FURNITURE RENTAL AC	10	-	(1)	9	-	-	-	9
2111	TECHNICAL EQUIPMENT	2	-	-	1	-	-	-	1
Total Chapter 21		393	-	(92)	301	-	138	138	439
2200	IT SOFTWARE AND HARD	652	-	(43)	609	-	-	-	609
2201	COMMUNICATION EQUIPM	77	-	(48)	28	-	-	-	28
Total Chapter 22		729	-	(91)	638	-	-	-	638
2300	OFFICE SUPPLIES	4	-	-	3	-	-	-	3
2301	POSTAGE AND DELIVERY	1	-	-	1	-	-	-	1
2302	TRANSPORT COST	17	-	(2)	15	-	-	-	15
2303	LEGAL EXPENSE	75	-	(8)	68	-	-	-	68
2304	HANDLING AND MOVING	3	-	-	3	-	-	-	3
2306	EXPENDITURE RELATED	295	-	30	325	-	-	-	325
2308	MEETING EXPENSE	11	-	-	11	-	-	-	11
2309	OTHER ADMINISTRATIVE	39	-	(4)	36	-	-	-	36
Total Chapter 23		445	-	17	461	-	-	-	461

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropr. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
<b>Total Title 2</b>		<b>1 566</b>	<b>-</b>	<b>(167)</b>	<b>1 399</b>	<b>-</b>	<b>138</b>	<b>138</b>	<b>1 538</b>

## 5.1.3. Breakdown &amp; changes in commitment appropriations – Title 3

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
3110	GRANTS TO KNOWLEDGE	477 560	3 768	578	481 905	-	2 457	2 457	484 362
3111	STRATEGIC SUPERVISIO	760	-	(275)	485	-	-	-	485
3112	EIT LABEL	200	-	(200)	-	-	-	-	-
Total Chapter 31		478 520	3 768	103	482 391	-	2 457	2 457	484 847
3202	BRAND MANAGEMENT CO	4 000	-	(87)	3 913	923	-	923	4 836
3204	EIT AWARDS	440	-	(23)	417	-	-	-	417
3206	MONITORING AND EVALU	579	-	(242)	337	-	-	-	337
Total Chapter 32		5 019	-	(351)	4 668	923	-	923	5 591
<b>Total Title 3</b>		<b>483 539</b>	<b>3 768</b>	<b>(248)</b>	<b>487 059</b>	<b>923</b>	<b>2 457</b>	<b>3 379</b>	<b>490 438</b>

## 5.1.4. Breakdown &amp; changes in commitment appropriations – Title 4

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
41-0	EUROPEAN BATTERIES ALLIANCE ACADEMY	-	-	-	-	-	1 068	1 068	1 068
Total Chapter 41-0		-	-	-	-	-	1 068	1 068	1 068
41-1	EUROPEAN SOLAR ACADEMY	-	-	-	-	-	6 098	6 098	6 098
Total Chapter 41-1		-	-	-	-	-	6 098	6 098	6 098
41-2	CRM FACILITY	-	-	-	-	-	1 870	1 870	1 870
Total Chapter 41-2		-	-	-	-	-	1 870	1 870	1 870
41-3	EUROPEAN ADVANCED MATERIALS ACADEMY	-	-	-	-	-	9 800	9 800	9 800
Total Chapter 41-3		-	-	-	-	-	9 800	9 800	9 800
41-4	EUROPEAN RAW MATERIALS ACADEMY	-	-	-	-	-	9 000	9 000	9 000
Total Chapter 41-4		-	-	-	-	-	9 000	9 000	9 000
<b>Total Title 41-1</b>		-	-	-	-	-	<b>27 836</b>	<b>27 836</b>	<b>27 836</b>
<b>GRAND TOTAL</b>		<b>493 912</b>	<b>3 768</b>	<b>-</b>	<b>497 680</b>	<b>923</b>	<b>30 484</b>	<b>31 407</b>	<b>529 087</b>

## 5.2. Breakdown & changes in payment appropriations

### 5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100	REMUNERATION AND ALL	5 161	-	139	5 300	-	3	3	5 304
1101	EXPENSES AND ALLOWAN	66	-	26	92	-	-	-	92
1110	REMUNERATION AND ALL	1 671	-	54	1 725	-	-	-	1 725
1120	SCHOOLING	410	-	(20)	390	48	47	95	485
1121	KINDERGARTEN	87	-	15	102	13	3	15	117
1122	RECRUITMENT	25	-	(19)	6	17	-	17	23
1123	MISSION	170	-	(20)	150	25	-	25	175
1124	MEDICAL EXPENSE	25	-	(3)	22	19	-	19	41
1125	TRAINING	55	-	28	83	14	-	14	97
1126	SOCIAL ACTIVITIES	36	-	(1)	35	16	-	16	50
1127	REPRESENTATION	2	-	-	2	-	-	-	2
Total Chapter 11		7 709	-	198	7 906	151	54	204	8 111
1200	AGENCY STAFF	529	-	297	826	166	-	166	992
1201	SECONDED NATIONAL EX	65	-	(9)	56	-	-	-	56
1202	TRAINEE	150	-	(69)	81	33	-	33	114

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropri. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1203	ADMINISTRATIVE ASSIS	354	-	(2)	352	555	-	555	907
Total Chapter 12		1 098	-	217	1 315	753	-	753	2 069
<b>Total Title 1</b>		<b>8 807</b>	<b>-</b>	<b>415</b>	<b>9 222</b>	<b>904</b>	<b>54</b>	<b>957</b>	<b>10 179</b>

## 5.2.2. Breakdown &amp; changes in payment appropriations – Title 2

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropri- available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2100	BUILDING RENTAL ACQ	154	-	(119)	35	159	74	232	267
2101	BUILDING MAINTENANCE	203	-	(17)	186	116	40	156	342
2109	OTHER BUILDING EXPEN	24	-	45	69	1	24	25	94
2110	FURNITURE RENTAL AC	10	-	(1)	9	1	-	1	10
2111	TECHNICAL EQUIPMENT	2	-	-	1	-	-	-	2
Total Chapter 21		393	-	(92)	301	277	138	415	716
2200	IT SOFTWARE AND HARD	652	-	(43)	609	135	-	135	744
2201	COMMUNICATION EQUIPM	77	-	(48)	28	37	-	37	66
Total Chapter 22		729	-	(91)	638	172	-	172	810
2300	OFFICE SUPPLIES	4	-	-	3	-	-	-	3
2301	POSTAGE AND DELIVERY	1	-	-	1	-	-	-	1
2302	TRANSPORT COST	17	-	(2)	15	8	-	8	23
2303	LEGAL EXPENSE	75	-	(8)	68	-	-	-	68
2304	HANDLING AND MOVING	3	-	-	3	2	-	2	4
2306	EXPENDITURE RELATED	295	-	30	325	39	-	39	365
2308	MEETING EXPENSE	11	-	-	11	2	-	2	13
2309	OTHER ADMINISTRATIVE	39	-	(4)	36	-	-	-	36

*Annual accounts of the European Institute of Innovation & Technology 2025*

Total Chapter 23	445	-	17	461	51	-	51	512
<b>Total Title 2</b>	<b>1 566</b>	<b>-</b>	<b>(167)</b>	<b>1 399</b>	<b>501</b>	<b>138</b>	<b>639</b>	<b>2 038</b>

## 5.2.3. Breakdown &amp; changes in payment appropriations – Title 3

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropriations available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3110	GRANTS TO KNOWLEDGE	412 330	0.00	313	412 642	17 110	2 457	19 567	432 210
3111	STRATEGIC SUPERVISIO	625	-	(174)	451	-	-	-	451
3112	EIT LABEL	95	-	(75)	20	-	-	-	20
3115	REGIONAL IMPACT OF K	0	-	-	-	11	-	11	11
Total Chapter 31		413 050	-	64	413 114	17 121	2 457	19 578	432 692
3202	BRAND MANAGEMENT CO	1 800	-	(30)	1 770	-	-	-	1 770
3204	EIT AWARDS	440	-	(23)	417	-	-	-	417
3206	MONITORING AND EVALU	334	-	(259)	75	-	-	-	75
Total Chapter 32		2 574	-	(312)	2 262	-	-	-	2 262
3300	SUPPORTING THE INNOV	-	-	-	-	15	-	15	15
Total Chapter 33		-	-	-	-	15	-	15	15
<b>Total Title 3</b>		<b>415 625</b>	<b>-</b>	<b>(248)</b>	<b>415 376</b>	<b>17 136</b>	<b>2 457</b>	<b>19 593</b>	<b>434 969</b>

## 5.2.4. Breakdown &amp; changes in payment appropriations – Title 4

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
41-0	EUROPEAN BATTERIES ALLIANCE ACADEMY	-	-	-	-	-	1 068	1 068	1 068
Total Chapter 41-0		-	-	-	-	-	1 068	1 068	1 068
41-1	EUROPEAN SOLAR ACADEMY	-	-	-	-	-	6 098	6 098	6 098
Total Chapter 41-1		-	-	-	-	-	6 098	6 098	6 098
41-2	CRM FACILITY	-	-	-	-	-	1 870	1 870	1 870
Total Chapter 41-2		-	-	-	-	-	1 870	1 870	1 870
41-3	EUROPEAN ADVANCED MATERIALS ACADEMY	-	-	-	-	-	9 800	9 800	9 800
Total Chapter 41-3		-	-	-	-	-	9 800	9 800	9 800
41-4	EUROPEAN RAW MATERIALS ACADEMY	-	-	-	-	-	9 000	9 000	9 000
Total Chapter 41-4		-	-	-	-	-	9 000	9 000	9 000
<b>Total Title 41-1</b>		-	-	-	-	-	<b>27 836</b>	<b>27 836</b>	<b>27 836</b>
<b>GRAND TOTAL</b>		<b>425 998</b>	-	-	<b>425 998</b>	<b>18 541</b>	<b>30 484</b>	<b>49 025</b>	<b>475 023</b>

## 5.3. Implementation of commitment appropriations

### 5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1100	REMUNERATION AND ALL	5 304	5 300	-	3	5 303	100 %	-	-	-	-	-	-	-
1101	EXPENSES AND ALLOWAN	92	92	-	-	92	100 %	-	-	-	-	-	-	-
1110	REMUNERATION AND ALL	1 725	1 725	-	-	1 725	100 %	-	-	-	-	-	-	-
1120	SCHOOLING	437	390	-	30	420	96 %	17	-	17	-	-	-	-
1121	KINDERGARTEN	105	102	-	-	102	97 %	3	-	3	-	-	-	-
1122	RECRUITMENT	6	6	-	-	6	99 %	-	-	-	-	-	-	-
1123	MISSION	150	149	-	-	149	100 %	-	-	-	1	-	-	1
1124	MEDICAL EXPENSE	22	22	-	-	22	100 %	-	-	-	-	-	-	-
1125	TRAINING	83	83	-	-	83	100 %	-	-	-	-	-	-	-
1126	SOCIAL ACTIVITIES	35	35	-	-	35	100 %	0.02	-	0.02	-	-	-	-
1127	REPRESENTATION	2	2	-	-	2	100 %	-	-	-	-	-	-	-

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
Total Chapter 11		7 960	7 905	-	33	7 939	100 %	20	-	20	1	-	-	1
1200	AGENCY STAFF	826	826	-	-	826	100 %	-	-	-	-	-	-	-
1201	SECONDED NATIONAL EX	56	56	-	-	56	100 %	-	-	-	-	-	-	-
1202	TRAINEE	81	81	-	-	81	100 %	-	-	-	-	-	-	-
1203	ADMINISTRATIVE ASSIS	352	341	-	-	341	97 %	-	-	-	11	-	-	11
Total Chapter 12		1 315	1 304	-	-	1 304	99 %	-	-	-	11	-	-	11
<b>Total Title 1</b>		<b>9 275</b>	<b>9 210</b>	<b>-</b>	<b>33</b>	<b>9 243</b>	<b>100 %</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>

## 5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
2100	BUILDING RENTAL ACQ	108	35	-	-	35	32 %	74	-	74	-	-	-	-
2101	BUILDING MAINTENANCE	227	186	-	-	186	82 %	40	-	40	-	-	-	-
2109	OTHER BUILDING EXPEN	93	55	-	-	55	59 %	24	-	24	14	-	-	14
2110	FURNITURE RENTAL AC	9	3	-	-	3	34 %	-	-	-	6	-	-	6
2111	TECHNICAL EQUIPMENT	1	1	-	-	1	84 %	-	-	-	-	-	-	-
Total Chapter 21		439	280	-	-	280	64 %	138	-	138	20	-	-	20
2200	IT SOFTWARE AND HARD	609	609	-	-	609	100 %	-	-	-	-	-	-	-
2201	COMMUNICATION EQUIPM	28	24	-	-	24	86 %	-	-	-	4	-	-	4
Total Chapter 22		638	634	-	-	634	99 %	-	-	-	4	-	-	4
2300	OFFICE SUPPLIES	3	1	-	-	1	23 %	-	-	-	2	-	-	2
2301	POSTAGE AND DELIVERY	1	1	-	-	1	100 %	-	-	-	-	-	-	-
2302	TRANSPORT COST	15	11	-	-	11	71 %	-	-	-	4	-	-	4

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
2303	LEGAL EXPENSE	68	64	-	-	64	95 %	-	-	-	3	-	-	3
2304	HANDLING AND MOVING	3	3	-	-	3	100 %	-	-	-	-	-	-	-
2306	EXPENDITURE RELATED	325	325	-	-	325	100 %	-	-	-	-	-	-	-
2308	MEETING EXPENSE	11	11	-	-	11	100 %	-	-	-	-	-	-	-
2309	OTHER ADMINISTRATIVE	36	7	-	-	7	20 %	-	-	-	28	-	-	28
Total Chapter 23		461	423	-	-	423	92 %	-	-	-	39	-	0	39
<b>Total Title 2</b>		<b>1 538</b>	<b>1 337</b>	-	-	<b>1 337</b>	<b>87 %</b>	<b>138</b>	-	<b>138</b>	<b>63</b>	-	<b>0</b>	<b>63</b>

## 5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
3110	GRANTS TO KNOWLEDGE	484 362	481 905	-	2 457	484 362	100 %	-	-	-	-	-	-	-
3111	STRATEGIC SUPERVISIO	485	426	-	-	426	88 %	-	-	-	59	-	-	59
Total Chapter 31		484 847	482 332	-	2 457	484 788	100 %	-	-	-	59	-	-	59
3202	BRAND MANAGEMENT CO	4 836	3 867	886	-	4 753	98 %	-	-	-	47	37	-	83
3204	EIT AWARDS	417	417	-	-	417	100 %	-	-	-	-	-	-	-
3206	MONITORING AND EVALU	337	305	-	-	305	90 %	-	-	-	32	-	-	32
Total Chapter 32		5 591	4 589	886	-	5 475	98 %	-	-	-	79	37	-	116
<b>Total Title 3</b>		<b>490 438</b>	<b>486 921</b>	<b>886</b>	<b>2 457</b>	<b>490 263</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138</b>	<b>37</b>	<b>-</b>	<b>175</b>

## 5.3.4. Implementation of commitment appropriations - Title 4

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
41-0	EUROPEAN BATTERIES ALLIANCE ACADEMY	1 068	-	-	1 066	1 066	100 %	2	-	2	-	-	-	-
Total Chapter 41-0		1 068	-	-	1 066	1 066	100 %	2	-	2	-	-	-	-
41-1	EUROPEAN SOLAR ACADEMY	6 098	-	-	6 098	6 098	100 %	-	-	0	-	-	-	-
Total Chapter 41-1		6 098	-	-	6 098	6 098	100 %	-	-	-	-	-	-	-
41-2	CRM FACILITY	1 870	-	-	1 870	1 870	100 %	-	-	-	-	-	-	-
Total Chapter 41-2		1 870	-	-	1 870	1 870	100 %	-	-	-	-	-	-	-
41-3	EUROPEAN ADVANCED MATERIALS ACADEMY	9 800	-	-	7 440	7 440	76 %	2 360	-	2 360	-	-	-	-
Total Chapter 41-3		9 800	-	-	7 440	7 440	76 %	2 360	-	2 360	-	-	-	-
41-4	EUROPEAN RAW MATERIALS ACADEMY	9 000	-	-	5 000	5 000	56 %	4 000	-	4 000	-	-	-	-
Total Chapter 41-4		9 000	-	-	5 000	5 000	56 %	4 000	-	4 000	-	-	-	-
<b>Total Title 41-1</b>		<b>27 836</b>	-	-	<b>21 474</b>	<b>21 474</b>	<b>77 %</b>	<b>6 362</b>	-	<b>6 362</b>	-	-	-	-

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
<b>GRAND TOTAL</b>		<b>529 087</b>	<b>497 467</b>	<b>886</b>	<b>23 964</b>	<b>522 317</b>	<b>99 %</b>	<b>6 520</b>	<b>-</b>	<b>6 520</b>	<b>213</b>	<b>37</b>	<b>-</b>	<b>250</b>

## 5.4. Implementation of payment appropriations

### 5.4.1. Implementation of payment appropriations - Title 1

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2026				Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1100	REMUNERATION AND ALL	5 304	5 300	-	3	5 303	100 %	-	-	-	-	-	-	-	-
1101	EXPENSES AND ALLOWAN	92	92	-	-	92	100 %	-	-	-	-	-	-	-	-
1110	REMUNERATION AND ALL	1 725	1 725	-	-	1 725	100 %	-	-	-	-	-	-	-	-
1120	SCHOOLING	485	386	6	30	423	87 %	4	-	17	21	-	42	-	42
1121	KINDERGARTEN	117	102	5	-	107	91 %	-	-	3	3	-	8	-	8
1122	RECRUITMENT	23	5	4	-	9	40 %	1	-	-	1	-	13	-	13
1123	MISSION	175	135	6	-	141	81 %	14	-	-	14	1	19	-	20
1124	MEDICAL EXPENSE	41	18	19	-	37	89 %	4	-	-	4	-	-	-	-
1125	TRAINING	97	42	-	-	42	44 %	41	-	-	41	-	13	-	13
1126	SOCIAL ACTIVITIES	50	35	2	-	37	73 %	-	-	-	-	-	14	-	14
1127	REPRESENTATION	2	2	-	-	2	83 %	-	-	-	-	-	-	-	-
Total Chapter 11		8 111	7 841	42	33	7 917	98 %	64	-	20	84	1	109	-	110
1200	AGENCY STAFF	992	722	79	-	801	81 %	104	-	-	104	-	87	-	87

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2026				Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1201	SECONDED NATIONAL EX	56	55	-	-	55	98 %	1	-	-	1	-	-	-	-
1202	TRAINEE	114	81	33	-	114	100 %	-	-	-	-	-	-	-	-
1203	ADMINISTRATIVE ASSIS	907	306	508	-	814	90 %	35	-	-	35	11	46	-	57
Total Chapter 12		2 069	1 164	620	-	1 784	86 %	140	-	-	140	11	133	-	144
<b>Total Title 1</b>		<b>10 179</b>	<b>9 005</b>	<b>662</b>	<b>33</b>	<b>9 701</b>	<b>95 %</b>	<b>204</b>	<b>-</b>	<b>20</b>	<b>225</b>	<b>12</b>	<b>242</b>	<b>-</b>	<b>254</b>

## 5.4.2. Implementation of payment appropriations - Title 2

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2026				Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
2100	BUILDING RENTAL ACQ	267	10	117	-	126	47 %	25	-	74	99	-	42	-	42
2101	BUILDING MAINTENANCE	342	136	70	-	206	60 %	50	-	40	91	-	46	-	46
2109	OTHER BUILDING EXPEN	94	50	0	-	50	53 %	5	-	24	29	14	1	-	15
2110	FURNITURE RENTAL AC	10	3	1	-	4	41 %	-	-	-	-	6	-	-	6
2111	TECHNICAL EQUIPMENT	2	1	-	-	1	53 %	-	-	-	-	-	-	-	1
Total Chapter 21		716	199	188	-	387	54 %	81	-	138	219	20	89	-	110
2200	IT SOFTWARE AND HARD	744	523	114	-	637	86 %	87	-	-	87	-	21	-	21
2201	COMMUNICATION EQUIPM	66	9	27	-	36	55 %	15	-	-	15	4	10	-	14
Total Chapter 22		810	532	141	-	673	83 %	102	-	-	102	4	31	-	35
2300	OFFICE SUPPLIES	3	1	-	-	1	23 %	-	-	-	-	2	-	-	2
2301	POSTAGE AND DELIVERY	1	1	-	-	1	75 %	-	-	-	-	-	-	-	-
2302	TRANSPORT COST	23	11	3	-	14	61 %	-	-	-	-	4	4	-	9
2303	LEGAL EXPENSE	68	4	-	-	4	6 %	60	-	-	60	3	-	-	3

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2026				Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
2304	HANDLING AND MOVING	4	3	-	-	3	64 %	-	-	-	-	-	2	-	2
2306	EXPENDITURE RELATED	365	322	10	-	332	91 %	4	-	-	4	-	29	-	29
2308	MEETING EXPENSE	13	11	2	-	13	99 %	-	-	-	-	-	-	-	-
2309	OTHER ADMINISTRATIVE	36	7	-	-	7	20 %	-	-	-	-	28	-	-	28
Total Chapter 23		512	359	16	-	374	73 %	64	-	-	64	39	35	-	74
<b>Total Title 2</b>		<b>2 038</b>	<b>1 090</b>	<b>345</b>	<b>-</b>	<b>1 435</b>	<b>70 %</b>	<b>247</b>	<b>-</b>	<b>138</b>	<b>385</b>	<b>63</b>	<b>156</b>	<b>-</b>	<b>219</b>

## 5.4.3. Implementation of payment appropriations - Title 3

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2026				Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
3110	GRANTS TO KNOWLEDGE	432 210	412 642	17 110	2 457	432 210	100 %	-	-	-	-	-	-	1	1
3111	STRATEGIC SUPERVISIO	451	444	-	-	444	98 %	-	-	-	-	7	-	-	7
3112	EIT LABEL	20	20	-	-	20	100 %	-	-	-	-	-	-	-	-
3115	REGIONAL IMPACT OF K	11	-	1	-	1	6 %	-	-	-	-	-	10	-	10
<b>Total Chapter 31</b>		<b>432 692</b>	<b>413 107</b>	<b>17 111</b>	<b>2 457</b>	<b>432 675</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>10</b>	<b>1</b>	<b>18</b>
3202	BRAND MANAGEMENT CO	1 770	1 770	-	-	1 770	100 %	-	-	-	-	-	-	-	-
3204	EIT AWARDS	417	407	-	-	407	98 %	-	-	-	-	10	-	-	10
3206	MONITORING AND EVALU	75	62	-	-	62	82 %	-	-	-	-	14	-	-	14
<b>Total Chapter 32</b>		<b>2 262</b>	<b>2 238</b>	<b>-</b>	<b>-</b>	<b>2 238</b>	<b>99 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>24</b>
3300	SUPPORTING THE INNOV	15	-	-	-	-	0 %	-	-	-	-	-	15	-	15
<b>Total Chapter 33</b>		<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>15</b>
<b>Total Title 3</b>		<b>434 969</b>	<b>415 345</b>	<b>17 111</b>	<b>2 457</b>	<b>434 913</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>25</b>	<b>1</b>	<b>57</b>

## 5.4.4. Implementation of payment appropriations - Title 4

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations carried over to 2026				Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
41-0	EUROPEAN BATTERIES ALLIANCE ACADEMY	1 068	-	-	-	-	0 %	-	-	1 068	1 068	-	-	-	-
Total Chapter 41-0		1 068	-	-	-	-	0 %	-	-	1 068	1 068	-	-	-	-
41-1	EUROPEAN SOLAR ACADEMY	6 098	-	-	3 128	3 128	51 %	-	-	2 970	2 970	-	-	-	-
Total Chapter 41-1		6 098	-	-	3 128	3 128	51 %	-	-	2 970	2 970	-	-	-	-
41-2	CRM FACILITY	1 870	-	-	1 870	1 870	100 %	-	-	-	-	-	-	-	-
Total Chapter 41-2		1 870	-	-	1 870	1 870	100 %	-	-	-	-	-	-	-	-
41-3	EUROPEAN ADVANCED MATERIALS ACADEMY	9 800	-	-	6 900	6 900	70 %	-	-	2 900	2 900	-	-	-	-
Total Chapter 41-3		9 800	-	-	6 900	6 900	70 %	-	-	2 900	2 900	-	-	-	-
41-4	EUROPEAN RAW MATERIALS ACADEMY	9 000	-	-	4 998	4 998	56 %	-	-	4 002	4 002	-	-	-	-
Total Chapter 41-4		9 000	-	-	4 998	4 998	56 %	-	-	4 002	4 002	-	-	-	-
<b>Total Title 41-1</b>		<b>27 836</b>	-	-	<b>16 896</b>	<b>16 896</b>	<b>61 %</b>	-	-	<b>10 940</b>	<b>10 940</b>	-	-	-	-
<b>GRAND TOTAL</b>		<b>475 023</b>	<b>425 441</b>	<b>18 118</b>	<b>19 386</b>	<b>462 945</b>	<b>97 %</b>	<b>451</b>	-	<b>11 098</b>	<b>11 549</b>	<b>106</b>	<b>423</b>	<b>1</b>	<b>529</b>

## 6. OUTSTANDING COMMITMENTS

### 6.1. Outstanding commitments – Title 1

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1100	REMUNERATION AND ALL	-	-	-	-	5 303	5 303	-	-	-
1101	EXPENSES AND ALLOWAN	-	-	-	-	92	92	-	-	-
1110	REMUNERATION AND ALL	-	-	-	-	1 725	1 725	-	-	-
1120	SCHOOLING	48	(42)	6	-	420	416	-	4	4
1121	KINDERGARTEN	13	(8)	5	-	102	102	-	-	-
1122	RECRUITMENT	17	(13)	4	-	6	5	-	1	1
1123	MISSION	25	(19)	6	-	149	135	-	14	14
1124	MEDICAL EXPENSE	19	-	19	-	22	18	-	4	4
1125	TRAINING	14	(13)	0	-	83	42	-	41	41
1126	SOCIAL ACTIVITIES	16	(14)	2	-	35	35	-	-	-
1127	REPRESENTATION	-	-	-	-	2	2	-	-	-
Total Chapter 11		151	(109)	42	-	7 939	7 874	-	64	64
1200	AGENCY STAFF	166	(87)	79	-	826	722	-	104	104

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1201	SECONDED NATIONAL EX	-	-	-	-	56	55	-	1	1
1202	TRAINEE	33	-	33	-	81	81	-	-	-
1203	ADMINISTRATIVE ASSIS	555	(46)	508	-	341	306	-	35	35
Total Chapter 12		753	(133)	620	-	1 304	1 164	-	140	140
<b>Total Title 1</b>		<b>904</b>	<b>(242)</b>	<b>662</b>	<b>-</b>	<b>9 243</b>	<b>9 039</b>	<b>-</b>	<b>204</b>	<b>204</b>

## 6.2. Outstanding commitments – Title 2

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Item	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2100	BUILDING RENTAL ACQ	159	(42)	117	-	35	10	-	25	25
2101	BUILDING MAINTENANCE	116	(46)	70	-	186	136	-	50	50
2109	OTHER BUILDING EXPEN	1	(1)	-	-	55	50	-	5	5
2110	FURNITURE RENTAL AC	1	-	1	-	3	3	-	-	-
2111	TECHNICAL EQUIPMENT	-	-	-	-	1	1	-	-	-
Total Chapter 21		277	(89)	188	-	280	199	-	81	81
2200	IT SOFTWARE AND HARD	135	(21)	114	-	609	523	-	87	87
2201	COMMUNICATION EQUIPM	37	(10)	27	-	24	9	-	15	15
Total Chapter 22		172	(31)	141	-	634	532	-	102	102
2300	OFFICE SUPPLIES	-	-	-	-	1	1	-	-	-
2301	POSTAGE AND DELIVERY	-	-	-	-	1	1	-	-	-
2302	TRANSPORT COST	8	(4)	3	-	11	11	-	-	-
2303	LEGAL EXPENSE	-	-	-	-	64	4	-	60	60
2304	HANDLING AND MOVING	2	(2)	-	-	3	3	-	-	-

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2306	EXPENDITURE RELATED	39	(29)	10	-	325	322	-	4	4
2308	MEETING EXPENSE	2	-	2	-	11	11	-	-	-
2309	OTHER ADMINISTRATIVE	-	-	-	-	7	7	-	-	-
Total Chapter 23		51	(35)	16	-	423	359	-	64	64
<b>Total Title 2</b>		<b>501</b>	<b>(156)</b>	<b>345</b>	<b>-</b>	<b>1 337</b>	<b>1 090</b>	<b>-</b>	<b>247</b>	<b>247</b>

### 6.3. Outstanding commitments – Title 3

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	
3110	GRANTS TO KNOWLEDGE	120 926	(4 820)	89 200	26 907	484 362	343 010	-	141 352	168 259
3111	STRATEGIC SUPERVISIO	201	(11)	138	52	426	307	-	120	172
3112	EIT LABEL	22	(1)	20	-	-	-	-	-	-
3115	REGIONAL IMPACT OF K	11	(10)	1	-	-	-	-	-	-
3116	OTHER GRANTS	2 244	(2 244)	-	-	-	-	-	-	-
Total Chapter 31		123 403	(7 086)	89 359	26 958	484 788	343 316	-	141 472	168 430
3202	BRAND MANAGEMENT CO	714	(396)	233	84	4 753	1 536	-	3 216	3 301
3204	EIT AWARDS	-	-	-	-	417	407	-	10	10
3206	MONITORING AND EVALU	262	(35)	39	188	305	23	-	282	470
Total Chapter 32		976	(432)	272	272	5 475	1 966	-	3 509	3 781
3300	SUPPORTING THE INNOV	15	(15)	-	-	-	-	-	-	-
Total Chapter 33		15	(15)	-	-	-	-	-	-	-
<b>Total Title 3</b>		<b>124 395</b>	<b>(7 533)</b>	<b>89 631</b>	<b>27 231</b>	<b>490 263</b>	<b>345 282</b>	<b>-</b>	<b>144 981</b>	<b>172 212</b>

## 6.4. Outstanding commitments – Title 4

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
41-0	EUROPEAN BATTERIES ALLIANCE ACADEMY	-	-	-	-	1 066	-	-	1 066	1 066
Total Chapter 41-0		-	-	-	-	1 066	-	-	1 066	1 066
41-1	EUROPEAN SOLAR ACADEMY	-	-	-	-	6 098	3 128	-	2 970	2 970
Total Chapter 41-1		-	-	-	-	6 098	3 128	-	2 970	2 970
41-2	CRM FACILITY	-	-	-	-	1 870	1 870	-	-	-
Total Chapter 41-2		-	-	-	-	1 870	1 870	-	-	-
41-3	EUROPEAN ADVANCED MATERIALS ACADEMY	-	-	-	-	7 440	6 900	-	540	540
Total Chapter 41-3		-	-	-	-	7 440	6 900	-	540	540
41-4	EUROPEAN RAW MATERIALS ACADEMY	-	-	-	-	5 000	4 998	-	2	2
Total Chapter 41-4		-	-	-	-	5 000	4 998	-	2	2
<b>Total Title 41-1</b>		-	-	-	-	<b>21 474</b>	<b>16 896</b>	-	<b>4 579</b>	<b>4 579</b>
<b>GRAND TOTAL</b>		<b>125 799</b>	<b>(7 930)</b>	<b>90 638</b>	<b>27 231</b>	<b>522 317</b>	<b>372 307</b>	-	<b>150 010</b>	<b>177 241</b>

## 7. GLOSSARY

### **Administrative appropriations**

Appropriations to cover the running costs of the entities (staff, buildings, office equipment).

### **Adopted budget**

Draft budget becomes the adopted budget as soon as approved by the budgetary authority.

### **Amending budget**

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

### **Appropriations**

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses.

### **Assigned revenue**

Revenue dedicated to finance specific items of expenditure.

### **Budget result**

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences.

For agencies, the resulting amount will have to be reimbursed to the funding authority.

### **Budget implementation**

Consumption of the budget through expenditure and revenue operations.

### **Budget item / Budget line / Budget position**

Revenue and expenditure are shown in the budget structure in accordance with a binding nomenclature, which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

### **Budgetary commitment**

Operation by which the authorising officer responsible reserves the budget appropriations necessary to cover for subsequent payments to honour legal commitments.

### **Cancellation of appropriations**

Appropriations which have not been used by the end of the financial year and which cannot be carried over, shall be cancelled.

### **Carryover of appropriations**

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

### **Commitment appropriations**

Commitment appropriations cover the total value of legal obligations (contracts, grant agreements or decisions) that could be signed in the current financial year.

### **De-commitment**

Operation whereby the authorising officer responsible cancels wholly or partly the reservation of appropriations previously made by means of a budgetary commitment.

### **Differentiated appropriations**

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year.

### **Economic result**

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

### **Entitlements established**

Right to collect income from a debtor as recognised through the issuing of a recovery order.

### **Exchange rate difference**

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currencies at the date of the accounts.

### **Expenditure**

Term used to describe spending the budget from all types of funds sources.

### **Grants**

Direct financial contributions from the budget to third-party beneficiaries, engaged in activities that serve Union policies.

### **Lapsing appropriations**

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities, as represented by an appropriation.

For joint undertakings (and EIT), as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called "N+3" rule). Hence, lapsing appropriations for JUs can be re-activated until financial year "N+3".

### **Legal basis / basic act**

The legal act adopted by the legislative authority (usually the Council and European Parliament) specifying the objective of a Union spending programme, the purpose of the appropriations, the

rules for intervention, expiry date and the relevant financial rules to serve as a legal basis for the implementation of the spending programme.

### **Legal commitment**

The act whereby the Authorising Officer enters into an obligation towards third parties which results in a charge for the Union budget.

Common forms of legal commitments are contracts in the case of procurement, grant agreements and grant decisions.

### **Non-differentiated appropriations**

Appropriations which meet annual needs and must therefore be committed during the budget year. Only amounts qualifying for automatic carryover can be disbursed in the following year. Non-differentiated appropriations which have not been used, i.e. committed, by the end of the year, are cancelled (unless, exceptionally, permission is given by a Commission decision for a non-automatic carryover). Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

### **Operational appropriations**

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

### **Outstanding commitments**

Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.

### **Payment appropriations**

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.

### **RAL (Reste à liquider)**

Amount remaining to be paid on a budgetary commitment at a given moment. Cf. Outstanding commitments

### **Surplus**

Positive difference between revenue and expenditure, which has to be returned to the funding authority. Cf. Budget result

### **Transfer between budget lines**

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification.