



Final Annual Accounts of the Clean  
Hydrogen  
Joint Undertaking

Financial year 2025

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## **CERTIFICATION OF THE ACCOUNTS**

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Clean Hydrogen Joint Undertaking, in accordance with Article 52 of the Model Financial Regulation ('MFR')<sup>1</sup> and I hereby certify that the annual accounts of the Clean Hydrogen JU for the year 2025 have been prepared in accordance with Chapter 8 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 Clean Hydrogen Joint Undertaking'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 Clean Hydrogen JU.

My assurance statement related to the Final Accounts 2025 will be transmitted to the Accounting Officer of the Commission. The Management Representation Letter, signed by the Authorising Officer and myself, will be sent to the European Court of Auditors for the audit of the Final Accounts.

Andrea TÓTH

**Accounting Officer of the  
Clean Hydrogen Joint Undertaking**

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<sup>1</sup> Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 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 first FCH JU was established by Council Regulation (EC) No. 521/2008<sup>2</sup> for a period up to 31 December 2017. The interim evaluation of FCH JU confirmed a need for such a partnership and recommended an increase of its activities. As a result, a new Joint Undertaking named Fuel Cells and Hydrogen 2 Joint Undertaking, was established by Council Regulation (EU) No. 559/2014<sup>3</sup>.

The Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 JU) was a public-private partnership, based in Brussels, that supported research, technological development and demonstration activities in fuel cell and hydrogen energy technologies in Europe.

Horizon Europe – the EU Framework Programme for Research and Innovation (2021-2027) – aims to increase the EU's research and innovation impact by combining European partnership co-investment with additional private and public sector funds in areas where the scope and scale of the research and innovation resources can help achieve the EU's Horizon Europe priorities notably, its Pillar II – Global challenges and European industrial competitiveness.

The setting up of the joint undertakings under Horizon Europe has been regulated through Council Regulation No. 2021/2085 of 19 November 2021 and published in the Official Journal on 30 November 2021 (date of entry into force of the Single Basic Act (SBA)).

Under the Council Regulation (Article 174.5), the Clean Hydrogen Joint Undertaking is the legal and universal successor in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property of the Fuel Cells and Hydrogen 2 Joint Undertaking established by Council Regulation No. 559/2014, which it shall replace and succeed.

#### Mission

Clean Hydrogen JU's mission is to facilitate the transition to a greener EU society through the development of hydrogen technologies.

#### Main operational activities

The objective of Clean Hydrogen JU is to enhance cooperation between the diverse stakeholders along the whole hydrogen value-chain and mobilise them to increase the leverage effect of R&I for investments, with the main objectives to:

1. Contribute to the EU ambitious 2030 and 2050 climate ambition;
2. Support the implementation of the Commission's Hydrogen Strategy;
3. Strengthen the competitiveness of the Union clean hydrogen value chain;
4. Stimulate research and innovation on clean hydrogen production, distribution, storage and end use applications.
5. Participate in the RePowerEU program, which aims to rapidly reduce Europe's dependence on Russian fossil fuels by fast forwarding the clean transition and joining forces to achieve a more resilient energy system and a true Energy Union.

<sup>2</sup> Council Regulation (EC) No. 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking

<sup>3</sup> Council Regulation (EC) No. 559/2014 of 6 May 2014 setting up the Fuel Cells and Hydrogen 2 Joint Undertaking

## **Governance**

The Joint Undertaking is headed by an Executive Director, who is the legal representative of Clean Hydrogen JU and the chief executive responsible for the implementation of the Joint Undertaking's operations, in accordance with the decisions of the Governing Board. The Programme Office support the Executive Director in the day-to-day management of the Joint Undertaking.

The Executive Director is appointed by the Governing Board, that is the main decision-making body of Clean Hydrogen JU. The Governing Board has overall responsibility for the strategic orientation and the operations of the Clean Hydrogen JU and supervises the implementation of its activities. It brings together the three groups of the JU's members:

- The EU represented by the European Commission – three representatives;
- The Industry Grouping represented by Hydrogen Europe AISBL - six representatives, including at least one representative of Small and Medium Enterprises (SMEs);
- The Research Grouping represented by the Hydrogen European Research AISBL – one representative;

The States Representatives Group and the Stakeholders Group are the advisory bodies of the Clean Hydrogen JU.

## **Sources of financing**

The Clean Hydrogen JU is jointly funded by the contributions of its members. The administrative costs are covered by the financial contributions of the EU and of the Industry and Research Grouping. The operational costs are covered by the financial contributions of the EU and the in-kind contributions of the other members. The in-kind contributions are the costs incurred by the constituent entities of the members other than the Union or their affiliated entities in implementing indirect actions that are not reimbursed by the Joint Undertaking.

## 2. Annual accounts

### Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by Model Financial Regulation (MFR)<sup>4</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 MFR, the Governing Board of the entity appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts.

The Single Basic Act<sup>5</sup> establishing the new generations of JUs required, within one year following the date of entry into force of the Regulation, the establishment of back-office arrangements, to provide horizontal support functions to the joint undertakings, by concluding service level agreements. The Accounting Back Office (BOA accounting) was established and took over the accounting services from Accounting Officer the European Commission from 1 December 2022.

Following the decision of the Clean Hydrogen JU Governing Board of 25 November 2022, as of 1 December 2022, Andrea Tóth has been appointed Accounting Officer of Clean Hydrogen JU.

### 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 contracted by the JU. 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 European 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 Executive 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.

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<sup>4</sup> Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 14 2, 29.5.2019, p. 16)

<sup>5</sup> COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014

### 3. OPERATIONAL HIGHLIGHTS

#### Achievements of the year

With regards to implementing activities, Clean Hydrogen JU successfully launched its hydrogen research **call for proposals** 2025 under Horizon Europe on 15 January 2025 with a total budget of EUR 184,5 million, which included EUR 80 million from the RePowerEU Plan to support exclusively Hydrogen Valleys as well as EUR 20 million from United Kingdom (UK) appropriations allocated to the call for proposals but not allocated yet to the topics within the call. A total of 19 topics were part of this call, including 7 for renewable hydrogen production, 3 for hydrogen storage and distribution, 3 for transport and 1 for heat and power. In addition, 3 topics addressed cross-cutting issues. The call also included 2 hydrogen valleys topics. As in the previous years, the Call for proposals 2025 is implemented using lump sum grants for all topics. **Synergies** with other European partnerships and programmes as well as with Member States and regional programmes were at the core of a number of topics in the Call 2025. A total of 212 proposals were submitted by the call deadline of 23 April 2025, showing an unprecedented interest. 143 proposals were above the funding threshold requesting a budget of EUR 778,4 million. A total of 30 proposals were invited for grant agreement preparation in the second half of 2025 in 2 different batches. A total of 19 grants were signed before the end of 2025 for a value of EUR 102,1 million. The remaining grants of the Call 2025 are expected to be signed in 2026.

With the **new grants** signed in 2025 the number of projects the JU is managing has continued to increase. By the end of 2025, the JU portfolio included 138 projects<sup>6</sup> supporting R&I across the whole hydrogen value chain. 8 of these projects are funded under H2020 and 130 from Horizon Europe. Furthermore, in 2025, a total of 83 reports were assessed and paid. In addition, 58 amendments were signed.

In 2025 a total of 13 projects ended including 10 projects supported by H2020. One of these projects is FCH2RAIL<sup>7</sup> which successfully developed, demonstrated, and certified a Fuel Cell-electric hybrid train prototype completing over 10,000 km in hydrogen mode and 6,000 km in electric mode and having operated successfully on public railway lines across Spain and Portugal. Another example is the pioneering MultiPLHY<sup>8</sup> project which successfully started up the world's largest multi-megawatt high-temperature electrolyzer (HTE) in an industrial environment at Neste's renewable products refinery in Rotterdam, the Netherlands. Also, the HYPOP<sup>9</sup> project marked a significant milestone by hosting its final event at H2 Poland 2025, held at the Poznań International Fair. Bringing together stakeholders from across the hydrogen value chain, the event focused on the social acceptance, safety, and regulatory aspects of hydrogen technology.

An additional highlight in 2025 was the kick-off of the 'Hydrogen Valleys Facility' implemented via a public procurement. The facility includes project development assistance (PDA) services to support Hydrogen Valleys at different levels of maturity, as well as activities aiming to ensure that the knowledge gathered and the lessons learnt from Hydrogen Valley projects are retained, collected, analysed and widely disseminated and used in a structured and efficient way. The Facility is also used to maintain and update the Hydrogen Valley Platform, supporting also the Clean Hydrogen Mission under Mission Innovation. PDA services for 15 Hydrogen Valleys selected under the H2Valley Facility's first Call for Applications started in November 2025<sup>10</sup>.

Also in 2025, the activities of the **European Safety Panel** restarted and the one year pilot for a **European Hydrogen Sustainability and Circularity Panel** came to an end. Building on this, a framework contract to

<sup>6</sup> This excludes all projects ended in 2025 even if final reports were not yet paid by 31 December 2025. Furthermore this number excludes Call 2025 grants not signed by end of year 2025

<sup>7</sup> Project ended in Dec 2024 but its final report assessed in 2025

[https://www.clean-hydrogen.europa.eu/projects-dashboard/project-updates/successful-completion-fch2rail-project\\_en](https://www.clean-hydrogen.europa.eu/projects-dashboard/project-updates/successful-completion-fch2rail-project_en)

<sup>8</sup> [https://www.clean-hydrogen.europa.eu/projects-dashboard/project-updates/multiplhy-project-achieves-breakthrough-renewable-hydrogen-production-worlds-largest-high\\_en](https://www.clean-hydrogen.europa.eu/projects-dashboard/project-updates/multiplhy-project-achieves-breakthrough-renewable-hydrogen-production-worlds-largest-high_en)

<sup>9</sup> [https://www.clean-hydrogen.europa.eu/projects-dashboard/project-updates/hypop-project-highlights-societal-readiness-hydrogen\\_en](https://www.clean-hydrogen.europa.eu/projects-dashboard/project-updates/hypop-project-highlights-societal-readiness-hydrogen_en)

<sup>10</sup> [https://www.clean-hydrogen.europa.eu/media/news/15-hydrogen-valleys-kick-tailored-development-support-under-eu-hydrogen-valleys-facility-2025-11-11\\_en](https://www.clean-hydrogen.europa.eu/media/news/15-hydrogen-valleys-kick-tailored-development-support-under-eu-hydrogen-valleys-facility-2025-11-11_en)

continue the activities of the **Sustainability and Circularity Panel** was signed at the end of 2025 and the activities of the panel should resume early in 2026.

Building on the activities performed in the past, following a public procurement, in 2025 the JU launched the Annual Data Collection exercise on the **Hydrogen Knowledge Hub**<sup>11</sup>. A dashboard with public information from the Knowledge Hub was published on the Clean Hydrogen JU's website<sup>12</sup>. In addition, the **European Hydrogen Observatory**<sup>13</sup>, was maintained and updated throughout 2025.

In terms of other operational activities aiming to support its strategic objectives, the JU continued its technology and programme monitoring activities, both covering its projects and the wider developments in the hydrogen sector, resulting also in the latest **Programme Review Report 2025**<sup>14</sup>.

**Public outreach and communication activities** remained strong throughout 2025, anchored by a series of high-visibility flagship events in Brussels that convened stakeholders from across Europe's hydrogen ecosystem and reinforced the Clean Hydrogen Partnership's role in driving EU competitiveness, innovation and collaboration.

- **Hydrogen Valley Days 2025 (24–25 June, Brussels)** — The second edition, under the theme "*Hydrogen Valleys: Driving Europe's Competitiveness*", brought together participants across the hydrogen value chain to engage with industry leaders, explore pioneering Hydrogen Valley projects, and identify new opportunities for growth, innovation and partnership.
- **European Hydrogen Week 2025 (29 September–3 October, Brussels)** — The sixth edition provided a major platform combining high-level policy dialogue with the **EU Hydrogen Innovation Forum (2–3 October)**, featuring research and innovation sessions across the full value chain with a strong focus on **EU competitiveness, skills and Hydrogen Valleys**.
- **EU Hydrogen Research & Innovation Days 2025 (24–25 November, Brussels)** — Building on the legacy of the Programme Review Days, the event served as a key forum to showcase programme achievements, address sector challenges, exchange insights and shape future priorities. The 2025 edition highlighted progress across the Clean Hydrogen programme and underscored the role of **regional collaboration through Hydrogen Valleys** in accelerating Europe's clean hydrogen transition, with contributions from senior representatives of the European Commission, industry and research organisations.
- **Clean Hydrogen Awards Ceremony (24 November, Brussels)** — The Partnership recognised outstanding projects and individuals, celebrating excellence in hydrogen R&I and reinforcing visibility of breakthrough innovations:
  - **Best Success Story Award (shared):** *HELIOS* and *FLEX4H2* for advances enabling **100% hydrogen-capable combustion/gas turbine solutions**.
  - **Best Innovation Award:** *HyP3D* for **3D-printed solid oxide electrolysis cells**, improving efficiency and durability through novel lightweight designs.
  - **Best Outreach Award:** *COSMHYC Project Series* for an innovative hydrogen compression solution validated at a public refuelling station, with dissemination supporting visibility and commercialisation.
  - **European H2 Valley of the Year:** *BalticSeaH2* for a large interregional hydrogen ecosystem spanning southern Finland and Estonia, mobilising a wide partner network.

<sup>11</sup> <https://knowledge.clean-hydrogen.europa.eu/>

<sup>12</sup> [https://www.clean-hydrogen.europa.eu/projects-dashboard\\_en](https://www.clean-hydrogen.europa.eu/projects-dashboard_en)

<sup>13</sup> <https://observatory.clean-hydrogen.europa.eu/>

<sup>14</sup> [https://www.clean-hydrogen.europa.eu/document/download/33470293-31b2-4bcb-a9ce-8a2ae7890c90\\_en?filename=202502453\\_PDF\\_KJ0125166ENN\\_002.pdf](https://www.clean-hydrogen.europa.eu/document/download/33470293-31b2-4bcb-a9ce-8a2ae7890c90_en?filename=202502453_PDF_KJ0125166ENN_002.pdf)

- **Women in H2 Innovation Award:** *Julie Mougín (CEA)* for long-term leadership and contributions to hydrogen and fuel cell technologies, including high-temperature electrolysis.

## Budget and budget implementation

The budget of the Clean Hydrogen JU amounted to EUR 202 579 255 in commitment appropriations and EUR 194 272 522 in payment appropriations. This represented a slight decrease in commitment appropriations and an increase of nearly one third in payment appropriations compared to the 2024 budget. The increase was primarily due to the inclusion of 2025 RePowerEU and 2025 UK appropriations into the call budget, in addition to usual Horizon Europe appropriations for the main call.

Overall, budget implementation for commitments reached 99% (slightly higher than 98% in 2024), while payment appropriations were implemented at 93% (compared to 84% in 2024).

Operational commitments were implemented at 99% (unchanged compared to 2024), with payments reaching 94% (compared to 85% in 2024).

The consumption of the administrative budget reached 91% in terms of commitments (85% in 2024) and 86% in terms of payments (66% in 2024).

More specifically, under Title 1, commitment and payment implementation rates increased compared to 2024 (commitments: 86% in 2025 compared to 83% in 2024; payments: 83% in 2025 compared to 73% in 2024). Staff in active employment accounted for 47% of the total administrative budget in 2025. This increase was mainly due to the filling of six positions, including a Financial Officer, a Knowledge Management Officer, two Project Officers, one Contract Agent FGIII, as well as the recruitment of an SNE. In addition, corrective measures were implemented during the year by transferring surplus appropriations to revised needs under Title 2, as identified in the course of 2025.

Under Title 2, commitment implementation rates also increased compared to 2024 (96% in 2025 compared to 87% in 2024), together with a significant increase in payment implementation (88% in 2025 compared to 58% in 2024).

Specifically, full implementation (100%) was achieved for three budget lines, namely Strategic Studies, Support Contracts and current administrative expenses, reflecting efficient planning and execution in these areas. In addition, information technology costs reached an implementation rate of 98%, followed closely by movable property (98%) and rental costs (95%), as by the end of the year the refurbishment plan, which will be implemented in 2026, had been decided and agreed.

On the payments side, communication costs reached an implementation rate of 99%, followed closely by strategic studies (96%) and information technology costs (95%), as a result of close monitoring of payments throughout the year and effective budget management, including the timely adoption of appropriate corrective measures when necessary.

Under Title 3, Horizon Europe commitments were implemented at 99%, reflecting excellent planning and execution. Horizon Europe payment implementation stood at 93%, also showing an increase compared to 2024 (85%). Payment implementation for Horizon 2020 reached 100%, representing a significant improvement compared to 72% in 2024.

Taken as a whole, the Clean Hydrogen JU budget execution for 2025 demonstrated effective commitment and payment management across key areas, reflecting sound financial planning, robust monitoring mechanisms and the timely implementation of corrective measures.

CLEAN HYDROGEN JOINT UNDERTAKING  
FINANCIAL YEAR 2025

# **FINANCIAL STATEMENTS AND EXPLANATORY NOTES**

## BALANCE SHEET

	Note	31.12.2025	31.12.2024
<b>NON-CURRENT ASSETS</b>			
Intangible assets	2.1	-	140,59
Intangible assets under construction	2.1	-	-
Property, plant and equipment	2.2	33.995,84	45.372,23
Long term pre-financing	2.3	246.095.233,30	255.640.154,87
		<b>246.129.229,14</b>	<b>255.685.667,69</b>
<b>CURRENT ASSETS</b>			
Short term pre-financing	2.3	130.586.502,37	83.439.504,60
Exchange receivables and non-exchange recoverables	2.4	40.162.600,50	112.981.442,84
Cash and cash equivalent	2.5	-	-
		<b>170.749.102,87</b>	<b>196.420.947,44</b>
<b>TOTAL ASSETS</b>		<b>416.878.332,01</b>	<b>452.106.615,13</b>
<b>CURRENT LIABILITIES</b>			
Short term provisions	2.6	-	-
Payables and other liabilities	2.7	71.731.531,13	144.512.478,06
Accrued charges and deferred income	2.8	71.799.020,66	53.509.075,33
		<b>143.530.551,79</b>	<b>198.021.553,39</b>
<b>TOTAL LIABILITIES</b>		<b>143.530.551,79</b>	<b>198.021.553,39</b>
Contribution from Members	2.9	2.283.498.480,79	2.046.592.015,42
Accumulated deficit		(1.792.506.953,68)	(1.669.215.393,47)
Economic result of the year		(217.643.746,87)	(123.291.560,21)
<b>NET ASSETS</b>		<b>273.347.780,22</b>	<b>254.085.061,74</b>
<b>LIABILITIES AND NET ASSETS</b>		<b>416.878.332,01</b>	<b>452.106.615,13</b>

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	2025	2024
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>			
Recovery of operating expenses	3.1	6.814.395,74	1.252.249,70
Other non-exchange revenue	3.2	-	-
<b>Revenue from exchange transactions</b>	3.3		
Financial revenues		-	5,76
Other exchange revenue		42.618,27	2.694,46
<b>Total revenue</b>		<b>6.857.014,01</b>	<b>1.254.949,92</b>
<b>EXPENSES</b>			
Operating costs	3.4	(216.150.471,81)	(117.528.670,29)
Staff costs	3.5	(3.938.164,12)	(3.445.998,33)
Financial expenses	3.6	(672,44)	(42.600,00)
Other expenses	3.7	(4.411.452,51)	(3.529.241,51)
<b>Total expenses</b>		<b>(224.500.760,88)</b>	<b>(124.546.510,13)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(217.643.746,87)</b>	<b>(123.291.560,21)</b>

**CASHFLOW STATEMENT<sup>15</sup>**

	2025	2024
Economic result of the year	(217.643.746,87)	(123.291.560,21)
<b><u>Operating activities</u></b>		
Depreciation and amortization	25.874,62	50.748,72
Increase/(decrease) in in-kind contributions	64.529.061,52	10.874.949,71
Other non-cash movements		
(Increase)/decrease in pre-financing	(37.602.076,20)	(32.821.461,31)
(Increase)/decrease in exchange receivables and non-exchange recoverables	72.818.842,34	(22.289.349,69)
Increase/(decrease) in payables	(72.780.946,93)	21.894.055,04
Increase/(decrease) in accrued charges & deferred income	18.289.945,33	14.385.100,24
<b><u>Financing activities</u></b>		
Increase/(decrease) in cash contributions	172.377.403,85	131.203.559,04
<b><u>Investing activities</u></b>		
(Increase)/decrease in intangible assets and property, plant and equipment	(14.357,64)	(6.041,54)
<b>NET CASHFLOW</b>	<b>0,00</b>	<b>(0,00)</b>
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at year-end	-	-

<sup>15</sup> The treasury of Clean Hydrogen JU is integrated into the Commission's treasury system. Because of this Clean Hydrogen JU does not have any bank accounts of its own. 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

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
<b>BALANCE AS AT 31.12.2023</b>	<b>1.904.513.506,67</b>	<b>(1.583.482.288,31)</b>	<b>(85.733.105,16)</b>	<b>235.298.113,20</b>
Allocation 2023 economic result	-	(85.733.105,16)	85.733.105,16	-
Cash contribution	131.203.559,04	-	-	131.203.559,04
Contribution in-kind	10.874.949,71	-	-	10.874.949,71
Unpaid cash contributions	-	-	-	-
Economic result of the year	-	-	(123.291.560,21)	(123.291.560,21)
<b>BALANCE AS AT 31.12.2024</b>	<b>2.046.592.015,42</b>	<b>(1.669.215.393,47)</b>	<b>(123.291.560,21)</b>	<b>254.085.061,74</b>
Allocation 2024 economic result	-	(123.291.560,21)	123.291.560,21	-
Cash contribution	172.377.403,85	-	-	172.377.403,85
Contribution in-kind	64.529.061,52	-	-	64.529.061,52
Unpaid cash contributions	-	-	-	-
Economic result of the year	-	-	(217.643.746,87)	(217.643.746,87)
<b>BALANCE AS AT 31.12.2025</b>	<b>2.283.498.480,79</b>	<b>(1.792.506.953,68)</b>	<b>(217.643.746,87)</b>	<b>273.347.780,22</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 cash flows of an entity 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 OF PREPARATION

### 1.2.1. Reporting period

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

### 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>	<b>1,9558</b>	1,9558	<b>PLN</b>	<b>4,221</b>	4,275
<b>CZK</b>	<b>24,237</b>	25,185	<b>RON</b>	<b>5,0968</b>	4,9743
<b>DKK</b>	<b>7,4689</b>	7,4578	<b>SEK</b>	<b>10,8215</b>	11,459
<b>GBP</b>	<b>0,8726</b>	0,8218	<b>CHF</b>	<b>0,9314</b>	0,9412
<b>NOK</b>	<b>11,483</b>	11,795	<b>JPY</b>	<b>184,09</b>	163,06
<b>HUF</b>	<b>385,15</b>	411,35	<b>USD</b>	<b>1,175</b>	1,0389

### 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: financial risk of accounts receivable and the amounts disclosed in the notes concerning accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, contingent assets and liabilities. Actual

results could differ from those estimates. Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

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

##### New EAR adopted and 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 Clean Hydrogen JU is not obliged to, and does not prepare, a Segment Report, the amendment has no impact on its annual accounts.

##### New EAR adopted with application after 31 December 2025

- **Revised EAR 8:** 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.

The scope of lease contracts falling under IPSAS 43 will be limited to the rental commitment of the office building of the Joint Undertaking. The total commitment under **note 3.7** can give an indication of the impact of the new standard on the financial statements.

- **Revised EAR 1:** 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. 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.

##### Revised IPSAS standards which have been issued, and are effective for annual periods beginning on or after 1 January 2025

**IPSAS 46 - Measurement:** IPSAS 46 provides a unified framework for measuring assets and liabilities by setting out how commonly used measurement bases such as historical cost, fair value, cost of fulfilment, and the newly introduced current operational value should be applied in the public sector. It introduces generic guidance on fair value for the first time and establishes current operational value as a public-sector-specific basis for valuing assets held for service delivery rather than cash generation. The standard enhances consistency and clarity in initial and subsequent measurement across IPSAS. The application of this new standard is not expected to have a material impact on the Annual Accounts of the JU.

**IPSAS 45 - Property, Plant and Equipment:** IPSAS 45 updates the accounting requirements for property, plant, and equipment by replacing IPSAS 17, introducing current operational value as an additional measurement basis, and bringing heritage and infrastructure assets within scope where

they meet the PPE definition. It provides new guidance on recognising and measuring these assets, highlighting traits such as restricted use, irreplaceability, and long or indefinite useful lives, and enhances consistency in PPE measurement and disclosure across the public sector. The application of this new standard is not expected to have a material impact on the Annual Accounts of the JU.

**IPSAS 44 - Non-current Assets Held for Sale and Discontinued Operations:** IPSAS 44 sets out the accounting, presentation, and disclosure requirements for non-current assets held for sale and discontinued operations, drawing largely from IFRS 5. It requires assets classified as held for sale to be measured at the lower of their carrying amount and fair value less costs to sell, with depreciation ceasing once classified, and mandates that such assets, as well as the results of discontinued operations, be presented separately in the financial statements. The application of this new standard will not have any impact on the JU given that it does not have any asset or operation that falls under IPSAS 44.

**Revised and New IPSAS Standards which have been issued, and are effective for the annual periods beginning on or after 1 January 2026.**

**IPSAS 47 - Revenue:** IPSAS 47 provides a single, comprehensive source of revenue accounting guidance for the public sector by replacing IPSAS 9, IPSAS 11 and IPSAS 23, and introducing two distinct accounting models based on whether a revenue transaction arises from a binding arrangement or from a non-binding arrangement. It requires entities to first identify the nature of the revenue transaction and then determine whether enforceable rights and obligations exist; revenue from binding arrangements is recognised and measured using principles tailored to enforceable performance requirements, while revenue from non-binding arrangements, including taxes and transfers, is accounted for using separate recognition and measurement requirements that reflect the absence of enforceable obligations. IPSAS 47 clarifies and refines public-sector revenue concepts, provides focused guidance to support consistent application across diverse revenue streams, and consolidates all revenue accounting principles into one standard. IPSAS 47 is effective for periods beginning on or after 1 January 2026, with early application permitted.

**IPSAS 48 - Transfer Expenses:** IPSAS 48 sets out the accounting requirements for transfer expenses - transactions where an entity provides goods, services, or other assets without receiving resources in return - using two accounting models based on whether a binding arrangement exists. Transfer expenses arising from binding arrangements are recognised when transfer rights are derecognised or transfer obligations are recognised, while those without binding arrangements are recognised when a provision is recorded or, if none exists, when control of the resources is lost. The standard fills a major gap in IPSAS by providing clear recognition, measurement, presentation, and disclosure requirements from the perspective of the transfer provider. IPSAS 48 is effective for periods beginning on or after 1 January 2026, with early application permitted.

**Amendments to IPSAS 12 - Inventory, IPSAS 21 - Impairment Non-Cash Generating Assets and IPSAS 3 - Accounting Policies, Changes in Accounting Estimates and Errors:** The amendments include the introduction of current operational value in IPSAS 12, and IPSAS 21, the addition of a definition of accounting estimates to IPSAS 3, and the enhancement of the terminology in current value measurement disclosures. These amendments will be effective for periods beginning on or after 1 January 2028, with early application permitted.

The Accounting Officer of the European Commission (following consultation with the accounting officers of other EU bodies) is assessing the impact of the above standards on the Annual Accounts and considering a possible revision of relevant EAR accordingly. For the new standards and amendments where early application has been permitted, no early application has been adopted.

## 1.3. BALANCE SHEET

### 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 or arises from binding arrangements. 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. Intangible assets are amortised on a straight-line basis over their estimated useful lives (3 to 11 years).

### 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 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.

### 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.

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.

### 1.3.3. Impairment of non-financial assets

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.

#### 1.3.4. 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 12 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.

##### **Derecognition**

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

#### 1.3.5. 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 several 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. Pre-financing is classified as a current asset unless it is considered unlikely to be cleared within the next twelve months from the reporting period, in which case it is classified as long-term pre-financing.

#### 1.3.6. Receivables and 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.

### 1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial assets at amortised cost 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.

### 1.3.8. 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 (see note **1.3.5**), or non-validated in-kind contributions to operational activities (see note **1.6.2**).

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.

### 1.3.9. 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 done 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.

### 1.3.10. Provisions

Provisions are recognised when the entity 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).

When an obligation arises by uncertain future events that are not wholly within the control of the entity a contingent liability is disclosed (refer to note **1.5.2**).

### 1.3.11. Net assets

Net assets are the residual of assets and liabilities and comprise of accumulated contributions received from the members of the JU (EU and industry) less the accumulated contributions used. The contributions include financial contributions received by the JU and contributions provided by the members to the funded projects in-kind. The net assets also contain reserves, if applicable. Refer to note **1.6** for details.

## 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 private members.

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.

(ii) *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. CONTRIBUTIONS FROM MEMBERS

The contributions from the Members of the Joint Undertakings (JU) form the funding of the JU and are treated as contributions from owners. An owner in this context does not mean an owner in the sense of owning shares of the JU (no shares are issued) but rather in the sense of political interest and governance of the JU by exercising the voting rights linked to these contributions.

### 1.6.1. Financial contributions

Financial contributions are contributions of Members made in cash in order to provide funding of the operational or administrative needs of the JU.

#### **Horizon 2020 Programme:**

Financial contributions are contributions of Members made in cash in order to provide funding of the operational or administrative needs of the JU. These financial contributions are recognised in net assets in the period in which the enforceable right to receive the payment was established.

#### **Horizon Europe Programme:**

- *EU Contributions:* In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the JU receives from the European Union a pre-financing payment for the implementation of the Horizon Europe Framework Programme.
- According to the Specific Guidance<sup>16</sup> for the accounting of the EU cash contributions received by the Joint Undertakings under FFPA related to MFF 2021-2027, the contribution payments done by the EU for the Horizon Europe Programme are accounted as 'Contributions in cash to be validated'. During the Final accounting closure, the JU should, on the basis of the payment's implementation report, determine the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe Programme. In the accounting of the JU the underlying amount should be, for the purpose of the preparation of the final financial statements, transferred from the provisional payments to the net assets of the JU (cut-off procedure). It will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – AAR (Art. 19.2 FFPA)
- *Private (Industry Members) contributions:* financial contributions are contributions made in cash in order to provide funding of the administrative needs of the JU. These financial contributions are recognised in net assets in the period in which the enforceable right to receive the payment was established.

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<sup>16</sup> Ares(2022)6810956 – 03/10/2022 : Specific Guidance: Accounting for EU cash contributions received by Joint Undertakings under the Financial Framework Partnership Agreement related to MFF 2021-2027

## 1.6.2. In-kind contributions

Members other than the EU (i.e. 'Private Members') can also contribute resources other than cash, e.g. laboratory equipment, specialised staff, etc. These in-kind contributions consist of the costs incurred by Private Members in implementing indirect actions.

The Regulation distinguishes between two types of in-kind contributions: (1) In-kind contributions to operational activities (IKOP) and (2) in-kind contributions to additional activities (IKAA).

The IKOP represents in-kind contributions made to the JU linked to its work plan and co-financed by the EU. The IKOP is recognised in net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation are met.

As IKOP calculated from periodic cost claims of projects is not automatically recorded in the statement of financial performance, at year-end, this incurred IKOP as well as IKOP not yet reported (via received costs claims) is estimated and recorded as payables and other liabilities (see note **2.7**. 'Contributions of Members to be validated').

The EU makes available the cash contributions in advance (until the payments reach 90%), providing the beneficiaries with sufficient level of funds to implement the program activities; while the in-kind contributions provided by the private members can be verified and recognised only after the activities are concluded, reported and certified.

The EU cash contributions are validated and recognised in the accounts of the JU when paid to the JU (or based on the payments processed by the JU, in case of HE, see note **2.9**) at the moment of the payments to the project, providing the consortia with cash up front to finance the project implementation, while members' in-kind contributions are only recognised after validation of the costs incurred and declared. Consequently, due to this time gap, during the program implementation the amounts of contributions recognised per member category (EU and private members) differ significantly from each other. This gap between the recognised amount of EU cash contributions on one hand and in-kind contributions on the other hand will be closed as the program is approaching the finalisation stage.

Due to major simplifications introduced in H2020 programme (which continue to be applied for Horizon Europe too), the certification for IKOP is based on the CFS<sup>17</sup> certificate (or in some cases based on ex-post audit results) for the total eligible project costs. The certificates for IKOP are only due to be submitted to the JU after the end of the last project reporting period. This time difference is a cause of a major delay between the time when the IKOP balances are committed (upon signature of the grant) until they could be validated and recognised in net assets of the JU.

The validation and recognition of the IKOP for H2020 is still ongoing, while the recognition and certification of the Horizon Europe IKOP balances would only start in 2026, when some of the projects from the first call reach completion. The committed amounts and estimates for the entire IKOP balances for both programmes are presented in the annual activity report of the JU in details.

The IKAA relates to contributions linked to implementing additional activities, included in the annual additional activities plan annexed to the main part of the work programme, that does not receive financial support from the joint undertaking but contributes to its objectives.

Because the outflow of resources related to those activities is outside of the control of the JU, these contributions are not recognised in the financial statements of the JU. However, to provide a complete picture of the operational activities related to the JU they are still disclosed as additional information in the notes (see note **4.5**).

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<sup>17</sup> CFS: Certificate on Financial Statements

## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. INTANGIBLE ASSETS

	TOTAL
Gross carrying amount at 31.12.2024	118.393,46
Additions	-
<b>Gross carrying amount at 31.12.2025</b>	<b>118.393,46</b>
Accumulated depreciation at 31.12.2024 - ()	(118.252,87)
Depreciation charge for the year - ()	(140,59)
<b>Accumulated depreciation at 31.12.2025 - ()</b>	<b>(118.393,46)</b>
<b>NET CARRYING AMOUNT AT 31.12.2025</b>	<b>0,00</b>
<b>NET CARRYING AMOUNT AT 31.12.2024</b>	<b>140,59</b>

The entity's intangible assets category comprises computer software licenses which are used for administrative purposes and are expected to be used during more than one reporting period, amortised at a rate of 25%.

No new additions were made in intangible assets in 2025.

## 2.2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets that are held for administrative purposes and are expected to be used during more than one reporting period.

	Plant and equipment	Furniture and vehicles	Computer hardware	Other	TOTAL
Gross carrying amount at 31.12.2024	153.626,92	65.113,29	237.409,33	48.436,67	504.586,21
Additions	-	-	14.357,64	-	14.357,64
Disposals	-	-	-	-	-
<b>Gross carrying amount at 31.12.2025</b>	<b>153.626,92</b>	<b>65.113,29</b>	<b>251.766,97</b>	<b>48.436,67</b>	<b>518.943,85</b>
Accumulated depreciation at 31.12.2024 - ()	(148.986,01)	(55.594,86)	(218.305,59)	(36.327,52)	(459.213,98)
Depreciation charge for the year - ()	(4.640,91)	(3.604,40)	(12.645,05)	(4.843,67)	(25.734,03)
Disposals	-	-	-	-	-
<b>Accumulated depreciation at 31.12.2025 - ()</b>	<b>(153.626,92)</b>	<b>(59.199,26)</b>	<b>(230.950,64)</b>	<b>(41.171,19)</b>	<b>(484.948,01)</b>
<b>NET CARRYING AMOUNT AT 31.12.2025</b>	<b>-</b>	<b>5.914,03</b>	<b>20.816,33</b>	<b>7.265,48</b>	<b>33.995,84</b>
NET CARRYING AMOUNT AT 31.12.2024	4.640,91	9.518,43	19.103,74	12.109,15	45.372,23

The additions of equipment (new laptops, audiovisual equipment) made in 2025 are at the standard level of the Joint Undertaking's policy for equipment replacement.

## 2.3. PRE-FINANCING

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.

	31.12.2025	31.12.2024
Long term pre-financing	246.095.233,30	255.640.154,87
Short term pre-financing	130.586.502,37	83.439.504,60
<b>Total</b>	<b>376.681.735,67</b>	<b>339.079.659,47</b>

Short-term and long-term pre-financing covers programs Horizon 2020, Horizon Europe and RePowerEU.

Long-term prefinancing distribution per program is:

- EUR 6.357.324,06 for Horizon 2020
- EUR 198.186.675,53 for Horizon Europe
- EUR 41.551.233,71 for RePowerEU.

For all pre-financing amounts open on 31 December 2025 a case-by-case assessment has been performed and all the pre-financing that was considered unlikely to be cleared in the course of 2026 was classified as non-current pre-financing.

The overall high amount of the open pre-financing can be explained by the fact that according to the Horizon 2020 and Horizon Europe rules, the incurred costs (both actual and estimated) are only cleared against pre-financing when the amounts paid to the beneficiary reach 90% of the grant agreement amount. In addition, only the amount exceeding this threshold is cleared.

The outstanding pre-financing presented under this heading is net of estimated (cut-off) expenses for ongoing projects without validated costs on 31 December 2025. The clearing of pre-financing with year-end (cut-off) adjustments amounted to EUR 322.439 thousand (2024: EUR 306.183 thousand). The remaining portion of the cut off expenses is recorded in accrued charges (see note **2.8**).

The rise in short-term prefinancing reflects the operational progress of the Horizon Europe Programme. A substantial number of projects are either reaching their midlife or concluding in 2026, leading to a shift in open prefinancing from long-term to short-term.

The estimation of the clearing is made using information from cost claims received until 30 April 2026 for periods before 31 December 2025 and a pro-rata temporis cost calculation for periods until 31 December 2025 which are not covered by a cost claim. The pre-financing is cleared as per the grant agreements conditions, i.e. once the value of the disbursed payments has reached 90% of the grant agreement value.

## 2.4. EXCHANGE RECEIVABLES & 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.

	31.12.2025	31.12.2024
<b>Recoverables from non-exchange transactions</b>		
Central treasury liaison accounts	40.137.630,89	112.936.381,20
	<b>40.137.630,89</b>	<b>112.936.381,20</b>
<b>Receivables from exchange transactions</b>		
Customers	1.272,61	15.760,42
Accrued income and deferred charges	22.459,49	29.301,22
Other	1.237,51	-
	<b>24.969,61</b>	<b>45.061,64</b>
<b>Total</b>	<b>40.162.600,50</b>	<b>112.981.442,84</b>

The highest amount under this heading relates to Central treasury liaison (intercompany) accounts with the Commission which represent the virtual bank accounts. As for most of the Joint undertaking, the treasury remains in the Commission's treasury system. Because of the Joint Undertaking does not have any bank account, all payments and receipts are processed via the Commission's treasury and registered on these intercompany accounts. The ending balance of this heading is thus the result of the incoming and outgoing payments and represents the funds available for the joint undertaking.

The customer balance is related to an administrative recovery.

## 2.5. CASH AND CASH EQUIVALENTS

Payments and receipts are processed via the Commission's treasury system and registered on liaison accounts, which are presented under heading 'recoverables from non-exchange transactions' (see note 2.4). As the treasurer remains the Commission, the Joint Undertaking does not hold any cash or cash equivalent.

## LIABILITIES

### 2.6. PROVISIONS

Provisions are recognised when the entity 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).

At 31 December 2025 the joint undertaking did not have any liabilities raising provisions (2024: nil).

## 2.7. PAYABLES AND OTHER LIABILITIES

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).

	31.12.2025	31.12.2024
Contribution in kind from Members to be validated	38.935.715,74	51.985.336,73
Cash contribution from EC to be validated	13.372.532,87	77.021.066,70
<b>Total Contributions to be validated</b>	<b>52.308.248,61</b>	<b>129.006.403,43</b>
Payables to Participant Guarantee Fund		
Vendors & payables to public bodies	19.423.282,52	15.499.391,65
Payables to EU entities		
Sundry payables	-	6.682,98
<b>Total payables to entities</b>	<b>19.423.282,52</b>	<b>15.506.074,63</b>
<b>Total</b>	<b>71.731.531,13</b>	<b>144.512.478,06</b>

Included under the heading 'Contribution in-kind from Members to be validated' are the in-kind contributions from Members relating to on-going or ended projects, with validated interim cost claims (without certificate, since the CFS is received together with the final period) or without a validated cost statement at 31 December 2025. According to the rules applicable to validation of in-kind contributions in Horizon 2020 and Horizon Europe, the in-kind contributions can be only entered in net assets when the underlying costs have been certified by an audit and the amount has been accepted (validated) by the JU director. Until then, the estimated in-kind contributions are presented under other liabilities.

The contributions are estimated on a case-by-case basis using the best available information on the projects at 31 December 2025: the in-kind contributions estimated based on cost claims received but not validated amounted to EUR 25.599 thousand (EUR 44.378 thousand in 2024). The in-kind contributions based on estimates provided by the coordinators (or based on pro rata if no other information is available) amounted to EUR 12.845 thousand (EUR 7.608 thousand in 2024). The in-kind contributions related to lump sum projects are estimated based on the completion of each work package and amounted to EUR 492,41 thousand (EUR 0 in 2024). The estimated EU contributions related to those projects are included under accrued charges (see note **2.8**).

After validation of the contributions through the Executive Director, the amounts will be booked to Net Assets and presented as Contribution received from members (note **2.9**).

The 'contributions in cash to be validated' are the received but unspent EC financial contributions to the Horizon Europe Programme (note **1.6.1**). The decrease in the closing balance is mainly due to reactivation of payment appropriations in 2025 that were used to cover the needs for payments during the year.

## 2.8. ACCRUED CHARGES

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.

	31.12.2025	31.12.2024
Accrued charges	71.799.020,66	53.509.075,33

The estimated operational expenses are calculated for on-going or ended projects without a validated cost statement, where 2025 expense was estimated on a case-by-case basis, using the best available information about the projects at 31 December 2025. The estimations were carried out or asking directly the beneficiaries about their best estimation of expenses incurred at the reporting date, or by using pro-rata temporis method. The portion of the estimated accrued charges which relates to pre-financing paid has been recorded as a reduction of the pre-financing amounts (see note **2.3**). The increase in accrued charges reflects the actual progress of project implementation, with more projects ongoing in 2025 than in 2024.

## NET ASSETS

### 2.9. CONTRIBUTIONS FROM MEMBERS

The JU is funded by contributions from its members. Given their funding nature these contributions, which comprise both cash contributions and contributions in-kind, are recognised in the JU's net assets as 'Contributions from owners' once validated. The term 'owner' does not imply ownership of any shares of the JU (in fact no shares are issued) but reflects the specific governance of the JU where voting rights are allocated in accordance with the contributions made.

Programming period	2025			2024		
	Cash	in-Kind	Total	Cash	in-Kind	Total
FP7	428.258.887,88	476.939.549,19	905.198.437,07	428.258.887,88	476.939.549,19	905.198.437,07
Horizon 2020	680.812.987,96	144.233.618,28	825.046.606,24	673.384.624,96	79.704.556,76	753.089.181,72
Horizon Europe	498.821.880,45	-	498.821.880,45	365.273.633,41	-	365.273.633,41
RePowerEU	54.431.556,60	-	54.431.556,60	23.030.762,81	-	23.030.762,81
<b>Total</b>	<b>1.662.325.312,89</b>	<b>621.173.167,47</b>	<b>2.283.498.480,36</b>	<b>1.489.947.909,06</b>	<b>556.644.105,95</b>	<b>2.046.592.015,01</b>

- Under the 7<sup>th</sup> framework program (**FP7**), the joint undertaking implemented specific program cooperation themes for Energy, Nano sciences, nanotechnologies, materials and new production technologies, environment (including Climate change) and transport (including aeronautics) under the supervision of Directorate General Research, Technological development and Demonstration (DG RTD). The program was closed in 2023.
- Under the framework **Horizon 2020**, the joint undertaking participates to the implementation regulations linked to the secure, clean and efficient energy challenge and the smart, green and integrated transport challenge. The joint undertaking is also contributing to the objectives related to the fuel cells and Hydrogen, through the development of a strong, sustainable, and globally competitive fuel cells and hydrogen sector in the Union.
- Under the framework **Horizon Europe**, the joint undertaking contributes to EU Green Deal and Hydrogen Strategy through optimized funding of R&I activities. Its aim is to strengthen and integrate EU scientific capacity, in order to accelerate the development and improvement of advanced clean hydrogen applications.
- The joint undertaking contributes to the **RePowerEU** program which aims to rapidly reduce Europe dependence on Russian fossil fuels by fast forwarding the clean transition and joining forces to achieve a more resilient energy system and a true Energy Union.

2.9.1. Research and Innovation funding programme for 2007-2013 (FP7)

Member	Commission			Industry Grouping		Research Grouping			Total	
	Cash	In Kind	Total	Cash	In kind	Cash	In kind	Total	Cash	In Kind
<i>Running costs contributions at 31.12.2024</i>	9.253.384,54	1.808.299,27	11.061.683,81	15.328.792,74	-	2.554.800,29	-	17.883.593,03	27.136.977,57	1.808.299,27
<i>Current year contributions</i>	-	-	-	-	-	-	-	-	-	-
<b>Running costs contributions at 31.12.2025</b>	<b>9.253.384,54</b>	<b>1.808.299,27</b>	<b>11.061.683,81</b>	<b>15.328.792,74</b>	<b>-</b>	<b>2.554.800,29</b>	<b>-</b>	<b>17.883.593,03</b>	<b>401.121.910,31</b>	<b>475.131.249,92</b>
<i>Operating costs contributions at 31.12.2024</i>	401.121.910,31	17.298.820,00	418.420.730,31	-	303.589.173,87	-	154.243.256,05	457.832.429,92	401.121.910,31	475.131.249,92
<i>Current year contributions</i>	-	-	-	-	-	-	-	-	-	-
<b>Operating costs contributions at 31.12.2025</b>	<b>401.121.910,31</b>	<b>17.298.820,00</b>	<b>418.420.730,31</b>	<b>-</b>	<b>303.589.173,87</b>	<b>-</b>	<b>154.243.256,05</b>	<b>457.832.429,92</b>	<b>401.121.910,31</b>	<b>475.131.249,92</b>
<i>TOTAL contributions at 31.12.2024</i>	410.375.294,58	19.107.119,27	429.482.414,12	15.328.792,74	303.589.173,87	2.554.800,29	154.243.256,05	475.716.022,95	428.258.887,88	476.939.549,19
<b>TOTAL contributions at 31.12.2025</b>	<b>410.375.294,85</b>	<b>19.107.119,27</b>	<b>429.482.414,12</b>	<b>15.328.792,74</b>	<b>303.589.173,87</b>	<b>2.554.800,29</b>	<b>154.243.256,05</b>	<b>475.716.022,95</b>	<b>428.258.887,88</b>	<b>476.939.549,19</b>

Under the FP7 programme all services in-kind (except the in-kind services provided by JRC) validated by the Executive Director of the JU are considered as in-kind contribution. Last activities under FP7 program have been closed in 2023.

## 2.9.2. Research and Innovation funding programme for 2014-2020 (Horizon 2020)

In line with the Horizon 2020 rules, only contributions from the members certified by an external auditor and validated by the Executive Director of the JU are considered in-kind contributions to the net assets. Estimated in-kind contributions, i.e. contributions for which no certifications have been received and/or this certification has not been validated by the Executive Director, are reported under other liabilities (see note **2.7**).

With regard to the Horizon 2020 programme, Council Regulation (EC) No 559/2014 distinguishes between Members (European Commission, Industry Grouping and Research Grouping) and non-members of the JU.

Member	Commission		Industry Grouping			Research Grouping			Total	
	Cash	In Kind	Total	Cash	In kind	Cash	In kind	Total	Cash	In Kind
<i>Running costs contributions at 31.12.2024</i>	18.998.848,00	-	18.998.848,00	16.339.007,90		2.659.839,51	-	18.998.847,41	37.997.695,41	-
<i>Current year contributions</i>		-			-		-			-
<b>Running costs contributions at 31.12.2025</b>	<b>18.998.848,00</b>	<b>-</b>	<b>18.998.848,00</b>	<b>16.339.007,90</b>	<b>-</b>	<b>2.659.839,51</b>	<b>-</b>	<b>18.998.847,41</b>	<b>37.997.695,41</b>	<b>-</b>
<i>Operating costs contributions at 31.12.2024</i>	635.386.929,55	-	635.386.929,55	-	76.056.794,00	-	3.647.762,76	79.704.556,76	635.386.929,55	79.704.556,76
<i>Current year contributions</i>	7.428.363,00	-	7.428.363,00	-	63.147.778,25	-	1.381.283,27	64.529.061,52	7.428.363,00	64.529.061,52
<b>Operating costs contributions at 31.12.2025</b>	<b>642.815.292,55</b>	<b>-</b>	<b>642.815.292,55</b>	<b>-</b>	<b>139.204.572,25</b>	<b>-</b>	<b>5.029.046,03</b>	<b>144.233.618,28</b>	<b>642.815.292,55</b>	<b>144.233.618,28</b>
<i>Total contributions at 31.12.2024</i>	654.385.777,55	-	654.385.777,55	16.339.007,90	76.056.794,00	2.659.839,51	3.647.762,76	98.703.404,17	673.384.624,96	79.704.556,76
<b>Total contributions at 31.12.2025</b>	<b>661.814.140,55</b>	<b>-</b>	<b>661.814.140,55</b>	<b>16.339.007,90</b>	<b>139.204.572,25</b>	<b>2.659.839,51</b>	<b>5.029.046,03</b>	<b>163.232.465,69</b>	<b>680.812.987,96</b>	<b>144.233.618,76</b>

The difference that can be observed between the total contribution of the Union in one side, the total contribution from the Industry Grouping and Research Grouping is due to the different pattern of recognition in the Net Assets of the cash and in-kind contributions. While the cash is recognized as a contribution in the same year when amount receivable is established, the in-kind contributions are for the most part recognized in the net assets one year later after being provided due to the reporting and certification requirements. The in-kind contribution targets include the in-kind contributions from additional activities, for the status of the implementation see note **4.6**).

2.9.3. Research and Innovation funding programme for 2021-2027 (Horizon Europe / RePowerEU)

Horizon Europe

Member	Commission			Industry Grouping		Research Grouping			Total	
	Cash	In-kind	TOTAL	Cash	In-kind	Cash	In-kind	Total	Cash	In-kind
Running costs contributions at 31.12.2024	2.171.669,22	-	2.171.669,22	2.481.323,14	-	403.936,32	-	2.885.259,46	5.056.928,68	-
Current year contributions	3.202.725,80	-	3.202.725,80	3.307.073,00	-	538.361,00	-	3.845.434,00	7.048.159,80	-
<b>Running costs contributions at 31.12.2025</b>	<b>5.374.395,02</b>	<b>-</b>	<b>5.374.395,02</b>	<b>5.788.396,14</b>	<b>-</b>	<b>942.297,32</b>	<b>-</b>	<b>6.730.693,46</b>	<b>12.105.088,48</b>	<b>-</b>
Operating costs contributions at 31.12.2024	360.216.704,73	-	360.216.704,73	-	-	-	-	-	360.216.704,73	-
Current year contributions	126.500.087,24	-	126.500.087,24	-	-	-	-	-	126.500.087,24	-
<b>Operating costs contributions at 31.12.2025</b>	<b>486.716.791,97</b>	<b>-</b>	<b>486.716.791,97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>486.716.791,97</b>	<b>-</b>
TOTAL contributions at 31.12.2024	362.388.373,95	-	362.388.373,95	2.481.323,14	-	403.936,32	-	2.885.259,46	365.273.633,41	-
<b>TOTAL contributions at 31.12.2025</b>	<b>492.091.186,99</b>	<b>-</b>	<b>492.091.186,99</b>	<b>5.788.396,14</b>	<b>-</b>	<b>942.297,32</b>	<b>-</b>	<b>6.730.693,46</b>	<b>498.821.880,45</b>	<b>-</b>

## RePowerEU

Member	Commission			Industry Grouping		Research Grouping			Total	
	Cash	In-kind	TOTAL	Cash	In-kind	Cash	In-kind	Total	Cash	In-kind
<b>Running costs contributions at 31.12.2024</b>	-		-	-	-	-	-	-	-	-
Operating costs contributions at 31.12.2024	23.030.762,81		23.030.762,81	-	-	-	-	-	23.030.762,81	-
Current year contributions	31.400.793,79		31.400.793,79	-	-	-	-	-	31.400.793,79	-
<b>Operating costs contributions at 31.12.2025</b>	<b>54.431.556,60</b>		<b>54.431.556,60</b>	-	-	-	-	-	<b>54.431.556,60</b>	-
TOTAL contributions at 31.12.2024	23.030.762,81	-	23.030.762,81	-	-	-	-	-	23.030.762,81	-
<b>TOTAL contributions at 31.12.2025</b>	<b>54.431.556,60</b>		<b>54.431.556,60</b>	-	-	-	-	-	<b>54.431.556,60</b>	-

According to the specific guidance issued by the EC Accounting Officer<sup>18</sup> for the accounting of the EU cash contributions received under Horizon Europe program (and under RePowerEU, following the same rules), the accounting treatment of the EU contribution should align with Art. 19.1 of the Financial Framework Partnership Agreement (FFPA), defining that the Union contributions take form of provisional payments (“pre-financings”). Based on this new requirement, the JU determines, on the basis of the payment implementation report the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe Program and enters only this amount into the net assets. The unspent funds are booked among the liabilities as “Contributions in cash to be validated” (see note **2.7**).

The difference that can be observed between the total contribution of the Union and the total contribution from the Industry Grouping is due to the form of contributions: cash for the EU while mostly in-kind for the Industry; and the associated conditions for the recognition of the contributions in the net assets. As the condition for the cash (to be implemented by payments) is fulfilled first, mostly due to the provision of pre-financing for the grant agreements, it is usual to see a higher contribution from the EU in the net assets section in the first years of the programme implementation when the grant agreements are signed and the prefinancing is paid to the beneficiaries. The gap will be gradually reduced as the projects are implemented, and the related in-kind contributions can be reported and validated. The in-kind contribution targets include the in-kind contributions from additional activities, for the status of the implementation see note **4.6**).

<sup>18</sup> Ares(2022)6810956 – 03/10/2022 : Specific Guidance: Accounting for EU cash contributions received by Joint Undertakings under the Financial Framework Partnership Agreement related to MFF 2021-2027

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

#### REVENUE

#### 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.

#### 3.1. RECOVERY OF EXPENSES

The revenue resulting from recovery of expenses refers to operational expenses recovered from beneficiaries during the year and adjustments coming from audits that will be collected in the following year.

	2025	2024
Recovery of expenses	6.814.395,74	1.252.249,70

There was an increase in recovery of expenses as in 2025, due to the finalization of three big demo projects in 2025 which involved substantial negative adjustments in each of them.

#### 3.2. OTHER NON-EXCHANGE REVENUE

The Joint Undertaking did not have any other non-exchange revenue in 2024 and 2025.

#### EXCHANGE REVENUE

#### 3.3. REVENUE FROM EXCHANGE TRANSACTIONS

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

	2025	2024
Other Income - Fixed Assets	-	2.367,44
Recovery of administrative expenses	-	327,00
Miscellaneous income exchange	18,27	0,02
Interest income on late payment	-	5,76
Financial revenue	-	-
Write back of previously written-off amount.	42.600,00	-
other	-	-
<b>Total</b>	<b>42.618,27</b>	<b>2.700,22</b>

This heading includes small recoveries from other institutions for the provided administrative services with, in 2025 a write back of a previous written off amount from 2024.

## EXPENSES

### 3.4 OPERATIONAL COSTS

Included under this heading are operational expenses related to projects that were carried out in the current year. The part of the operational costs related to on-going projects without any validated cost claims (or equivalent) available on 31 December was estimated using the best information available at the time of preparation of the annual accounts. The estimation is based on the case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates are based on costs incurred to date as a proportion of the estimated total costs of the projects ("pro-rata temporis").

The break-down of the operational costs between operational costs incurred on the basis of validated cost claims (or equivalent) and estimated operational costs is given in the table below:

	2025	2024
<i>Operational costs: in-kind contributions - H2020</i>	(20.257.635,86)	11.715.895,14
<i>Operational costs: in-kind contributions - HE</i>	70.912.110,31	1.430.310,98
<i>Operational costs: in-kind contributions - HER</i>	884.394,93	36.013,05
<b>Total operational costs from in-kind contributions</b>	<b>51.538.869,38</b>	<b>13.182.219,17</b>
<i>Operational costs: EU contributions - H2020</i>	13.571.688,78	23.512.074,94
<i>Operational costs: EU contributions - HE</i>	137.277.235,13	76.244.217,65
<i>Operational costs: EU contributions - HER</i>	13.762.678,52	4.590.158,53
<b>Total operational costs from EU contributions</b>	<b>164.611.602,43</b>	<b>104.346.451,12</b>
<b>Total</b>	<b>216.150.471,81</b>	<b>117.528.670,29</b>

The overall rise in operational costs is driven by the increased number of HE projects being executed in 2025 compared to 2024, which offsets the phase-out of H2020 projects. The variation in operational costs is explained by the diverse composition of projects by the end of the year, which is affected by factors such as the types of calls launched, the number of projects concluded, and the level of execution of each project.

### 3.5 STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment -related benefits. Based on the service level agreement between the JU and the Commission, the calculations of staff -related costs is 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 JU 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 JU staff, the JU 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 JU accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the JU, as the obligation falls to the Commission.

As per Article 83a (2) of the Staff Regulations, the part paid by the JU shall correspond to the percentage share between a) the JU's revenues without the subsidy from the general budget, and b) its total revenues. To avoid disruptive variations over time, the JUs employer's pension contribution is calculated with a single percentage share for the whole duration of the JU. This single percentage was established on the basis of the EU and non-EU members' respective contributions, as foreseen in the JU's legal basis, with a correction and regularisation at the last year of existence of the JU. The contribution of Clean Hydrogen Joint Undertaking was set as 2.9% of the total pension scheme contributions. This contribution is accounted within staff costs.

In view of implementation problems and the principle of good administration, it was agreed between the Commission and the JUs that the provisions of Article 83a(2) are applied only to the JUs set up by the SBA and EuroHPC and not to those established under the previous Regulations. Given the late entry into force of the SBA at the end of November 2021, the applicability started as from 2022.

	2025	2024
Staff costs	3.938.164,12	3.445.998,33

The increase is a combined effect of the yearly increase due to promotions, advancements in step and indexation, together with new recruitments to complete the Staff Establishment plan.

### 3.6 FINANCE EXPENSES

	2025	2024
Interest expense on late payment of charges	672,44	-
Other financial expenses	-	42.600,00
<b>Total</b>	<b>672,44</b>	<b>42.600,00</b>

### 3.7 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.

	2025	2024
Property, plant and equipment related expenses	140,59	849,45
External non-IT services	1.626.781,52	1.288.195,95
Maintenance and security expenses	451,65	-
Office Supplies & maintenance	15.624,98	6.343,39
External IT services	625.746,10	382.013,41
Experts' expenses	984.103,08	599.763,17
Car & transport expenditures		
Training costs	36.351,26	47.856,13
Recruitment costs	6.121,00	84,00
Missions	84.351,77	66.576,70
Communications & publications	557.936,75	678.214,35
Rent expenses	407.184,70	408.863,12
Losses on realisation of trade debtors	40.906,81	-
Expenses with EU entities	-	-
Depreciation & amortization	25.734,03	49.899,27
Unrealised Exchange Rate Losses	-	582,57
Realised Exchange Rate Losses	18,27	-
<b>Total</b>	<b>4.411.452,51</b>	<b>3.529.241,51</b>

The decrease of Communications & publications expenses is mainly due to an overvaluation of the accrued charges of the year 2024. The accrued charges for 2024 were established at EUR 468 thousand. However, final payments in 2025 amounted only to EUR 398 thousand. In addition, the organization of the event "Research and Innovation days" was included within the frame of the European Hydrogen Week, which implied reduced costs in 2025 compared to 2024.

The increase of Other external non-IT services expenses is related to the payment in 2025 of the onboarding fee of the new accounting system SUMMA that will be used as from 2026.

The increase of experts' expenses is due to the higher number of proposals received in 2025 (40% more than in 2024), which required engaging a larger pool of evaluators.

The operating lease expenses are related to the Clean Hydrogen JU building "White Atrium" and to the leasing of a hydrogen powered car. Amounts committed to be paid during the remaining term of this lease contracts are as follows:

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	262.512,77	1.103.614,22	314.027,78	1.680.154,77
<i>Car</i>	14.343,24	43.029,76	-	57.373,00

The Joint Undertaking concluded a new lease agreement for the rental of the office space and parking places located in the White Atrium building for the years 2025-2031. The car leasing contract is for 4 years.

## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. CONTINGENT ASSETS

The joint undertaking does not have any contingent assets in 2025.

### 4.2. CONTINGENT LIABILITIES

The joint undertaking does not have any ongoing legal cases raising contingent liabilities.

### 4.3. 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.

	2025	2024
Outstanding commitment not yet expensed	336.650.992,25	343.718.390,53

The outstanding commitments not yet expensed represent the correction of the budgetary RAL with the estimated costs, which are determined by using an accrual-based principle not reflected in the budgetary result, where the cash-based principle is used. The increase between the years is driven by the increase of the outstanding commitments at the end of the year for multi-annual expenditure.

## 4.4. IN-KIND CONTRIBUTIONS

According to both Council Regulation (EU) No 559/2014 and Council Regulation (EU) No 2021/2085, the members other than the Union shall provide in-kind contributions to the Joint Undertaking.

According to Art.2.(8) of the SBA: "in-kind contributions to operational activities' means contributions by private members, constituent entities or the affiliated entities of either, by international organizations and by contributing partners, consisting of the eligible costs incurred by them in implementing indirect actions less the contribution of that joint undertaking and of the participating states of that joint undertaking to those costs".

Consequently, in-kind contributions to operational activities are accounted for solely on the basis of eligible costs and reported and audited in accordance with the mechanism applicable to the specific grant agreement.

Such accounting on the basis of eligible costs will allow for the automated calculation of in-kind contributions to operational activities via the Horizon Europe IT tools (under development).

## 4.5. IN-KIND CONTRIBUTIONS IN ADDITIONAL ACTIVITIES (IKAA)

### H2020 programme

Besides in-kind contributions in projects (IKOP), see notes 1.6.2 and 2.7, in accordance with Council Regulation (EU) 559/2014 of 6 May 2014 establishing the FCH2 JU, members other than the Union shall provide under H2020 program in-kind contributions of at least EUR 285 000 thousand over the period 2014-2024, consisting of the costs incurred by them in implementing additional activities outside the work plan of the FCH 2 Joint Undertaking, contributing to the objectives of the FCH Joint Technology Initiative.

The last Horizon 2020 reporting exercise for IKAA took place in 2021 with total certified IKAA for the entire H2020 program 2014-2019 amounting to EUR 1.039.050 thousand. Due to the high number of certified IKAA, there was no additional plan adopted as from year 2021.

The additional activities for H2020 program consist of investments in the following main fields:

- Transportation (FC cars, FC buses, FC range extenders, material handling vehicles, Auxiliary Power Units for aviation and trucks);
- Transport Infrastructure (hydrogen refueling infrastructure, including on-site green H2 production);
- Hydrogen production (large scale green hydrogen production via electrolysis, hydrogen purification, power-to-hydrogen and storage of renewables);
- Heat and power equipment (distributed power generation FC applications, self-sufficient household systems, back-up systems, manufacturing facilities);
- Regulations, standards and education (energy storage roadmaps, including dissemination activities and awareness, commercialization strategies, patents).

Further information on IKAA for H2020 is available in the annual activity reports of the FCH 2 JU and its successor, the Clean Hydrogen JU, published in the Clean Hydrogen JU website under: [https://www.clean-hydrogen.europa.eu/about-us/key-documents/annual-activity-reports\\_en](https://www.clean-hydrogen.europa.eu/about-us/key-documents/annual-activity-reports_en)

## Horizon Europe programme

According to COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe, the 2 private founding members of the Clean Hydrogen Joint Undertaking - Hydrogen Europe Industry and Hydrogen Europe Research - have submitted their 4-th Additional Activities Plan covering the period of 1 January 2025 to 31 December 2025 as an annex to the Annual Work Plan 2025. For the reporting of the annual additional activities plan annexed to the main part of the work programme, the scope of the additional activities was defined according to 'Objectives' categories in line with the Article 78 of the COUNCIL REGULATION (EU) 2021/2085. The private members report by 31 May each year to the governing board on the value of the in-kind contributions.

According to the Horizon Europe legal basis, a certificate on the in-kind contributions to additional activities (IKAA) must be provided by the private members for contributions to activities as per the objectives of the Clean Hydrogen Joint Undertaking.

For valuing these contributions, the costs shall be determined in accordance with the usual cost accounting practices of the entities concerned, to the applicable accounting standards of the country where the entity is established, and to the applicable International Accounting Standards and International Financial Reporting Standards. The costs shall be certified by an independent audit body appointed by the entity.

The purpose of the IKAA certificate is to provide the EU granting authority with sufficient information on the value of private contributions from the members of the Clean Hydrogen Joint Undertaking other than the Union who shall make or arrange for their constituent or affiliated entities to make a total contribution of at least EUR 1.000.000.000.

**The 2025 IKAA Plan** included Additional Activities for a total amount of EUR 238.96 million – however, as the **target for IKAA as per SBA was already reached and exceeded as reported in the final 2024 AAR, and as per subsequent decision of the GB ( Minutes of the GB of 26 June 2025) – no further IKAA reporting is to be launched.**

Quote from P. 4 of the approved Minutes of the GB meeting # 10:

*IKAA reporting is an obligation for the private members. This obligation has now been fulfilled, with contributions covering the years 2022, 2023, and 2024 gathered by the Office, for a total exceeding EUR 1.4 bn in contributions from private members. This figure is significantly higher than the initial target of EUR 970 million. Given this context and the two-level audit certification for IKAA validation, the Board of Hydrogen Europe has decided that, with the submission of this report and the confirmation of the EUR 1.4 bn contribution, private members have met their target. As a result, the Board of Hydrogen Europe will no longer request members to submit IKAA reports.*

**The total certified IKAA for year 2022** as of 31/12/2024 is EUR 256.941,20 thousand (including EUR 16.512,11 thousand of 2022 IKAA certified in 2024, added to the reported 2022 IKAA of EUR 240.429,09 thousand in the 2023 AAR.

**The total certified IKAA for year 2023** as of 31/12/2024 is EUR 482.956,04 thousand (incl. EUR 38.050,57 thousand IKAA certified after final AAR 2023 done and added to the reported 2023 IKAA of EUR 444.905,47 thousand in the 2023 AAR.

**The total certified IKAA for year 2024** as reported by the 31/12/2025 SBA deadline is EUR 698.069,79 thousand.

**Thus, the total certified IKAA for the period 2022-2024 adds up to total of EUR 1,437,967.03 thousand.**

Total IKAA 2021-2024 (Evolution 2022-2024 – Value in €)		
Planned IKAA	Reported IKAA with pending certification	Certified IKAA
2.340.295.000,00	717.225.292,31	1.437.967.026,62

No further IKAA 2025 data is expected to be collected & reported as per the GB decision above.

## 4.6. CONTRIBUTIONS PER PROGRAMME

	Members' contributions (as per Founding regulation)					Total (f)=(a)+(b)+(c)+(d)
	EU cash	Third country contribution (UK)	Private members' cash	Private members' IKOP	Private members' IKAA	
	(a)		(b)	(c)	(d)	
FP7	470.000.000,00	-	470.000.000,00		-	<b>940.000.000,00</b>
H2020	665.000.000,00	-	95.000.000,00		285.000.000,00	<b>1.045.000.000,00</b>
Horizon Europe	967.422.000,00	39.000.000,00	30.193.000,00	969.807.000,00		<b>2.006.422.000,00</b>
RePowerEU	200.000.000,00	-	-	-	-	<b>200.000.000,00</b>

The total EU contribution for Clean Hydrogen under HE has been decreased by EUR 24.000.000 following the MFF midterm revision in 2024.

In 2025 the budgetary authorities decided to boost the available supercomputing capacity in support of the objectives of the AI Continent Action Plan by enabling the establishment and deployment of AI Gigafactories across the EU. In order to reinforce this new strategy, the EU decided on additional cuts in its contribution to the Horizon Europe programs. For Clean Hydrogen the reduction resulted EUR 8.577.915,95 contribution decrease.

Members contributions as of 31.12.2025										
	EU cash validated	IKOP EU	EU cash not validated (PF)	Other members cash	Other members IKOP validated	Other members IKOP reported but not validated	IKAA certified	IKAA planned/ reported but not certified	Total	Achievement rate
FP7	410.375.294,85	19.107.119,27	-	17.883.593,03	457.832.430,33	-	-	-	<b>905.198.437,48</b>	<b>96%</b>
H2020	661.814.140,55	-	-	18.998.847,41	144.233.618,28	26.002.858,78	1.039.050.000,00	-	<b>1.890.099.465,02</b>	<b>181%</b>
Horizon Europe	492.091.186,99	-	-	6.730.693,46	-	12.581.368,65	1.437.967.026,62	717.225.292,74	<b>2.666.595.568,46</b>	<b>133%</b>
RePowerEU	54.431.556,60	-	13.372.532,87	-	-	351.488,31	-	-	<b>68.155.577,78</b>	<b>34%</b>

**H2020 program:** The Council regulation establishing the FCH 2 JU explicitly mentioned the minimum target leverage effect over the whole 2014–2020 period as 0,57. Expressed in terms of a leverage effect ( $1.126 / 634 = 1,77$ ), the certified in-kind contributions and received cash contributions far more exceeded that initial target (three times higher than anticipated).

**HE program:** The Council Regulation for Horizon Europe does not establish leverage effect targets. However, it does establish an overall objective for 1:1 matching of the Union financial contribution to the Clean Hydrogen Joint Undertaking of up to EUR 1 billion with a total contribution of up to EUR 1 billion of private contributions. The figures for 2024 exceeded already the initial target, with a ratio of 1:1,28.

## 4.7. RELATED PARTIES

The related parties of the organisation include its Executive Director and the Governing Board members holding voting rights.

As transactions between the JU and these parties take place as part of the normal operations of the JU and on terms and conditions that are normal for such transactions, no specific disclosures are required.

The key management entitlements are disclosed in note **4.8**

More information on the composition of the Governing Board can be found in the governance section of the organisation's website.

[https://www.clean-hydrogen.europa.eu/about-us/organisation\\_en](https://www.clean-hydrogen.europa.eu/about-us/organisation_en)

## 4.8. KEY MANAGEMENT ENTITLEMENTS

The Executive Director 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>Executive Director</i>	<i>AD14</i>	<i>AD14</i>

The Clean Hydrogen JU Governing Board appointed Valérie Bouillon-Delporte as Executive Director as from 01 June 2024.

## 4.9. OTHER EVENTS

### **RUSSIA-UKRAINE WAR**

#### **H2020 programme**

For the Clean Hydrogen Joint Undertaking, there is no direct impact on the existing grant agreements, as there is no funding being provided to Russian or Belarus entities, and there were no participations of these countries in the H2020 program.

There has been one participation of the Ukrainian research institution in our H2020 programme, with the entire funding already validated and paid prior to the start of the conflict.

#### **Horizon Europe programme**

For the Horizon Europe programme, in the calls launched, we are fully in line with the EC guidance towards participations from these affected regions.

The participation is limited: only two Ukrainian entities participating in on-going projects.

## 4.10. OTHER INFORMATION

### **United Kingdom and Canada joined Horizon Europe programme**

As of 1 January 2024, the United Kingdom became an associated country to Horizon Europe. Its researchers are able to participate in this research and innovation programme of the EU on the same terms as researchers from other associated countries and have access to Horizon Europe funding.

On 3 July 2024, Canada became Associated to Pillar II of Horizon Europe. Canadian entities can now join and lead research consortia and are fully eligible for EU funding from the programme, since Canada contributes to its budget from 2024 onwards.

#### 4.11. EVENTS AFTER REPORTING DATE

At the time of preparation of these financial statements, the management is not aware of any events that should be disclosed as non-adjusting events or taken into account in these financial statements as adjusting events.

#### 4.12. OBSERVATIONS ON MANAGEMENT AND CONTROL SYSTEMS

Not applicable.

### 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 (the entity has no significant interest rate risk and other price risk).

(1) **Currency risk** is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This risk arises from the change in the price of a foreign currency against the functional currency of an entity.

(2) **Interest rate** risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As an example, higher interest rates will lead to lower prices of fixed rate bonds (other things equal), and vice versa. The entity does not have any securities thus it is not exposed to the interest rate risk.

**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 RISKS

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

#### 5.3. CREDIT RISK

At the end of the year, the financial assets comprise exchange receivables that are not past due for more than 30 days. As no credit loss is expected during the lifetime of those receivables the entity is not exposed to any significant credit risk.

#### 5.4. LIQUIDITY RISK

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

CLEAN HYDROGEN JOINT UNDERTAKING

FINANCIAL YEAR 2025

# **THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES**

# 1. BUDGETARY PRINCIPLES AND STRUCTURE

## 1.1 BUDGETARY PRINCIPLES

The establishment and implementation of the budget of Clean Hydrogen is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of the joint undertaking:

### **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 the joint undertaking. 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 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 euro and the accounts shall be presented in euro.

### **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 at least by title and chapter.

### **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 economy**

The principle of economy requires that the resources used by the JU in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

### **Principle of efficiency**

The principle of efficiency concerns the best relationship between resources employed and results achieved.

### **Principle of effectiveness**

The principle of effectiveness concerns the attainment of the specific objectives set and the achievement of the intended results.

### **Principle of internal control**

The principle of internal control of budget implementation means that the JU budget shall be implemented in compliance with effective and efficient internal control in order to provide reasonable assurance of achieving effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; inadequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multi-annual character of the programmes as well as the nature of the payments concerned.

### **Principle of transparency**

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published on the internet site of the joint undertaking within four weeks of their adoption and shall be transmitted to the Commission and the Court of Auditor.

## **1.2 STRUCTURE AND PRESENTATION OF THE BUDGET**

Since 1 January 2015, no distinction between non-dissociated and dissociated appropriations is made. All appropriations follow the dissociated logic.

Following the provisions of the Financial rules of the joint undertaking, 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 personnel working with the joint undertaking. 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 and miscellaneous administrative expenditure.

### **Title 3**

Budget lines providing for the implementation of the activities and tasks assigned to the joint undertaking in accordance with its establishing Council Regulation.

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		EUR '000	
	<i>Title</i>	<i>2025</i>	<i>2024</i>
<b>Revenue</b>		<b>108.994</b>	<b>149.633</b>
<i>of which:</i>			
	2	108.994	149.633
<b>Expenditure</b>		<b>(181.784)</b>	<b>(126.994)</b>
<i>of which:</i>			
<i>Staff expenditure</i>	1	(4.155)	(3.758)
<i>Administrative expenditure</i>	2	(3.534)	(2.288)
<i>Operational expenditure</i>	3	(174.095)	(120.948)
<b>Exchange rate differences</b>		<b>0</b>	<b>(1)</b>
<b>Budget result</b>		<b>(72.790)</b>	<b>22.638</b>

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

	EUR	
	2025	2024
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(217.643.746,87)</b>	<b>(123.291.560,21)</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>		
<i>In-kind contributions validated in the year</i>	64.529.061,52	10.874.949,71
<i>Adjustments for accrual cut-off (net)</i>	35.667.015,85	22.830.935,95
<i>Unpaid invoices at year end but booked in expenses</i>	10.738.536,65	12.124.691,50
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	25.874,62	48.381,28
<i>Movement in provisions</i>	42.600,00	42.600,00
<i>Recovery orders issued in the year and not yet cashed</i>	-	-
<i>Correction of recovery orders issued last year</i>	-	-
<i>Pre-financing given in previous year and cleared in the year</i>	30.370.132,18	37.062.464,50
<i>Payments made from carry-over of payment appropriations</i>		
<i>Other individually immaterial</i>	0,00	-
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>		
<i>Members' cash contributions collected in the year</i>	108.728.870,00	147.124.055,00
<i>Asset acquisitions (less unpaid amounts)</i>	(14.357,64)	(3.674,10)
<i>Payments made from non-budget lines</i>	1.104,99	0
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(105.438.863,69)	(84.191.903,36)
<i>New pre-financing received in the year and remaining open as at 31 December</i>		
<i>Entitlements established in previous year and cashed in the year</i>	289.415,18	17.395,12
<i>Entitlements established on balance sheet accounts and cashed in the year</i>		
<i>Payment appropriations carried over to next year</i>		
<i>Cancellation of unused carried over payment appropriations from previous year</i>		
<i>Adjustment for carry-over of assigned revenue appropriations from previous year</i>		
<i>Other individually immaterial</i>		
<b>BUDGET RESULT OF THE YEAR</b>	<b>(72.789.557,21)</b>	<b>22.638.335,39</b>

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1 IMPLEMENTATION OF BUDGET REVENUE

											EUR '000
	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	On entitlements carried over/reactivated	Total	On entitlements of current year	On entitlements carried over/reactivated	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/5	10=5-8
2002	EC SUBSIDY FOR ADMIN	3 845	3 845	3 845	0	3 845	3 845	0	3 845	100 %	0
2003	HYDROG EUR CONTR	3 307	3 307	3 307	0	3 307	3 307	0	3 307	100 %	0
2004	HYDROG EUR RES CONTR	538	538	538	0	538	538	0	538	100 %	0
2005	EC SUBSIDY FOR OPER	7 428	7 428	7 428	0	7 428	7 428	0	7 428	100 %	0
2006	EC SUBSIDY OPER.EXP.	93 610	93 610	93 610	0	93 610	93 610	0	93 610	100 %	0
2007	JU REVENUES	p.m.	p.m.	223	43	265	223	43	265	100 %	0
Total Chapter 20		108 729	108 729	108 952	43	108 994	108 952	43	108 994	100 %	0
<b>Total Title 2</b>		<b>108 729</b>	<b>108 729</b>	<b>108 952</b>	<b>43</b>	<b>108 994</b>	<b>108 952</b>	<b>43</b>	<b>108 994</b>	<b>100 %</b>	<b>0</b>
<b>Subtotal cash transactions</b>		<b>108 729</b>	<b>108 729</b>	<b>108 952</b>	<b>43</b>	<b>108 994</b>	<b>108 952</b>	<b>43</b>	<b>108 994</b>	<b>100 %</b>	<b>0</b>
3020	REACTIVATION OF APPROP. OPE. 2022	37 090	38 661		38 661	38 661		38 661	38 661	100 %	0
3022	REACTIVATION OF APPROP. ADM. 2022	1 284	1 284		1 284	1 284		1 284	1 284	100 %	0
3023	REACTIVATION OF APPROP. OPE. 2023	28 061	30 923		30 923	30 923		30 923	30 923	100 %	0
3024	REACTIVATION OF APPROP. OPE. 2024	4 187	14 676		14 676	14 676		14 676	14 676	100 %	0
Total Chapter 30		70 621	85 544		85 544	85 544		85 544	85 544	100 %	0
<b>Total Title 3</b>		<b>70 621</b>	<b>85 544</b>		<b>85 544</b>	<b>85 544</b>		<b>85 544</b>	<b>85 544</b>	<b>100 %</b>	<b>0</b>
<b>GRAND TOTAL</b>											
		<b>179 350</b>	<b>194 273</b>	<b>108 952</b>	<b>85 586</b>	<b>194 538</b>	<b>108 952</b>	<b>85 586</b>	<b>194 538</b>	<b>100 %</b>	<b>0</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	Initial adopted budget	Budget appropriations			Additional appropriations			Total	Total apppr. available
		Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue			
		1	2	3	4=1+2+3	5	6		
1101	SALARIES AND ALLOWANCES	3 541	0	( 719)	2 823	1 284	0	1 284	4 107
1102	SALARIES AND ALLOWANCES	390	0	0	390	0	9	9	399
Total Chapter 11		3 931	0	( 719)	3 213	1 284	9	1 293	4 506
1200	EXPENDITURE RELATED	5	0	4	9	0	0	0	9
Total Chapter 12		5	0	4	9	0	0	0	9
1300	MISSIONS EXPENSES	70	0	16	86	0	0	0	86
Total Chapter 13		70	0	16	86	0	0	0	86
1401	SOCIOMEDICAL INFRAST.	15	0	0	15	0	0	0	15
1402	TRAINING	30	0	13	43	0	0	0	43
Total Chapter 14		45	0	13	58	0	0	0	58
1500	EXTERNAL SERVICES	253	0	0	253	0	0	0	253
Total Chapter 15		253	0	0	253	0	0	0	253
1600	RECEPTIONS EVENTS	4	0	0	4	0	0	0	4
Total Chapter 16		4	0	0	4	0	0	0	4
<b>Total Title 1</b>		<b>4 308</b>	<b>0</b>	<b>( 686)</b>	<b>3 622</b>	<b>1 284</b>	<b>9</b>	<b>1 293</b>	<b>4 915</b>

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

EUR '000									
	Item	Budget appropriations				Additional appropriations			Total appropri. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000	RENTAL OF BUILDING	494	0	0	494	350	2	352	846
	Total Chapter 20	494	0	0	494	350	2	352	846
2100	INFORMATION TECHNOLOGY	516	0	251	767	0	0	0	767
	Total Chapter 21	516	0	251	767	0	0	0	767
2200	MOVABLE PROPERTY AND ASSOCIATED COSTS	5	0	0	5	249	0	249	254
	Total Chapter 22	5	0	0	5	249	0	249	254
2300	CURRENT ADMINISTRATIVE EXPENDITURE	10	0	13	22	0	0	0	22
	Total Chapter 23	10	0	13	22	0	0	0	22
2400	POSTAGE TELECOMMUNICATIONS	7	0	6	13	0	0	0	13
	Total Chapter 24	7	0	6	13	0	0	0	13
2500	MEETING EXPENSES	54	0	0	54	0	0	0	54
	Total Chapter 25	54	0	0	54	0	0	0	54
2600	INFORMATION AND PUBLISHING	801	0	0	801	0	0	0	801
	Total Chapter 26	801	0	0	801	0	0	0	801
2700	RUNNING COSTS OPER. ACTIVITIES	1 497	0	( 164)	1 334	0	0	0	1 334
	Total Chapter 27	1 497	0	( 164)	1 334	0	0	0	1 334
2800	STRATEGIC STUDIES	0	0	580	580	0	0	0	580
	Total Chapter 28	0	0	580	580	0	0	0	580
	<b>Total Title 2</b>	<b>3 383</b>	<b>0</b>	<b>686</b>	<b>4 069</b>	<b>599</b>	<b>2</b>	<b>601</b>	<b>4 670</b>

5.1.3. Breakdown & 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	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3002	H2020	0	0	0	0	0	254	254	254
3003	HORIZON EUROPE	186 964	0	0	186 964	6 042	0	6 042	193 006
Total Chapter 30		186 964	0	0	186 964	6 042	254	6 296	193 259
<b>Total Title 3</b>		<b>186 964</b>	<b>0</b>	<b>0</b>	<b>186 964</b>	<b>6 042</b>	<b>254</b>	<b>6 296</b>	<b>193 259</b>
<b>GRAND TOTAL</b>									
		<b>194 655</b>	<b>0</b>	<b>0</b>	<b>194 655</b>	<b>7 925</b>	<b>265</b>	<b>8 190</b>	<b>202 845</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 budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1101	SALARIES AND ALLOWANCES	3 541	0	( 636)	2 905	1 284	0	1 284	4 189
1102	SALARIES AND ALLOWANCES	390	0	0	390	0	9	9	399
Total Chapter 11		3 931	0	( 636)	3 295	1 284	9	1 293	4 588
1200	EXPENDITURE RELATED	5	0	4	9	0	0	0	9
Total Chapter 12		5	0	4	9	0	0	0	9
1300	MISSIONS EXPENSES	70	0	19	89	0	0	0	89
Total Chapter 13		70	0	19	89	0	0	0	89
1401	SOCIOMEDICAL INFRAST.	15	0	0	15	0	0	0	15
1402	TRAINING	30	0	0	30	0	0	0	30
Total Chapter 14		45	0	0	45	0	0	0	45
1500	EXTERNAL SERVICES	253	0	0	253	0	0	0	253
Total Chapter 15		253	0	0	253	0	0	0	253
1600	RECEPTIONS EVENTS	4	0	0	4	0	0	0	4
Total Chapter 16		4	0	0	4	0	0	0	4
<b>Total Title 1</b>		<b>4 308</b>	<b>0</b>	<b>( 613)</b>	<b>3 695</b>	<b>1 284</b>	<b>9</b>	<b>1 293</b>	<b>4 988</b>

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

EUR '000									
		Budget appropriations				Additional appropriations			Total appropri. available
	Item	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000	RENTAL OF BUILDING	494	0	0	494	0	2	2	496
	Total Chapter 20	494	0	0	494	0	2	2	496
2100	INFORMATION TECHNOLOGY	516	0	333	849	0	0	0	849
	Total Chapter 21	516	0	333	849	0	0	0	849
2200	MOVABLE PROPERTY AND ASSOCIATED COSTS	5	0	0	5	0	0	0	5
	Total Chapter 22	5	0	0	5	0	0	0	5
2300	CURRENT ADMINISTRATIVE EXPENDITURE	10	0	13	22	0	0	0	22
	Total Chapter 23	10	0	13	22	0	0	0	22
2400	POSTAGE TELECOMMUNICATIONS	7	0	4	11	0	0	0	11
	Total Chapter 24	7	0	4	11	0	0	0	11
2500	MEETING EXPENSES	54	0	0	54	0	0	0	54
	Total Chapter 25	54	0	0	54	0	0	0	54
2600	INFORMATION AND PUBLISHING	801	0	172	973	0	0	0	973
	Total Chapter 26	801	0	172	973	0	0	0	973
2700	RUNNING COSTS OPER. ACTIVITIES	1 497	0	( 5)	1 493	0	0	0	1 493
	Total Chapter 27	1 497	0	( 5)	1 493	0	0	0	1 493
2800	STRATEGIC STUDIES	0	0	96	96	0	0	0	96
	Total Chapter 28	0	0	96	96	0	0	0	96
	<b>Total Title 2</b>	<b>3 383</b>	<b>0</b>	<b>613</b>	<b>3 996</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>3 998</b>

5.2.3. Breakdown & changes in payment appropriations – Title 3

									EUR '000
	Item	Budget appropriations				Additional appropriations			Total appropri. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3002	H2020	7 477	0	0	7 477	8 484	254	8 737	16 214
3003	HORIZON EUROPE	93 561	0	0	93 561	75 776	0	75 776	169 337
Total Chapter 30		101 038	0	0	101 038	84 260	254	84 514	185 552
<b>Total Title 3</b>		<b>101 038</b>	<b>0</b>	<b>0</b>	<b>101 038</b>	<b>84 260</b>	<b>254</b>	<b>84 514</b>	<b>185 552</b>
<b>GRAND TOTAL</b>		<b>108 729</b>	<b>0</b>	<b>( 0)</b>	<b>108 729</b>	<b>85 544</b>	<b>265</b>	<b>85 809</b>	<b>194 538</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 re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	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
1101	SALARIES AND ALLOWAN	4 107	2 435	1 282	0	3 717	91 %	0	0	0	388	1	0	390
1102	SALARIES AND ALLOWAN	399	211	0	0	211	53 %	0	0	0	179	0	9	189
Total Chapter 11		4 506	2 645	1 282	0	3 928	87 %	0	0	0	568	1	9	578
1200	EXPENDITURE RELATED	9	7	0	0	7	74 %	0	0	0	2	0	0	2
Total Chapter 12		9	7	0	0	7	74 %	0	0	0	2	0	0	2
1300	MISSIONS EXPENSES	86	86	0	0	86	100 %	0	0	0	0	0	0	0
Total Chapter 13		86	86	0	0	86	100 %	0	0	0	0	0	0	0
1401	SOCIOMEDICAL INFRAST	15	11	0	0	11	75 %	0	0	0	4	0	0	4
1402	TRAINING	43	43	0	0	43	100 %	0	0	0	0	0	0	0
Total Chapter 14		58	54	0	0	54	93 %	0	0	0	4	0	0	4
1500	EXTERNAL SERVICES	253	153	0	0	153	61 %	0	0	0	100	0	0	100
Total Chapter 15		253	153	0	0	153	61 %	0	0	0	100	0	0	100
1600	RECEPTIONS EVENTS	4	3	0	0	3	73 %	0	0	0	1	0	0	1
Total Chapter 16		4	3	0	0	3	73 %	0	0	0	1	0	0	1
<b>Total Title 1</b>		<b>4 915</b>	<b>2 948</b>	<b>1 282</b>	<b>0</b>	<b>4 230</b>	<b>86 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>675</b>	<b>1</b>	<b>9</b>	<b>685</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 re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	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
2000	RENTAL OF BUILDING	846	455	350	0	805	95 %	0	0	0	39	0	2	42
	Total Chapter 20	846	455	350	0	805	95 %	0	0	0	39	0	2	42
2100	INFORMATION TECHNOLOGY	767	753	0	0	753	98 %	0	0	0	13	0	0	13
	Total Chapter 21	767	753	0	0	753	98 %	0	0	0	13	0	0	13
2200	MOVABLE PROPERTY AND ASSOCIATED COSTS	254	1	249	0	250	98 %	0	0	0	4	0	0	4
	Total Chapter 22	254	1	249	0	250	98 %	0	0	0	4	0	0	4
2300	CURRENT ADMINISTRATIVE EXPENDITURE	22	22	0	0	22	100 %	0	0	0	0	0	0	0
	Total Chapter 23	22	22	0	0	22	100 %	0	0	0	0	0	0	0
2400	POSTAGE TELECOMMUNICAT.	13	7	0	0	7	52 %	0	0	0	6	0	0	6
	Total Chapter 24	13	7	0	0	7	52 %	0	0	0	6	0	0	6
2500	MEETING EXPENSES	54	48	0	0	48	89 %	0	0	0	6	0	0	6
	Total Chapter 25	54	48	0	0	48	89 %	0	0	0	6	0	0	6
2600	INFORMATION AND PUBLISHING	801	678	0	0	678	85 %	0	0	0	122	0	0	122
	Total Chapter 26	801	678	0	0	678	85 %	0	0	0	122	0	0	122
2700	RUNNING COSTS OPER. ACTIVITIES	1 334	1 327	0	0	1 327	100 %	0	0	0	6	0	0	6
	Total Chapter 27	1 334	1 327	0	0	1 327	100 %	0	0	0	6	0	0	6
2800	STRATEGIC STUDIES	580	579	0	0	579	100 %	0	0	0	1	0	0	1
	Total Chapter 28	580	579	0	0	579	100 %	0	0	0	1	0	0	1
	<b>Total Title 2</b>	<b>4 670</b>	<b>3 871</b>	<b>599</b>	<b>0</b>	<b>4 470</b>	<b>96 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>198</b>	<b>0</b>	<b>2</b>	<b>200</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 re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	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
3002	H2020	254	0	0	201	201	79 %	0	0	0	0	0	53	53
3003	HORIZON EUROPE	193 006	185 619	6 042	0	191 661	99 %	0	0	0	1 344	0	0	1 344
Total Chapter 30		193 259	185 619	6 042	201	191 862	99 %	0	0	0	1 344	0	53	1 397
<b>Total Title 3</b>		<b>193 259</b>	<b>185 619</b>	<b>6 042</b>	<b>201</b>	<b>191 862</b>	<b>99 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 344</b>	<b>0</b>	<b>53</b>	<b>1 397</b>
<b>GRAND TOTAL</b>		<b>202 845</b>	<b>192 438</b>	<b>7 923</b>	<b>201</b>	<b>200 561</b>	<b>99 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 217</b>	<b>1</b>	<b>65</b>	<b>2 283</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 re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	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
1101	SALARIES AND ALLOWANCES	4 189	2 410	1 284	0	3 693	88 %	0	0	0	0	496	0	0	496
1102	SALARIES AND ALLOWANCES	399	209	0	0	209	52 %	0	0	0	0	181	0	9	191
Total Chapter 11		4 588	2 618	1 284	0	3 902	85 %	0	0	0	0	677	0	9	686
1200	EXPENDITURE RELATED	9	8	0	0	8	90 %	0	0	0	0	1	0	0	1
Total Chapter 12		9	8	0	0	8	90 %	0	0	0	0	1	0	0	1
1300	MISSIONS EXPENSES	89	82	0	0	82	92 %	0	0	0	0	7	0	0	7
Total Chapter 13		89	82	0	0	82	92 %	0	0	0	0	7	0	0	7
1401	SOCIOMEDICAL INFRAST.	15	7	0	0	7	45 %	0	0	0	0	8	0	0	8
1402	TRAINING	30	24	0	0	24	79 %	0	0	0	0	6	0	0	6
Total Chapter 14		45	30	0	0	30	68 %	0	0	0	0	15	0	0	15
1500	EXTERNAL SERVICES	253	130	0	0	130	51 %	0	0	0	0	123	0	0	123
Total Chapter 15		253	130	0	0	130	51 %	0	0	0	0	123	0	0	123
1600	RECEPTIONS EVENTS	4	3	0	0	3	86 %	0	0	0	0	1	0	0	1
Total Chapter 16		4	3	0	0	3	86 %	0	0	0	0	1	0	0	1
<b>Total Title 1</b>		<b>4 988</b>	<b>2 872</b>	<b>1 284</b>	<b>0</b>	<b>4 155</b>	<b>83 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>823</b>	<b>0</b>	<b>9</b>	<b>833</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 re- activations	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from final adopt. budget	from re- activa- tions	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
2000	RENTAL OF BUILDING	496	416	0	0	416	84 %	0	0	0	0	78	0	2	80
Total Chapter 20		496	416	0	0	416	84 %	0	0	0	0	78	0	2	80
2100	INFORMATION TECHNOLOGY	849	804	0	0	804	95 %	0	0	0	0	44	0	0	44
Total Chapter 21		849	804	0	0	804	95 %	0	0	0	0	44	0	0	44
2200	MOVABLE PROPERTY AND ASSOCIATED COSTS	5	1	0	0	1	17 %	0	0	0	0	4	0	0	4
Total Chapter 22		5	1	0	0	1	17 %	0	0	0	0	4	0	0	4
2300	CURRENT ADMINISTRATIVE EXPENDITURE	22	18	0	0	18	81 %	0	0	0	0	4	0	0	4
Total Chapter 23		22	18	0	0	18	81 %	0	0	0	0	4	0	0	4
2400	POSTAGE TELECOMMUNICAT.	11	8	0	0	8	76 %	0	0	0	0	3	0	0	3
Total Chapter 24		11	8	0	0	8	76 %	0	0	0	0	3	0	0	3
2500	MEETING EXPENSES	54	27	0	0	27	50 %	0	0	0	0	27	0	0	27
Total Chapter 25		54	27	0	0	27	50 %	0	0	0	0	27	0	0	27
2600	INFORMATION AND PUBLISHING	973	961	0	0	961	99 %	0	0	0	0	12	0	0	12
Total Chapter 26		973	961	0	0	961	99 %	0	0	0	0	12	0	0	12
2700	RUNNING COSTS OPER. ACTIVITIES	1 493	1 206	0	0	1 206	81 %	0	0	0	0	286	0	0	286
Total Chapter 27		1 493	1 206	0	0	1 206	81 %	0	0	0	0	286	0	0	286
2800	STRATEGIC STUDIES	96	92	0	0	92	96 %	0	0	0	0	4	0	0	4
Total Chapter 28		96	92	0	0	92	96 %	0	0	0	0	4	0	0	4
<b>Total Title 2</b>		<b>3 998</b>	<b>3 534</b>	<b>0</b>	<b>0</b>	<b>3 534</b>	<b>88 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>462</b>	<b>0</b>	<b>2</b>	<b>464</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 re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	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
3002	H2020	16 214	7 457	8 484	254	16 194	100 %	0	0	0	0	20	0	0	20
3003	HORIZON EUROPE	169 337	82 124	75 776	0	157 901	93 %	0	0	0	0	11 437	0	0	11 437
Total Chapter 30		185 552	89 581	84 260	254	174 095	94 %	0	0	0	0	11 457	0	0	11 457
<b>Total Title 3</b>		<b>185 552</b>	<b>89 581</b>	<b>84 260</b>	<b>254</b>	<b>174 095</b>	<b>94 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11 457</b>	<b>0</b>	<b>0</b>	<b>11 457</b>
<b>GRAND TOTAL</b>		<b>194 538</b>	<b>95 986</b>	<b>85 544</b>	<b>254</b>	<b>181 784</b>	<b>93 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12 742</b>	<b>0</b>	<b>12</b>	<b>12 754</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	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	
1101	SALARIES AND ALLOWAN	174	( 152)	22	0	3 717	3 671	0	46	46
1102	SALARIES AND ALLOWAN	0	0	0	0	211	209	0	2	2
Total Chapter 11		174	( 152)	22	0	3 928	3 880	0	48	48
1200	EXPENDITURE RELATED	1	0	1	0	7	7	0	0	0
Total Chapter 12		1	0	1	0	7	7	0	0	0
1300	MISSIONS EXPENSES	21	( 16)	4	0	86	77	0	8	8
Total Chapter 13		21	( 16)	4	0	86	77	0	8	8
1401	SOCIOMEDICAL INFRAS	6	( 6)	0	0	11	7	0	4	4
1402	TRAINING	9	( 7)	2	0	43	22	0	21	21
Total Chapter 14		15	( 13)	2	0	54	29	0	25	25
1500	EXTERNAL SERVICES	64	( 17)	47	0	153	82	0	71	71
Total Chapter 15		64	( 17)	47	0	153	82	0	71	71
1600	RECEPTIONS EVENTS	1	( 1)	1	0	3	3	0	0	0
Total Chapter 16		1	( 1)	1	0	3	3	0	0	0
<b>Total Title 1</b>		<b>276</b>	<b>( 199)</b>	<b>77</b>	<b>0</b>	<b>4 230</b>	<b>4 078</b>	<b>0</b>	<b>152</b>	<b>152</b>

## 6.2. Outstanding commitments – Title 2

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	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2000	RENTAL OF BUILDING	25	0	25	0	805	391	0	413	413
	Total Chapter 20	25	0	25	0	805	391	0	413	413
2100	INFORMATION TECHNOLOGY	242	( 129)	113	0	753	691	0	62	62
	Total Chapter 21	242	( 129)	113	0	753	691	0	62	62
2200	MOVABLE PROPERTY AND ASSOCIATED COSTS	0	0	0	0	250	1	0	249	249
	Total Chapter 22	0	0	0	0	250	1	0	249	249
2300	CURRENT ADMINISTRATIVE EXPENDITURE	3	( 1)	2	0	22	16	0	6	6
	Total Chapter 23	3	( 1)	2	0	22	16	0	6	6
2400	POSTAGE TELECOMMUNICAT.	5	( 1)	3	0	7	5	0	2	2
	Total Chapter 24	5	( 1)	3	0	7	5	0	2	2
2500	MEETING EXPENSES	4	( 2)	2	0	48	25	0	24	24
	Total Chapter 25	4	( 2)	2	0	48	25	0	24	24
2600	INFORMATION AND PUBLISHING	651	( 105)	546	0	678	415	0	263	263
	Total Chapter 26	651	( 105)	546	0	678	415	0	263	263
2700	RUNNING COSTS OPER. ACTIVITIES	1 046	( 363)	669	14	1 327	538	0	790	804
	Total Chapter 27	1 046	( 363)	669	14	1 327	538	0	790	804
2800	STRATEGIC STUDIES	0	0	0	0	579	92	0	487	487
	Total Chapter 28	0	0	0	0	579	92	0	487	487
	<b>Total Title 2</b>	<b>1 976</b>	<b>( 602)</b>	<b>1 360</b>	<b>14</b>	<b>4 470</b>	<b>2 174</b>	<b>0</b>	<b>2 296</b>	<b>2 310</b>

6.3. Outstanding commitments – Title 3

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	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3002	H2020	36 627	( 58)	15 993	20 576	201	201	0	0	20 576
3003	HORIZON EUROPE	373 773	( 2 776)	94 233	276 764	191 661	63 668	0	127 994	404 758
Total Chapter 30		410 400	( 2 833)	110 226	297 341	191 862	63 869	0	127 994	425 334
<b>Total Title 3</b>		<b>410 400</b>	<b>( 2 833)</b>	<b>110 226</b>	<b>297 341</b>	<b>191 862</b>	<b>63 869</b>	<b>0</b>	<b>127 994</b>	<b>425 334</b>
<b>GRAND TOTAL</b>		<b>412 652</b>	<b>( 3 634)</b>	<b>111 664</b>	<b>297 355</b>	<b>200 561</b>	<b>70 120</b>	<b>0</b>	<b>130 441</b>	<b>427 796</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 (carryforward of outstanding commitments).

### **Surplus**

Positive difference between revenue and expenditure, which has to be returned to the funding authority (carryforward of 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.