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innovative
health
initiative

Final annual accounts of the Innovative Health Initiative Joint Undertaking

Financial year 2025

Contents

CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the **Innovative Health Initiative Joint Undertaking**, in accordance with Article 52 of the Model Financial Regulation ('MFR')[1] and I hereby certify that the annual accounts of the **Innovative Health Initiative JU** for the year 2025 have been prepared in accordance with Chapter 8 of the MFR 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 **Innovative Health Initiative 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 **Innovative Health Initiative JU**.

Qualified electronic signature by: KATTY

HANCQ

Date 2026-06-05 15:47:37 UTC

Katty Hancq

Accounting Officer of the Innovative Health Initiative Joint Undertaking

[1] 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

Horizon Europe – the new 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 Innovative Health Initiative Joint Undertaking (IHI JU) is a public-private partnership, based in Brussels, that is focused on funding health research and innovation.

Its establishment is regulated by Council Regulation (EU) 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 Single Basic Act (Article 174.7), the Innovative Health Initiative Joint Undertaking shall be the legal and universal successor in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property of the Innovative Medicines Initiative 2 Joint Undertaking established by Council Regulation (EU) No 557/2014 of 6 May 2014, which it shall replace and succeed.

Mission

IHI JU's core goals are to translate health research and innovation into tangible benefits for patients and society and ensure that Europe remains at the cutting edge of interdisciplinary, sustainable, patient-centric health research. IHI JU facilitates collaboration between the key players involved in health research, including universities, research centers, life sciences industries, small and medium-sized enterprises (SMEs), patient organisations, regulators, etc.

The Strategic Research and Innovation Agenda (SRIA) details the areas IHI JU should work on and helps to guide IHI JU's decisions on which ideas should be turned into call topics. The SRIA also flags up potential synergies with other initiatives.

Main operational activities

The general IHI JU's objectives set by the Single Basic Act are:

- Turn health research and innovation into real benefits for patients and society;
- Deliver safe, effective health innovations that cover the entire spectrum of care – from prevention to diagnosis and treatment – particularly in areas where there is an unmet public health need;
- Make Europe's health industries globally competitive.

The legislation also includes the following specific objectives, which are described in more detail in the Strategic Research and Innovation Agenda (SRIA):

- Improve our understanding of the factors that affect our health and the development and treatment of certain diseases;
- Integrate fragmented health research and innovation efforts by bringing together health industry sectors and other stakeholders. This will enable the development of tools, data, platforms, technologies and processes that will in turn facilitate the prevention, diagnosis, treatment and management of diseases, especially in areas where there is an unmet public health need;
- Demonstrate the feasibility of integrated healthcare solutions that draw on various technologies from different sectors and address the needs of the people who will use them, such as patients and healthcare professionals;
- Make better use of opportunities to gather health data and use it in research and care, all while respecting relevant privacy legislation; and
- Develop ways of assessing the value of innovative, integrated health care solutions to patients, carers, healthcare professionals and organisations, and other stakeholders.

Governance

The founding members of IHI JU are the European Union, represented by the European Commission, and the European life science industry, represented by the industry associations COCIR, EFPIA (including Vaccines Europe), EuropaBio and MedTech Europe.

The Governing Board is the main decision-making body of IHI JU. It has overall responsibility for the strategic orientation and the operations of the IHI JU and supervises the implementation of its activities. It is composed of four representatives from the European Commission and four representatives of the industry partners.

The Joint Undertaking is headed by an Executive Director, appointed by the Governing Board and who is the legal representative of IHI 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 supports the Executive Director in the day-to-day management of the Joint Undertaking.

The Science and Innovation Panel (SIP) and the States' Representatives Group are the advisory bodies of IHI JU. The Science and Innovation Panel (SIP) provides the Governing Board with science-based advice on a range of matters. Panelists include representatives of the European Commission, IHI JU industry partners and the States' Representatives Group as well as the scientific community and the wider healthcare community. The States' Representatives Group is consulted on a range of issues, including draft call topics. It also acts as a vital link between IHI JU and relevant national and regional research and innovation programmes. It consists of representatives of the EU Member States and countries associated to Horizon Europe.

Sources of financing

IHI JU is jointly funded by the contributions of its members.
The total budget for IHI JU for the period 2021-2027 is EUR 2.4 billion:
- EUR 1.2 billion comes from Horizon Europe, the EU's framework programme for research and innovation;
- EUR 1 billion will come from the IHI JU industry partners;
- EUR 200 million will come from other life science industries or associations that decide to contribute to IHI JU as contributing partners.

The administrative costs are covered by financial contributions divided equally between the EU and the industry partners (EFPIA, COCIR, MedTech and EuropaBio). The operational costs are covered by the financial contributions of the EU and the financial contributions and in-kind contributions of the industry partners. The in-kind contributions to operational activities (IKOP) are the eligible costs incurred by the industry partners in implementing IHI JU indirect actions that are not reimbursed by the Joint Undertaking. The in-kind contributions to additional activities (IKAA) are costs incurred by industry partners in implementing additional activities that contribute to the IHI JU objectives and that are not reimbursed by the Union.

IHI JU also receives contributions to its operational costs from its contributing partners. Any country, international organisation or legal entity that wants to contribute to the IHI JU objectives can apply to become an IHI JU contributing partner, as long as it is not a member or affiliate of one of the IHI JU industry partners. Contributing partners invest their own resources (IKOP which can be researchers' time, laboratories, data, etc.) or cash in a specific IHI JU project or projects.

2. Annual accounts

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by IHI FR[2]. 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 IHI FR, 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[3] establishing the new generations of JUs required, within one year following the date of entry into force of the Regulation, to establish back-office arrangements to provide horizontal support functions to the joint undertakings, by concluding service level agreements. The back-office arrangements for Accounting Services (BOA Acc.) was established and took over the accounting services from Accounting Officer the European Commission from 1 December 2022.

Following the decision of the Innovative Health Initiative Joint Undertaking Governing Board of 30 November 2022 (IHI-GB-DEC-2022-17), on behalf of the BOA Acc., Ms. Katty Hancq, as of 1 December 2022, acts as the Accounting Officer. The Accounting Officers of Clean Aviation Joint Undertaking and Europe Rail Joint Undertaking were appointed as the Deputy Accounting Officers of the Innovative Health Initiative Joint Undertaking.

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.

[2] Decision IMI2-GB-DEC-2020-16, adopted by the Governing Board by means of Decision IHI-GB-DEC-2021-03 of 16 December

[3] 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

IHI JU's operational highlights in 2025 include the launch of IHI calls 9, 10 and 11.

IHI call 9 is a single-stage, applicant-driven call with topics aligned with the specific objectives of the IHI Strategic Research and Innovation Agenda. IHI call 10 is a two-stage call with topics on digital labelling of medical technologies; the European Health Data Space; and Per- and Poly-fluoroalkyl substance (PFAS) in the healthcare sector. IHI call 11 is a two-stage call with topics on brain dysfunction, the link between infections and non-communicable diseases, pharmacovigilance, type 1 diabetes, and ambulatory surgical centres. Of note, IHI call 11 benefits from the involvement of a number of philanthropic organisations which strategically joined the topics as IHI contributing partners.

In 2025, IHI signed grant agreements for 22 new projects resulting from IHI calls 6, 7, 8 and 9, bringing the total number of projects in the IHI portfolio to 52. In addition to the IHI projects, the Programme Office continues to manage the legacy projects launched under the Innovative Medicines Initiative (IMI).
Both IMI and IHI projects are delivering exciting results which underline the added value of a public-private collaborative approach in health research.

Budget and budget implementation

Budget execution for commitment and payment appropriations reached **98,4% and 98,5%** respectively. This represents an outstanding performance for 2025, underpinned by rigorous planning, proactive management and diligent monitoring.

IHI JU's total budget for 2025 was **EUR 337.646.927** in commitment appropriations (CA) and **EUR 205.262.916** in payment appropriations (PA).

The IHI JU's budget is divided into three titles:
- Title 1 covers staff expenditure such as salaries, training costs, costs associated with recruitment procedures, missions, staff well-being and external services like interim staff.
- Title 2 covers the costs associated with functioning of IHI such as renting of premises, IT needs, meetings, expenses related to external communication and studies.
  Titles 1 and 2 together form the administrative expenditure.
- Title 3 covers IHI's operational activities (calls for proposals and evaluation experts).

The IHI Governing Board approved the 2025 budget on 11 December 2024. The budget approved was EUR 315.956.840 in commitment appropriations and EUR 203.565.486 in payment appropriations. The commitment appropriations included carry overs from previous years of EUR 92.680.379. The payment appropriations included carry overs from previous years of EUR 20.010.680. The budget was subsequently amended during 2025.

The budget amendment was approved by the Governing Board on 14 June 2025. The appropriations were adjusted to include the carry overs from the previous years of EUR 20.411.344 on commitments and EUR 418.687 on payments. The total budget approved was EUR 336.368.184 in commitment appropriations and EUR 203.984.173 in payment appropriations.

Additionally, the total assigned revenue for 2025 was EUR 1.278.743 in commitment appropriations and an equal amount in payment appropriations.

Operational expenditure

The operational budget for 2025 was **EUR 327.353.593** in commitment appropriations (CA) and **EUR 195.008.142** in payment appropriations (PA). The high budget execution rates of commitments and payments of **98,6% and 98,8%** respectively, demonstrate excellence in programme and budget management.

IHI JU's operational budget (Title 3) reflects expenses linked to the implementation of the IHI JU's Strategic Research and Innovation Agenda. Here it should be noted that, since November 2021, the Programme Office has managed three programmes in parallel:

IHI JU (under Horizon Europe, HE)

Starting from 30 November 2021, the IHI JU managed a third programme, Horizon Europe.

As set out in the 2021 Council Regulation establishing IHI JU, the EU has committed to contribute EUR 1.170 billion from Horizon Europe to the IHI JU programme, for operational activities. Following the amendment of the Council Regulation on establishing the European High Performance Computing Joint Undertaking (EuroHPC JU)[4], the EU contribution to IHI JU was reduced by EUR 10.339.000 and reallocated to EuroHPC JU.
The IHI JU industry partners have committed up to EUR 1 billion to IHI JU, and furthermore up to EUR 200 million can be committed by other organisations that decide to support the objectives of IHI in specific areas of research, by becoming contributing partners.

In 2025, IHI JU committed a total of EUR 322.805.098, funded primarily by EUR 213.358.855 in fresh credits and EUR 109.175.864 in carry overs (plus EUR 270.379 in recoveries).
Most of this budget was allocated to the Horizon Europe calls for proposals: EUR 191.000.000 for Call 9, EUR 33.849.900 for Call 10, and EUR 57.411.000 for Call 11.

The amount of EUR 39.759.919 from carry overs, prior to 01.01.2024 (i.e. prior to the EU-UK association agreement), was dedicated to projects with non-UK-based entities: CAREPATH-project in call 6, SHERPA-project in call 7 and PRECISEONCO-project in call 9.

The remaining budget was used for evaluation experts' commitments (EUR 513.900) and IMI2 project regularizations (EUR 270.379).

IMI2 (under Horizon 2020, H2020)

As initially set out in the 2014 Council Regulation, the European Union has committed to contribute EUR 1.595 billion from H2020 to the IMI2 programme, for operational activities. At the end of 2021, the total EU commitments available at programme level over the lifetime of the IMI2 JU (2014-2021) for operational activities amount to EUR 1.4566 billion:

EUR 1.595 billion	(as initially set out in Council Regulation 557/2014)
- EUR 139 million	(reduction in 2019)
- EUR 6.7 million	(redeployment to climate related activities under Horizon 2020)
+ EUR 7.3 million	(50% of unused commitments since 2014, transferred from the administrative budget to the operational budget)
= EUR1.4566 billion	total EU commitments available at programme level over the lifetime of the IMI2 JU (2014-2021) for operational activities at the end of 2021

In 2025, payments related to H2020 projects amounted to EUR 70.432.607. The payment appropriations related to H2020 were mainly used by interim and final payments for projects of IMI2 Calls 8-23.

IMI1 (under the Seventh Framework Programme, FP7)

FP7 was the EU's research and innovation funding programme for 2007-2013. Through FP7, the EU contributed EUR 966 million to the IMI1 research programme. IHI JU ran 59 projects under FP7 programme, and the final report of the last project was submitted in 2025.

The FP7 programme has now been fully paid out and is therefore closed.

[4] Council Regulation (EU) 2026/150 of 16 January 2026 amending Regulation (EU) 2021/1173 on establishing the European High Performance Computing Joint Undertaking.

Administrative expenditure

In 2025, the total administrative budget was **EUR 10.293.335** in commitment appropriations (CA) and **EUR 10.254.775** in payment appropriations (PA). The budget execution showed excellent results with high execution levels of **91,4%** and **92,5%** respectively. These outstanding 2025 results were driven by a combination of proactive budgeting, continuous monitoring and efficient management.
Under **Title 1**, the 2025 budget was **EUR 7.156.000** in commitment appropriations and equal amount in payment appropriations. The execution rates reached **93,6%** for commitments and **91,9%** for payments. The budget covered staff expenditure, missions and external services.

For **Title 2**, the 2025 budget provided **EUR 3.137.335** in commitment appropriations and **EUR 3.098.775** in payment appropriations. The execution rates were **86,5%** for commitments and **94,0%** for payments. The budget primarily covered rent, IT infrastructure, and research-related activities (studies, workshops, and communication) in support of three ongoing research programmes.

Throughout the year, IHI JU adhered to sound financial management practices, resulting in several budget transfers between budget chapters to align with evolving operational needs. In 2025, there were no budget transfers between budget titles.

Impact of the activities in the financial statements

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

Pre-financing: The increase from EUR 260.850 thousand in 2024 to EUR 288.616 thousand in 2025 is a combined result of the payments of the pre-financing for HE projects and the clearings of the pre-financing with incurred expenses for ongoing IMI2 JU projects and the finalisation of several projects. (see note **2.3**).

Members' contributions: The increase of in-kind contributions to be validated is mostly linked to the increase of Horizon Europe projects.

The 'Contributions in cash to be validated' are the received but not yet validated EC financial contributions to the Horizon Europe Programme (see note **2.7**). The contributions from members increased by EUR 345.672 thousand and amounted to EUR 4.802.484 thousand in 2025. The increase of EUR 181.901 thousand in the cash contributions comprises cash funding from the EU and the private members to cover the administrative and operating activities of the JU in 2025. The increase of EUR 163.771 thousand in the in-kind contributions comprises the in-kind contributions from the members other than EU that have been validated by the IHI JU Authorising Officer or a delegate in 2025 (see note **2.9**).

Operational costs: The increase of the total operating cost from EUR 316.871 thousand in 2024 to EUR 407.954 thousand in 2025 is mostly linked to the in-kind contributions of H2020 programme phasing out, in kind contribution for Horizon Europe and the increase of EC contributions for Horizon Europe projects (see note **3.4**).

INNOVATIVE HEALTH INITIATIVE JOINT UNDERTAKING
FINANCIAL YEAR 2025

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

BALANCE SHEET

	Note	31.12.2025	31.12.2024
NON-CURRENT ASSETS			
Intangible assets	2.1	-	-
Property, plant and equipment	2.2	132.341,42	116.600,66
Long term pre-financing	2.3	204.062.670,02	168.837.050,98
		204.195.011,44	**168.953.651,64**
CURRENT ASSETS			
Short term pre-financing	2.3	84.553.032,87	92.013.394,66
Exchange receivables and non-exchange recoverables	2.4	53.751.068,96	56.649.183,11
Cash and cash equivalent	2.5	-	-
		138.304.101,83	**148.662.577,77**
TOTAL ASSETS		**342.499.113,27**	**317.616.229,41**
CURRENT LIABILITIES			
Short term provisions	2.6	-	-
Payables and other liabilities	2.7	306.030.829,68	214.168.262,08
Accrued charges and deferred income	2.8	112.024.222,28	109.615.492,67
TOTAL LIABILITIES		**418.055.051,96**	**323.783.754,75**
Contribution from Members	2.9	4.802.483.971,87	4.456.811.659,34
Accumulated deficit		(4.462.979.184,68)	(4.138.514.315,35)
Economic result of the year		(415.060.725,88)	(324.464.869,33)
NET ASSETS		**(75.555.938,69)**	**(6.167.525,34)**
LIABILITIES AND NET ASSETS		**342.499.113,27**	**317.616.229,41**

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2025	2024
REVENUE			
Revenue from non-exchange transactions			
Recovery of operating expenses	3.1	2.336.462,66	1.389.847,32
Other non-exchange revenue	3.2	-	-
Revenue from exchange transactions	3.3		
Financial revenues		4.421,80	22.283,17
Other exchange revenue		12.493,77	27.995,25
Total revenue		**2.353.378,23**	**1.440.125,74**
EXPENSES			
Operating costs	3.4	(407.953.970,31)	(316.871.227,01)
Staff costs	3.5	(5.770.943,65)	(5.660.657,23)
Financial expenses	3.6	-	-
Other expenses	3.7	(3.689.190,15)	(3.373.110,83)
Total expenses		**(417.414.104,11)**	**(325.904.995,07)**
ECONOMIC RESULT OF THE YEAR		**(415.060.725,88)**	**(324.464.869,33)**

CASHFLOW STATEMENT[5]

	2025	2024
Economic result of the year	(415.060.725,88)	(324.464.869,33)
Operating activities		
Depreciation and amortization	49.523,13	42.831,04
Increase/(decrease) in in-kind contributions	163.770.981,49	195.434.955,82
(Increase)/decrease in pre-financing	(27.765.257,25)	(142.933,09)
(Increase)/decrease in exchange receivables and non-exchange recoverables	2.898.114,15	13.730.823,69
Increase/(decrease) in payables	91.862.567,60	(46.468.972,26)
Increase/(decrease) in accrued charges & deferred income	2.408.729,61	(10.809.915,47)
Financing activities		
Increase/(decrease) in cash contributions	181.901.331,04	172.724.282,69
Investing activities		
(Increase)/decrease in intangible assets and property, plant and equipment	(65.263,89)	(46.203,09)
NET CASHFLOW	**-**	**-**

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	-	-

[5] The treasury of IMI2 JU was integrated into the Commission's treasury system. Because of this, IHI 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 and non-exchange recoverables.

STATEMENT OF CHANGES IN NET ASSETS

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2023	**4.088.652.420,83**	**(3.764.796.514,72)**	**(373.717.800,63)**	**(49.861.894,52)**
Allocation 2023 economic result	-	(373.717.800,63)	373.717.800,63	-
Cash contribution	172.724.282,69	-	-	172.724.282,69
Contribution in-kind	195.434.955,82	-	-	195.434.955,82
Unpaid cash contributions	-	-	-	-
Economic result of the year	-	-	(324.464.869,33)	(324.464.869,33)
BALANCE AS AT 31.12.2024	**4.456.811.659,34**	**(4.138.514.315,35)**	**(324.464.869,33)**	**(6.167.525,34)**
Allocation 2024 economic result	-	(324.464.869,33)	324.464.869,33	-
Cash contribution	181.901.331,04	-	-	181.901.331,04
Contribution in-kind	163.770.981,49	-	-	163.770.981,49
Unpaid cash contributions	-	-	-	-
Economic result of the year	-	-	(415.060.725,88)	(415.060.725,88)
BALANCE AS AT 31.12.2025	**4.802.483.971,87**	**(4.462.979.184,68)**	**(415.060.725,88)**	**(75.555.938,69)**

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 euros, the budget implementation tables 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
BGN	**1,9558**	1,956	**PLN**	**4,221**	4,34
CZK	**24,237**	24,724	**RON**	**5,0968**	4,976
DKK	**7,4689**	7,453	**SEK**	**10,8215**	11,096
GBP	**0,8726**	0,887	**CHF**	**0,9314**	0,926
NOK	**11,483**	11,241	**JPY**	**184,09**	156,33
HUF	**385,15**	382,80	**USD**	**1,175**	1,105

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 Innovative Health Initiative 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 file 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
Buildings	*4 % to 10 %*
Plant and equipment	*10 % to 25 %*
Furniture and vehicles	*10 % to 25 %*
Computer hardware	*25 % to 33 %*
Other	*10 % to 33 %*

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 owners.

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

(i) Revenue from non-exchange transactions

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

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

(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 Members of the JU are the European Union on one hand, represented by the European Commission, and the Private Members on the other hand, represented by industry trade associations, i.e., EFPIA (under FP7 and Horizon 2020 programmes) and COCIR, EFPIA (including Vaccines Europe), EuropaBio and MedTech Europe (under Horizon Europe programme).

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.

<u>Horizon 2020 programme</u>:

- 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.

<u>Horizon Europe programme</u>:

- EU Contributions: In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the JU received from the European Union a pre-financing payment for the implementation of the Horizon Europe Framework programme.

- According to the Specific Guidance for the accounting of the EU cash contributions received by the Joint Undertakings under FFPA related to MFF 2021-2027, the contributions payments done by the EU for the Horizon Europe programme are accounted as 'Contributions in cash to be validated'. During the 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 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 – CAAR (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.

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 under the "payables and other liabilities" ('Contribution in cash to be validated').

The EU makes available the cash contributions in advance (until the payments reach the 90%), providing the beneficiaries with sufficient level of funds to implement the programme 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 Horizon Europe, see point 1.6.1, 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 programme is approaching the finalisation stage.

Due to major simplifications introduced in Horizon Europe, the certification for IKOP is based on the certificate on the statements of contributions (CCS). 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.

For the IKAA (under Horizon Europe), additional activities shall be carried out in the Union or countries associated with Horizon Europe and may include:
(a) Activities contributing towards the achievement of objectives of indirect actions funded by the Innovative Health Initiative Joint Undertaking;
(b) Activities contributing towards the dissemination, sustainability or exploitation of results of indirect actions funded by the Innovative Health Initiative Joint Undertaking.
IKAA can be either programme or project specific:

1. Programme-specific additional activities contribute to the uptake of results from IMI JU, IMI2 JU, IHI JU projects or have a significant added value for the Union.
2. Project-specific additional activities contribute towards the achievement of objectives of the IHI JU funded projects, or the dissemination, sustainability, or exploitation of the IHI JU project results.

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.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

The intangible assets category comprises computer software licenses which are used in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

	TOTAL
Gross carrying amount at 31.12.2024	391.066,22
Additions	
Gross carrying amount at 31.12.2025	**391.066,22**
Accumulated depreciation at 31.12.2024	(391.066,22)
Depreciation charge for the year	
Accumulated depreciation at 31.12.2025	**(391.066,22)**
NET CARRYING AMOUNT AT 31.12.2025	**-**
NET CARRYING AMOUNT AT 31.12.2024	**-**

The amounts above relate primarily to computer software with amortisation rate 25%.

2.2. PROPERTY, PLANT AND EQUIPMENT

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

	Furniture and vehicles	Computer hardware	TOTAL
Gross carrying amount at 31.12.2024	181.233,25	274.076,10	455.309,35
Additions	-	65.263,89	65.263,89
Disposals	(18.299,59)	(24.462,48)	(42.762,07)
Gross carrying amount at 31.12.2025	**162.933,66**	**314.877,51**	**477.811,17**
Accumulated depreciation at 31.12.2024	(107.652,82)	(231.055,87)	(338.708,69)
Depreciation charge for the year	(11.463,07)	(33.491,37)	(44.954,44)
Disposals	13.992,14	24.201,24	38.193,38
Accumulated depreciation at 31.12.2025	**(105.123,75)**	**(240.346,00)**	**(345.469,75)**
NET CARRYING AMOUNT AT 31.12.2025	**57.809,91**	**74.531,51**	**132.341,42**
NET CARRYING AMOUNT AT 31.12.2024	73.580,43	43.020,23	116.600,66

The additions and disposals of equipment are at the standard level of the Joint Undertaking's policy for equipment replacement.

During 2025, the Joint Undertaking has acquired laptops for a total amount of EUR 64.598,60 and an inventory tracker device for EUR 665,29.

The disposed furniture equipment having an initial value of EUR 18.299,59 consisted of a meeting table, desks, cupboards, office chair, a pedestal and a coffee machine purchased between 2015 and 2022 which were fully depreciated except for EUR 4.307,45 written off.

The disposed IT equipment having an initial gross value of EUR 24.462,48 consisted mainly of laptops and mobile phones purchased between 2011 and 2023 which were fully depreciated except a laptop item bought in 2023 and declassified in 2025 for which, a write-off entry of EUR 261,24 has been recorded to cover the depreciation balance.

For furniture the depreciation rate is 10% and for Computer hardware the depreciation rate is 25%. The Innovative Health Initiative Joint Undertaking does not own any vehicles at the end of the fiscal year 2025.

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	204.062.670,02	168.837.050,98
Short term pre-financing	84.553.032,87	92.013.394,66
Total	**288.615.702,89**	**260.850.445,64**

The pre-financing included under this heading mainly comprises of pre-financing for operational activities.

For all pre-financing amounts open at 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. The overall high amount of the open pre-financing can be explained by the fact that for FP7, Horizon 2020 and Horizon Europe rules, the incurred costs (both actual and estimated) are cleared against pre-financing when the total amounts paid to the beneficiary reach 90% of the grant agreement amount. In addition, only the amount exceeding this threshold is cleared. Consequently, in the first years of the project's life there is significant open pre-financing that will only be cleared in later years.

The outstanding pre-financing, presented under this heading is net of estimated (cut-off) expenses for ongoing projects without validated cost claims on 31 December 2025. The clearing of pre-financing with year-end (cut-off) adjustments amounted to EUR 99.083 thousand (2024: EUR 83.021 thousand). The remaining portion of the cut off expenses is recorded in accrued charges (see note **2.8**).

The estimation of the clearing is made using information from cost claims received until 5 May 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.

On 31 December 2025 IHI JU does not have any long-term receivables, all amounts included under this heading are current and are as follows:

	31.12.2025	31.12.2024
Recoverables from non-exchange transactions		
Public bodies	-	1.447,71
Central treasury liaison accounts	38.250.548,49	56.111.722,31
Customers	-	-
Receivables from members and partners	15.379.299,92	421.926,44
Cash Contributions to be paid by the Members		
	53.629.848,41	**56.535.096,46**
Receivables from exchange transactions		
Accrued income and deferred charges	120.755,64	113.992,88
Other	464,91	93,77
	121.220,55	**114.086,65**
Total	**53.751.068,96**	**56.649.183,11**

The largest amount under this heading relates to the Central treasury liaison (intercompany) accounts with the European Commission that represent a virtual bank account of IHI JU. The treasury of IHI JU has been integrated into the European Commission's treasury system. The payments and receipts are processed via the European Commission's treasury system 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 increase for the Receivables from members and partners mainly relates to the balances at the closure of the FP7 programme.

Furthermore, cut-off adjustments are made to include the value of debit notes for ex-post audits which have been agreed but not issued by 31 December 2025.

Repayment plans in instalments are on-going for receivables with an outstanding value of EUR 117 thousand compared to 31 December 2024 where the outstanding value was EUR 210 thousand.

2.5. CASH AND CASH EQUIVALENTS

All the 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**).

Innovative Health Initiative Joint Undertaking does not hold any form of cash or cash equivalents at hand or in accounts with financial institutions under its name.

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).

On 31 December 2025 the Joint undertaking did not have any provisions established.

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	246.855.642,26	183.252.943,68
Contribution in cash to be validated	12.533.630,38	11.366.196,42
Total Contributions to be validated	**259.389.272,64**	**194.619.140,10**
Public bodies and other current payables	25.539.458,10	10.931.307,67
Suppliers	21.102.098,94	8.617.814,31
Total Payables to entities	**46.641.557,04**	**19.549.121,98**
Total	**306.030.829,68**	**214.168.262,08**

Under the heading 'Contribution in-kind from Members to be validated' the in-kind contributions related to on-going projects which have not been validated by the year-end are presented. The amount for the 2025 IKOP is recognised based on estimates. For the H2020 programme the estimates are based on reported numbers from the members and for the Horizon Europe programme the estimates are based on pro-rata.

The increase of in-kind contributions to be validated is driven by the Horizon Europe programme. The in-kind to be validated follows the normal evolution of this programme as the programme had its first projects starting in 2023 and the number of projects keep increasing resulting in a higher amount to accrue.

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

The 'Contributions in cash to be validated' are the received but unspent EC financial contributions to the Horizon Europe programme (see notes **1.6.1** and **2.9.3**).

The current payables shown under the heading 'Total Payables to entities' for a total of EUR 19.549 thousand in 2024 to EUR 46.642 thousand in 2025 relate mainly to cost claims received and not validated at year-end and invoices outstanding at the year-end.

Due to the nature of the activities of the Joint Undertaking, approx. 85 % of the total liabilities (in-kind and cash contributions to be validated) are liabilities towards the members of the Joint Undertaking. This makes the exposure of the Joint Undertaking to claims from external unrelated parties to be very low.

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.

	31.12.2025	31.12.2024
Accrued charges	112.024.222,28	109.615.492,67

The heading is mainly composed of operational accrued charges (EUR 111.699 thousand) for on-going or ended projects without a validated cost statement where the 2025 operational costs were estimated on a case by-case basis using the best available information about the projects on 31 December 2025. The portion of the estimated accrued charges which relate to pre-financing paid has been recorded as a reduction of the pre-financing amounts (see note **2.3**). The increase of approx. 2% in the heading is mainly driven by projects of the Horizon Europe programme which is in line with the normal evolution of a programme.

This heading also includes administrative accrued charges of EUR 179 thousand and staff-related accrued charges of EUR 146 thousand.

NET ASSETS

2.9. CONTRIBUTIONS FROM MEMBERS

IHI 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	960.252.069,81	836.488.762,69	1.796.740.832,50	960.252.069,81	836.488.618,66	1.796.740.688,47
Horizon 2020	1.327.927.654,61	1.389.217.662,77	2.717.145.317,38	1.252.802.732,61	1.241.521.947,08	2.494.324.679,69
Horizon Europe	266.495.958,62	22.101.863,37	288.597.821,99	159.719.549,58	6.026.741,60	165.746.291,18
Total	**2.554.675.683,04**	**2.247.808.288,83**	**4.802.483.971,87**	**2.372.774.352,00**	**2.084.037.307,34**	**4.456.811.659,34**

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

Member	Commission	Industry Grouping			Total	
	Cash	Cash	In kind	Total	Cash	In kind
Running costs contributions at 31.12.2024	34.366.451,00	21.898.055,36	-	21.898.055,36	56.264.506,36	-
Current year contributions	-	-		-	-	-
Running costs contributions at 31.12.2025	**34.366.451,00**	**21.898.055,36**	**-**	**21.898.055,36**	**56.264.506,36**	**-**
Operating costs contributions at 31.12.2024	903.987.563,45	-	836.488.618,66	836.488.618,66	903.987.563,45	836.488.618,66
Current year contributions	-	-	144,03	144,03	-	144,03
Operating costs contributions at 31.12.2025	**903.987.563,45**	-	**836.488.762,69**	**836.488.762,69**	**903.987.563,45**	**836.488.762,69**
TOTAL contributions at 31.12.2024	938.354.014,45	21.898.055,36	836.488.618,66	858.386.674,02	960.252.069,81	836.488.618,66
TOTAL contributions at 31.12.2025	**938.354.014,45**	**21.898.055,36**	**836.488.762,69**	**858.386.818,05**	**960.252.069,81**	**836.488.762,69**

Similar to Horizon 2020 (see note **2.9.2** below), under the FP7 programme only certified in-kind contributions from the EFPIA, validated by the Executive Director of IHI JU, are considered as net assets.
During 2025, the only addition to the net assets of the Joint Undertaking related to the FP7 programme was the validation of EUR 144 of in-kind contributions provided by EFPIA. No further cash contributions are expected for this programme. The movements are consistent with a programme which has been completed.

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

Member	Commission	Industry Grouping		Associated partners			Total	
	Cash	Cash	In kind	Cash	In kind	Total	Cash	In kind
Running costs contributions at 31.12.2024	34.215.818,00	30.522.901,72	-	-	-	30.522.901,72	64.738.719,72	-
Current year contributions	2.944.720,00	2.635.542,00	-	-	-	2.635.542,00	5.580.262,00	-
Running costs contributions at 31.12.2025	**37.160.538,00**	**33.158.443,72**	**-**	**-**	**-**	**33.158.443,72**	**70.318.981,72**	**-**
Operating costs contributions at 31.12.2024	1.177.442.380,40	3.558.131,48	1.092.362.309,67	7.063.501,01	149.159.637,41	1.252.143.579,57	1.188.064.012,89	1.241.521.947,08
Current year contributions	69.544.660,00	-	129.335.069,65	-	18.360.646,04	147.695.715,69	69.544.660,00	147.695.715,69
Operating costs contributions at 31.12.2025	**1.246.987.040,40**	**3.558.131,48**	**1.221.697.379,32**	**7.063.501,01**	**167.520.283,45**	**1.399.839.295,26**	**1.257.608.672,89**	**1.389.217.662,77**
TOTAL contributions at 31.12.2024	1.211.658.198,40	34.081.033,20	1.092.362.309,67	7.063.501,01	149.159.637,41	1.282.666.481,29	1.252.802.732,61	1.241.521.947,08
TOTAL contributions at 31.12.2025	**1.284.147.578,40**	**36.716.575,20**	**1.221.697.379,32**	**7.063.501,01**	**167.520.283,45**	**1.432.997.738,98**	**1.327.927.654,61**	**1.389.217.662,77**

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

With regard to the Horizon 2020, Council Regulation (EC) No 557/2014 (IMI2 JU) distinguishes members of the JU: the EU, represented by the Commission, the European pharmaceutical industry, represented by the EFPIA and Associated Partners.

Out of the total contributions of EUR 222.821 thousand which have been added to the net assets of the Joint Undertaking in 2025 in relation to the Horizon 2020 programme, 67% have been provided by the Industry Grouping and Associated Partners and 33% by the EU. The split, in the type of contributions provided during the year, 66% in-kind and 34% cash, is in line with a programme which is heading towards the end of its implementation period when more in-kind contributions are validated and less cash is required to sustain the on-going projects.

The overall status at the end of the financial year 2025 shows a funding ratio of 53% from the Industry Grouping and Associated Partners and 47% from the EU from the total funding of EUR 2.717 million.

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

Member	Commission	Industry Grouping		Contributing partners			Total	
	Cash	Cash	In kind	Cash	In kind	Total	Cash	In kind
Running costs contributions at 31.12.2024	3.783.893,36	2.716.681,00	-	1.367.065,00	-	4.083.746,00	7.867.639,36	-
Current year contributions	1.897.025,87	1.784.060,00	-	-	-	1.784.060,00	3.681.085,87	-
Running costs contributions at 31.12.2025	**5.680.919,23**	**4.500.741,00**	**-**	**1.367.065,00**	**-**	**5.867.806,00**	**11.548.725,23**	**-**
Operating costs contributions at 31.12.2024	151.851.910,22	-	5.259.288,09	-	767.453,51	6.026.741,60	151.851.910,22	6.026.741,60
Current year contributions	103.095.323,17	-	12.105.564,34	-	3.969.557,43	16.075.121,77	103.095.323,17	16.075.121,77
Operating costs contributions at 31.12.2025	**254.947.233,39**	**-**	**17.364.852,43**	**-**	**4.737.010,94**	**22.101.863,37**	**254.947.233,39**	**22.101.863,37**
TOTAL contributions at 31.12.2024	155.635.803,58	2.716.681,00	5.259.288,09	1.367.065,00	767.453,51	10.110.487,60	159.719.549,58	6.026.741,60
TOTAL contributions at 31.12.2025	**260.628.152,62**	**4.500.741,00**	**17.364.852,43**	**1.367.065,00**	**4.737.010,94**	**27.969.669,37**	**266.495.958,62**	**22.101.863,37**

Under the SBA (Horizon Europe) the in-kind contributions to operational activities should be accounted for solely on the basis of eligible costs and should be reported and audited in accordance with the mechanism applicable to the specific grant agreement. These legal requirements do not change the substance of the operation: also, under Horizon Europe only validated and accepted contributions by the Executive Director can be recognised under net assets. Therefore, the same accounting treatment as used under the previous regulations should be applied to IKOP under Horizon Europe.

With regard to the Horizon Europe, Council Regulation (EU) 2021/2085 (IHI JU) distinguishes members of the JU: the EU, represented by the Commission, the life science industries, represented by COCIR, EFPIA (also representing Vaccines Europe), EuropaBio and MedTech Europe (i.e., the Private Members) and Contributing Partners.

According to the specific guidance issued by the EC Accounting Officer[6] for the accounting of the EU cash contributions received under Horizon Europe, 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 programme and enters only this amount into the net assets. The unspent funds in 2025 (EUR 12.534 thousand) are booked among the liabilities as “Contributions in cash to be validated” (note **2.7**). Out of the total contributions of EUR 122.852 thousand which have been added to the net assets of the Joint undertaking in 2025 in relation to the Horizon Europe programme, 85% have been provided by the EU and 15% by the Industry Grouping and Contributing Partners.

The difference in the rate of contributions is normal for a programme cycle due to the differences in the type of contributions which are provided by the different members. While the EU is contributing cash as an advance which is needed to start the project activities, the majority of the contributions from the Industry Grouping and Contributing Partners are in the form of in-kind which require a longer period to meet the requirements for recognition in the net assets of the Joint Undertaking.

[6] 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 ex-post audits that will be collected in the following year.

	2025	2024
Recovery of expenses	2.336.462,66	1.389.847,32

3.2. OTHER NON-EXCHANGE REVENUE

No other non-exchange revenue was earned during the financial year 2025 or 2024.

EXCHANGE REVENUE

3.3. REVENUE FROM EXCHANGE TRANSACTIONS

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

	2025	2024
Recovery of administrative expenses	12.493,77	27.995,25
Financial revenue	4.421,80	22.283,17
Other	-	-
Total	**16.915,57**	**50.278,42**

The decrease in the overall value of the revenue relates mainly to the fact that IHI JU is no longer subletting the 1st floor to GH EDCTP3.

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
Operational costs: in-kind contributions - FP7	(251.584,00)	(9.908.598,03)
Operational costs: in-kind contributions - H2020	159.550.772,77	132.420.196,61
Operational costs: in-kind contributions – HE	68.074.491,30	32.560.315,02
Total operational costs from in-kind contributions	**227.373.680,07**	**155.071.913,60**
Operational costs: EU contributions - FP7	7.251,09	(10.304.542,43)
Operational costs: EU contributions - H2020	99.948.172,78	135.300.917,32
Operational costs: EU contributions – HE	80.624.866,37	36.802.938,52
Total operational costs from EU contributions	**180.580.290,24**	**161.799.313,41**
Total	**407.953.970,31**	**316.871.227,01**

The overall value of the operational costs has remained stable when compared to the previous period. The main contribution to the operational costs financed through in-kind contributions increased by 47% with a breakdown into the Horizon 2020 projects which account for 70% of the total operational costs from in-kind contributions in 2025 and the projects under the Horizon Europe programme for 30%. The corresponding increase of 12%, when comparing current figures to 2024 in the operational costs financed through cash, is mainly coming from estimated and incurred expenses for the Horizon Europe projects since there are currently more running projects than in 2024 for which costs claims have been validated and/or need to be estimated.

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.

	2025	2024
Staff costs	5.770.943,65	5.660.657,23

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 Innovative Health Initiative Joint Undertaking was set as 2.5% 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.

3.6. FINANCE EXPENSES

No financial expenses were incurred during the course of the financial year 2025.

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., as well as the debts written-off.

The increase in administrative costs is mainly due to the increase in the external non-IT services, office supplies and maintenance, external IT services including the onboarding to SUMMA, the new EC corporate financial system, and training and recruitment costs.

	2025	2024
Property, plant and equipment related expenses	49.523,13	42.831,04
External non-IT services	1.278.491,08	974.736,08
Maintenance and security expenses	254.582,93	213.009,67
Office Supplies & maintenance	102.603,75	64.931,60
External IT services	1.229.823,75	938.911,55
Experts' expenses	92.680,88	111.814,72
Insurance – others	1.277,88	-
Car & transport expenditures	20.027,98	16.217,77
Training costs	66.880,42	42.105,35
Recruitment costs	10.033,84	640,00
Missions	43.308,58	49.772,62
Communications & publications	37.648,66	30.491,77
Rent expenses	392.162,97	406.421,30
Losses on trade debtors	109.964,45	481.189,04
Realised & Unrealised Exchange Rate Losses	179,85	38,32
Total	**3.689.190,15**	**3.373.110,83**

An overview of the amounts to be committed and paid during the remaining term of these lease contracts are as follows:

EUR '000

	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
Buildings	394.980,57	1.660.514,18	472.490,81	2.527.985,56

The Joint Undertaking has co-signed 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.

4. OTHER SIGNIFICANT DISCLOSURES

4.1. CONTINGENT ASSETS

	2025	2024
Contingent assets	186.246,79	599.653,42

The contingent assets of Innovative Health Initiative JU relate to ex-post audit findings for which the amounts have not yet been agreed with the beneficiaries.

4.2. CONTINGENT LIABILITIES

As of 9 February 2026, Innovative Health Initiative Joint Undertaking is involved in a legal dispute with a beneficiary regarding the implementation of ex-post audit results.
It is considered possible but not probable that the claim will result in an outflow of economic resources. The liability is considered uncertain and cannot be predicted with reasonable assurance. The timing of the resolution is uncertain. Accordingly, no provision has been recognised in the financial statements.

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	541.619.236,95	508.656.017,03

The outstanding commitments not yet expensed represent the correction of the budgetary RAL with the estimated costs which are determined by using the accrual-based principle not reflected in the budgetary result, where the cash-based principle is used.

4.4. IN-KIND CONTRIBUTIONS

According to both Council Regulation (EU) No 558/2014 and Council Regulation (EU) No 2021/2085, the members other than the Union shall provide in-kind contributions to the Joint Undertaking.

Under H2020 programme, in-kind contributions by the Members other than the Union and the Associated Partners, or their constituent entities or their affiliated entities consist of the costs incurred by them in implementing indirect actions less the contribution of the joint undertaking and any other Union contribution to those costs. For the purpose of valuing these in-kind contributions, the costs are 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 external auditor appointed by the entity concerned. The valuation method may be verified by the joint undertaking, should there be any uncertainty arising from the certification.
Further simplification was introduced under Horizon Europe programme. In that context, a simplified reporting mechanism was put in place for the members, who are no longer required to report on non-eligible costs for in-kind contributions to operational activities. 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 organisations 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 allows for the automated calculation of in-kind contributions to operational activities via the Horizon Europe IT tools.

4.5. IN-KIND IN ADDITIONAL ACTIVITIES (IKAA)

The joint undertakings provide a systematic opportunity and incentive for members other than the Union to combine their research and innovation activities with those of the joint undertaking. Additional activities do not receive financial support from the joint undertaking. However, they are accounted for as members' in-kind contributions to additional activities when they contribute to the objectives of the joint undertaking and are directly linked to its activities, including non-eligible costs of indirect actions funded by the joint undertaking where this is provided for in the annual additional activities plan. That link can be established through the uptake of results from indirect actions funded by the joint undertaking or its preceding initiatives, or by demonstrating a significant Union added value. The respective costs should be certified by an independent audit body appointed by the entity concerned subject to the valuation method being open to verification by the joint undertaking in the event of uncertainty. Council Regulation (EU) No 2021/2085 laid down more specific provisions concerning the scope of additional activities for each joint undertaking, to the extent that it is necessary to achieve the desired directionality and impact.

"Additional activity" means an activity, 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 and is directly linked to the uptake of results from projects under that joint undertaking or its preceding initiatives or that has a significant Union added value.

In-kind contributions to additional activities means contributions by the private members, constituent entities or the affiliated entities of either, and by international organisations, consisting of the costs incurred by them in implementing additional activities less any contribution to those costs from the Union and from the participating states of that joint undertaking;

Art. 120 of the SBA defines the scope of IHI JU's additional activities:

1. For the purpose of Article 11(1), point (b), additional activities shall be carried out in the Union or countries associated with Horizon Europe and may include:
   (a) activities contributing towards the achievement of objectives of indirect actions funded by the Innovative Health Initiative Joint Undertaking;
   (b) activities contributing towards the dissemination, sustainability or exploitation of results of indirect actions funded by the Innovative Health Initiative Joint Undertaking.
2. Where relevant, project proposals shall include a plan for their related additional activities. Costs associated to such project-specific additional activities must be incurred between the date of submission of the proposal and up to two years after the end date of the indirect action.
3. In order for the costs to be accounted for as in-kind contributions referred to in Article 11(1), point (b), the underlying additional activities shall be carried out within the Union or countries associated to Horizon Europe.

4.6. CONTRIBUTIONS PER PROGRAMME

	Members' contributions (as per Founding regulation)					
	EU cash (a)	Third country contribution (UK) (b)	Private members' cash (c)	Private members' IKOP (d)	Private members' IKAA (e)	Total (f)=(a)+(b)+ (c)+(d)+(e)
FP7	*1,000,000,000.00*	-	*34,000,000.00*	*966,000,000.00*	-	***2,000,000,000.00***
H2020	*1,638,000,000.00*	-	*42,600,000.00*	*1,595,400,000.00*	-	***3,276,000,000.00***
Horizon Europe*	*1,189,661,000.00*	-	*30,193,000.00*	*1,159,468,000.00*		***2,379,322,000.00***

* the total EU contribution for Innovative Health Initiative JU under HE has been decreased by 10.339.000€ following the Council Regulation (EU) 2026/150 of 16 January 2026 amending Regulation (EU) 2021/1173 on establishing the European High Performance Computing Joint Undertaking. The private member's' IKOP has been aligned to match the reduced EU contribution.

	Members' contributions as of 31.12.2025								
	EU cash validated	EU cash not validated (PF)	Private members' cash	Private members' IKOP validated	Private members' IKOP reported but not validated	Private members' IKAA certified	Private members' IKAA reported but not certified	Total	Achievement rate
FP7	*938,354,014.45*	-	*21,898,055.36*	*836,488,762.69*	-	*N/A*	*N/A*	***1,796,740,832.50***	***90%***
H2020	*1,284,147,578.40*	-	*43,780,076.21*	*1,389,217,662.77*	*157,356,043.75*	*N/A*	*N/A*	***2,874,501,361.13***	***88%***
Horizon Europe	*260,628,152.62*	*12,533,630.38*	*5,867,806.00*	*22,101,863.37*	*89,499,598.51*	*23,323,775.21*	*2,775,710.59*	***416,730,536.68***	***18%***

4.6.1. 2007-2013 (FP7) MFF: Total Members' Contributions

IMI1 (FP7) programme has been fully paid out and is therefore closed.

At the end of 2025, the JU had committed EU operational contributions of EUR 926 million for 59 signed grant agreements under the FP7 programme. The final report of the last project was submitted and accepted in 2025.

100% of the adjusted commitment appropriations (EUR 902,564 thousand) had been paid out at the end of 2025. Private members had legally committed to provide in-kind contributions of EUR 894.9 million or 93% of the original legal target of EUR 966 million. Of this committed amount, EUR 836.5 million was validated by the Programme Office (or 87% of the original legal target) at the end of 2025.

4.6.2. 2014-2020 (Horizon 2020) MFF: Total Members' Contributions

At the end of 2025, the JU had committed EUR 1 452.1 million or 91 % of the maximum EU operational contribution of EUR 1 595.4 million for signed grant agreements under the Horizon 2020 programme. Of this committed amount, around EUR 161.5 million (or 11 %) remains to be paid in the coming years for projects yet to be completed. At the same time, private members and associated partners had legally committed to provide in-kind contributions of EUR 1 508.1 million or 95 % of the minimum target of EUR 1 595.4 million. Of this committed amount, they reported EUR 1 546.6 million (or 97% of the target) at the end of 2025.

The last IMI2 projects were signed in 2021, some with an expected end date in 2028. At the end of 2025 there were still 29 IMI2 projects running with 89% of the commitment appropriations paid out. As the programme is still being implemented there is a natural difference between the Members' contributions and their contribution targets as per Founding Regulation.

The difference between EU cash contributions and private members' validated in-kind contributions is due to the fact that EU cash contributions are recognised when paid to IHI JU before the project implementation while the in-kind contributions from the private members are only recognised after the validation of the costs incurred and declared for the project implementation.

It should also be noted that the initial commitment indicated in the 2014 Council Regulation has been reduced. The total available EU operational commitment appropriations at programme level over the lifetime of the IMI2 JU (2014-2021) amount to EUR 1 456.6 million instead of the initial commitment of EUR 1 595.4 million.

4.6.3. 2021-2027 (Horizon Europe) MFF: Total Members 'Contributions

During 2025 IHI portfolio under Horizon Europe has reached 52 projects. At the end of 2025, the commitments for the signed grant agreements from EU funding were EUR 641 million (54% of the target) and EUR 705.8 (59% of the target) from IHI JU private members and contributing partners. At the end of 2025, 33% of the commitment appropriations had been paid out.

The IHI JU private members and contributing partners reported EUR 137.7 million of in-kind contributions by the end of 2025. The total reported amount of private member and contributing partner contributions (IKOP, IKAA) covers 12% of the adjusted legal target.

At the end of 2025 certified IKOP from IHI private members reached 22.1 million and certified IKAA reached EUR 23.3 million.

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 on IHI JU website.

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
Executive Director	*AD 14*	*AD 14*

Having regard to Governing Board Decision No IHI-GB-DEC-2024-38 appointing the Executive Director of IHI JU as from 16 January 2024.

4.9. OTHER EVENTS

The Russian war of aggression against Ukraine

The war does not affect materially the recognition and measurement of any assets and liabilities on the balance sheet and also of any revenue and expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular, the evolving situation, the financial effect of the war on subsequent reporting periods of IHI JU cannot be reliably estimated.

4.10. OTHER INFORMATION

Not applicable.

4.11. EVENTS AFTER REPORTING DATE

Not applicable.

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.

INNOVATIVE HEALTH INITIATIVE 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 Innovative Health Initiative 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, meetings, experts, studies, 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 (including experts for evaluations).

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

EUR '000

	Title	2025	2024
Revenue		**184 371**	**181 830**
of which:			
Revenue of IMI from the European Commission	1	178 649	170 840
Revenue of IMI from EFPIA and other Members	2	4 420	3 314
Operational recovery	4	101	108
Other revenue	5	1 201	7 568
Expenditure		**(202 232)**	**(194 656)**
of which:			
Staff expenditure	1	(6 573)	(6 136)
Administrative expenditure	2	(2 912)	(2 533)
Operational expenditure	3	(192 747)	(185 987)
Exchange rate differences		**(0)**	**(0)**
Budget result		**(17 861)**	**(12 826)**

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2025	2024
ECONOMIC RESULT OF THE YEAR	**-415.061**	**-324.465**
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	**315.235**	**191.985**
In-kind contributions validated in the year	163.771	195.435
Adjustments for accrual cut-off (net)	108.868	-72.288
Unpaid invoices at year end but booked in expenses	2	-3.972
Depreciation, amortization and impairment of intangible and tangible assets	50	43
Recovery orders issued in the year and not yet cashed	-444	-499
Correction of recovery orders issued last year	54	0
Pre-financing given in previous year and cleared in the year	42.934	73.073
Loss on trade receivable realisation	0	193
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	**81.965**	**119.654**
Members' cash contributions collected in the year	183.069	175.044
Asset acquisitions (less unpaid amounts)	-65	-46
New pre-financing paid in the year and remaining open as at 31 December	-101.698	-61.902
Recovery of the prefinancing paid in previous years	569	6.494
Entitlements established in previous year and cashed in the year	94	69
Entitlements established on balance sheet accounts and cashed in the year	0	0
Other individually immaterial	-4	-5
BUDGET RESULT OF THE YEAR	**-17.861**	**-12.826**

4. IMPLEMENTATION OF BUDGET REVENUE

EUR '000

		Income appropriations		Entitlements established			Revenue				
	Item	Initial budget	Final budget	Current year	Carried over/Reactivated	Total	On entitlements of current year	On entitlements carried over/reactivated	Total	%	Out-standing
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/5	10=5-8
1000	European Commission contribution out of IMI2 budget	72 489	72 489	72 489	0	72 489	72 489	0	72 489	100 %	0
1001	European Commission contribution – appropriations	20 011	20 220								
1002	European Commission contribution out of IHI budget	106 160	106 160	106 160	0	106 160	106 160	0	106 160	100 %	0
Total Chapter 10		198 660	198 869	178 649	0	178 649	178 649	0	178 649	100 %	0
Total Title 1		**198 660**	**198 869**	**178 649**	**0**	**178 649**	**178 649**	**0**	**178 649**	**100 %**	**0**
2000	European Federation of Pharmaceutical Industries	2 945	2 945	2 636	0	2 636	2 636	0	2 636	100 %	0
2001	European Federation of Pharmaceutical Industries	0	167								
2002	European Federation of Pharmaceutical Industries	965	965	877	0	877	877	0	877	100 %	0
Total Chapter 20		3 910	4 077	3 512	0	3 512	3 512	0	3 512	100 %	0

2100	EuropaBio contribution for IHI current year	15	15	15	0	15	15	0	15	100 %	0
2101	EuropaBio - appropriations carried over from previous	0	1								
Total Chapter 21		15	16	15	0	15	15	0	15	100%	0
2200	COCIR contribution for IHI current year	490	490	446	0	446	446	0	446	100 %	0
2201	COCIR - appropriations carried over from previous	0	21								
Total Chapter 22		490	511	446	0	446	446	0	446	100 %	0
2300	MedTech Europe contribution for IHI current year	490	490	446	0	446	446	0	446	100 %	0
Total Chapter 23		490	490	446	0	446	446	0	446	100%	0
2301	MedTech Europe - appropriations carried over from previous years	0	21								
Total Chapter 23		0	21								
Total Title 2		**4 906**	**5 115**	**4 420**	**0**	**4 420**	**4 420**	**0**	**4 420**	**100 %**	**0**
4000	Recovery ex-post audit	p.m	p.m	112	210	322	8	93	101	31 %	221
Total Chapter 40		0	0	112	210	322	8	93	101	31 %	221
Total Title 4		**0**	**0**	**112**	**210**	**322**	**8**	**93**	**101**	**31 %**	**221**
5000	Miscellaneous revenue	p.m	p.m	928	1 014	1 942	588	613	1 201	62 %	741
Total Chapter 50		0	0	928	1014	1942	588	613	1201	62%	741
Total Title 5		**0**	**0**	**928**	**1014**	**1942**	**588**	**613**	**1201**	**62 %**	**741**
GRAND TOTAL		**203 566**	**203 984**	**184 109**	**1 224**	**185 333**	**183 665**	**706**	**184 371**	**99 %**	**962**

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

		Budget appropriations				Additional appropriations			Total appropr. available
	Item	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
1100	Staff in active employment and costs linked to emp	3 879	0	313	4 192	0	0	0	4 192
1101	Family allowances	310	0	(62)	248	0	0	0	248
1102	Transfer and expatriation allowance	480	0	(83)	397	0	0	0	397
1110	Contract agents	1 110	0	(317)	793	0	0	0	793
1130	Insurance against sickness	127	0	0	127	0	0	0	127
1131	Insurance against accidents and occupational disease	17	0	0	17	0	0	0	17
1132	Unemployment insurance for temporary staff	50	0	0	50	0	0	0	50
1133	Pension	30	0	2	32	0	0	0	32
1140	Birth and death allowance	1	0	0	1	0	0	0	1
1141	Annual travel costs from the place of employment	60	0	0	60	0	0	0	60
1172	Cost of organizing traineeships within IMI	10	0	0	10	0	0	0	10
1177	Other services rendered	90	0	(75)	15	0	0	0	15
1178	Paymaster Office (PMO) fees	70	0	0	70	0	0	0	70
1180	Sundry recruitment expenses	5	0	0	5	0	0	0	5

1181	Travelling expenses (including taking up duty)	1	0	0	1	0	0	0	1
1182	Installation allowance	20	0	0	20	19	0	19	39
1183	Moving expenses	10	0	0	10	12	0	12	22
1184	Temporary daily allowance	15	0	0	15	0	0	0	15
1190	Weightings (correction coefficients)	5	0	0	5	0	0	0	5
Total Chapter 11		6 290	0	(222)	6 068	31	0	31	6 100
1200	Miscellaneous expenditure on staff recruitment	5	0	11	16	8	0	8	24
Total Chapter 12		5	0	11	16	8	0	8	24
1300	Mission expenses	134	0	0	134	0	0	0	134
Total Chapter 13		134	0	0	134	0	0	0	134
1401	EU school costs	170	0	(8)	162	0	0	0	162
1410	Other trainings	50	0	8	58	35	0	35	93
1420	Supplementary aid for the disabled	1	0	0	1	0	0	0	1
1430	Medical service	19	0	(5)	14	0	0	0	14
1440	Trainings covered by the EC service level agreement	30	0	0	30	0	0	0	30
1490	Other interventions	12	0	14	26	0	0	0	26
Total Chapter 14		282	0	9	291	35	0	35	326
1500	External staff expenditure	125	0	197	322	226	0	226	548
Total Chapter 15		125	0	197	322	226	0	226	548
1700	Representation expenses	10	0	5	15	10	0	10	25
Total Chapter 17		10	0	5	15	10	0	10	25
Total Title 1		**6 846**	**0**	**0**	**6 846**	**310**	**0**	**310**	**7 156**

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

		Budget appropriations				Additional appropriations			Total appropr. available
	Item	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	Rentals office building	480	0	(88)	392	0	0	0	392
2020	Charges(water-gas-electricity-works)	180	0	105	285	0	0	0	285
2040	Furnishing of premises	10	0	3	13	0	0	0	13
2050	Security and surveillance	20	0	(20)	0	0	0	0	0
Total Chapter 20		690	0	(0)	690	0	0	0	690
2101	Hardware- infrastructure and related services	450	0	(223)	227	0	11	11	238
2102	Software development- licenses and related service	628	0	237	865	101	1	102	967
2103	Other expenses maintenance and repair	30	0	0	30	0	0	0	30
Total Chapter 21		1 108	0	14	1 122	101	12	113	1 235
2202	Maintenance utilisation and repair	5	0	(1)	4	0	0	0	4
Total Chapter 22		5	0	(1)	4	0	0	0	4
2300	Stationery and office supply	50	0	(10)	40	4	0	4	44
2330	Legal expenses	15	0	(1)	14	0	0	0	14
2350	Other operating expenditure	3	0	32	35	0	0	0	35
2360	Library stocks purchase of books and subscriptions	51	0	(6)	45	0	0	0	45
2370	Translation- interpretation	5	0	0	5	0	0	0	5
Total Chapter 23		124	0	15	139	4	0	4	143
2400	Correspondence and communication expenses	47	0	(3)	44	0	0	0	44
Total Chapter 24		47	0	(3)	44	0	0	0	44
2500	Formal meetings	122	0	(9)	113	0	0	0	113
Total Chapter 25		122	0	(9)	113	0	0	0	113

2600	Administrative costs in connection with operational	20	0	(20)	0	0	0	0	0
2602	Workshops	280	0	(10)	270	0	0	0	270
Total Chapter 26		300	0	(30)	270	0	0	0	270
2700	External communication	60	0	26	86	0	0	0	86
2701	Events external communication	200	0	47	247	3	12	15	262
2702	Material	40	0	(35)	5	0	0	0	5
Total Chapter 27		300	0	38	338	3	12	15	353
2800	Ex-post audits	43	0	(43)	0	0	0	0	0
2801	Studies- consultancy	120	0	5	125	0	0	0	125
2802	Audits	55	0	0	55	0	0	0	55
2803	Accounting services	90	0	14	104	1	0	1	105
Total Chapter 28		308	0	(24)	284	1	0	1	285
Total Title 2		**3 004**	**0**	**0**	**3 004**	**109**	**25**	**133**	**3 137**

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

		Budget appropriations				Additional appropriations			Total appropr. available
	Item	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
3008	Call 8	0	0	0	0	0	124	124	124
3011	Call 11	0	0	0	0	0	485	485	485
3022	IMI2 Call 2	0	0	0	0	0	291	291	291
3026	IMI2 Call 6	0	0	0	0	0	2	2	2
3027	IMI2 Call 7	0	0	0	0	0	157	157	157
3028	IMI2 Call 8	0	0	0	0	0	6	6	6
3029	IMI2 Call 9	0	0	0	0	0	1	1	1
3030	IMI2 Call 10	0	0	0	0	0	26	26	26
3032	IMI2 Call 12	0	0	0	0	0	1	1	1
3033	IMI2 Call 13	0	0	0	0	0	51	51	51
3034	IMI2 Call 14	0	0	0	0	0	54	54	54

3035	IMI2 Call 15	0	0	0	0	0	41	41	41
3036	IMI2 Call 16	0	0	0	0	0	9	9	9
3041	IMI2 Call 21	0	0	0	0	0	4	4	4
Total Chapter 30		0	0	0	0	0	1 254	1 254	1 254
3109	UK eligible -IHI JU Call 9	180 000	0	0	180 000	11 000	0	11 000	191 000
3110	UK eligible -IHI JU Call 10	33 160	0	0	33 160	690	0	690	33 850
Total Chapter 31		213 160	0	0	213 160	11 690	0	11 690	224 850
3200	UK non eligible -Horizon Europe appropriations	0	0	0	0	2 789	0	2 789	2 789
3206	UK non eligible-IHI JU Call 6	0	0	0	0	11 300	0	11 300	11 300
3207	UK non eligible-IHI JU Call 7	0	0	0	0	13 542	0	13 542	13 542
3209	UK non eligible-IHI JU Call 10	0	0	0	0	14 917	0	14 917	14 917
3211	UK non eligible-IHI JU Call 11	0	0	0	0	37 209	0	37 209	37 209
Total Chapter 32		0	0	0	0	79 758	0	79 758	79 758
3311	UK&CA eligible; CH entities non-eligible Call 11	0	0	0	0	20 202	0	20 202	20 202
Total Chapter 33		0	0	0	0	20 202	0	20 202	20 202
3900	Evaluations experts	267	0	0	267	1 023	0	1 023	1 290
Total Chapter 39		267	0	0	267	1 023	0	1 023	1 290
Total Title 3		**213 427**	**0**	**0**	**213 427**	**112 673**	**1 254**	**113 927**	**327 354**
GRAND TOTAL		**223 276**	**0**	**0**	**223 276**	**113 092**	**1 279**	**114 370**	**337 647**

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

		Budget appropriations				Additional appropriations			Total appropr. 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
1100	Staff in active employment and costs linked to emp	3 879	0	270	4 149	0	0	0	4 149
1101	Family allowances	310	0	(62)	248	0	0	0	248
1102	Transfer and expatriation allowance	480	0	(37)	443	0	0	0	443
1110	Contract agents	1 110	0	(317)	793	0	0	0	793
1130	Insurance against sickness	127	0	0	127	0	0	0	127
1131	Insurance against accidents and occupational disease	17	0	0	17	0	0	0	17
1132	Unemployment insurance for temporary staff	50	0	(2)	48	0	0	0	48
1133	Pension	30	0	2	32	0	0	0	32
1140	Birth and death allowance	1	0	0	1	0	0	0	1
1141	Annual travel costs from the place of employment t	60	0	0	60	0	0	0	60
1172	Cost of organizing traineeships within IMI	10	0	0	10	0	0	0	10
1177	Other services rendered	90	0	(75)	15	0	0	0	15
1178	Paymaster Office (PMO) fees	70	0	0	70	0	0	0	70
1180	Sundry recruitment expenses	5	0	0	5	0	0	0	5
1181	Travelling expenses (including taking up duty)	1	0	0	1	0	0	0	1

1182	Installation allowance	20	0	0	20	19	0	19	39
1183	Moving expenses	10	0	0	10	12	0	12	22
1184	Temporary daily allowance	15	0	0	15	0	0	0	15
1190	Weightings (correction coefficients)	5	0	0	5	0	0	0	5
Total Chapter 11		6 290	0	(222)	6 068	31	0	31	6 100
1200	Miscellaneous expenditure on staff recruitment	5	0	11	16	8	0	8	24
Total Chapter 12		5	0	11	16	8	0	8	24
1300	Mission expenses	134	0	0	134	0	0	0	134
Total Chapter 13		134	0	0	134	0	0	0	134
1401	EU school costs	170	0	(8)	162	0	0	0	162
1410	Other trainings	50	0	8	58	35	0	35	93
1420	Supplementary aid for the disabled	1	0	0	1	0	0	0	1
1430	Medical service	19	0	(5)	14	0	0	0	14
1440	Trainings covered by the EC service level agreement	30	0	0	30	0	0	0	30
1490	Other interventions	12	0	14	26	0	0	0	26
Total Chapter 14		282	0	9	291	35	0	35	326
1500	External staff expenditure	125	0	197	322	226	0	226	548
Total Chapter 15		125	0	197	322	226	0	226	548
1700	Representation expenses	10	0	5	15	10	0	10	25
Total Chapter 17		10	0	5	15	10	0	10	25
Total Title 1		**6 846**	**0**	**0**	**6 846**	**310**	**0**	**310**	**7 156**

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

		Budget appropriations				Additional appropriations			Total appropr. 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
2102	Software development- licenses and related service	589	0	280	869	98	9	107	976
2103	Other expenses maintenance and repair	30	0	(30)	0	0	0	0	0
Total Chapter 21		1 069	0	186	1 256	98	12	110	1 366
2202	Maintenance utilisation and repair	5	0	(5)	0	0	0	0	0
Total Chapter 22		5	0	(5)	0	0	0	0	0
2300	Stationery and office supply	50	0	(28)	22	0	0	0	22
2330	Legal expenses	15	0	(15)	0	0	0	0	0
2350	Other operating expenditure	3	0	18	21	0	0	0	21
2360	Library stocks purchase of books and subscriptions	51	0	0	51	0	0	0	51
2370	Translation- interpretation	5	0	0	5	0	0	0	5
Total Chapter 23		124	0	(24)	100	0	0	0	100
2400	Correspondence and communication expenses	47	0	(24)	23	0	0	0	23
Total Chapter 24		47	0	(24)	23	0	0	0	23
2500	Formal meetings	122	0	(32)	90	0	0	0	90
Total Chapter 25		122	0	(32)	90	0	0	0	90
2600	Administrative costs in connection with operational	20	0	(20)	0	0	0	0	0

2602	Workshops	280	0	(176)	104	0	0	0	104
Total Chapter 26		300	0	(196)	104	0	0	0	104
2700	External communication	60	0	34	94	6	0	6	100
2701	Events external communication	200	0	40	240	0	12	12	252
2702	Material	40	0	(35)	5	0	0	0	5
Total Chapter 27		300	0	39	339	6	12	18	357
2800	Ex-post audits	43	0	(35)	8	0	0	0	8
2801	Studies- consultancy	120	0	5	125	0	0	0	125
2802	Audits	55	0	(27)	28	0	0	0	28
2803	Accounting services	90	0	78	168	5	0	5	173
Total Chapter 28		308	0	21	329	5	0	5	334
Total Title 2		**2 965**	**0**	**0**	**2 965**	**109**	**25**	**133**	**3 099**

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

		Budget appropriations				Additional appropriations			Total appropr. 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
3008	Call 8	0	0	0	0	0	124	124	124
3011	Call 11	0	0	0	0	0	485	485	485
3020	Implementing the research agenda of IMI2 Joint Und	69 545	0	(69 545)	0	0	0	0	0
3022	IMI2 Call 2	0	0	0	0	0	291	291	291

3026	IMI2 Call 6	0	0	0	0	0	2	2	2
3027	IMI2 Call 7	0	0	96	96	0	100	100	196
3028	IMI2 Call 8	0	0	1 662	1 662	0	6	6	1 668
3029	IMI2 Call 9	0	0	0	0	0	22	22	22
3030	IMI2 Call 10	0	0	0	0	0	26	26	26
3032	IMI2 Call 12	0	0	549	549	0	1	1	550
3033	IMI2 Call 13	0	0	6 510	6 510	0	87	87	6 598
3034	IMI2 Call 14	0	0	2 266	2 266	0	54	54	2 320
3035	IMI2 Call 15	0	0	14 755	14 755	1 416	41	1 457	16 212
3036	IMI2 Call 16	0	0	418	418	0	9	9	427
3037	IMI2 Call 17	0	0	1 332	1 332	0	0	0	1 332
3038	IMI2 Call 18	0	0	8 120	8 120	5 399	0	5 399	13 519
3040	IMI2 Call 20	0	0	18 284	18 284	0	0	0	18 284
3041	IMI2 Call 21	0	0	300	300	0	4	4	304
3042	IMI2 Call 22	0	0	704	704	0	0	0	704
3043	IMI2 Call 23	0	0	8 455	8 455	0	0	0	8 455
Total Chapter 30		69 545	0	(6 094)	63 451	6 816	1 254	8 070	71 520
3100	Implementing the research agenda of IHI JU	103 932	0	(103 932)	0	0	0	0	0
3101	IHI JU Call 1	0	0	5 053	5 053	1 076	0	1 076	6 128
3102	IHI JU Call 2	0	0	3 352	3 352	0	0	0	3 352
3103	IHI JU Call 3	0	0	10 488	10 488	0	0	0	10 488
3104	IHI JU Call 4	0	0	10 415	10 415	0	0	0	10 415
3106	IHI JU Call 6	0	0	5 319	5 319	0	0	0	5 319

3107	IHI JU Call 7	0	0	26 645	26 645	0	0	0	26 645
3108	UK eligible -IHI JU Call 8	0	0	19 720	19 720	0	0	0	19 720
3109	UK eligible -IHI JU Call 9	0	0	26 034	26 034	0	0	0	26 034
Total Chapter 31		103 932	0	3 094	107 026	1 076	0	1 076	108 102
3206	UK non eligible-IHI JU Call 6	0	0	0	0	4 520	0	4 520	4 520
3207	UK non eligible-IHI JU Call 7	0	0	0	0	7 223	0	7 223	7 223
3209	UK non eligible-IHI JU Call 10	0	0	3 000	3 000	0	0	0	3 000
Total Chapter 32		0	0	3 000	3 000	11 743	0	11 743	14 743
3900	Evaluations experts	267	0	0	267	377	0	377	643
Total Chapter 39		267	0	0	267	377	0	377	643
Total Title 3		**173 744**	**0**	**0**	**173 744**	**20 011**	**1 254**	**21 265**	**195 008**

GRAND TOTAL	**183 555**	**0**	**0**	**183 555**	**20 429**	**1 279**	**21 708**	**205 263**

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations – Title 1

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
1100	Staff in active employment and costs linked to emp	4 192	4 149	0	0	4 149	99 %	43	0	0	43
1101	Family allowances	248	248	0	0	248	100 %	0	0	0	0
1102	Transfer and expatriation allowance	397	389	0	0	389	98 %	8	0	0	8
1110	Contract agents	793	722	0	0	722	91 %	71	0	0	71
1130	Insurance against sickness	127	108	0	0	108	85 %	19	0	0	19
1131	Insurance against accidents and occupational disease	17	12	0	0	12	71 %	5	0	0	5
1132	Unemployment insurance for temporary staff	50	28	0	0	28	56 %	22	0	0	22
1133	Pension	32	32	0	0	32	100 %	0	0	0	0
1140	Birth and death allowance	1	0	0	0	0	0 %	1	0	0	1

1141	Annual travel costs from the place of employment	60	51	0	0	51	84 %	9	0	0	9
1172	Cost of organizing traineeships within IMI	10	4	0	0	4	43 %	6	0	0	6
1177	Other services rendered	15	0	0	0	0	0 %	15	0	0	15
1178	Paymaster Office (PMO) fees	70	43	0	0	43	61 %	27	0	0	27
1180	Sundry recruitment expenses	5	0	0	0	0	0 %	5	0	0	5
1181	Travelling expenses (including taking up duty)	1	0	0	0	0	0 %	1	0	0	1
1182	Installation allowance	39	0	19	0	19	49 %	20	0	0	20
1183	Moving expenses	22	0	12	0	12	54 %	10	0	0	10
1184	Temporary daily allowance	15	0	0	0	0	0 %	15	0	0	15
1190	Weightings (correction coefficients)	5	1	0	0	1	11 %	4	0	0	4
Total Chapter 11		6 100	5 788	31	0	5 819	95 %	281	0	0	281
1200	Miscellaneous expenditure on staff recruitment	24	12	6	0	18	73 %	4	3	0	6
Total Chapter 12		24	12	6	0	18	73 %	4	3	0	6
1300	Mission expenses	134	45	0	0	45	33 %	89	0	0	89
Total Chapter 13		134	45	0	0	45	33 %	89	0	0	89
1401	EU school costs	162	122	0	0	122	76 %	39	0	0	39

1410	Other trainings	93	51	18	0	69	74 %	7	17	0	24
1420	Supplementary aid for the disabled	1	0	0	0	0	0 %	1	0	0	1
1430	Medical service	14	10	0	0	10	71 %	4	0	0	4
1440	Trainings covered by the EC service level agreement	30	22	0	0	22	74 %	8	0	0	8
1490	Other interventions	26	26	0	0	26	98 %	0	0	0	0
Total Chapter 14		326	231	18	0	249	77 %	60	17	0	76
1500	External staff expenditure	548	321	226	0	548	100 %	0	0	0	0
Total Chapter 15		548	321	226	0	548	100 %	0	0	0	0
1700	Representation expenses	25	15	3	0	18	72 %	0	7	0	7
Total Chapter 17		25	15	3	0	18	72 %	0	7	0	7
Total Title 1		**7 156**	**6 412**	**284**	**0**	**6 696**	**94 %**	**434**	**26**	**0**	**460**

5.3.2. Implementation of commitment appropriations – Title 2

EUR '000

		Total approp. available	Commitments made					Appropriations lapsing			
	Item		from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+ 11+12
2000	Rentals office building	392	392	0	0	392	100 %	0	0	0	0
2020	Charges(water-gas-electricity-works)	285	280	0	0	280	98 %	5	0	0	5
2040	Furnishing of premises	13	13	0	0	13	100 %	0	0	0	0
Total Chapter 20		690	685	0	0	685	99 %	5	0	0	5
2101	Hardware- infrastructure and related services	238	177	0	10	187	78 %	50	0	1	52
2102	Software development-licenses and related service	967	852	101	1	954	99 %	13	0	0	13
2103	Other expenses maintenance and repair	30	30	0	0	30	100 %	0	0	0	0
Total Chapter 21		1 235	1 059	101	11	1 170	95 %	63	0	1	65
2202	Maintenance utilisation and repair	4	0	0	0	0	0 %	4	0	0	4
Total Chapter 22		4	0	0	0	0	0 %	4	0	0	4
2300	Stationery and office supply	44	39	0	0	39	87 %	1	4	0	6
2330	Legal expenses	14	0	0	0	0	0 %	14	0	0	14

2350	Other operating expenditure	35	26	0	0	26	75 %	9	0	0	9
2360	Library stocks purchase of books and subscriptions	45	41	0	0	41	92 %	3	0	0	3
2370	Translation-interpretation	5	3	0	0	3	66 %	2	0	0	2
Total Chapter 23		143	109	0	0	109	76 %	29	4	0	34
2400	Correspondence and communication expenses	44	22	0	0	22	50 %	22	0	0	22
Total Chapter 24		44	22	0	0	22	50 %	22	0	0	22
2500	Formal meetings	113	43	0	0	43	38 %	70	0	0	70
Total Chapter 25		113	43	0	0	43	38 %	70	0	0	70
2602	Workshops	270	176	0	0	176	65 %	94	0	0	94
Total Chapter 26		270	176	0	0	176	65 %	94	0	0	94
2700	External communication	86	86	0	0	86	100 %	0	0	0	0
2701	Events external communication	262	228	0	0	228	87 %	18	3	12	34
2702	Material	5	5	0	0	5	97 %	0	0	0	0
Total Chapter 27		353	319	0	0	319	90 %	19	3	12	34
2801	Studies- consultancy	125	125	0	0	125	100 %	0	0	0	0
2802	Audits	55	0	0	0	0	0 %	55	0	0	55
2803	Accounting services	105	64	0	0	64	61 %	41	1	0	41
Total Chapter 28		285	189	0	0	189	66 %	96	1	0	96
Total Title 2		**3 137**	**2 602**	**101**	**11**	**2 714**	**87 %**	**401**	**8**	**14**	**423**

5.3.3. Implementation of commitment appropriations – Title 3

EUR '000

			Commitments made					Appropriations lapsing			
	Item	Total approp. available	from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
3008	Call 8	124	0	0	124	124	100 %	0	0	0	0
3011	Call 11	485	0	0	0	0	0 %	0	0	485	485
3022	IMI2 Call 2	291	0	0	0	0	0 %	0	0	291	291
3026	IMI2 Call 6	2	0	0	0	0	0 %	0	0	2	2
3027	IMI2 Call 7	157	0	0	0	0	0 %	0	0	157	157
3028	IMI2 Call 8	6	0	0	0	0	0 %	0	0	6	6
3029	IMI2 Call 9	1	0	0	0	0	0 %	0	0	1	1
3030	IMI2 Call 10	26	0	0	0	0	0 %	0	0	26	26
3032	IMI2 Call 12	1	0	0	0	0	0 %	0	0	1	1
3033	IMI2 Call 13	51	0	0	51	51	100 %	0	0	0	0
3034	IMI2 Call 14	54	0	0	54	54	100 %	0	0	0	0
3035	IMI2 Call 15	41	0	0	41	41	100 %	0	0	0	0
3036	IMI2 Call 16	9	0	0	0	0	0 %	0	0	9	9
3041	IMI2 Call 21	4	0	0	0	0	0 %	0	0	4	4
Total Chapter 30		1 254	0	0	270	270	22 %	0	0	984	984
3109	UK eligible -IHI JU Call 9	191 000	180 000	11 000	0	191 000	100 %	0	0	0	0
3110	UK eligible -IHI JU Call 10	33 850	33 160	690	0	33 850	100 %	0	0	0	0

Total Chapter 31		224 850	213 160	11 690	0	224 850	100 %	0	0	0	0
3200	UK non eligible -Horizon Europe appropriations	2 789	0	0	0	0	0 %	0	2 789	0	2 789
3206	UK non eligible-IHI JU Call 6	11 300	0	11 300	0	11 300	100 %	0	0	0	0
3207	UK non eligible-IHI JU Call 7	13 542	0	13 542	0	13 542	100 %	0	0	0	0
3209	UK non eligible-IHI JU Call 10	14 917	0	14 917	0	14 917	100 %	0	0	0	0
3211	UK non eligible-IHI JU Call 11	37 209	0	37 209	0	37 209	100 %	0	0	0	0
Total Chapter 32		79 758	0	76 969	0	76 969	97 %	0	2 789	0	2 789
3311	UK&CA eligible; CH entities non-eligible Call 11	20 202	0	20 202	0	20 202	100 %	0	0	0	0
Total Chapter 33		20 202	0	20 202	0	20 202	100 %	0	0	0	0
3900	Evaluations experts	1 290	199	315	0	514	40 %	68	708	0	776
Total Chapter 39		1 290	199	315	0	514	40 %	68	708	0	776
Total Title 3		**327 354**	**213 359**	**109 176**	**270**	**322 805**	**99 %**	**68**	**3 497**	**984**	**4 548**

GRAND TOTAL	**337 647**	**222 373**	**109 561**	**281**	**332 215**	**98 %**	**903**	**3 531**	**997**	**5 432**

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.4.1. Implementation of payment appropriations – Title 1

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
1100	Staff in active employment and costs linked to emp	4 149	4 149	0	0	4 149	100 %	0	0	0	0
1101	Family allowances	248	248	0	0	248	100 %	0	0	0	0
1102	Transfer and expatriation allowance	443	389	0	0	389	88 %	53	0	0	53
1110	Contract agents	793	722	0	0	722	91 %	71	0	0	71
1130	Insurance against sickness	127	108	0	0	108	85 %	19	0	0	19
1131	Insurance against accidents and occupational disease	17	12	0	0	12	71 %	5	0	0	5
1132	Unemployment insurance for temporary staff	48	28	0	0	28	59 %	20	0	0	20
1133	Pension	32	32	0	0	32	100 %	0	0	0	0
1140	Birth and death allowance	1	0	0	0	0	0 %	1	0	0	1
1141	Annual travel costs from the place of employment	60	51	0	0	51	84 %	9	0	0	9
1172	Cost of organizing traineeships within IMI	10	4	0	0	4	43 %	6	0	0	6

1177	Other services rendered	15	0	0	0	0	0 %	15	0	0	15
1178	Paymaster Office (PMO) fees	70	43	0	0	43	61 %	27	0	0	27
1180	Sundry recruitment expenses	5	0	0	0	0	0 %	5	0	0	5
1181	Travelling expenses (including taking up duty)	1	0	0	0	0	0 %	1	0	0	1
1182	Installation allowance	39	0	19	0	19	49 %	20	0	0	20
1183	Moving expenses	22	0	12	0	12	54 %	10	0	0	10
1184	Temporary daily allowance	15	0	0	0	0	0 %	15	0	0	15
1190	Weightings (correction coefficients)	5	1	0	0	1	11 %	4	0	0	4
Total Chapter 11		6 100	5 788	31	0	5 819	95 %	281	0	0	281
1200	Miscellaneous expenditure on staff recruitment	24	9	8	0	17	71 %	7	0	0	7
Total Chapter 12		24	9	8	0	17	71 %	7	0	0	7
1300	Mission expenses	134	45	0	0	45	34 %	89	0	0	89
Total Chapter 13		134	45	0	0	45	34 %	89	0	0	89
1401	EU school costs	162	122	0	0	122	76 %	39	0	0	39
1410	Other trainings	93	19	29	0	48	51 %	40	6	0	45
1420	Supplementary aid for the disabled	1	0	0	0	0	0 %	1	0	0	1
1430	Medical service	14	8	0	0	8	54 %	6	0	0	6
1440	Trainings covered by the EC service level agreement	30	17	0	0	17	58 %	13	0	0	13
1490	Other interventions	26	25	0	0	25	96 %	1	0	0	1
Total Chapter 14		326	191	29	0	220	68 %	100	6	0	106

1500	External staff expenditure	548	301	153	0	454	83 %	21	73	0	94
Total Chapter 15		548	301	153	0	454	83 %	21	73	0	94
1700	Representation expenses	25	10	8	0	18	72 %	5	2	0	7
Total Chapter 17		25	10	8	0	18	72 %	5	2	0	7
Total Title 1		**7 156**	**6 344**	**229**	**0**	**6 573**	**92 %**	**502**	**81**	**0**	**583**

5.4.2. Implementation of payment appropriations – Title 2

EUR '000

			Payments made					Appropriations lapsing			
	Item	Total approp. availab.	from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
2000	Rentals office building	392	392	0	0	392	100 %	0	0	0	0
2020	Charges(water-gas-electricity-works)	276	248	0	0	248	90 %	27	0	0	27
2040	Furnishing of premises	57	57	0	0	57	100 %	0	0	0	0
Total Chapter 20		725	697	0	0	697	96 %	27	0	0	27
2101	Hardware- infrastructure and related services	390	387	0	2	389	100 %	0	0	1	1
2102	Software development-licenses and related service	976	869	98	9	976	100 %	0	0	0	0
2103	Other expenses maintenance and repair	0	0	0	0	0	0 %	0	0	0	0
Total Chapter 21		1 366	1 256	98	12	1 365	100 %	0	0	1	1
2300	Stationery and office supply	22	20	0	0	20	92 %	2	0	0	2

2350	Other operating expenditure	21	21	0	0	21	100 %	0	0	0	0
2360	Library stocks purchase of books and subscriptions	51	1	0	0	1	2 %	50	0	0	50
2370	Translation- interpretation	5	3	0	0	3	66 %	2	0	0	2
Total Chapter 23		100	46	0	0	46	46 %	54	0	0	54
2400	Correspondence and communication expenses	23	19	0	0	19	82 %	4	0	0	4
Total Chapter 24		23	19	0	0	19	82 %	4	0	0	4
2500	Formal meetings	90	43	0	0	43	48 %	47	0	0	47
Total Chapter 25		90	43	0	0	43	48 %	47	0	0	47
2602	Workshops	104	90	0	0	90	87 %	13	0	0	13
Total Chapter 26		104	90	0	0	90	87 %	13	0	0	13
2700	External communication	100	75	6	0	81	81 %	19	0	0	19
2701	Events external communication	252	240	0	0	240	95 %	0	0	12	12
2702	Material	5	5	0	0	5	100 %	0	0	0	0
Total Chapter 27		357	320	6	0	326	91 %	19	0	12	32
2800	Ex-post audits	8	0	0	0	0	0 %	8	0	0	8
2801	Studies- consultancy	125	125	0	0	125	100 %	0	0	0	0
2802	Audits	28	28	0	0	28	100 %	0	0	0	0
2803	Accounting services	173	168	5	0	173	100 %	0	0	0	0
Total Chapter 28		334	320	5	0	326	97 %	8	0	0	8
Total Title 2		**3 099**	**2 792**	**109**	**12**	**2 912**	**94 %**	**174**	**0**	**13**	**187**

4.4.3. Implementation of payment appropriations – Title 3

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
3008	Call 8	124	0	0	124	124	100 %	0	0	0	0
3011	Call 11	485	0	0	0	0	0 %	0	0	485	485
3022	IMI2 Call 2	291	0	0	0	0	0 %	0	0	291	291
3026	IMI2 Call 6	2	0	0	0	0	0 %	0	0	2	2
3027	IMI2 Call 7	196	96	0	0	96	49 %	0	0	100	100
3028	IMI2 Call 8	1 668	1 662	0	6	1 668	100 %	0	0	0	0
3029	IMI2 Call 9	22	0	0	0	0	0 %	0	0	22	22
3030	IMI2 Call 10	26	0	0	0	0	0 %	0	0	26	26
3032	IMI2 Call 12	550	549	0	1	550	100 %	0	0	0	0
3033	IMI2 Call 13	6 598	6 510	0	81	6 592	100 %	0	0	6	6
3034	IMI2 Call 14	2 320	2 266	0	54	2 320	100 %	0	0	0	0
3035	IMI2 Call 15	16 212	14 755	1 416	41	16 212	100 %	0	0	0	0
3036	IMI2 Call 16	427	418	0	0	418	98 %	0	0	9	9
3037	IMI2 Call 17	1 332	1 332	0	0	1 332	100 %	0	0	0	0
3038	IMI2 Call 18	13 519	8 112	5 399	0	13 512	100 %	8	0	0	8
3040	IMI2 Call 20	18 284	18 284	0	0	18 284	100 %	0	0	0	0
3041	IMI2 Call 21	304	300	0	0	300	99 %	0	0	4	4

3042	IMI2 Call 22	704	704	0	0	704	100 %	0	0	0	0
3043	IMI2 Call 23	8 455	8 455	0	0	8 455	100 %	0	0	0	0
Total Chapter 30		71 520	63 443	6 816	308	70 567	99 %	8	0	946	954
3101	IHI JU Call 1	6 128	5 053	1 076	0	6 128	100 %	0	0	0	0
3102	IHI JU Call 2	3 352	3 352	0	0	3 352	100 %	0	0	0	0
3103	IHI JU Call 3	10 488	10 488	0	0	10 488	100 %	0	0	0	0
3104	IHI JU Call 4	10 415	10 415	0	0	10 415	100 %	0	0	0	0
3106	IHI JU Call 6	5 319	5 319	0	0	5 319	100 %	0	0	0	0
3107	IHI JU Call 7	26 645	26 645	0	0	26 645	100 %	0	0	0	0
3108	UK eligible -IHI JU Call 8	19 720	19 478	0	0	19 478	99 %	242	0	0	242
3109	UK eligible -IHI JU Call 9	26 034	25 115	0	0	25 115	96 %	919	0	0	919
Total Chapter 31		108 102	105 864	1 076	0	106 940	99 %	1 162	0	0	1 162
3206	UK non eligible-IHI JU Call 6	4 520	0	4 520	0	4 520	100 %	0	0	0	0
3207	UK non eligible-IHI JU Call 7	7 223	0	7 223	0	7 223	100 %	0	0	0	0
3209	UK non eligible-IHI JU Call 10	3 000	2 983	0	0	2 983	99 %	17	0	0	17
Total Chapter 32		14 743	2 983	11 743	0	14 726	100 %	17	0	0	17
3900	Evaluations experts	643	137	377	0	514	80 %	130	0	0	130
Total Chapter 39		643	137	377	0	514	80 %	130	0	0	130
Total Title 3		**195 008**	**172 428**	**20 011**	**308**	**192 747**	**99 %**	**1 316**	**0**	**946**	**2 262**

GRAND TOTAL	**205 263**	**181 564**	**20 348**	**320**	**202 232**	**99 %**	**1 991**	**81**	**959**	**3 031**

OUTSTANDING COMMITMENTS

5.5. Outstanding commitments – Title 1

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Item	Commitm. carried for-ward from pre-vious year	Decommit. Revaluation Cancel-lations	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
1100	Staff in active employment and costs linked to employee	0	0	0	0	4 149	4 149	0	0	0
1101	Family allowances	0	0	0	0	248	248	0	0	0
1102	Transfer and expatriation allowance	0	0	0	0	389	389	0	0	0
1110	Contract agents	0	0	0	0	722	722	0	0	0
1130	Insurance against sickness	0	0	0	0	108	108	0	0	0
1131	Insurance against accidents and occupational disease	0	0	0	0	12	12	0	0	0
1132	Unemployment insurance for temporary staff	0	0	0	0	28	28	0	0	0
1133	Pension	0	0	0	0	32	32	0	0	0
1141	Annual travel costs from the place of employment t	0	0	0	0	51	51	0	0	0
1172	Cost of organizing traineeships within IMI	0	0	0	0	4	4	0	0	0
1178	Paymaster Office (PMO) fees	0	0	0	0	43	43	0	0	0
1182	Installation allowance	0	0	0	0	19	19	0	0	0
1183	Moving expenses	0	0	0	0	12	12	0	0	0

1190	Weightings (correction coefficients)	0	0	0	0	1	1	0	0	0
Total Chapter 11		0	0	0	0	5 819	5 819	0	0	0
1200	Miscellaneous expenditure on staff recruitment	0	0	0	0	18	17	0	1	1
Total Chapter 12		0	0	0	0	18	17	0	1	1
1300	Mission expenses	5	(2)	3	0	45	42	0	2	2
Total Chapter 13		5	(2)	3	0	45	42	0	2	2
1401	EU school costs	0	0	0	0	122	122	0	0	0
1410	Other trainings	10	(2)	8	0	69	40	0	29	29
1430	Medical service	2	(1)	1	0	10	7	0	3	3
1440	Trainings covered by the EC service level agreement	10	(10)	0	0	22	17	0	5	5
1490	Other interventions	1	(0)	0	0	26	25	0	1	1
Total Chapter 14		23	(14)	9	0	249	211	0	38	38
1500	External staff expenditure	189	(17)	171	0	548	283	0	265	265
Total Chapter 15		189	(17)	171	0	548	283	0	265	265
1700	Representation expenses	0	0	0	0	18	18	0	0	0
Total Chapter 17		0	0	0	0	18	18	0	0	0
Total Title 1		**216**	**(33)**	**183**	**0**	**6 696**	**6 390**	**0**	**306**	**306**

5.6. Outstanding commitments – Title 2

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Item	Commitm. carried for-ward from pre-vious year	Decommit. Revaluation Cancel-lations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	[2]	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2000	Rentals office building	0	0	0	0	392	392	0	0	0
2020	Charges(water-gas-electricity-works)	31	0	31	0	280	217	0	63	63
2040	Furnishing of premises	46	(1)	44	0	13	13	0	0	0
Total Chapter 20		77	(1)	75	0	685	622	0	63	63
2101	Hardware- infrastructure and related services	256	(15)	240	0	187	149	0	38	38
2102	Software development- licenses and related service	418	(21)	390	6	954	586	0	368	374
2103	Other expenses maintenance and repair	0	0	0	0	30	0	0	30	30
Total Chapter 21		673	(37)	631	6	1 170	735	0	436	442
2300	Stationery and office supply	3	(0)	2	0	39	18	0	21	21
2350	Other operating expenditure	0	(0)	0	0	26	21	0	5	5
2360	Library stocks purchase of books and subscriptions	0	0	0	0	41	1	0	40	40
2370	Translation- interpretation	0	0	0	0	3	3	0	0	0
Total Chapter 23		3	(0)	2	0	109	43	0	66	66

2400	Correspondence and communication expenses	11	(3)	8	0	22	10	0	12	12
Total Chapter 24		11	(3)	8	0	22	10	0	12	12
2500	Formal meetings	0	0	0	0	43	43	0	0	0
Total Chapter 25		0	0	0	0	43	43	0	0	0
2602	Workshops	61	(33)	28	0	176	62	0	114	114
Total Chapter 26		61	(33)	28	0	176	62	0	114	114
2700	External communication	19	0	19	0	86	62	0	24	24
2701	Events external communication	12	0	12	0	228	228	0	0	0
2702	Material	1	(1)	0	0	5	5	0	0	0
Total Chapter 27		32	(1)	31	0	319	295	0	24	24
2801	Studies- consultancy	125	0	125	0	125	0	0	125	125
2802	Audits	46	0	28	18	0	0	0	0	18
2803	Accounting services	150	(40)	109	0	64	64	0	0	0
Total Chapter 28		321	(40)	262	18	189	64	0	125	143
Total Title 2		**1 178**	**(116)**	**1 037**	**24**	**2 714**	**1 875**	**0**	**839**	**864**

5.7. 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 for-ward from pre-vious year	Decommit. Revaluation Cancel-lations	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
3006	Call 6	6 122	(6 122)	0	0	0	0	0	0	0
3008	Call 8	7 798	(7 798)	0	0	124	124	0	0	0
3011	Call 11	11 286	(11 286)	0	0	0	0	0	0	0
3025	IMI2 Call 5	942	(942)	0	0	0	0	0	0	0
3026	IMI2 Call 6	2 921	(2 921)	0	0	0	0	0	0	0
3027	IMI2 Call 7	3 065	(1 769)	96	1 200	0	0	0	0	1 200
3028	IMI2 Call 8	2 940	0	1 668	1 273	0	0	0	0	1 273
3029	IMI2 Call 9	2 201	(2 201)	0	0	0	0	0	0	0
3030	IMI2 Call 10	12 200	0	0	12 200	0	0	0	0	12 200
3031	IMI2 Call 11	175	(175)	0	0	0	0	0	0	0
3032	IMI2 Call 12	4 140	(460)	550	3 131	0	0	0	0	3 131
3033	IMI2 Call 13	11 599	(776)	6 541	4 283	51	51	0	0	4 283
3034	IMI2 Call 14	17 105	0	2 266	14 839	54	54	0	0	14 839
3035	IMI2 Call 15	47 980	(1 235)	16 171	30 573	41	41	0	0	30 573
3036	IMI2 Call 16	3 244	(343)	418	2 483	0	0	0	0	2 483
3037	IMI2 Call 17	5 410	0	1 332	4 079	0	0	0	0	4 079
3038	IMI2 Call 18	22 347	0	13 512	8 836	0	0	0	0	8 836
3039	IMI2 Call 19	444	0	0	444	0	0	0	0	444
3040	IMI2 Call 20	78 567	0	18 284	60 283	0	0	0	0	60 283

3041	IMI2 Call 21	7 031	(1 784)	300	4 947	0	0	0	0	4 947
3042	IMI2 Call 22	819	(116)	704	0	0	0	0	0	0
3043	IMI2 Call 23	21 427	0	8 455	12 972	0	0	0	0	12 972
Total Chapter 30		269 766	(37 929)	70 296	161 541	270	270	0	0	161 541
3101	IHI JU Call 1	34 993	0	6 128	28 864	0	0	0	0	28 864
3102	IHI JU Call 2	12 285	0	3 352	8 933	0	0	0	0	8 933
3103	IHI JU Call 3	51 268	0	10 488	40 779	0	0	0	0	40 779
3104	IHI JU Call 4	57 996	0	10 415	47 581	0	0	0	0	47 581
3105	IHI JU Call 5	46 581	0	0	46 581	0	0	0	0	46 581
3106	IHI JU Call 6	24 600	(11 302)	5 319	7 979	0	0	0	0	7 979
3107	IHI JU Call 7	90 708	(18 435)	26 645	45 628	0	0	0	0	45 628
3108	UK eligible -IHI JU Call 8	47 550	(589)	19 478	27 483	0	0	0	0	27 483
3109	UK eligible -IHI JU Call 9	0	0	0	0	191 000	23 693	0	167 307	167 307
3110	UK eligible -IHI JU Call 10	0	0	0	0	33 850	0	0	33 850	33 850
Total Chapter 31		365 980	(30 326)	81 825	253 829	224 850	23 693	0	201 157	454 986
3206	UK non eligible-IHI JU Call 6	0	0	0	0	11 300	4 520	0	6 780	6 780
3207	UK non eligible-IHI JU Call 7	0	0	0	0	13 542	7 223	0	6 320	6 320
3209	UK non eligible-IHI JU Call 10	0	0	0	0	14 917	2 983	0	11 934	11 934
3211	UK non eligible-IHI JU Call 11	0	0	0	0	37 209	0	0	37 209	37 209
Total Chapter 32		0	0	0	0	76 969	14 726	0	62 243	62 243
3311	UK&CA eligible; CH entities non-eligible Call 11	0	0	0	0	20 202	0	0	20 202	20 202
Total Chapter 33		0	0	0	0	20 202	0	0	20 202	20 202
3900	Evaluations experts	0	0	0	0	514	514	0	0	0
Total Chapter 39		0	0	0	0	514	514	0	0	0
Total Title 3		**635 746**	**(68 254)**	**152 121**	**415 370**	**322 805**	**39 203**	**0**	**283 602**	**698 972**

GRAND TOTAL	**637 140**	**(68 404)**	**153 342**	**415 394**	**332 215**	**47 468**	**0**	**284 747**	**700 142**

6. GLOSSARY

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

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

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

Appropriations
Budget funding.

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

Assigned revenue
Revenue dedicated to finance specific items of expenditure.

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

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

Budget implementation
Consumption of the budget through expenditure and revenue operations.

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

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

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

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

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

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

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

extends over more than one financial year.

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

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

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

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

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

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

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

Legal basis / basic act
The legal act adopted by the legislative authority (usually the Council and European Parliament) specifying the objective of a Union spending programme, the purpose of the appropriations, the rules for intervention, expiry date and the relevant financial rules to serve as a legal basis for the implementation of the spending programme.

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

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

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

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

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

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

RAL (Reste à liquider)
Amount remaining to be paid on a budgetary commitment at a given moment. Cf. Outst Amount remaining to be paid on a budgetary commitment at a given moment. Cf. Outstanding commitments

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

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