



Final annual accounts

Europe's Rail
Joint Undertaking

Financial year 2025

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Europe's Rail Joint Undertaking, in accordance with Article 52 of the Model Financial Regulation ('MFR')¹ and I hereby certify that the annual accounts of the Europe's Rail JU for the year 2025 have been prepared in accordance with Chapter 8 and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and Union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the Europe's Rail 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 Europe's Rail JU.

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

Andrei Hretu

**Accounting Officer of the
Europe's Rail 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

Shift2Rail Joint Undertaking was the first European rail initiative to seek focused research and innovation (R & I) and market-driven solutions by accelerating the integration of new and advanced technologies into innovative rail product solutions. The initiative was represented by the Shift2Rail Joint Undertaking (S2R JU), a public-private institutional partnership in the rail sector between the Union and key players from the rail industry.

Horizon Europe – the EU Framework Programme for Research and Innovation (2021-2027) – aims to increase the EU's research and innovation impact by combining European partnership co-investment with additional private and public sector funds in areas where the scope and scale of the research and innovation resources can help achieve the EU's Horizon Europe priorities notably, its Pillar II – Global challenges and European industrial competitiveness. The setting up of the joint undertakings under Horizon Europe has been regulated through Council Regulation No. 2021/2085 of 19 November 2021 and published in the Official Journal on 30 November 2021.

The seat of Europe's Rail Joint Undertaking is Brussels, Belgium.

Under the Single Basic Act (Article 174.6), the Europe's Rail Joint Undertaking (EU-Rail) shall be the legal and universal successor in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property of the Shift2Rail Joint Undertaking established by Council Regulation (EU) No. 642/2014 of 16 June 2014, which it shall replace and succeed.

Mission

EU-Rail vision is to deliver, via an integrated system approach, a high capacity, flexible, multi-modal, sustainable and reliable integrated European railway network by eliminating barriers to interoperability and providing solutions for full integration, for European citizens and cargo and hereby accomplishing its mission: *"Rail Research and Innovation to make Rail the everyday mobility"*.

Main operational activities

The EU-Rail's R&I programme contributes to addressing the challenges faced by the rail sector through a comprehensive and coordinated systemic approach, focusing on the needs of the rail system and its users. The activities are carried out through collaboration between stakeholders in the entire railway value chain, and also outside the traditional rail sector, including SMEs, research and technology centres and universities.

The rail research and innovation performed within EU-Rail focuses on the following overall objectives for the duration of the EU-Rail, in line with EU-Rail Regulation and EU-Rail Master Plan:

- Contribute towards the achievement of the Single European Railway Area;
- Ensure a fast transition to more attractive, user-friendly, competitive, affordable, easy to maintain, efficient and sustainable European rail system, integrated into the wider mobility system;
- Support the development of a strong and globally competitive European rail industry.

In addition and more specifically, EU-Rail shall:

(a) Facilitate research and innovation activities to deliver an integrated European railway network by design, eliminating barriers to interoperability and providing solutions for full integration. It shall cover traffic management, vehicles, infrastructure also including integration with national gauges, and services, and providing the best answer to the needs of passengers and businesses. It shall accelerate uptake of innovative

solutions to support the Single European Railway Area, while increasing capacity and reliability and decreasing costs of railway transport;

(b) Deliver a sustainable and resilient rail system by developing a zero-emission, silent rail system and climate resilient infrastructure, applying circular economy to the rail sector, piloting the use of innovative processes, technologies, designs and materials in the full life-cycle of rail systems and developing other innovative solutions to guided surface transport;

(c) Develop through its System Pillar a unified operational concept and a functional, safe and secure system architecture, with due consideration of cyber-security aspects, focused on the European railway network for integrated European rail traffic management, command, control and signalling systems, including automated train operation which shall ensure that research and innovation is targeted on commonly agreed and shared customer requirements and operational needs and is open to evolution;

(d) Facilitate research and innovation activities related to rail freight and intermodal transport services to deliver a competitive green rail freight fully integrated into the logistic value chain, with automation and digitalisation of freight rail at the core;

(e) Develop demonstration projects in interested Member States;

(f) Contribute to the development of a strong and globally competitive European rail industry; and

(g) Enable, promote and exploit synergies with other Union policies, programmes, initiatives, instruments or funds in order to maximise its impact and added value.

Governance

EU-Rail is headed by an Executive Director, who is the legal representative of EU-Rail and responsible for the day-to-day management of the Joint Undertaking. He is appointed by the Governing Board, the main decision making body of EU-Rail.

The Governing Board has overall responsibility for the strategic orientation and the operations of EU-Rail and supervises the implementation of its activities. It brings together two groups of the JU's members:

- EU represented by the European Commission;
- The Private Members

Other bodies of the Joint Undertaking are:

- The States Representatives Group, representing EU Member States and countries associated with the Horizon Europe Framework Programme. This group offers opinions on the strategic orientations of the JU and on the links between EU-Rail activities and relevant national or regional research and innovation programmes.
- The System Pillar steering group, consisting of the Commission, representatives of the rail and mobility sector and of relevant organizations, the Executive Director of the JU, the chairperson of the SRG and representatives of ERA and ERRAC. It shall provide advice to the Governing Board and the Executive Director on System Pillar issues.
- The Deployment Group, open to all stakeholders, advising the Governing Board on the market uptake of rail innovation developed in EU-Rail and to support the deployment of the innovative solutions.

Sources of financing

The EU-Rail is jointly funded by its Members. The administrative costs are covered by financial contributions divided equally on an annual basis between the Union and the Private Members (except research centres and universities under the former S2R Regulation). The operational costs are covered by financial contribution of the Union and in-kind contributions. The in-kind contributions consist of the costs incurred by Private Members in implementing indirect actions that are not reimbursed by EU-Rail.

2. Annual accounts

Basis for preparation

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

Accounting Officer

In accordance with the MFR, the Governing Board of the entity appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts.

The Single Basic Act³ establishing the new generations of JUs required, within one year following the date of entry into force of the Regulation, the establishment of back-office arrangements, to provide horizontal support functions to the joint undertakings, by concluding service level agreements. The Accounting Back Office (Acco BOA) was established and took over the accounting services from Accounting Officer the European Commission from 1 December 2022.

Following the decision of the Europe's Rail JU Governing Board of 30 November 2022, on behalf of the Acco BOA, as of 1 December 2022 Andrei Hretu acts as the Accounting Officer of Europe's Rail JU.

Composition of the annual accounts

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

Process from provisional accounts to discharge

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

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

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

³COUNCIL 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

The Europe's Rail Joint Undertaking

EU-Rail was established by Council Regulation (EU) No 2021/2085 of 19 November 2021 that established the Joint Undertakings under Horizon Europe (the Single Basic Act, hereafter "SBA") It repealed Council Regulation (EU) No 642/2014 of 16 June 2014 that established the S2R JU. This major achievement was realized by building upon a transparent and open selection process of the EU-Rail founding members and their essential unconditional commitment to deliver, together with the Union, a major transformation of rail.

In accordance with Article 174(6) of the SBA, the EU-Rail is the legal and universal successor of S2R JU in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property. The EU-Rail continues to act as a public-private partnership in the rail sector established under Article 187 of the Treaty on the Functioning of the European Union.

Building upon S2R JU's achievements, the objective of EU-Rail is to deliver a high-capacity integrated European railway network by eliminating barriers to interoperability and providing solutions for full integration, covering traffic management, vehicles, infrastructure and services. This should exploit the huge potential for digitalisation and automation to reduce the costs of rail, increase capacity, and enhance its flexibility and reliability. It should be based upon a solid Reference Functional System Architecture shared by the sector, in coordination with the European Union Agency for Railways.

Objectives & indicators

The JU objectives of 2025 were met with the full commitment (100%) of the budget appropriations related to the Horizon Europe funded EU-Rail Programme for the operational activities for that year. This demonstrates that the JU was able to engage the railway sector to an effective resource commitment to progress in delivering its contribution to the Single European Rail Area, through an integrated Programme.

The Work Programme (WP) and budget 2025, initially adopted in November 2024, were amended on two occasions mainly to address the updates regarding operational activities and the related financial figures:

- (1) the WP Amendment no. 1 adopted in June 2025 recognized the reallocation of commitment and payment appropriations between titles and the re-introduction of EUR 0,4 million of commitment appropriations from the previous years.
- (2) the WP Amendment no. 2 adopted in December 2025 recognized the introduction of EUR 3,3 million of commitment appropriations and EUR 3 million of payment appropriations from contribution agreements signed by the EU-RAIL and DG MOVE. It adapted the budget both in commitment and payment appropriations considering the evolution of budget needs, the multi-annual operational planning of EU-RAIL, and amended the multi-annual IKAA plan 2025-2026 following a proposal of private founding members.

In 2025 the priorities consisted of the R&I activities related to the EU-Rail integrated Research and Innovation (R&I) Programme:

- the Innovation Pillar:
 - o the monitoring and performance analysis of the results of the 2022 Flagship Projects, including the achievement of the planned milestones, the launch of the demonstration activities to be continued in 2026,
 - o the monitoring and performance analysis of the projects launched in 2024 that as part of the Integrated Programme complement the Flagship Projects with additional Exploratory research activities and enlarge the horizon of rail ability to serve European citizen with notably the development of the next generation of telecommunication system for rail, in collaboration with SNS JU,
 - o the launch of the Call 2025-1 during Q1 2025, followed by the conclusion of the grant agreement, to create new opportunities for inclusiveness and participation and to advance the

- development of Maglev Derived Systems and assess their feasibility for integration into the European railway network,
- the launch of Call 2025-2 in Q4 2025, defining the next steps for the Flagship Projects to progress toward higher Technology Readiness Levels, and paving the way for the deployment of innovative operational and technological solutions across Europe, as well as launching additional Exploratory research activities,
 - the closure of two Exploratory Research projects providing strategic recommendations and practical tools to strengthen urban rail integration and enhance the competitiveness of rail freight services across Europe,
- the System Pillar:
- Delivering specifications and system concepts supporting the evolution of the European rail system
 - updated Trackside Asset specifications (B4R4)
 - Cybersecurity specifications V2
 - approved Traffic Control System concept as a direction for future specification work
 - approved Train Control System architecture as a direction for future specification work
 - Delivery of version 2 of the Standardisation and TSI Input Plan and submission of 45 Change Requests to support future revisions of Technical Specifications for Interoperability covering
 - Cybersecurity
 - On-board modularity
 - Operational harmonisation
 - Train Interface enhancements
 - Odometry enhancement
 - ATO GoA ½
 - Stepwise evolution
 - Delivery of V2 of the FRMCS report to support sector alignment on governance and scope definition
- the Deployment Group:
- Delivery of first results supporting awareness of upcoming transformation
 - Survey based, status report on Deployment activities and sector information.
 - Analyses of National Investment Plans (NIP's) on FRMCS plans and strategies
 - Development of Deployment scenarios
 - Support to ERA and sector with proposals for smoother Testing & Validating and Authorisation activities
 - Intermediate cost driver report on-board units
 - Communication and dissemination activities and stakeholder management
 - supporting the activities of the European DAC Delivery Programme, in particular working with the European Commission on developing a comprehensive migration strategy to coordinate deployment, in accordance with the Commission communication on "Greening Freight Transport" COM (2023) 440, support the EC for their call under CEF to start first commercial use of the DAC (basicpackage) system, resulting into the Pioneer DAC project.
- the Membership:
- the finalization of the call for expression of interest to select Associated Members, in accordance with articles 7 and 87(1) point c of the SBA, which was launched by the JU in 2024, after having made an in-depth assessment of the EU-Rail Programme, an update of the Multi-Annual Work Programme (MAWP), and after identifying possible gaps to be filled by new entities' commitment. As a result, Europe's Rail Joint Undertaking signed in 2025 new letters of commitment with its five new Associated Members. (see note **4.7**). The Associated members are fully integrated in the governance and their activities are followed-up.

All the above objectives were achieved in 2025.

In addition, the year 2025 saw the continuation of the close collaboration established between EU-Rail and:

- the European Railway Research Advisory Council (ERRAC),
- the European Union Agency for Railways (ERA),
- other programmes, partnerships and other bodies, with the objective to establish synergies that will result in coordinated and consistent activities, or joint R&I projects or administrative synergies, such as for example under the back-office arrangements with other JUs,
- different associations representing the key stakeholders of the rail sector and beyond,
- third countries programmes, in line with the policy priorities of the Commission and considering the key objective of the competitiveness of the European rail industry.

Finally, in 2025, EU-Rail continued conveying the message to European citizens that rail can answer their concerns about unsustainable and unreliable mobility options. The JU's key messages and events continued to reinforce the objectives of the initiatives such as the European Green Deal, the Sustainable and Smart Mobility Strategy or the Digital Decade by disseminating R&I results and showing the future evolution of rail in terms of services for passengers and freight clients. In this respect, in line with its communications strategy, Europe's Rail aims to:

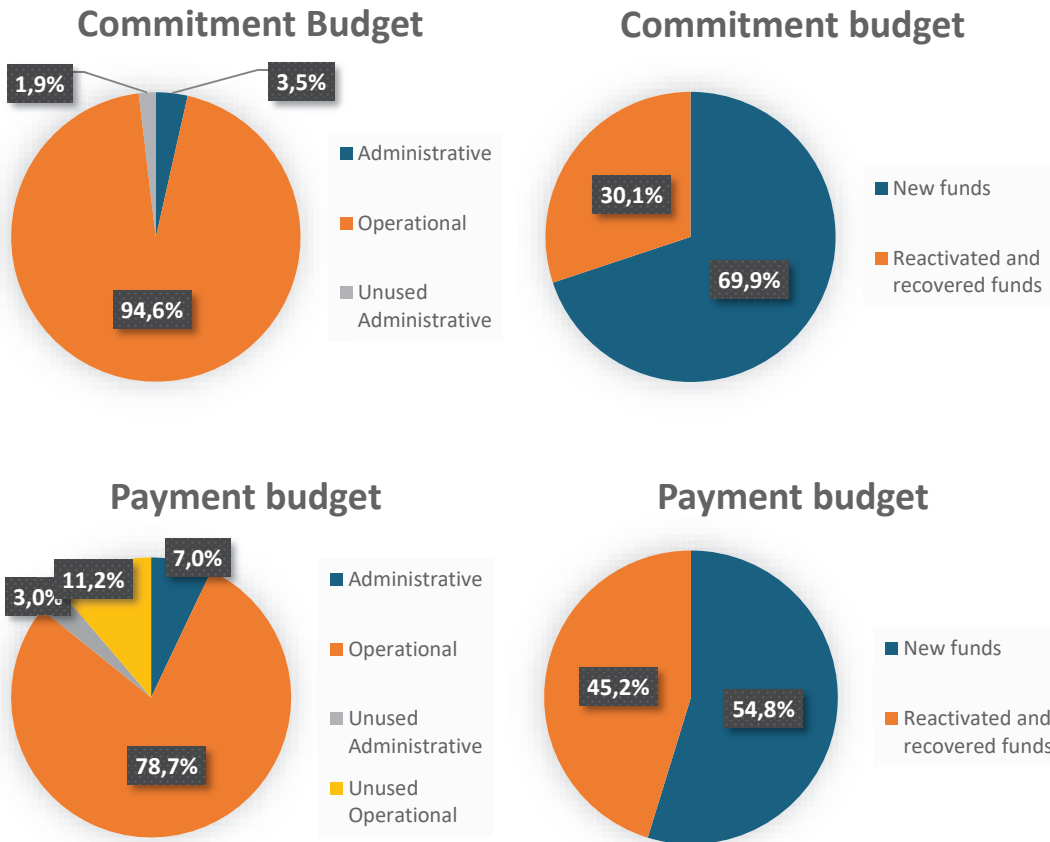
- showcase the innovative technological and operational solutions that result from the research and innovation activities, and in particular those ready to enter industrialisation and deployment, in particular demonstrating concrete impact;
- raising awareness on the research and innovation activities outreaching to the stakeholders at European level as well as engaging at global events/conferences to promote Europe's Rail results;
- enhance the partnership nature of the JU through communications and dissemination activities that will create opportunities for inclusiveness.

More information about the activities of the organization can be found in [Europe's Rail Joint Undertaking Annual Activity Report](#) and [Europe's Rail Annual Work Plan and Budget](#).

Budget and budget implementation

During 2025 the organization has operated using a total of EUR 151,46 million commitment budget and EUR 85,76 million payment budget.

The distribution of appropriations by area of activity and fund source can be seen below



Over the course of the year the organisation has implemented 98% of its commitment appropriations and 79% of its payment appropriations (see section **Result of the implementation of the budget**).

The lower implementation rate of the payment budget is expected as it is highly dependent not only on the timely completion of works by external parties but also on the timely invoicing of the suppliers.

Further budgetary information including its amendments can be found in [Europe's Rail Annual Work Plan and Budget](#).

Impact of the activities in the financial statements

The major features in the 2025 Financial Statements of EU-Rail are the following:

Pre-financing: The overall level of pre-financing has decreased from EUR 98,5 million in 2024 to EUR 63,6 million in 2025. The most notable decrease was in the value of the long-term pre-financing as

the value of expected deliverables already financed exceeds the value of pre-financing for new projects (see note **2.3**).

Members' contributions: The contributions from members increased by EUR 96,98 million and amounted to EUR 1,09 billion in 2025. The increase of EUR 67,4 million 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 29,57 million in the in-kind contributions comprises the in-kind contributions from the member other than EU that have been validated by the EU-Rail executive director in 2025 (see note **2.9**).

Operational activities cost: The amount of the operational costs has remained stable between the years (2025: EUR 127,44 million versus 2024: EUR 127,52 million), both in the value of cash provided by the EU and the value of in-kind contributions provided by the Private Members (see note **3.4**).

BOA implementation update

The Single Basic Act of the Joint Undertakings (SBA) indicated that the JUs should achieve synergies via the establishment of back-office arrangements operating in some identified areas. The following four areas have been identified as a priority by the JUs:

- Accounting
- Legal (administrative procurements)
- Information and Communication Technologies (ICT)
- Human Resources (HR)

The Accounting Back office is operational since December 2022, where Clean Aviation JU, SESAR JU and Europe's Rail JU act as the service providers, under the lead of Europe's Rail JU.

EUROPE'S RAIL 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	387.084,65	39.027,00
Long term pre-financing	2.3	4.096.262,81	30.954.617,70
		4.483.347,46	30.993.644,70
CURRENT ASSETS			
Short term pre-financing	2.3	59.512.501,65	67.541.911,37
Exchange receivables and non-exchange recoverables	2.4	34.906.222,00	55.602.782,27
		94.418.723,65	123.144.693,64
TOTAL ASSETS		98.902.071,11	154.138.338,34
CURRENT LIABILITIES			
Payables and other liabilities	2.7	125.846.938,29	134.302.526,07
Accrued charges and deferred income	2.8	47.350.946,80	59.998.444,62
		173.197.885,09	194.300.970,69
TOTAL LIABILITIES		173.197.885,09	194.300.970,69
Contribution from Members	2.9	1.094.903.010,68	997.927.296,32
Accumulated deficit		(1.038.089.928,67)	(905.926.415,39)
Economic result of the year		(131.108.895,99)	(132.163.513,28)
NET ASSETS		(74.295.813,98)	(40.162.632,35)
LIABILITIES AND NET ASSETS		98.902.071,11	154.138.338,34

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2025	2024
REVENUE			
Revenue from non-exchange transactions			
Recovery of operating expenses	3.1	-	189.086,26
Other non-exchange revenue	3.2	1.314.660,12	141.581,35
Financial revenues	3.2	47,05	5.514,70
		1.314.707,17	336.182,31
Revenue from exchange transactions			
Other exchange revenue	3.3	373,02	33,00
		373,02	33,00
Total revenue		1.315.080,19	336.215,31
EXPENSES			
Operational costs	3.4	(127.439.894,47)	(127.518.813,49)
Staff costs	3.5	(2.986.878,20)	(2.612.852,87)
Financial expenses	3.6	(11.823,09)	(3.372,16)
Other expenses	3.7	(1.985.380,42)	(2.364.690,07)
Total expenses		(132.423.976,18)	(132.499.728,59)
ECONOMIC RESULT OF THE YEAR		(131.108.895,99)	(132.163.513,28)

CASHFLOW STATEMENT⁴

	2025	2024
Economic result of the year	(131.108.895,99)	(132.163.513,28)
<u>Operating activities</u>		
Depreciation and amortization	48.672,63	49.841,24
Increase/(decrease) in in-kind contributions	29.572.917,27	48.695.807,31
(Increase)/decrease in pre-financing	34.887.764,61	43.199.523,69
(Increase)/decrease in exchange receivables and non-exchange recoverables	20.696.560,27	(1.279.304,46)
Increase/(decrease) in payables	(8.455.587,78)	31.439.901,14
Increase/(decrease) in accrued charges & deferred income	(12.647.497,82)	(30.552.812,75)
<u>Financing activities⁵</u>		
Increase/(decrease) in cash contributions	67.402.797,09	40.619.627,35
<u>Investing activities</u>		
(Increase)/decrease in intangible assets and property, plant and equipment	(396.730,28)	(9.070,24)
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	-	-

Penneo-documentsfeutei: 1WZ0V-ISKXY-MPSS3-7JAZL-IKY1M-JNVD8

⁴ The treasury of EU-Rail JU is integrated into the Commission's treasury system. Because of this, EU-Rail 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 receivables and recoverables.

⁵ The presentation of the increase / (decrease) in cash contributions was reclassified under the category of Financing activities while in the previous financial statements was shown as a separate heading under the category of Operating activities. The change is strictly a presentation change. The nature of the contributions presented under this heading did not change.

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	908.611.861,66	(712.896.116,39)	(193.030.299,00)	2.685.446,27
Allocation 2023 economic result	-	(193.030.299,00)	193.030.299,00	-
Cash contribution	40.415.478,95	-	-	40.415.478,95
Contribution in-kind	48.695.807,31	-	-	48.695.807,31
Unpaid cash contributions	204.148,40	-	-	204.148,40
Economic result of the year	-	-	(132.163.513,28)	(132.163.513,28)
BALANCE AS AT 31.12.2024	997.927.296,32	(905.926.415,39)	(132.163.513,28)	(40.162.632,35)
Allocation 2024 economic result	-	(132.163.513,28)	132.163.513,28	-
Cash contribution	67.596.749,19	-	-	67.596.749,19
Contribution in-kind	29.572.917,27	-	-	29.572.917,27
Unpaid cash contributions	(193.952,10)	-	-	(193.952,10)
Economic result of the year	-	-	(131.108.895,99)	(131.108.895,99)
BALANCE AS AT 31.12.2025	1.094.903.010,68	(1.038.089.928,67)	(131.108.895,99)	(74.295.813,98)

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 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 Europe's Rail JU is not obliged to, and does not prepare, a Segment Report, the amendment has no impact on its annual accounts.

New EAR adopted with application after 31 December 2025

- Revised EAR 8:** On 15 April 2025 the Accounting Officer of the European Commission adopted the revised EAR 8 'Leases', which is effective for accounting periods beginning on or after 1 January 2027. The revised EAR 8 has been updated in line with IPSAS 43 'Leases' (including the amendment 'Concessionary Leases and Other Arrangements Conveying Rights over Assets'). The main change as compared to the current EAR 8 is the introduction of a right-of-use recognition and measurement model, which requires lessees to recognise all leases, including concessionary leases, on the balance sheet, unless the short-term or low-value exemption applies. The current distinction of leases as either operating leases or finance leases, with only the latter recognised on the balance sheet, will no longer be applicable. For lessors, the revised EAR 8 largely carries forward the existing accounting requirements, with additional guidance and clarifications. Consequently, the initial application of the revised EAR 8 is expected to result in more leases being recognised on the balance sheet, with a corresponding increase in right-of-use assets and lease liabilities. The impact of the revised EAR 8, including on concessionary leases and other relevant arrangements, will continue to be assessed over the 2026 calendar year prior to the 1 January 2027 effective date.

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

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

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

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

IPSAS 45 - Property, Plant and Equipment: IPSAS 45 updates the accounting requirements for property, plant, and equipment by replacing IPSAS 17, introducing current operational value as an additional measurement basis, and bringing heritage and infrastructure assets within scope where they meet the PPE definition. It provides new guidance on recognising and measuring these assets, highlighting traits such as restricted use, irreplaceability, and long or indefinite useful lives, and enhances consistency in PPE measurement and disclosure across the public sector. The application of this new standard is not expected to have a material impact on the Annual Accounts of the JU.

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

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

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

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

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

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

1.3. BALANCE SHEET

1.3.1. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable or arises from binding arrangements. Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met and the expenses relate solely to the development phase of the asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives (3 to 11 years).

1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land is not depreciated, as it is deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

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

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

(i) *Revenue from non-exchange transactions*

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

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

(ii) *Revenue from exchange transactions*

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

1.4.2. Expenses

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

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

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

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

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

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

1.5.2. Contingent liabilities

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

A contingent liability also arises in the rare circumstances where a present obligation exists but cannot be measured with sufficient reliability.

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

1.6. CONTRIBUTIONS FROM MEMBERS

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

1.6.1. Financial contributions

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

Horizon 2020 Programme:

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

Horizon Europe Programme:

- EU Contributions: In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the JU 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 provisional 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 provisional financial statements, transferred from the provisional payments to the net assets of the JU (cut-off procedure). It will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – AAR (Art. 19.2 FFPA)

- Private 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 recognized 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.

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

The expenses related to the IKOP incurred in the financial year are recognised in the statement of financial performance. At year-end, incurred IKOP not yet reported are estimated and recorded as payables and other liabilities ('Contributions of Members to be validated').

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

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

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

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

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	3.334,22
Additions	-
Disposal	(2.852,02)
Gross carrying amount at 31.12.2025	482,20
Accumulated depreciation at 31.12.2024	(3.334,22)
Depreciation charge for the year	-
Write-back of depreciation on disposal	2.852,02
Accumulated depreciation at 31.12.2025	(482,20)
NET CARRYING AMOUNT AT 31.12.2025	-
NET CARRYING AMOUNT AT 31.12.2024	-

During 2025 one license has been decommissioned. The item was fully depreciated at the time of its disposal from the accounts of the entity.

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.

	Works on lease space	Plant and equipment	Furniture and vehicles	Computer hardware	Other Fixtures & Fittings	Assets under construction	TOTAL
Gross carrying amount at 31.12.2024		35.032,96	55.045,62	106.380,90	295.011,45	-	491.470,93
Additions	355.514,97	-	1.818,40	9.309,26	5.461,81	24.625,84	396.730,28
Disposals	-	-	(1.690,00)	(4.422,66)	(2.795,40)	-	(8.908,06)
Gross carrying amount at 31.12.2025	355.514,97	35.032,96	55.174,02	111.267,50	297.677,86	24.625,84	879.293,15
Accumulated depreciation at 31.12.2024		(35.032,96)	(46.395,62)	(89.855,90)	(281.159,45)	-	(452.443,93)
Depreciation charge for the year	(23.085,39)	-	(4.743,36)	(8.724,26)	(12.119,62)	-	(48.672,63)
Write-back of depreciation on disposal	-	-	1.690,00	4.422,66	2.795,40	-	8.908,06
Accumulated depreciation at 31.12.2025	(23.085,39)	(35.032,96)	(49.448,98)	(94.157,50)	(290.483,67)	-	(492.208,50)
NET CARRYING AMOUNT AT 31.12.2025	332.429,58	-	5.725,04	17.110,00	7.194,19	24.625,84	387.084,65
NET CARRYING AMOUNT AT 31.12.2024	-	-	8.650,00	16.525,00	13.852,00	-	39.027,00

During 2025 the Joint Undertaking had significant increases of its tangible assets following the refurbishment of its office space located in the White Atrium building. The additions and disposals under the heading of Furniture and vehicles, Computer hardware and Other Fixtures and Fittings made in 2025 are at the standard level of the entity's policy for equipment replacement.

The heading "Assets under construction" comprises various components of an audio-visual system which will be installed in the common meeting rooms located in the White Atrium building. The assets will be held in common by all the participating Joint Undertakings and are presented at the value of the individual share of ownership. Europe's Rail JU holds an ownership share of 12.01% based on their contribution to the expected total value of the asset.

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	4.096.262,81	30.954.617,70
Short term pre-financing	59.512.501,65	67.541.911,37
Total	63.608.764,46	98.496.529,07

The outstanding pre-financing presented under this heading is net of estimated (cut-off) expenses for ongoing projects without validated costs on 31 December 2025. The clearing of pre-financing with year-end (cut-off) adjustments amounted to EUR 130.05 million (2024: EUR 99.84 million). 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 a pro-rata temporis cost calculation for periods until 31 December 2026. All the pre-financing that is considered unlikely to be cleared in the course of 2026 is classified as long-term pre-financing.

The pre-financing is cleared as per the grant agreements and contractual conditions, i.e. once the value of the disbursed payments has reached 90% of the grant agreement value and at the end of the contract for procurement contracts.

The long term pre-financing relates exclusively to grant agreements. The short term pre-financing related to grants amounts to 90% of the total while the remaining 10% relates to advances paid for operational procurements.

The overall decrease of approx. 35% in the value of the pre-financing at the of the financial year 2025 is linked to the grant's implementation lifecycle. The value of pre-financing paid during 2025 was EUR 8.15 million, below the 2024 value when EUR 25.77 million were paid. At the same time the receipt of invoices and cost claims throughout the course of 2025 for a total value of EUR 12.82 million has offset any increases given by the newly paid pre-financing.

The reduction in the long term prefinancing is a natural effect of the reduction in the pre-financing paid for new projects in 2025 and the expected increase in the near term of the outputs from projects for which a pre-financing was paid in the previous years.

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.

The amounts included under this heading are fully composed of current receivables from exchange and non-exchange transactions.

	31.12.2025	31.12.2024
Recoverables from non-exchange transactions		
Cash Contributions to be paid by the Members	2.046.071,90	2.239.992,50
Central treasury liaison accounts	32.580.162,31	53.246.397,72
Other	18.285,20	41.277,48
	34.644.519,41	55.527.667,70
Receivables from exchange transactions		
Accrued income and deferred charges	253.682,70	56.954,46
Other	8.019,89	18.160,11
	261.702,59	75.114,57
Total	34.906.222,00	55.602.782,27

The largest amount under this heading relates to Central treasury liaison (intercompany) accounts with the Commission which represent the virtual bank accounts of EU-Rail. The treasury of EU-Rail was integrated into the Commission's treasury system. Because of this EU-Rail does not have any bank accounts.

All payments and receipts are processed via the Commission's treasury and registered on these intercompany accounts. The ending balance of this heading is thus the result of the incoming and outgoing payments and represents the funds available for the joint undertaking.

The 49% decrease registered in the heading Central treasury liaison accounts stems from the Joint Undertaking's commitment to limit the amount of EU pre-financing received and not implemented through payments before the end of the year.

The heading of Accrued income and deferred charges includes payments made in advance for IT subscriptions, transport subscriptions and other services which will be consumed in the following year.

The heading Other comprises recoveries related to grant agreements in the non-exchange category and recoveries from staff in the exchange category.

At 31 December 2025, no amounts were overdue. At the time of drawing up the final accounts an amount of 383 thousand remains outstanding.

2.5. CASH AND CASH EQUIVALENTS

The payments and receipts are processed via the Commission's treasury system and registered on liaison accounts, which are presented under heading 'receivables from non-exchange transactions' (see **2.4**).

The Joint Undertaking does not hold any cash at hand or any other form of cash and cash equivalents.

LIABILITIES

2.6. PROVISIONS

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

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

2.7. PAYABLES AND OTHER LIABILITIES

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

	31.12.2025	31.12.2024
Contribution in kind from Members to be validated	99.721.063,71	86.611.847,00
Contribution in cash to be validated	25.320.574,69	47.078.522,22
Total Contributions to be validated	125.041.638,40	133.690.369,22
Suppliers	805.262,79	219.708,51
Public bodies and other current payables	37,10	392.448,34
Total payables to entities	805.299,89	612.156,85
Total	125.846.938,29	134.302.526,07

Under the 'contribution in-kind from Members to be validated' heading presented the in-kind contributions related to on-going projects without a validated contribution at 31 December. The amount of in-kind contributions was estimated using a pro-rata calculation of the work package completion rates.

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

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

While the in-kind contributions to be validated have remained fairly stable between the years registering only a 15% increase in 2025, the liability towards the EC for the pre-financing received and not implemented through payments has been reduced by 46% following the improvements made by the Joint Undertaking in its cashflow management processes.

Due to the nature of the activities of the Joint Undertaking, 99% 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.

The payables shown under the heading Suppliers and Public bodies and other current payables have increased by approx. 32% compared to 2024. The increase is due to one outstanding payment for an operational procurement where the deliverables were under review at the end of the year.

2.8. ACCRUED CHARGES

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

	31.12.2025	31.12.2024
Accrued charges	47.350.946,80	59.998.444,62

The heading is largely composed of operational accruals in a proportion of approx. 99%. The remaining 1% constitutes the accrued charges on administrative contracts and untaken leave staff expenses. The operational accrued charges related to grant agreements account for 81% of the heading while the operational procurement contracts account for 19%.

The 21% reduction in the heading is mainly due to the increase of the cut-off pre-financing clearing (see note **2.3**)

NET ASSETS

2.9. CONTRIBUTIONS FROM MEMBERS

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

Programming period	2025		2024		Total
	Cash	in-Kind	Cash	in-Kind	
Horizon 2020	409.682.829,58	362.138.533,10	409.682.829,58	362.138.533,10	771.821.362,68
Horizon Europe	291.527.158,62	31.554.489,38	224.124.361,53	1.981.572,11	226.105.933,64
Total	701.209.988,20	393.693.022,48	633.807.191,11	364.120.105,21	997.927.296,32

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

	Member		EU		Industry Grouping		Total	
	Cash	In Kind	Cash	In Kind	Cash	In Kind	Cash	In Kind
Running costs contributions at 31.12.2024	11.647.729,55	-	13.500.017,03	-	13.500.017,03	-	25.147.746,58	-
Current year contributions	-	-	-	-	-	-	-	-
Running costs contributions at 31.12.2025	11.647.729,55	-	13.500.017,03	-	13.500.017,03	-	25.147.746,58	-
Operating costs contributions at 31.12.2024	384.535.083,00	-	-	362.138.533,10	362.138.533,10	-	384.535.083,00	362.138.533,10
Current year contributions	-	-	-	-	-	-	-	-
Operating costs contributions at 31.12.2025	384.535.083,00	-	-	362.138.533,10	362.138.533,10	-	384.535.083,00	362.138.533,10
TOTAL contributions at 31.12.2024	396.182.812,55	-	13.500.017,03	362.138.533,10	375.638.550,13	-	409.682.829,58	362.138.533,10
TOTAL contributions at 31.12.2025	396.182.812,55	-	13.500.017,03	362.138.533,10	375.638.550,13	-	409.682.829,58	362.138.533,10

With regard to the Horizon 2020 programme, Council Regulation (EC) No 642/2014, distinguishes between Members (European Commission, Industry Grouping) and non-members of the JU. In addition, only the in-kind contributions from the Members that are both certified by external auditors and validated by the Executive Director of EU Rail JU are considered in-kind contribution. Estimated in-kind contributions, i.e. contributions for which no certifications have been received and/or this certification has not been validated by the Executive Director are reported under "Contributions in-kind to be validated" (see note 2.7).

The operations related to the Horizon 2020 programme were finalised in 2024. An amount of EUR 18 thousand remains outstanding from the Industry Grouping due to the reissuing of the debit note for technical reasons in 2025. The full balance is expected to be collected in 2026.

For a comprehensive view of all the contributions to the programme see note 4.6.

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

Member	EU		Private Members		Total	
	Cash		Cash	In Kind	Cash	In Kind
Running costs contributions at 31.12.2024	4.971.621,73		8.415.063,10	-	8.415.063,10	13.386.684,83
Current year contributions	2.792.872,35		2.537.000,00	-	2.537.000,00	5.329.872,35
Running costs contributions at 31.12.2025	7.764.494,08		10.952.063,10	-	10.952.063,10	18.716.557,18
Operating costs contributions at 31.12.2024	210.737.676,70		-	1.981.572,11	1.981.572,11	1.981.572,11
Current year contributions	62.072.924,74		-	29.572.917,27	29.572.917,27	62.072.924,74
Operating costs contributions at 31.12.2025	272.810.601,44		-	31.554.489,38	31.554.489,38	31.554.489,38
TOTAL contributions at 31.12.2024	215.709.298,43		8.415.063,10	1.981.572,11	10.396.635,21	224.124.361,53
TOTAL contributions at 31.12.2025	280.575.095,52		10.952.063,10	31.554.489,38	42.506.552,48	291.527.158,62
						1.981.572,11
						31.554.489,38

With regards to Horizon Europe programme, Council Regulation (EU) 2021/2085, distinguishes between Members (European Union represented by the European Commission and the Private Members) and non-members of the JU. In addition, 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. 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 is applied to IKOP under Horizon Europe.

According to the specific guidance issued by the EC Accounting Officer[1] for the accounting of the EU cash contributions received under Horizon Europe program, 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 are booked among the liabilities as "Contributions in cash to be validated" (see note 2.7).

Out of the total of the EUR 10.95 million of Private Members cash contributions to the running costs of the Joint Undertaking, a total of EUR 2.03 million was unpaid at 31 December 2025. The full amount outstanding relates to current year contributions. (see note. 2.4)

The difference that can be observed between the total contribution of the Union and the total contribution from the Private Members is due to the form of contributions, cash for the EU and mostly in-kind for the Private Members, and the associated conditions for the recognition of the contributions in the net assets. As the condition for the cash (to be implemented by payments) is fulfilled first, mostly due to the provision of pre-financing for the grant agreements, it is usual to see a higher contribution from the EU in the net assets section in the first half of the programme's implementation period when the grant agreements are signed and the prefinancing is paid to the beneficiaries.

The gap is expected to start being reduced in the second half of the programme's implementation period, when the value of the validated IKOP associated with the delivered work packages will increase and the value of the payments will decrease. This can be seen, as during the course of 2025 the Joint

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Undertaking has validated EUR 29.57 million of in-kind contributions to operational activities which represents a considerable increase compared to the amount of EUR 1.98 million which was validated by end of the year 2024.

Considering that according to the SBA, under the Horizon Europe programme, the Industry Grouping does not have separate targets for the IKOP, which is included in the financial statements of the Joint Undertaking, and the IKAA, which is not included in the financial statements, the financing ratios observed through the contributions to the net assets of the Joint Undertaking have the potential to vary considerably from the initial 50%-50% funding split envisaged at the level of the programme between the EU and the Industry Grouping, as the initial ratio includes all possible types of contributions, i.e. cash, IKOP and IKAA.

For a comprehensive view of all the contributions to the program see note **4.6**.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

NON-EXCHANGE REVENUE

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

3.1. RECOVERY OF EXPENSES

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

	2025	2024
Recovery of expenses	-	189.086,26

As the Joint Undertaking is implementing exclusively lump sum grants under the Horizon Europe programme, the recovery of operational expenses is foreseen to drop once all the recoveries stemming from audits related to the Horizon 2020 programme have been implemented.

3.2. OTHER NON-EXCHANGE REVENUE

	2025	2024
Financial revenues	47,05	5.514,70
Miscellaneous income non-exchange	1.314.660,12	141.581,35
Total	1.314.707,17	147.096,05

The financial revenues relate to the interest on late payment charged on the contributions from the members.

The miscellaneous income consists of the revenue accrued on the grants related to the synergy calls which are co-financed by the Joint Undertaking together with Sesar JU and SNS JU. The revenue from the synergy calls is expected to be earned between 2024 and 2027 for an approximate total of EUR 4 million. The recognition of the revenue follows the project implementation curve, in a similar fashion as the expenditure.

EXCHANGE REVENUE

3.3. REVENUE FROM EXCHANGE TRANSACTIONS

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

	2025	2024
Recovery of administrative expenses	373,02	33,00

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	42.682.133,98	43.321.761,47
Operational costs: EU contributions	84.757.760,49	84.197.052,02
Total	127.439.894,47	127.518.813,49

The operational expenditure shows insignificant variations between the years as the program approaches its maturity stages. Both the in-kind expenses provided by the private members and the cash expenditure financed by the EU in 2025 relate to the Horizon Europe programme while in 2024 the Horizon 2020 programme had contributed 5% in the in-kind category and 1% in the cash category before being closed.

3.5. STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment -related benefits. Based on the service level agreement between the JU and the Commission, the calculations of staff -related costs is carried out by the Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office - PMO). The pensions of the JU staff members are covered by the Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement depends on several factors, the most important of which is years of service. Both the JU staff, the JU and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme. The cost to the EU Budget is not reflected in the JU accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the JU, as the obligation falls to the Commission.

As per Article 83a (2) of the Staff Regulations, the part paid by the JU shall correspond to the percentage share between a) the JU's revenues without the subsidy from the general budget, and b) its total revenues. To avoid disruptive variations over time, the JUs employer's pension contribution is calculated with a single percentage share for the whole duration of the JU. This single percentage was established on the basis of the EU and non-EU members' respective contributions, as foreseen in the JU's legal basis,

with a correction and regularisation at the last year of existence of the JU. The contribution of Europe's Rail Joint Undertaking was set at 3,8 % 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 Euro HPC and not to those established under the previous Regulations. Given the late entry into force of the SBA at the end of November 2021, the applicability started as from 2022.

	2025	2024
Staff costs	2.986.878,20	2.612.852,87

The increase in the staff costs is due to the annual indexation of salaries and the normal variations in staffing levels.

3.6. FINANCE EXPENSES

	2025	2024
Interest expense on late payment of charges	1.145,25	3.372,16
FI Net Impairment losses on receivables	10.677,84	-
Total	11.823,09	3.372,16

The overall level of financial expenses incurred on late interest payments are within the acceptable tolerance limits of the Joint Undertaking. The loss on receivables stems from the recalculation, based on new information, of the amount due following an ex-post audit.

3.7. OTHER EXPENSES

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

	2025	2024
External non-IT services	909.975,95	728.703,43
Office Supplies & maintenance	351.342,08	540.754,58
Rent and building expenses	385.416,91	259.922,83
Other operating lease	1.044,31	-
Maintenance and security expenses	12.019,39	88.153,31
Communications & publications	114.996,47	574.685,92
Missions	62.145,37	87.343,35
Property, plant and equipment related expenses	48.672,63	50.161,24
Training costs	6.725,88	5.738,20
Legal Expenses	14.309,31	7.255,71
Insurance - others	1.091,80	-
Car & transport expenditures	10.062,74	10.698,22
Experts' expenses	1.000,00	-
External IT services	67.621,89	10.593,28
Recruitment costs	-	680,00
Total	1.985.380,42	2.364.690,07

Overall the administrative costs have decreased in 2025 by 16% mainly due to the reduction in communication costs and the savings made in the area of office supplies and maintenance which outweighed the increases in the rent and external non-IT services.

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

	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	239.363,66	1.006.294,42	286.335,93	1.531.994,01

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

No contingent assets of material significance were identified by the Joint Undertaking at the time of drawing the final annual accounts.

4.2. CONTINGENT LIABILITIES

No contingent liabilities of material significance were identified by the Joint Undertaking at the time of drawing the final annual accounts.

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
	68.624.803,46	56.143.222,58

4.4. IN-KIND CONTRIBUTIONS

According to both the Council Regulation (EU) No 642/2014 and the Council Regulation (EU) No 2021/2085, the members other than the Union shall provide in-kind contributions to the Joint Undertaking.

Under H2020 program, in-kind contributions from Founding Members, Associated Partners and 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 is 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 should 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 mean 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. 90 of the SBA defines the scope of Europe's Rail Ju's additional activities:

- a) activities covered under the indirect actions of the Europe's Rail Joint Undertaking but not funded under such indirect actions;
- b) activities directly linked to the Europe's Rail Joint Undertaking work programme;
- c) research and innovation activities building on activities funded by the Europe's Rail Joint Undertaking or Shift2Rail Joint Undertaking;
- d) complementary research and innovation activities funded by the members other than the Union, having a clear Union added value and contributing to achieving the objectives of the Europe's Rail Joint Undertaking;
- e) activities funded by the members other than the Union in projects funded by national programmes or by regional programmes which complement activities funded by the Europe's Rail Joint Undertaking;
- f) uptake of results of activities funded under the Shift2Rail and Europe's Rail Joint Undertakings, further exploitation, demonstration activities, standardisation and development of recommendations for seamless transition strategies, migration paths and updates of TSI, and European authorisation and certification activities not linked to wider deployment.

It is to be noted that under S2R Programme, the IKAA (in-kind other activities) objective shall be at least EUR 120 million, of which at least EUR 70 million from the founding members other than the Union and their affiliated entities, and at least EUR 50 million from associated members and their affiliated entities. These contributions shall consist of the costs incurred by them in implementing additional activities outside the work plan of the S2R Joint Undertaking, which are complementary to this work plan and contribute to the objectives of the S2R Master Plan. Other Union funding programmes may support those costs in compliance with the applicable rules and procedures. In such cases, Union financing shall not substitute for the in-kind contributions from the members other than the Union or their affiliated entities.

4.6. CONTRIBUTIONS PER PROGRAMME

As not all the contributions included in the Single Basic Act as funding options for the activities carried out on various programs, are reflected in the financial statements of the Joint Undertaking, the below information aims to provide a comprehensive overview of the funding for the on-going programmes used.

The information provided combines contributions validated and estimated in an effort to breach the timing gap in the validation of the cash and in-kind contributions. In addition to the information on cash and IKOP presented the notes related to the net assets and liabilities, the below overview also includes information on the IKAA contributions which are not presented in the financial statements.

Members' contributions						
Programme	EU cash ⁶	Third Country Contributions (UK)	Private members cash	Private members IKOP	Private members IKAA	Total (e)=(a)+(b)+(c)+(d) + (e)
	(a)	(b)	(c)	(d)	(e)	
H2020	450.000.000,00		13.500.000,00	336.500.000,00	120.000.000,00	920.000.000,00
Horizon Europe	585.914.600,00	29.000.000,00	24.000.000,00	591.000.000,00 ⁷		1.229.914.600,00

Members contributions as of 31.12.2025									
Programme	EU cash validated	EU cash not validated (PF)	Private members cash validated	Private members IKOP validated	Private members IKOP estimated	Private members IKAA certified	Private members IKAA estimated	Total	Achievement rate
H2020	450.000.000,00 ⁸	0,00	13.500.017,03	362.138.533,10	0,00	267.618.770,86	0,00	1.093.257.320,99	119%
Horizon Europe	280.575.095,52	24.776.816,16	10.952.063,10	31.554.489,38	99.721.063,71	206.201.101,74	42.902.510,06	696.683.139,67	57%

⁶ The EU contribution for the Horizon Europe programme reflects the adjusted figure following the mid-term revision of the MFF, the financing decision for the AI Gigafactories and the individual contribution agreements signed between Europe's Rail JU and the EC

⁷ The value of the Private members contribution to the Horizon Europe programme reflects the adjusted figure as per the GB decision 17/2023 on the commitment expressed by the private members to match a possible increase in the EU contribution following the association of the United Kingdom to the Horizon Europe programme

⁸ The value of the EU cash for the Horizon 2020 programme includes also the EUR 52 million provided by the EU for the Lighthouse projects and approx. EUR 1.8 million of costs incurred before the financial autonomy of the Joint Undertaking.

Horizon 2020 programme

The information presented for Horizon 2020 represents the consolidated view over the financing of the programme during its full life cycle. The financial operations for the programme were completed in 2024 and the information is presented only for a historical perspective.

Horizon Europe programme

The information presented for Horizon Europe includes the adjusted target for EU contributions, as amended through the MFF's mid-term revision and through the addition of third country contributions to the programme. The cumulative impact of these changes has led to an increase of EUR 15 million in EU funding towards Europe's Rail activities. The funding target for the Private Members has also been adjusted in the respective Letters of Commitments to match the EU contribution. Those have been reflected in the amended Multi-Annual Work Programme approved by the Europe's Rail Governing Board in June 2025⁹.

After the mid-term revision of the MFF, the proposal made in 2025 to fund the implementation of AI Gigafactories in Europe has led to a foreseen decrease of Horizon Europe funding for Europe's Rail Joint Undertaking of EUR 4,13 million. Each decrease of EU commitment, has led to a revision of Europe's Rail implementing programme and to the application of mitigating measures, such as the decrease in its grant funding rate and a de-scaling of its other activities. Independent of the decrease in funding, the Joint Undertaking has signed three individual contribution agreements with the European Commission for a total value of EUR 4,05 million, implementing additional activities not foreseen in the original Multi-Annual Work Programme.

The information presented for Horizon Europe is in line with the financing expectations from a programme that is approaching its maturity phase. The overall financing stands at 57% of the total foreseen EUR 1,23 million which is in line with the programme's implementation timeframe.

When looking at the adjusted contribution targets per member category, the total contribution of the Union stands at 50% against the EUR 615 million adjusted target and the Private Members' total contribution is estimated at 64% against the adjusted target of EUR 615 million. The EU validated cash shows an implementation of 46% of the total expected funding of 615 million for the programme. On the Private Members' side, the confirmed implementation stands at 40% when considering the validated cash and IKOP together with the certified IKAA. The comparable pace of validated contributions provided by the Union and the Private Members can be confirmed mainly following the timely certification process of the IKAA and IKOP contributions. At the same time, the comparable contributions indicate a robust management of the grant calls and IKAA planning.

⁹ GB decision: https://rail-research.europa.eu/wp-content/uploads/2025/06/GB-Decision_03-25_Revised_MAWP_final_MK-signed.pdf and Annex: https://rail-research.europa.eu/wp-content/uploads/2025/06/GB-Decision_03-25_Revised_MAWP_EU-Rail_MAWP_v4_Clean.pdf

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 Europe's Rail website, in the [governance section](#).

4.8. KEY MANAGEMENT ENTITLEMENTS

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

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

4.9. OTHER EVENTS

Russia-Ukraine War

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

For subsequent reporting periods, the war may affect the recognition and measurement of some assets on the balance sheet and also of some 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 in Ukraine cannot be reliably estimated.

4.10. OTHER INFORMATION

Switzerland, South Korea and Egypt join the Horizon Europe programme

On 10 November 2025, Switzerland became associated to Horizon Europe, with retroactive application as of 1 January 2025. The agreement places Swiss researchers and organisations on the same footing as those in EU Member States: they may lead consortia, receive direct EU funding, and access all thematic pillars and instruments of the programmes.

On 17 July 2025, the Republic of Korea became the first Asian country to associate to Horizon Europe. Korean researchers and organisations can now participate in several areas of the programme on equal terms with those for EU Member States. They will be able to join and lead international research consortia, access funding and collaborate with leading research institutions across Europe and beyond to tackle global challenges. The Republic of Korea will also contribute financially to the programme's budget. Since 1 January 2025, under the transitional arrangement, Korean entities have been able to apply and be evaluated as prospective beneficiaries in Horizon Europe proposals for all calls implementing Pillar II already in the budget 2025.

On 22 October 2025, Egypt became associated to Horizon Europe, with retroactive application as of 10 April 2025. This grants Egyptian researchers, universities, innovators and entities access to all parts of the programme on similar terms to those of EU Member States. It enables them to lead projects, contribute to cutting-edge research, and support national research reforms and institutional capacity-building.

However, only beneficiaries from Switzerland are participating in the grants awarded throughout 2025 and it is estimated that they will receive EU funding for a total of EUR 217 thousand.

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 the due date 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.

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of Europe's Rail Joint Undertaking 2024 is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of the joint undertaking:

Principles of unity and budget accuracy

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

Principle of annuality

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

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

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

Principle of universality

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

Principle of specification

Appropriations shall be earmarked for specific purposes at least by title and chapter.

Principle of sound financial management

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

Principle of economy

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

Principle of efficiency

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

Principle of effectiveness

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

Principle of internal control

The principle of internal control of budget implementation means that the JU budget shall be implemented in compliance with effective and efficient internal control in order to provide reasonable assurance of achieving effectiveness, efficiency and economy of operations; reliability of reporting;

safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; inadequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multi-annual character of the programmes as well as the nature of the payments concerned.

Principle of transparency

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

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

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

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

Title 1

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

Title 2

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

Title 3

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

Title 4

Budget lines provide for the implementation of the activities and tasks assigned of the joint undertaking in accordance with Council Regulation (EU) 2021/2085

Title 5

Budget lines provide for Unused Appropriations not required in current Year (both administrative and operational)

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		EUR '000	
	Title	2025	2024
Revenue		47 168	78 737
of which:			
Revenue	9	47 168	78 737
Expenditure		(67 806)	(78 071)
of which:			
Staff expenditure	1	(3 625)	(3 348)
Administrative expenditure	2	(1 962)	(1 832)
Operational expenditure H2020	3	0	(35 842)
Operational expenditure Horizon Europe	4	(62 219)	(37 049)
Other expenditure	5	0	0
Budget result		(20 639)	666

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	2025	2024
ECONOMIC RESULT OF THE YEAR	(131.108.895,99)	(132.163.513,28)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	71.794.392,56	80.028.463,13
<i>In-kind contributions validated in the year</i>	29.572.917,27	48.695.807,31
<i>Adjustments for accrual cut-off (net)</i>	29.372.136,98	(36.265.835,72)
<i>Unpaid invoices at year end but booked in expenses</i>	11.253,00	25.385,84
<i>Depreciation of intangible and tangible assets</i>	48.672,63	50.161,24
<i>Recovery orders issued in the year and not yet cashed</i>	-	(41.277,48)
<i>Correction of recovery orders issued last year</i>	(28.963,04)	
<i>Pre-financing given in previous year and cleared in the year</i>	12.819.464,41	67.564.221,94
<i>Other individually immaterial</i>	(1.088,69)	
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	38.675.989,88	52.800.624,12
<i>Members' cash contributions collected in the year</i>	44.913.469,28	76.236.711,41
<i>Asset acquisitions (less unpaid amounts)</i>	(396.730,28)	(9.390,24)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(8.148.832,48)	(25.773.828,01)
<i>Entitlements established in previous year and cashed in the year</i>	2.281.238,48	2.238.959,01
<i>Entitlements established on balance sheet accounts and cashed in the year</i>	1.459,04	108.224,37
<i>Payments made in current year for invoices registered in previous year</i>	25.385,84	(52,42)
BUDGET RESULT OF THE YEAR	(20.638.513,55)	665.573,97

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue

EUR
'000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over / reactivated	Total	On entitlements of current year	On entitlements carried over / reactivated	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/5	10=5-8
900 Contribution from EU (administrative)	0	3 000	3 000	0	3 000	3 000	0	3 000	100 %	0
901 Contribution from EU (operational)	9 667	9 667	9 667	0	9 667	9 667	0	9 667	100 %	0
902 EURAIL Contribution from EU (administrative)	2 518	2 518	2 518	0	2 518	2 518	0	2 518	100 %	0
903 EURAIL Contribution from EU (operational)	29 238	29 238	29 238	0	29 238	29 238	0	29 238	100 %	0
904 S2R Contribution from members other than the EU	0	0	(18)	159	141	(18)	159	141	100 %	0
905 EURAIL Contribution from members other than the EU	2 537	2 537	2 537	2 081	4 618	509	2 081	2 590	56 %	2 028
Total Chapter 90	43 960	46 960	46 942	2 240	49 182	44 913	2 240	47 153	96 %	2 028
910 Recoveries from members	p.m.	p.m.	(29)	29	0	(29)	29	0		0
911 Recoveries from non-members	p.m.	p.m.	0	12	12	0	12	12	100 %	0
912 Recoveries from others	p.m.	p.m.	2	0	2	2	0	2	100 %	0
Total Chapter 91	p.m.	p.m.	(27)	41,28	14,15	(27)	41,28	14,15	100 %	0
920 Bank interest	0	0	0	0	0	0	0	0	100 %	0
Total Chapter 92	0	0	0	0	0	0	0	0	100 %	0
Subtotal cash transactions	43 960	46 960	46 914	2 281	49 196	44 886	2 281	47 168	96 %	2 028
932 EURAIL Unused appropriations previous years (admin)	3 533	3 533		3 533	3 533		3 533	3 533	100 %	0
933 EURAIL Unused appropriations previous years (operational)	35 255	35 255		35 255	35 255		35 255	35 255	100 %	0
Total Chapter 93	38 788	38 788		38 788	38 788		38 788	38 788	100 %	0
Total Title 9	82 748	85 748	46 914	41 069	87 984	44 886	41 069	85 956	98 %	2 028
GRAND TOTAL	82 748	85 748	46 914	41 069	87 984	44 886	41 069	85 956	98 %	2 028

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total approp. available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
112 EURAIL Temporary agents	311	0	(105)	206	1 239	0	1 239	1 445
113 EURAIL Contract agents, seconded national experts,	0	39	66	105	1 821	0	1 821	1 926
Total Chapter 11	311	39	(39)	312	3 060	0	3 060	3 371
130 Mission costs	120	0	0	120	0	0	0	120
Total Chapter 13	120	0	0	120	0	0	0	120
150 Training	50	0	(37)	13	0	0	0	13
Total Chapter 15	50	0	(37)	13	0	0	0	13
190 Other staff expenditure	300	0	0	300	0	1	1	301
Total Chapter 19	300	0	0	300	0	1	1	301
Total Title 1	781	39	(75)	745	3 060	1	3 061	3 806

5.1.2. Breakdown & changes in commitment appropriations – Title 2

Item	Budget appropriations				Additional appropriations			Total appropri. available
	Initial adopted budget 1	Amending budgets 2	Transfers 3	Final adopted budget 4=1+2+3	Reactivated appropriations 5	Assigned revenue 6	Total 7=5+6	
200 Rental of buildings and associated costs	378	0	(7)	371	0	0	0	371
Total Chapter 20	378	0	(7)	371	0	0	0	371
210 IT expenditure and technical facilities	245	0	307	552	28	0	28	581
Total Chapter 21	245	0	307	552	28	0	28	581
220 Movable property and associated costs	10	9	(14)	5	0	0	0	5
Total Chapter 22	10	9	(14)	5	0	0	0	5
230 Current administrative expenditure	15	0	10	25	0	0	0	25
Total Chapter 23	15	0	10	25	0	0	0	25
240 Postage and telecommunications	15	0	(9)	6	0	0	0	6
Total Chapter 24	15	0	(9)	6	0	0	0	6
250 Administrative board expenditure	0	36	5	41	0	0	0	41
Total Chapter 25	0	36	5	41	0	0	0	41
260 Administrative support services	110	15	(38)	86	0	0	0	86
Total Chapter 26	110	15	(38)	86	0	0	0	86
270 Public relations and events	350	0	(102)	248	76	0	76	324
Total Chapter 27	350	0	(102)	248	76	0	76	324
290 Other infrastructure and operating expenditure	191	(19)	(61)	110	0	0	0	110
Total Chapter 29	191	(19)	(61)	110	0	0	0	110
Total Title 2	1 314	40	90	1 444	104	0	105	1 549

EUR '000

5.1.3. Breakdown & changes in commitment appropriations – Title 3

Item	Budget appropriations				Additional appropriations			Total approp. available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
300 Operational expenditure	0	0	0	0	0	12	12	12
Total Chapter 30	0	0	0	0	0	12	12	12
Total Title 3	0	0	0	0	0	12	12	12

EUR '000

5.1.4. Breakdown & changes in commitment appropriations – Title 4

Item	Budget appropriations				Additional appropriations			Total approp. available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
400 EURAIL Operational expenditure	55 224	45 576	0	100 800	42 423	0	42 423	143 224
Total Chapter 40	55 224	45 576	0	100 800	42 423	0	42 423	143 224
Total Title 4	55 224	45 576	0	100 800	42 423	0	42 423	143 224

EUR '000

5.1.5. Breakdown & changes in commitment appropriations – Title 5

EUR '000

Item	Budget appropriations					Additional appropriations			Total approp. available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total		
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
520 EURAIL Administrative budget	2 960	(79)	(15)	2 866	0	0	0	2 866	
Total Chapter 52	2 960	(79)	(15)	2 866	0	0	0	2 866	
530 EURAIL Operational budget	42 231	(42 231)	0	0	0	0	0	0	
Total Chapter 53	42 231	(42 231)	0	0	0	0	0	0	
Total Title 5	45 190	(42 309)	(15)	2 866	0	0	0	2 866	
GRAND TOTAL	102 509	3 346	(0)	105 855	45 588	14	45 602	151 457	

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

Item	Initial budget adopted			Budget appropriations			Final adopted budget			Additional appropriations			Total approp. available
	1	2	3	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	Reactivated appropriations	Assigned revenue	Total	
	1	2	3			4=1+2+3	5	6	7=5+6	5	6	7=5+6	8=4+7
112 EURAIL Temporary agents	311	0	(96)	0		215	1 239	0	1 239	1 239	0	1 239	1 454
113 EURAIL Contract agents, seconded national experts,	0	0	198	0		198	1 821	0	1 821	1 821	0	1 821	2 019
Total Chapter 11	311	0	103	0		414	3 060	0	3 060	3 060	0	3 060	3 474
130 Mission costs	120	0	(20)	0		100	0	0	0	0	0	0	100
Total Chapter 13	120	0	(20)	0		100	0	0	0	0	0	0	100
150 Training	50	3	(10)	3		43	0	0	0	0	0	0	43
Total Chapter 15	50	3	(10)	3		43	0	0	0	0	0	0	43
190 Other staff expenditure	150	12	0	12		162	150	2	152	150	2	152	314
Total Chapter 19	150	12	0	12		162	150	2	152	150	2	152	314
Total Title 1	631	15	72	15		719	3 210	2	3 212	3 210	2	3 212	3 930

EUR '000

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

Item	Budget appropriations			Additional appropriations			Total appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	
	1	2	3	4=1+2+3	5	6	7=5+6
200 Rental of buildings and associated costs	55	355	21	432	323	0	323
Total Chapter 20	55	355	21	432	323	0	323
210 IT expenditure and technical facilities	245	68	58	371	0	0	0
Total Chapter 21	245	68	58	371	0	0	0
220 Movable property and associated costs	10	10	(15)	5	0	0	0
Total Chapter 22	10	10	(15)	5	0	0	0
230 Current administrative expenditure	15	0	13	28	0	0	0
Total Chapter 23	15	0	13	28	0	0	0
240 Postage and telecommunications	15	0	(8)	7	0	0	0
Total Chapter 24	15	0	(8)	7	0	0	0
250 Administrative board expenditure	0	0	18	18	0	0	0
Total Chapter 25	0	0	18	18	0	0	0
260 Administrative support services	110	(12)	255	353	0	0	0
Total Chapter 26	110	(12)	255	353	0	0	0
270 Public relations and events	350	59	(147)	262	0	0	0
Total Chapter 27	350	59	(147)	262	0	0	0
290 Other infrastructure and operating expenditure	191	125	0	316	0	0	0
Total Chapter 29	191	125	0	316	0	0	0
Total Title 2	991	605	196	1 791	323	0	323
							8=4+7
							755
							755
							371
							371
							5
							5
							28
							28
							7
							7
							18
							18
							353
							353
							262
							262
							316
							316
							2 114

5.2.3. Breakdown & changes in payment appropriations – Title 3

Item	Budget appropriations			Additional appropriations			Total approp. available	
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue		Total
300 Operational expenditure	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
	0	0	0	0	0	12	12	12
Total Chapter 30	0	0	0	0	0	12	12	12
Total Title 3	0	0	0	0	0	12	12	12

EUR '000

5.2.4. Breakdown & changes in payment appropriations – Title 4

Item	Budget appropriations			Additional appropriations			Total approp. available	
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue		Total
400 EURAIL Operational expenditure	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
	3 549	28 713	0	32 262	35 255	0	35 255	67 517
Total Chapter 40	3 549	28 713	0	32 262	35 255	0	35 255	67 517
Total Title 4	3 549	28 713	0	32 262	35 255	0	35 255	67 517

EUR '000

5.2.5. Breakdown & changes in payment appropriations – Title 5

Item	Budget appropriations			Additional appropriations			Total approp. available	
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue		Total
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
520 EURAIL Administrative budget	3 433	(620)	(268)	2 545	0	0	0	2 545
Total Chapter 52	3 433	(620)	(268)	2 545	0	0	0	2 545
530 EURAIL Operational budget	35 355	(25 713)	0	9 643	0	0	0	9 643
Total Chapter 53	35 355	(25 713)	0	9 643	0	0	0	9 643
Total Title 5	38 788	(26 333)	(268)	12 188	0	0	0	12 188
GRAND TOTAL	43 960	3 000	0	46 960	38 788	14	38 802	85 762

EUR '000

5.3. Implementation of commitment appropriations

5.3.1. Implementation of commitment appropriations – Title 1

EUR '000

Item	Total approp. available	Commitments made			Total	%	Appropriations lapsing			Total
		from final adopt. budget	from re-activations	from assign. revenue			from final adopt. budget	from re-activations	from assign. revenue	
	1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
112 EURAIL Temporary agents	1 445	206	1 239	0	1 445	100 %	0	0	0	0
113 EURAIL Contract agents, seconded national experts,	1 926	105	1 821	0	1 926	100 %	0	0	0	0
Total Chapter 11	3 371	312	3 060	0	3 371	100 %	0	0	0	0
130 Mission costs	120	120	0	0	120	100 %	0	0	0	0
Total Chapter 13	120	120	0	0	120	100 %	0	0	0	0
150 Training	13	13	0	0	13	100 %	0	0	0	0
Total Chapter 15	13	13	0	0	13	100 %	0	0	0	0
190 Other staff expenditure	301	300	0	1	301	100 %	0	0	0	0
Total Chapter 19	301	300	0	1	301	100 %	0	0	0	0
Total Title 1	3 806	745	3 060	1	3 806	100 %	0	0	0	0

5.3.2. Implementation of commitment appropriations – Title 2

EUR '000

Item	Total approp. available	Commitments made			%	Appropriations lapsing			Total 13=10+11+12
		from final adopt. budget	from re-activations	from assign. revenue		Total 5=2+3+4	from final adopt. budget	from re-activations	
	1	2	3	4	6=5/1	10	11	12	
200 Rental of buildings and associated costs	371	371	0	0	100 %	0	0	0	0
Total Chapter 20	371	371	0	0	100 %	0	0	0	0
210 IT expenditure and technical facilities	581	552	28	0	100 %	0	0	0	0
Total Chapter 21	581	552	28	0	100 %	0	0	0	0
220 Movable property and associated costs	5	5	0	0	100 %	0	0	0	0
Total Chapter 22	5	5	0	0	100 %	0	0	0	0
230 Current administrative expenditure	25	25	0	0	100 %	0	0	0	0
Total Chapter 23	25	25	0	0	100 %	0	0	0	0
240 Postage and telecommunications	6	6	0	0	100 %	0	0	0	0
Total Chapter 24	6	6	0	0	100 %	0	0	0	0
250 Administrative board expenditure	41	41	0	0	100 %	0	0	0	0
Total Chapter 25	41	41	0	0	100 %	0	0	0	0
260 Administrative support services	86	86	0	0	100 %	0	0	0	0
Total Chapter 26	86	86	0	0	100 %	0	0	0	0
270 Public relations and events	324	248	76	0	100 %	0	0	0	0
Total Chapter 27	324	248	76	0	100 %	0	0	0	0
290 Other infrastructure and operating expenditure	110	110	0	0	100 %	0	0	0	0
Total Chapter 29	110	110	0	0	100 %	0	0	0	0
Total Title 2	1 549	1 444	104	0	100 %	0	0	0	0

5.3.3. Implementation of commitment appropriations – Title 3

EUR '000

Item	Total approp. available	Commitments made				%	Appropriations lapsing				Total
		from final adopt. budget	from re-activations	from assign. revenue	Total		from final adopt. budget	from re-activations	from assign. revenue	Total	
	1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12	
300 Operational expenditure	12	0	0	0	0	0 %	0	0	12	12	
Total Chapter 30	12	0	0	0	0	0 %	0	0	12	12	
Total Title 3	12	0	0	0	0	0 %	0	0	12	12	

5.3.4. Implementation of commitment appropriations – Title 4

EUR '000

Item	Total approp. available	Commitments made				%	Appropriations lapsing				Total
		from final adopt. budget	from re-activations	from assign. revenue	Total		from final adopt. budget	from re-activations	from assign. revenue	Total	
	1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12	
400 EURAIL Operational expenditure	143 224	100 800	42 423	0	143 224	100 %	0	0	0	0	
Total Chapter 40	143 224	100 800	42 423	0	143 224	100 %	0	0	0	0	
Total Title 4	143 224	100 800	42 423	0	143 224	100 %	0	0	0	0	

5.3.5. Implementation of commitment appropriations – Title 5

EUR '000

Item	Total approp. available	Commitments made			%	Appropriations lapsing			Total
		from final adopt. budget	from re-activations	from assign. revenue		from final adopt. budget	from re-activations	from assign. revenue	
	1	2	3	4	6=5/1	10	11	12	13=10+11+12
EURAIL Administrative budget	2 866	0	0	0	0 %	2 866	0	0	2 866
Total Chapter 52	2 866	0	0	0	0 %	2 866	0	0	2 866
Total Title 5	2 866	0	0	0	0 %	2 866	0	0	2 866
GRAND TOTAL	151 457	102 989	45 588	2	98 %	2 866	0	12	2 878

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			Total
		from final adopt. budget	from re-activations	from assign. revenue	Total		from final adopt. budget	from re-activations	from assign. rev.	
	1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
112 EURAIL Temporary agents	1 454	134	1 239	0	1 373	94 %	82	0	0	82
113 EURAIL Contract agents, seconded national experts,	2 019	70	1 821	0	1 891	94 %	128	0	0	128
Total Chapter 11	3 474	204	3 060	0	3 264	94 %	210	0	0	210
130 Mission costs	100	70	0	0	70	70 %	30	0	0	30
Total Chapter 13	100	70	0	0	70	70 %	30	0	0	30
150 Training	43	17	0	0	17	40 %	26	0	0	26
Total Chapter 15	43	17	0	0	17	40 %	26	0	0	26
190 Other staff expenditure	314	123	150	2	274	87 %	39	0	0	39
Total Chapter 19	314	123	150	2	274	87 %	39	0	0	39
Total Title 1	3 930	414	3 210	2	3 625	92 %	305	0	0	305

5.4.2. Implementation of payment appropriations – Title 2

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-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
200	Rental of buildings and associated costs	755	391	323	0	714	95 %	40	0	0	40
	Total Chapter 20	755	391	323	0	714	95 %	40	0	0	40
210	IT expenditure and technical facilities	371	316	0	0	316	85 %	55	0	0	55
	Total Chapter 21	371	316	0	0	316	85 %	55	0	0	55
220	Movable property and associated costs	5	0	0	0	0	8 %	5	0	0	5
	Total Chapter 22	5	0	0	0	0	8 %	5	0	0	5
230	Current administrative expenditure	28	18	0	0	18	65 %	10	0	0	10
	Total Chapter 23	28	18	0	0	18	65 %	10	0	0	10
240	Postage and telecommunications	7	4	0	0	4	49 %	4	0	0	4
	Total Chapter 24	7	4	0	0	4	49 %	4	0	0	4
250	Administrative board expenditure	18	17	0	0	17	96 %	1	0	0	1
	Total Chapter 25	18	17	0	0	17	96 %	1	0	0	1
260	Administrative support services	353	328	0	0	328	93 %	24	0	0	24
	Total Chapter 26	353	328	0	0	328	93 %	24	0	0	24
270	Public relations and events	262	261	0	0	261	100 %	1	0	0	1
	Total Chapter 27	262	261	0	0	261	100 %	1	0	0	1
290	Other infrastructure and operating expenditure	316	302	0	0	302	96 %	13	0	0	13
	Total Chapter 29	316	302	0	0	302	96 %	13	0	0	13
	Total Title 2	2 114	1 639	323	0	1 962	93 %	152	0	0	152

5.4.3. Implementation of payment appropriations – Title 3

Item	Total approp. availab.	Payments made				%	Appropriations lapsing			Total
		from final adopt. budget	from re-activations	from assign. revenue	Total		from re-activations	from final adopt. budget	from assign. rev.	
300	12	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
Operational expenditure	12	0	0	0	0	0 %	0	0	12	12
Total Chapter 30	12	0	0	0	0	0 %	0	0	12	12
Total Title 3	12	0	0	0	0	0 %	0	0	12	12

EUR '000

5.4.4. Implementation of payment appropriations – Title 4

Item	Total approp. availab.	Payments made				%	Appropriations lapsing			Total
		from final adopt. budget	from re-activations	from assign. revenue	Total		from re-activations	from final adopt. budget	from assign. rev.	
400	67 517	26 963	35 255	0	62 219	92 %	5 299	0	0	5 299
EURAIL Operational expenditure	67 517	26 963	35 255	0	62 219	92 %	5 299	0	0	5 299
Total Chapter 40	67 517	26 963	35 255	0	62 219	92 %	5 299	0	0	5 299
Total Title 4	67 517	26 963	35 255	0	62 219	92 %	5 299	0	0	5 299

EUR '000

5.4.5. Implementation of payment appropriations – Title 5

EUR '000

Item	Total approp. availab.	Payments made				Total	%	Appropriations lapsing			Total
		from final adopt. budget	from re-activations	from assign. revenue	from final adopt. budget			from re-activations	from assign. rev.		
	1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13	
520 EURAIL Administrative budget	2 545	0	0	0	0	0 %	2 545	0	0	2 545	
Total Chapter 52	2 545	0	0	0	0	0 %	2 545	0	0	2 545	
530 EURAIL Operational budget	9 643	0	0	0	0	0 %	9 643	0	0	9 643	
Total Chapter 53	9 643	0	0	0	0	0 %	9 643	0	0	9 643	
Total Title 5	12 188	0	0	0	0	0 %	12 188	0	0	12 188	
GRAND TOTAL	85 762	29 016	38 788	2	67 806	79 %	17 943	0	12	17 956	

6. OUTSTANDING COMMITMENTS

6.1. Outstanding commitments – Title 1

EUR '000

Item	Commitments outstanding at the end of previous year			Commitments of the current year					Total commitm. outstanding at year-end
	Commitm. carried forward from pre-previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commitments made during the year	Pay-ments	Cancellation of commit. which cannot be carried forward	Commit. outstanding at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
111 Contract agents, seconded national experts, trainee	0	0	0	0	0	0	0	0	0
112 EURAIL Temporary agents	48	(48)	0	0	1 445	1 373	0	72	72
113 EURAIL Contract agents, seconded national experts,	275	(14)	138	123	1 926	1 754	0	173	296
Total Chapter 11	323	(62)	138	123	3 371	3 126	0	245	368
130 Mission costs	78	0	16	62	120	54	0	66	128
Total Chapter 13	78	0	16	62	120	54	0	66	128
150 Training	34	(4)	12	18	13	5	0	8	26
Total Chapter 15	34	(4)	12	18	13	5	0	8	26
190 Other staff expenditure	160	(84)	14	62	301	261	0	41	103
Total Chapter 19	160	(84)	14	62	301	261	0	41	103
Total Title 1	595	(150)	180	265	3 806	3 446	0	361	626

6.2. Outstanding commitments – Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitment outstanding at year-end
	Commitment carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Cancellation of commitment which cannot be carried forward	Commitment outstanding at year-end	Total commitment outstanding at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
200 Rental of buildings and associated costs	613	(195)	348	71	371	366	0	5	76
Total Chapter 20	613	(195)	348	71	371	366	0	5	76
210 IT expenditure and technical facilities	132	0	51	81	581	265	0	315	397
Total Chapter 21	132	0	51	81	581	265	0	315	397
220 Movable property and associated costs	0	0	0	0	5	0	0	5	5
Total Chapter 22	0	0	0	0	5	0	0	5	5
230 Current administrative expenditure	4	0	2	2	25	16	0	9	11
Total Chapter 23	4	0	2	2	25	16	0	9	11
240 Postage and telecommunications	10	(6)	1	3	6	3	0	3	6
Total Chapter 24	10	(6)	1	3	6	3	0	3	6
250 Administrative board expenditure	25	(13)	9	4	41	9	0	32	36
Total Chapter 25	25	(13)	9	4	41	9	0	32	36
260 Administrative support services	329	(31)	263	35	86	66	0	21	56
Total Chapter 26	329	(31)	263	35	86	66	0	21	56
270 Public relations and events	384	(28)	152	204	324	109	0	215	419
Total Chapter 27	384	(28)	152	204	324	109	0	215	419
290 Other infrastructure and operating expenditure	276	(46)	218	12	110	85	0	25	37
Total Chapter 29	276	(46)	218	12	110	85	0	25	37
Total Title 2	1 773	(317)	1 043	412	1 549	919	0	630	1 042

6.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year			Commitments of the current year				Total commitment outstanding at year-end	
	Commitment carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation of commitment which cannot be carried forward		Commitment outstanding at year-end
300	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
Operational expenditure	3 872	(3 396)	0	475	0	0	0	0	475
Total Chapter 30	3 872	(3 396)	0	475	0	0	0	0	475
Total Title 3	3 872	(3 396)	0	475	0	0	0	0	475

6.4. Outstanding commitments – Title 4

EUR '000

Item	Commitments outstanding at the end of previous year			Commitments of the current year				Total commitment outstanding at year-end	
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward		Commit. outstanding at year-end
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
400 EURAIL Operational expenditure	110 452	(505)	57 707	52 240	143 224	4 512	0	138 712	190 952
Total Chapter 40	110 452	(505)	57 707	52 240	143 224	4 512	0	138 712	190 952
Total Title 4	110 452	(505)	57 707	52 240	143 224	4 512	0	138 712	190 952
GRAND TOTAL	116 691	(4 369)	58 930	53 393	148 579	8 876	0	139 703	193 095

7. GLOSSARY

Administrative appropriations

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

Adopted budget

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

Amending budget

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

Appropriations

Budget funding.

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

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

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

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

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

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

Budgetary commitment

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

Cancellation of appropriations

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

Carryover of appropriations

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

Commitment appropriations

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

De-commitment

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

Differentiated appropriations.

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

Economic result

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

Entitlements established

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

Exchange rate difference

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

Expenditure

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

Grants

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

Lapsing appropriations

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

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

Legal basis / basic act

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

Legal commitment

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

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

Non-differentiated appropriations

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

Operational appropriations

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

Outstanding commitments

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

Payment appropriations

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

RAL (Reste à liquider)

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

Surplus

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

Transfer between budget lines

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

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Smits Jan

Audit Partner

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De Blander Christel Gentil A

Audit Partner

Namens: Baker Tilly Bedrijfsrevisoren BV

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Mr. Giorgio Travaini
Executive Director of Europe's Rail Joint Undertaking
Europe's Rail Joint Undertaking
White Atrium Building – 2nd floor
Avenue de la Toison d'Or 56-60
B-1060 BRUSSELS

Your message of	your reference	our reference	Melle
		JASM/PLTH	2026-06-15

Dear Giorgio Travaini,

We have been appointed as auditor of Europe's Rail Joint Undertaking, according to the Framework Contract No: EU-Rail.OP.02.22/LOT1/01 and the specific contract No – 01.

Please find enclosed our independent auditor's report on the final annual accounts.

Yours faithfully,

Baker Tilly Bedrijfsrevisoren BV

Jan Smits
Audit Partner

Christel De Blander
Audit Partner



Europe's Rail Joint Undertaking (EU-Rail JU)

**Independent Auditor's report on the
Final Annual Accounts as at :
31 DECEMBER 2025**

Date: June 15, 2026

Europe's Rail Joint Undertaking
White Atrium Building – 2nd floor
Avenue de la Toison d'Or 56-60
B-1060 BRUSSELS

INDEPENDENT AUDITOR'S REPORT ON THE FINAL ANNUAL ACCOUNTS OF EUROPE'S RAIL JOINT UNDERTAKING FOR THE FINANCIAL YEAR FROM 01 JANUARY TO 31 DECEMBER 2025

Opinion

We have audited the accompanying final annual accounts of Europe's Rail Joint Undertaking, 'the Joint Undertaking' for the financial year from 01 January to 31 December 2025. Their annual accounts consist of the financial statements and the reports on the implementation of the budget for the financial year ended December 31, 2025. The financial statements comprise the balance sheet as at December 31, 2025, and the statement of financial performance, the cash flow statement and the statement of changes in net assets/liabilities for the year then ended, and a summary of significant accounting policies and other explanatory information. The balance sheet total amounts to 98.902.071,11 EUR and the statement of financial performance shows a loss of 131.108.895,99 EUR.

In our opinion, the final annual accounts of the Joint Undertaking present fairly, in all material aspects, its financial position as at December 31, 2025, and the results of its operations and its cash flow, for the year then ended, and are prepared in accordance with its Financial Regulation, and, in accordance with the accounting rules adopted by the Commission's accounting officer, and the International Public Sector Accounting Standards, as issued by the International Public Sector Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) and the ISSAI (International Standards of Supreme Audit Institutions, as issued by the International Organization of Supreme Audit Institutions (INTOSAI)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Joint Undertaking in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Annual Activity Report of the Joint Undertaking.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the final annual accounts

Management is responsible for the preparation of the final annual accounts in accordance with its Financial Regulation, and, in accordance with the accounting rules adopted by the Commission's accounting officer, which are derived from the International Public Sector Accounting Standards, as issued by the International Public Sector Accounting Standards Board.

Management's responsibilities in respect of the annual accounts include designing, implementing and maintaining an internal control system relevant to the preparation and the fair presentation of the annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies on the basis of the accounting rules adopted by the Commission's accounting officer; making accounting estimates that are reasonable in the circumstances. The Executive Director approves the annual accounts of the Joint Undertaking after its Accounting Officer has prepared them on the basis of all available information and established a note to accompany the accounts in which they declare, inter alia, that they have reasonable assurance that the Annual Accounts present a true and fair view of the financial position of the Joint Undertaking in all material respects.

Those charged with governance are responsible for overseeing the Joint Undertaking's financial reporting process.

Auditor's Responsibilities for the Audit of the final annual accounts

Our objectives are to obtain reasonable assurance about whether the final annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ✓ Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ✓ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Joint Undertaking's internal control.
- ✓ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ✓ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Joint Undertaking's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Joint Undertaking to cease to continue as a going concern.
- ✓ Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Melle, June 15, 2026

Yours faithfully,

Baker Tilly Bedrijfsrevisoren BV

Jan Smits
Audit Partner

Christel De Blander
Audit Partner



Now, for tomorrow

