



**CIRCULAR BIO-BASED EUROPE
JOINT UNDERTAKING
(CBE JU)**

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

Date: June 3, 2026

Circular Bio-Based Europe Joint Undertaking
Avenue de la Toison d'Or 60
1060 BRUSSELS

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

Opinion

We have audited the accompanying final annual accounts of the Circular Bio-Based Europe 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 342.779.876,98 EUR and the statement of financial performance shows a loss of 147.857.008,91 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 Undertakings 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 Undertakings 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 3, 2026

Yours faithfully,

Baker Tilly Bedrijfsrevisoren BV

Jan Smits
Audit Partner

Christel De Blander
Audit Partner

Now, for tomorrow



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Annual accounts of the Circular Bio-based Europe 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 Circular Bio-based Europe Joint Undertaking, in accordance with Article 52 of the Model Financial Regulation ('MFR')¹ and I hereby certify that the annual accounts of the Circular Bio-based Europe 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 Circular Bio-based Europe 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 Circular Bio-based Europe 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.

Qualified electronic signature by: KATTY

HANCQ

Date 2026-06-03 06:31:49 UTC

Katty Hancq

**Accounting Officer of the
Circular Bio-based Europe Joint
Undertaking**

¹Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council

BACKGROUND INFORMATION NOTE

1. General background on the entity

Establishment

Horizon Europe – the 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 was regulated through Council Regulation (EU) 2021/2085 of 19 November 2021 (also known as the Single Basic Act) and published in the Official Journal on 30 November 2021.

Under the Single Basic Act (Article 174.3), the Circular Bio-based Europe Joint Undertaking (CBE JU) shall be the legal and universal successor, in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property, of the Bio-based Industries Joint Undertaking established by Council Regulation (EU) 2014/560 of 6 May 2014, which it shall replace and succeed. The Joint Undertaking is based in Brussels. The Bio-based Industries Joint Undertaking, known also as BBI JU, was a public-private partnership between the European Union (EU) and the Bio-based Industries Consortium (BIC). It aimed to bring together all relevant stakeholders and contributes to establishing Europe as a key player in the research, demonstration and deployment of advanced bio-based products and biofuels.

Mission

CBE JU's mission is to implement, under Horizon Europe rules, the Strategic Research and Innovation Agenda (SRIA) developed jointly by the industry and by the European Commission and adopted by the CBE JU Governing Board, by organising calls for proposals to support research, demonstration and deployment activities enabling the collaboration between stakeholders along the entire value chains, covering primary production of biomass, processing industry and final use.

Main operational activities

CBE JU contributes to a more resource-efficient and sustainable low-carbon economy, and to increasing economic growth and employment, in particular in rural areas, by developing sustainable and competitive bio-based industries in Europe. This is based on advanced biorefineries that source their biomass sustainably and in particular aims to:

- Accelerate the innovation process and development of the bio-based innovative solutions;
- Accelerate the market deployment of the existing mature innovative bio-based systems; and
- Ensure high level of environmental performance of bio-based industrial systems.

Governance

CBE JU is headed by an Executive Director, who is accountable to a Governing Board – the main decision-making body of the CBE JU. The Governing Board has overall responsibility for the strategic orientation and the operations of the CBE JU and supervises the implementation of its activities.

It brings together the two groups of the JU's Members:

The EU, represented by the European Commission (the Commission);

The Bio-based Industries Consortium Aisbl (the 'BIC'), a non-profit organisation established under Belgium law, with its permanent office in Brussels, Belgium.

The Governing Board is made up of five representatives from the Commission and five representatives of the Members other than the Union, at least one of which should represent SMEs.

Other bodies of CBE JU are:

The Scientific Committee, which is composed of a balanced representation of worldwide recognised experts from academia, industry, SMEs, non-governmental organisations and regulatory bodies;

The States' Representatives Group, which is composed of one representative of each Member State and of each country associated to Horizon Europe;

The Stakeholders' or Deployment Groups.

Sources of financing

CBE JU is jointly funded by the EU and the "Members other than the Union" (BIC) through financial contributions paid in instalments and in-kind contributions consisting of the costs incurred by them in implementing indirect actions that are not reimbursed by the CBE JU. The resources of the CBE JU entered to its budget are composed of:

Members' financial contributions to the administrative costs;

Members' financial contributions to the operational costs;

Any revenue generated by the JU;

Any other financial contributions, resources and revenues.

2. Annual accounts

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by the Model Financial Regulation (MFR)¹. 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 Act² 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 the Accounting Officer of the European Commission from 1 December 2022.

Following the decision of the **Circular Bio-based Europe** Joint Undertaking Governing Board of 29 November 2022 (CBE-GB-15/22), on behalf of the Back Office Arrangement Accounting (BOA), Ms. Katty Hancq, as of 1 December 2022, acts as the Accounting Officer and Ms. Andrea Tóth and Mr. Andrei Hretu were nominated as Deputy Accounting Officers of **Circular Bio-based Europe** Joint Undertaking. Following the enactment of the contingency back-up plan for long term leaves, the deputisation of Ms. Andrea Tóth was activated from the date of 15 November 2024, in accordance with the GB decision CBE-GB-15/22. The deputy Accounting Officer was appointed with the same responsibility and the same conditions as the Accounting Officer. The deputisation arrangements ended when the Accounting Officer nominated by GB decision CBE-GB-15/22 dated 29 November 2022 returned to her functions on 01 September 2025. This was shared during the Governing Board meeting of 14 October 2025.

Composition of the annual accounts

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

Process from provisional accounts to discharge

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

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

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

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 (OJ L 14 2, 29.5.2019, p. 16)

² Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and

3. Operational highlights

Achievements of the year

CBE JU accomplished its major annual objectives, by signing the third batch of grant agreements under the Horizon Europe mandate, successfully completing evaluations of the fourth call for proposals, recruiting new staff, managing the running projects and promoting their achievements.

The most important achievements of 2025 were as follows.

The fourth CBE JU call under Horizon Europe was published in April and the evaluations were successfully carried out in late autumn, setting the basis for the signature of the grant agreements in 2026.

Over the same period, the JU's founding partners prepared the ambitious Annual Work Plan 2026 with a large call of over EUR 170.7 million. The definition of the call topics for 2026 was a result of the joint effort in defining and respecting a very tight planning and in involving to a maximum extent the Scientific Committee and the States' Representatives Group in the process.

On the project management side, the GAP of the 2024 call was successfully completed within the deadlines, and the pre-financing payments all made. For ongoing BBI JU-funded projects, 16 interim and final payments were processed on time for a total amount of EUR 8.9 million, while for CBE JU-funded projects, 27 interim payments were processed for a total amount of EUR 27.2 million. The total amount of net payments (including prefinancing) for 2025 was over EUR 154 million, reaching a 87% execution of the voted budget.

While the budget implementation was good overall, it was impacted by deviations linked to the payments of flagship projects. On the administrative side, the remaining of the BBI JU legacy budget for an amount of kEUR 275 was returned to the Commission and to BIC during 2025.

The CBE JU 2025 communications highlights include a successful Info Day for potential applicants with about 450 in-person and close to 1,200 remote participants, and nearly 1,000 networking meetings held on the day; several high-level project milestones, such as completion of the SCALE microalgae biorefinery in France; promotion of the CBE JU achievements on digital channels (e.g., campaign on SME participation in the programme), as well as via publications (e.g., *A competitive bioeconomy for a sustainable future*) and via events (e.g., BIOKET, EUBCE). A campaign on the success of the BBI JU programme marked the end of the programme. Several large projects, such as the organisation of the CBE JU Stakeholder Forum and the networking event to take place in March and April 2026 respectively, were also initiated in 2025.

CBE JU moved forward with the development of a web app designed in 2024 to collect project data pertaining to CBE JU key performance indicators (KPIs) and impact assessments. The first development round concluded successfully with the submission of comprehensive data from recently funded projects, facilitating structured analysis and communication regarding CBE JU's specific objectives. A follow-up contract was launched to enhance the internal interface and refining validation and data extraction procedures for reporting purposes. While the project was technically accomplished during 2025, invoicing and payment will be finalized in Q1 2026.

In 2025, CBE JU was fully staffed, four staff members were replaced and one position was not replaced in anticipation of the staff cut to be implemented by December 2027. One financial officer was recruited, for 50% financed by associated countries contributions.

CBE JU continued to lead the Back Office Arrangement for HR jointly with IHI JU. The BOA HR continued to work on joint actions, under the coordination of CBE JU, improving the coherence of the HR IT landscape and legal framework, sharing good practices, implementing joint selection procedures where possible and sharing reserve lists. The procedure for selecting new confidential counsellors to reinforce the joint network was finalised.

Budget and budget implementation

2025 was the fourth year for which there was a combined budget for both CBE JU (Horizon Europe) as well as the BBI JU (Horizon 2020) legacy. While there was no more BBI JU administrative budget for the first time this year, final payments for the last BBI JU ongoing projects are expected to be made up to (at least) the end of 2027. The Governing Board adopted the 2025 budget on 12 December 2024, for a global amount of kEUR 173

535 in commitment appropriations (CA) and kEUR 184 029 in payment appropriations (PA), including prior year unused reactivated appropriations (C2). The budget was amended three times in 2025 as follows:

1. The first time, in February 2025, to reflect the increase of the CBE JU staff by 1 FTE, financed by third countries contributions to Horizon Europe. To finance the additional resource, an amount of kEUR 100 CA and equivalent PA was transferred from Title 3 to Title 1.
2. In March 2025, to reactivate part of the remaining leftovers from previous calls for an amount of kEUR 7 000 in CA to increase the budget of the Call 2025.
3. In September 2025, to transfer kEUR 50 in CA and PA from Title 1 to Title 3 of the budget. This amount originated from the additional United Kingdom contribution amounting to kEUR 100 which was fully allocated to the administrative budget while only half was necessary as the other half will be contributed by BIC. The third amendment also provided for a mirroring increase by kEUR 50 in CA and PA of BIC contribution to match the additional UK contribution. The amendment also reflected a technical adjustment further to a clerical error. An amount of 14 million of unused H2020 PA was paid back to the Commission in 2025. The CBE JU requested this amount in 2026 to cover for its needs for Horizon Europe project-related payments. Further reactivations to administrative budget in the amount of kEUR 221 in CA and kEUR 203 in PA, reactivations to operational budget in the amount of kEUR 281 in CA and PA as well as reactivation of remaining unused H2020 administrative appropriations to be repaid to the EC and BIC in the amount of kEUR 275 in CA and PA were introduced.

The total amended budget (including prior year reactivations) was then kEUR 181 363 in CA and kEUR 184 889 in PA. The total amended C1 (fresh budget), without prior year reactivations, was kEUR 147 869 in CA and kEUR 160 238 in PA.

The amounts of prior years' reactivated appropriations are as follows:

Administrative

- ✓ BBI JU: kEUR 275 in CA, kEUR 275 in PA (a necessary technical step before refunding the surplus to the Commission and BIC members)
- ✓ CBE JU : kEUR 2 300 in CA, kEUR 2 600 in PA

Operational

- ✓ BBI JU: kEUR 5 in CA, kEUR 13 948 in PA
- ✓ CBE JU : kEUR 30 914 in CA, kEUR 7 829 in PA

In 2025, as per third amendment of AWP 2025, the remaining surplus of BBI JU unused appropriations of kEUR 275 in administrative PA was reactivated and equally refunded to the Commission and to BIC.

The BBI JU operational CA were reactivated from Horizon 2020 to Horizon Europe in line with the provisions of the Single Basic Act establishing the Joint Undertakings under Horizon Europe. They are deemed part of the global envelope and not in addition to it.

The reactivated appropriations were consumed wherever possible in priority in line with CBE's Financial Rules art. 6(5), and reached 99% consumption on the administrative CA side, 88% on the administrative PA side, 100% on the operational CA side and 77% on the operational PA side by year end. The lower execution rate on the operational PA side could be explained by the suspension of several final payments for flagship projects of H2020 Programme.

At the end of 2025, there was only a remaining surplus of BBI JU unused appropriations of kEUR 5 023 in operational PA, which will be used in 2026 to cover the outstanding payments for H2020 Programme projects.

For the first year for which there was no administrative budget for BBI JU anymore, the total administrative budget for CBE JU was kEUR 7 421 in CA and kEUR 7 721 in PA. Of this amount, kEUR 6 422 representing 86.5% was executed in CA and kEUR 5 837 representing 75.6% in PA.

On the operational side, for CBE JU, the CA available for the whole operational budget was kEUR 172 468 (this excludes kEUR 1 198 in the operational budget for expert-evaluators of the call). The whole commitment available was used to launch the 2025 call. On the PA side, including pre financing and interim and final payments of

previous calls, the available budget for both CBE and BBI JU was kEUR 176 893 million and the execution rate was 87.6%.

A Governing Board decision was taken at the end of 2025 to reactivate in the 2026 budget of CBE JU:

Administrative:

- ✓ CA: kEUR 0
- ✓ PA: kEUR 500 from 2024

Further administrative reactivations from 2025 unused appropriations will be introduced with the first amendment of AWP 2026.

Operational:

- ✓ CA: kEUR 17 870 in CA from 2023, 2024 and 2025 (of which kEUR 5 174 from BBI JU)
- ✓ PA: kEUR 1 009 from 2024 (all from BBI JU).

Administrative expenditure

As 2025 was the first year, where JU had only one administrative budget, there is no distinction between CBE and BBI, all amounts concern CBE JU administrative budget.

Title 1:

The total allocated CA in Title 1 were kEUR 4 183. Overall CA implementation of staff-related costs was 86%. Chapters 11 and 13, related to salaries and missions and presenting the major part of Title 1 (94%), showed a strong execution of around 90%, while Chapters 12, 14, 15 related to recruitment costs, other benefits and team building, presenting 6% of staff-related costs, were implemented with a lower rate.

The total allocated PA in Title 1 were kEUR 4 686, and the PA implementation reached 77%.

Title 2:

The total allocated CA in Title 2 were kEUR 3 295. The 2025 infrastructure budget achieved an overall CA implementation of 87%, where only two chapters, representing less than 2% of Title 2, showed an execution of less than 80% - CBE Telecommunication and postal charges (62%, kEUR 8) and CBE Formal meetings (62%, kEUR 37).

The total PA in Title 2 were kEUR 3 079 with an implementation rate of 74%. The overall PA execution was impacted by the fact that although the CBE JU Stakeholders Forum is taking place in March 2026, the contracting of the suppliers of this major event needed to take place already in 2025 and the related invoices will only reach CBE JU during the first part of 2026. The same for the CBE JU Networking Event (total amount committed for the 2 major events is kEUR 400 (13% of the PA).

The KPI web tool is another element that impacted the implementation of PA in Title 2, since the KPIs web tool was developed throughout 2025 but will be invoiced early 2026 (kEUR 219).

Operational expenditure

CA. The overall budget implementation of the CA for Title 3 is kEUR 173 419, with an execution rate of 99.7%.

The CBE JU call 2025 was launched in April 2025 for a total of EUR 172 million, of which the accepted proposals totalled kEUR 171 807. The GAP phase has been launched and is expected to be finalised by end May 2026.

In May 2025, the GAP phase of CBE JU 2024 call, totalling EUR 197.5 million, was finalised, and between March and November, the 30 prefinancing payments relating to this call were made.

PA. The overall budget implementation of the PA for Title 3 is kEUR 154 878, with an execution rate of 87.6%.

BBI JU: For the ongoing BBI projects, CBE JU processed 16 interim and final payments for a total of kEUR 8 924, which represent a budget execution of 64% over the kEUR 13 948 reactivated PA credits. The reasons for the lower budget execution is linked to the failure of a large flagship project, which resulted in a recovery, and complex final payments of large projects that were postponed to 2026.

CBE JU: For the ongoing CBE projects, 27 interim payments were performed for the projects from the calls 2022 and 2023, for an amount of kEUR 27 155. For the recently signed projects on the CBE JU 2024 call, 30 pre-financing payments were made for an amount of kEUR 118 048. The total payment execution rate is 90%

Impact of the activities in the financial statements

In the financial statements, the impact of the above-mentioned activities resulted in:

Pre-financing: In 2024 another call for proposals under the Horizon Europe Programme was launched and the pre-financing was paid in 2025 for a total EUR 118.048 thousand. Nevertheless, for ongoing CBE JU and BBI JU projects and the finalisation of several projects the clearing of the pre-financing with incurred expenses, impacted the increase of pre-financing from EUR 224.471 thousand in 2024 to EUR 295.424 thousand in 2025 (see note **2.3**).

Increase of payables: The payables increased by EUR 9,602 thousand (2024: EUR 94.459 thousand, 2025: EUR 104 061 thousand) mainly because of the increased number of received cost claims as well as the contributions in cash to be validated. (see note **2.7**).

Operational costs: The increase in the operational costs (2024: EUR 88.642 thousand; 2025: EUR 142.359 thousand) is mainly due to an increase in the estimated in-kind contributions and operational project costs for Horizon Europe projects (see note **3.4**).

CIRCULAR BIO-BASED EUROPE JOINT UNDERTAKING

FINANCIAL YEAR 2025

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

BALANCE SHEET

	Note	31.12.2025	31.12.2024
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	224,015.00	-
<i>Intangible asset under construction</i>	2.1	219,174.15	280,018.75
<i>Property, plant and equipment</i>	2.2	68,588.00	78,376.00
<i>Long term pre-financing</i>	2.3	175,641,807.42	149,143,106.98
		176,153,584.57	149,501,501.73
CURRENT ASSETS			
<i>short term Pre-financing</i>	2.3	119,782,050.98	75,327,635.62
<i>Exchange receivables and non-exchange recoverable</i>	2.4	46,844,241.43	61,495,212.82
<i>Cash and cash Equivalents</i>	2.5	0.00	-
		166,626,292.41	136,822,848.44
TOTAL ASSETS		342,779,876.98	286,324,350.17
NON-CURRENT LIABILITIES			
<i>Payables</i>	2.7	-	-
CURRENT LIABILITIES			
<i>Short term provisions</i>	2.6	-	-
<i>Payables and other liabilities</i>	2.7	104,060,768.30	94,458,589.64
<i>Accrued charges and deferred income</i>	2.8	56,905,718.75	44,969,226.00
		160,966,487.05	139,427,815.64
TOTAL LIABILITIES		160,966,487.05	139,427,815.64
NET ASSETS			
<i>Contribution from Members</i>	2.9	1,310,719,015.17	1,127,945,150.86
<i>Accumulated deficit</i>		(981,048,616.33)	(888,307,320.18)
<i>Economic result of the year</i>		(147,857,008.91)	(92,741,296.15)
NET ASSETS		181,813,389.93	146,896,534.53
LIABILITIES AND NET ASSETS		342,779,876.98	286,324,350.17

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2025	2024
REVENUE			
Revenue from non-exchange transactions			
<i>Recovery of operating expenses</i>	3.1	281,414.17	880,283.22
		281,414.17	880,283.22
Revenue from exchange transactions			
<i>Financial revenues</i>	3.3	12,642.85	-
<i>Other exchange revenue</i>		48,834.35	71,464.60
		61,477.20	71,464.60
Total revenue		342,891.37	951,747.82
EXPENSES			
<i>Operational costs</i>	3.4	(142,359,148.26)	(88,642,113.32)
<i>Staff costs</i>	3.5	(3,389,959.47)	(3,105,891.08)
<i>Financial expenses</i>	3.6	-	(126,413.53)
<i>Other expenses</i>	3.7	(2,450,792.55)	(1,818,626.04)
Total expenses		(148,199,900.28)	(93,693,043.97)
ECONOMIC RESULT OF THE YEAR		(147,857,008.91)	(92,741,296.15)

CASHFLOW STATEMENT¹

	2025	2024
<i>Economic result of the year</i>	(147,857,008.91)	(92,741,296.15)
<u>Operating activities</u>		
Depreciation and amortization	81,041.73	25,690.86
Increase/(Decrease) in in-kind contributions	45,720,319.54	12,309,890.22
Other non-cash movements	-	0.06
(Increase)/Decrease in pre-financing	(70,953,115.80)	(84,103,057.70)
(Increase)/Decrease in exchange receivables and non-exchange	14,650,971.39	(3,047,116.18)
Increase/(Decrease) in payables	9,602,178.66	15,816,172.09
Increase/(Decrease) in accrued charges & deferred income	11,936,492.75	15,535,343.25
<u>Financing activities</u>		
Increase/(Decrease) in cash contributions	137,053,544.77	136,408,434.86
<u>Investing activities</u>		
(Increase)/Decrease in intangible assets and property, plant, equipment	(234,424.13)	(204,061.31)
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	-	-

¹ The treasury of Circular Bio-based Europe JU is integrated into the Commission's treasury system. Because of this Circular Bio-based Europe 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 non-exchange recoverables.

STATEMENT OF CHANGES IN NET ASSETS

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2023	979,226,825.78	(760,505,237.48)	(127,802,082.70)	90,919,505.60
<i>Allocation 2023 economic result</i>	-	(127,802,082.70)	127,802,082.70	-
<i>Cash contribution</i>	136,408,434.86	-	-	136,408,434.86
<i>Contribution in-kind</i>	12,309,890.22	-	-	12,309,890.22
<i>Economic result of the year</i>	-	-	(92,741,296.15)	(92,741,296.15)
BALANCE AS AT 31.12.2024	1,127,945,150.86	(888,307,320.18)	(92,741,296.15)	146,896,534.53
<i>Allocation 2024 economic result</i>	-	(92,741,296.15)	92,741,296.15	-
<i>Cash contribution</i>	137,053,544.77	-	-	137,053,544.77
<i>Contribution in-kind</i>	45,720,319.54	-	-	45,720,319.54
<i>Economic result of the year</i>	-	-	(147,857,008.91)	(147,857,008.91)
BALANCE AS AT 31.12.2025	1,310,719,015.17	(981,048,616.33)	(147,857,008.91)	181,813,389.93

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of stakeholders.

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

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

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

1.2.2. Currency and basis for conversion

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

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

Euro exchange rates

Currency	31.12.2025	31.12.2024	Currency	31.12.2025	31.12.2024
BGN	1.9558	1.9558	PLN	4.221	4.275
CZK	24.237	25.185	RON	5.0968	4.9743
DKK	7.4689	7.4578	SEK	10.8215	11.459
GBP	0.8726	0.82918	CHF	0.9314	0.9412
NOK	11.843	11.795	JPY	184.09	163.06
HUF	385.15	411.35	USD	1.175	1.0389

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: financial risk of accounts receivable and the amounts disclosed in the notes concerning accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, contingent assets and liabilities. Actual results could differ from those estimates. Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

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

New EAR adopted and effective for annual periods beginning on or after 1 January 2025

On 12 December 2025 the Accounting Officer of the European Commission adopted a targeted amendment of EAR 1 'Financial Statements'. The amendment, which is effective for reporting periods beginning on or after 1 January 2025, introduced changes to the guidance on the Segment Report. As Circular Bio-Based Europe 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 fall 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 cash flows 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. afloat. 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 **1.6.1**), 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 accumulated contributions received from the Members of the JU (EU and industry) less the accumulated contributions used. The contributions include financial contributions received by the JU and contributions provided by the Members to the funded projects in-kind. The net assets also contain reserves, if applicable. Refer to note **1.6** for details.

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from 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 Undertaking (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 made by the EU for the Horizon Europe Programme are accounted for 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 amounts 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 (Bio-based Industries Consortium) contributions: financial contributions are contributions made in cash in order to provide funding of the administrative needs of the JU. These financial contributions are recognised in net assets in the period in which the enforceable right to receive the payment was established.

1.6.2. In-kind contributions

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

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

The IKOP represents in-kind contributions made to the JU linked to its work plan and co-financed by the EU.

The IKOP is recognised in the net assets of the JU in the period in which the conditions for Members' contributions stipulated by the Regulation are met.

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

The EU makes available cash contributions to the CBE projects in advance of the project start date (until the total of this pre-financing payment and other periodic cost reimbursements reach 90% of the agreed maximum grant amount for the project), providing the beneficiaries with a sufficient "frontloading" of funds to implement the programme activities. On the other hand, 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 the case of HE, see point **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 programme 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 the one hand and in-kind contributions on the other will be closed as the programme approaches the finalisation stage.

Due to major simplifications introduced in the H2020 Programme (which continue to be applied also for Horizon Europe), the certification of IKOP is based on the CFS² certificate for the total eligible project costs. The certificates for IKOP are only due to be submitted to the JU after the end of the last project reporting period. This time frame causes a major delay between the date when the IKOP balances are committed (upon signature of the grant) and the moment they are finally validated and recognised in the net assets of the JU.

² CFS: Certificate on Financial Statements

The IKAA (under Horizon 2020 Programme) are contributions linked to implementing additional activities, included in the annual additional activities plan annexed to the main part of the work programme, that do not receive financial support from the Joint Undertaking but contribute to its objectives.

These additional activities (under the Horizon Europe Programme) are directly linked to the projects and activities of the Circular Bio-based Europe Joint Undertaking, including in particular:

- a) investments in new facilities demonstrating a new value chain, including investments in durable equipment, tools and accompanying infrastructure, in particular related to regional deployment and its sustainability verification;
- b) investments in a new innovative and sustainable production plant or flagship;
- c) investments in new research and innovation and justified infrastructure, including facilities, tools, durable equipment or pilot plants (research centres);
- d) standardisation activities.

Because the outflow of resources related to those activities is outside of the JU's control, these contributions are not recognised in its financial statements. 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

	Intangible asset under construction	Intangible asset	TOTAL
<i>Gross carrying amount at 31.12.2024</i>	280,018.75	-	280,018.75
<i>Transfers</i>	(280,018.75)	280,018.75	-
<i>Additions</i>	219,174.15	-	219,174.15
Gross carrying amount at 31.12.2025	219,174.15	280,018.75	499,192.90
<i>Accumulated depreciation at 31.12.2024</i>	-	-	-
<i>Depreciation charge for the year</i>	-	(56,003.75)	(56,003.75)
Accumulated depreciation at 31.12.2025	-	(56,003.75)	(56,003.75)
NET CARRYING AMOUNT AT 31.12.2025	219,174.15	224,015.00	443,189.15
<i>NET CARRYING AMOUNT AT 31.12.2024</i>	280,018.75	-	280,018.75

In 2023, IT development costs were booked under "intangible assets under construction". This related to the development of a KPI tool for project reporting, with a total value of EUR 280 thousand. The second phase of the development, for EUR 198 thousand, was contracted in 2024 with an extension in 2025 to EUR 219k.

The first phase of KPI tool for project reporting development was finalised in 2024 and the tool is considered functional since 01/01/2025. It has been since then transferred to the intangible assets account and will be depreciated over the useful life of 5 years.

Additional developments performed during 2024 and 2025 are accounted as intangible assets under construction as at 31/12/2025. Once considered functional, will be transferred to the intangible assets account and will be depreciated over the useful life of 5 years.

2.2. PROPERTY, PLANT AND EQUIPMENT

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

	Furniture and vehicles	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2024</i>	76,004.57	137,409.54	43,450.52	256,864.63
<i>Additions</i>	-	14,771.32	478.66	15,249.98
Gross carrying amount at 31.12.2025	76,004.57	152,180.86	43,929.18	272,114.61
<i>Accumulated depreciation at 31.12.2024</i>	(40,859.57)	(96,790.54)	(40,838.52)	(178,488.63)
<i>Depreciation charge for the year</i>	(7,792.00)	(15,461.32)	(1,784.66)	(25,037.98)
Accumulated depreciation at 31.12.2025	(48,651.57)	(112,251.86)	(42,623.18)	(203,526.61)
NET CARRYING AMOUNT AT 31.12.2025	27,353.00	39,929.00	1,306.00	68,588.00
<i>NET CARRYING AMOUNT AT 31.12.2024</i>	35,145.00	40,619.00	2,612.00	78,376.00

The additions are related to additional IT equipment (laptops and mobile phones).

2.3. PRE-FINANCING

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

	31.12.2025	31.12.2024
<i>Long term pre-financing</i>	175,641,807.42	149,143,106.98
<i>Short term pre-financing</i>	119,782,050.98	75,327,635.62
Total	295,423,858.40	224,470,742.60

For all pre-financing amounts open at 31 December 2025 a case-by-case assessment was performed and all pre-financing that was considered unlikely to be cleared in the course of 2026 was classified as non-current pre-financing. The outstanding pre-financing presented under this heading is net of estimated (cut-off) expenses for ongoing projects without validated cost claims as at 31 December 2025.

The clearing of pre-financing against year-end (cut-off) adjustments amounted to EUR 78.921 thousand (2024: EUR 79.354 thousand) for ongoing projects without validated cost claims as at 31 December 2025. The remaining portion of the cut-off expenses is recorded in accrued charges (see note **2.8**).

In 2025 the 5th call for proposals under the Horizon Europe Programme was launched (there was one in 2022, two in 2023 and one in 2024) and the pre-financing will only be paid in 2026. For ongoing CBE JU and BBI JU projects - with the finalisation of several projects and the clearing of the pre-financing against incurred expenses, there was an overall increase of pre-financing from EUR 224.471 thousand in 2024 to EUR 295.424 thousand in 2025 (of which EUR 273.776 thousand for H Europe and EUR 21.648 thousand for H2020).

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 transactions.

	31.12.2025	31.12.2024
Recoverables from non-exchange transactions		
<i>Central treasury liaison accounts</i>	46,654,796.40	61,101,406.46
	46,654,796.40	61,101,406.46
Receivables from exchange transactions		
<i>Customers</i>	3,102,069.37	3,265,589.47
<i>Amounts written down (-)</i>	(2,955,934.49)	(2,968,577.34)
<i>Accrued income and deferred charges</i>	45,448.83	108,502.61
<i>Other</i>	(2,138.68)	(11,708.38)
	189,445.03	393,806.36
Total	46,844,241.43	61,495,212.82

The largest amount under this heading relates to the central treasury liaison (intercompany) accounts with the European Commission that represent a virtual bank account of CBE JU. The treasury of CBE JU has been integrated into the European Commission's treasury system. The payments and receipts are processed via the European Commission's treasury system and registered on these intercompany accounts. The ending balance of this heading is thus the result of the incoming and outgoing payments and represents the funds available for the Joint Undertaking.

In the third amendment to AWP 2025 GB of CBE JU has approved additional contribution from Private Member BIC to compensate the additional UK administrative contribution in the amount of EUR 50 thousand. This contribution has not been requested or received in 2025, although relates to this year. In early 2026 a recovery order has been established and the amount will be recovered.

The amount written down for 2023 loss relates to a provision against a doubtful debt which arose in 2022 following the early termination of a large Flagship project, BIOSKOH. In addition, in 2024 the write-down includes a recoverable from another project beneficiary, who has declared bankruptcy.

A write-down down for doubtful debts was also raised for beneficiary Upfront Chromatography in project Prominent, because the beneficiary contested the recoverable amount, following implementation of an ex-post audit result. Nonetheless, CBE JU is launching judicial procedures to recover the debt.

During 2025 no new amounts have been written off as CBE JU is pursuing the debt with the assistance of external legal consultants and the debts are more recent than one year.

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).

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).

As of 31 December 2025, the Joint Undertaking did not have any provisions (2024: none).

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
Contributions to be validated		
<i>Contributions in kind from Members to be validated</i>	46,367,522.47	56,042,125.68
<i>Cash contribution from EC to be validated</i>	40,731,658.68	31,919,907.56
	87,099,181.15	87,962,033.24
Payables to entities		
<i>Suppliers</i>	13,022,462.74	3,883,145.10
<i>Others</i>	3,939,124.41	2,613,411.30
	16,961,587.15	6,496,556.40
Total	104,060,768.30	94,458,589.64

Included under the heading 'Contributions in-kind from Members to be validated' are the in-kind contributions from Members related to on-going projects without a validated certification (in the form of a recognised audit certificate of total declared costs) at 31 December. The amount for 2025 is recognised based on a calculation of IKOP in reporting period costs claims, complemented with a pro rata calculation for periods not covered by cost claims and based on total IKOP allocated to Member beneficiaries in the project grant agreements. The total estimate split per programme BBI EUR 14.436 thousand, CBE EUR 31.932 thousand.

The increase of the cash to be validated is related to unexecuted pre-financing payments for the prior year call. The remaining funds will be used in 2026.

The 'contributions in cash to be validated' are the received but unspent EC financial contributions to the Horizon Europe Programme (note **1.6.1**). The amount of vendor payables relates to invoices and cost claims received but not yet validated and paid at the year end.

2.8. ACCRUED CHARGES

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

	31.12.2025	31.12.2024
<i>Accrued charges</i>	56,905,718.75	44,962,744.90
<i>Other passive accruals and deferrals</i>	-	6,481.10
Total	56,905,718.75	44,969,226.00

The heading comprises estimated operational costs of EUR 56,351 thousand, accrued intangible assets under construction of EUR 219 thousand, accrued administrative expenses of EUR 250 thousand and accrued staff expense for untaken leave of EUR 86 thousand. Accrued operating charges relate to on-going projects without a validated cost statement where the 2025 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2025.

The portion of the estimated accrued charges which relates to pre-financing paid has been recorded as a reduction of the pre-financing amounts in line with the H2020 and HE rules (see note **2.3**). Of the total operational accrual of EUR 56.351 thousand, EUR 51.804 thousand relates to H Europe projects and EUR 4.547 thousand relates to H2020 projects.

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.

In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the CBE JU received from the European Union a pre-financing payment of EUR 159.159 thousand for the implementation of the Horizon Europe Framework Programme (see note **1.6.1**). 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 made by the EU for the Horizon Europe Programme are accounted for as 'Contributions in cash to be validated'. They 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).

Programming period	2025		2024		Total
	Cash	in-Kind	Cash	in-Kind	
Horizon 2020	790,731,657.63	149,887,791.72	805,525,277.74	104,167,472.18	909,692,699.92
Horizon Europe	370,099,565.82		218,252,450.94	-	218,252,450.94
Total	1,160,831,223.45	149,887,791.72	1,023,777,678.68	104,167,472.18	1,127,945,150.86

2.9.1. 2014-2020 (Horizon 2020) MFF: Total Members' Contributions

With regard to the Horizon 2020 Programme, Council Regulation (EC) No 2014/560 (its current legal mandate stems from the amending Regulation (EU) 2018/121 of 23 January 2018) 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 CBE JU are accounted for in the JU's net assets. Estimated in-kind contributions, i.e. contributions for which no certifications have been received and/or this certification has not been validated by the Executive Director, are reported under 'other liabilities' (see note 2.7).

Member	Commission		Industry Grouping		Total	
	Cash		Cash	In kind	Cash	In kind
<i>Running costs contributions at 31.12.2024</i>	18,673,090.28		18,731,401.00	-	18,731,401.00	37,404,491.28
<i>Current year contributions</i>	(137,658.27)		(137,658.26)	-	(137,658.26)	(275,316.53)
Running costs contributions at 31.12.2025	18,535,432.01		18,593,742.74	-	18,593,742.74	37,129,174.75
<i>Operating costs contributions at 31.12.2024</i>	764,870,736.46		3,250,000.00	104,167,472.18	107,417,472.18	768,120,736.46
<i>Adjustment of previous year</i>	(470,825.00)		-	-	-	(470,825.00)
<i>Current year contributions</i>	(14,047,428.58)		-	45,720,319.54	45,720,319.54	(14,047,428.58)
Operating costs contributions at 31.12.2025	750,352,482.88		3,250,000.00	149,887,791.72	153,137,791.72	753,602,482.88
<i>TOTAL contributions at 31.12.2024</i>	783,543,826.74		21,981,401.00	104,167,472.18	126,148,873.18	805,525,227.74
TOTAL contributions at 31.12.2025	768,887,914.89		21,843,742.74	149,887,791.72	171,731,534.46	790,731,657.63

Negative current year contribution refers to the paid back operational and administrative unused contributions to the Commission and BIC. Adjustment of previous years relates to the REA experts contribution that was incorrectly presented under H2020 contribution.

The rules relating to distribution of voting rights are defined in Article 54 of Council Regulation (EU) 2021/2085 of 19 November 2021. Based on this article, the number of votes of the Members other than the Union shall collectively hold 50% of the voting rights. For what concerns the total level of the contribution by BIC Members at the end of 2025, the IKOP target was set at the closure of the BBI JU calls, and it will contribute to achieving the overall legal target alongside the finalisation of BBI JU projects (9% of which are still ongoing).

2.9.2. Research and Innovation Funding Programme for 2021-2027 (Horizon Europe)

In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, in 2024 the CBE JU received from the European Union a pre-financing payment for the amount of EUR 159.159 thousand for the implementation of the Horizon Europe Framework Programme (see note 1.6.1). 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 made by the EU for the Horizon Europe Programme are accounted for as 'Contributions in cash to be validated'. They 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). Under the new SBA (Horizon Europe Programme) the in-kind contributions to operational activities should be accounted for solely on the basis of eligible costs and should be reported and audited in accordance with the mechanism applicable to the specific grant agreement. These legal requirements do not change the substance of the operation. Also, under Horizon Europe, only contributions validated and accepted by the Executive Director can be recognised under net assets. Therefore, the same accounting treatment as used under the previous regulations should be applied to IKOP under Horizon Europe.

	Member		Industry Grouping		Total	
	Commission		Cash		Cash	
<i>Running costs contributions at 31.12.2024</i>						
	1,862,299.56		3,406,214.50		5,268,514.06	
<i>Current year contributions</i>	2,911,964.65		2,510,697.00		5,422,661.65	
Running costs contributions at 31.12.2025	4,774,264.21		5,916,911.50		10,691,175.71	
<i>Operating costs contributions at 31.12.2024</i>	212,983,936.88		-		212,983,936.88	
<i>Adjustment of previous year</i>	470,825.00		-		470,825.00	
<i>Current year contributions</i>	145,953,628.23		-		145,953,628.23	
Operating costs contributions at 31.12.2025	359,408,390.11		-		359,408,390.11	
<i>TOTAL contributions at 31.12.2024</i>	214,846,236.44		3,406,214.50		218,252,450.94	
TOTAL contributions at 31.12.2025	364,182,654.32		5,916,911.50		370,099,565.82	

Adjustment of previous years relates to the REA experts contribution that was incorrectly presented under H2020 contribution.

The rules relating to distribution of voting rights are defined in Article 54 of Council Regulation (EU) 2021/2085 of 19 November 2021. Based on this article, the number of votes of the Members other than the Union shall collectively hold 50% of the voting rights.

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
<i>Recovery of expenses</i>	281,414.17	880,283.22

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. In 2025 the JU made substantial efforts to finalise the outstanding audit implementation files.

3.2. OTHER NON-EXCHANGE REVENUE

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

EXCHANGE REVENUE

3.3. REVENUE FROM EXCHANGE TRANSACTIONS

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

	2025	2024
<i>Recovery of administrative expenses</i>	44,496.00	71,455.70
<i>Financial revenue</i>	4,338.17	8.90
<i>Net Impairment losses on receivables</i>	12,642.85	-
<i>Other</i>	0.18	-
Total	61,477.20	71,464.60

In 2025 there was no decrease in recharges to other JUs for common JU administrative costs (such as the Systal HR tool implementation), for which CBE was the lead contracting JU during the year, but a change in the presentation. Recharges related to the expenses of the same year are presented as a decrease of costs rather than revenue

Financial revenue presents interest on late payments. In 2025 a correction of impairment losses on receivables took place.

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 in-kind and EU contribution as well as between the programmes is given in the table below:

	2025	2024
<i>Operational costs: in-kind contributions - HE</i>	20,060,673.36	8,163,298.25
<i>Operational costs: in-kind contributions - H2020</i>	15,985,042.97	- 2,155,208.94
Total operational costs from in-kind contributions	36,045,716.33	6,008,089.31
<i>Operational costs: EU contributions - H2020</i>	16,870,863.92	39,011,339.45
<i>Operational costs: EU contributions - HE</i>	89,442,568.01	43,622,684.56
Total operational costs from EU contributions	106,313,431.93	82,634,024.01
Total	142,359,148.26	88,642,113.32

Depending on the availability of information at the time of the preparation of the annual accounts, the estimates are based on cost claims received or by pro rata temporis estimates based on total project grant amounts (remaining balance).

The operational costs from estimated in-kind contributions were estimated in cases where no project cost claims covering the whole year were validated at the year end. Instead of basing the estimates on annual declarations of IKOP from the private Members, the real amount of IKOP from the project cost claims validated relating to the reporting year is calculated in combination with a pro rata estimate of remaining costs based on total IKOP allocated to the project, calculated for the remaining period after the cost claim end date.

The overall increase in operational costs from in-kind contributions is in line with the phasing out of the H2020 projects and the gradual start-up of projects for the first calls of H Europe (with 82 ongoing projects as at end 2025).

The operational cost from EU contributions shows an overall increase, despite the reduction in EU contributions to H2020 projects.

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 calculation 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 JU's 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 to be foreseen in the last year of existence of the JU. The contribution of the Circular Bio-based Europe Joint Undertaking was set as 2,3% of the total pension scheme contributions. This contribution is accounted for 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 the Euro HPC JU, and not to those established under the previous Regulations. Given the late entry into force of the SBA at the end of November 2021, it became applicable as from 2022.

	2025	2024
<i>Staff costs</i>	3,389,959.47	3,105,891.08

The increase in 2025 is related to the indexation of salaries and the reclassification exercise, as well as replacement of 4 staff members during the year and recruitment of additional financial officer.

3.6. FINANCE EXPENSES

	2025	2024
<i>Interest expense on late payment of charges</i>	-	5.20
<i>Amounts written down Recoverables</i>	-	126,408.33
Total	-	126,413.53

The amount written down for 2023 loss relates to a provision against a doubtful debt which arose in 2022 following the early termination of a large Flagship project, BIOSKOH. In 2024 the write-down included a recoverable from a beneficiary of a large Flagship project, BIOSKOH, who declared bankruptcy.

A write-down down for doubtful debts was also raised for beneficiary Upfront Chromatography in project Prominent, because the beneficiary contested the recoverable amount, following implementation of an ex-post audit result. Nonetheless, CBE JU is launching judicial procedures to recover the debt.

During 2025 no new amounts have been written down as CBE JU is pursuing the debt with the assistance of external legal consultants and the debts are more recent than one year.

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
<i>External IT services</i>	863,196.65	538,019.16
<i>External non-IT services</i>	405,438.58	408,882.57
<i>Experts' expenses</i>	340,710.58	124,721.02
<i>Communications & publications</i>	268,520.60	197,789.00
<i>Rent expenses</i>	267,641.31	346,830.73
<i>Maintenance and security expenses</i>	99,036.75	3,355.00
<i>Intangible fixed asset related expenses</i>	56,003.75	-
<i>Missions</i>	52,376.50	73,415.45
<i>Legal Expenses</i>	31,515.75	8,065.00
<i>Property, plant and equipment related expenses</i>	25,037.98	25,690.86
<i>Training costs</i>	22,435.33	54,676.86
<i>Office Supplies & maintenance</i>	14,600.83	21,597.62
<i>Car & transport expenditures</i>	3,575.74	254.45
<i>Insurances</i>	542.70	169.26
<i>Recruitment costs</i>	159.48	14,590.28
<i>Losses on realisation of trade debtors</i>	0.02	568.78
Total	2,450,792.55	1,818,626.04

The increase in External IT costs (EUR 325 thousand) is mainly due to additional fees related to the onboarding of SUMMA (EUR 200 thousand) and other related IT support services. The rise in the expert's expenses (EUR 216 thousand) is explained by the increased number of projects in the reporting phase. Communication expenses increased in 2025 by EUR 71 thousand due to a preparation to the next Stakeholder Forum and Networking Event which take place in early 2026.

As KPI tool has been fully operational since 01.01.2025, amortisation is recorded in 2025.

Rent expenses concern the CBE JU office in the 'White Atrium' building whose lease has been extended till 31/12/2031 following an award decision early 2025. In 2025 there is a change in the presentation of the expenses, where charges are no longer part of rent expenses, but presented separately under maintenance and security expenses.

Amounts committed to be paid during the remaining term of this lease contract include rent and related charges and are as follows:

	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	236,591.73	994,641.14	283,020.05	1,514,252.92

4. OTHER SIGNIFICANT DISCLOSURES

4.1. CONTINGENT ASSETS

	31.12.2025	31.12.2024
<i>Ex-post audit results</i>	-	942,690

CBE JU has taken measures and advanced significantly during 2024 and 2025 in catch up exercise related to ex-post audits, as well as regarding recovery of outstanding amounts due. By the end of 2025 there are still some uncertainties in the amount to recover and the possibility of timely recovery of ex-post audits results, therefore no contingent assets are reported.

4.2. CONTINGENT LIABILITIES

The Joint Undertaking does not have any ongoing legal cases or any other events raising contingent liabilities.

4.3. OUTSTANDING COMMITMENTS NOT YET EXPENSED

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

	31.12.2025	31.12.2024
<i>Outstanding commitments not yet expensed</i>	296,719,637	308,737,427

The outstanding commitments not yet expensed are the result of the correction of the budgetary RAL with the estimated costs, determined by using the accrual-based principle, which is not reflected in the budgetary result, where the cash-based principle is used. The decrease between the years is due to the decrease of EUR 9 million in the budgetary RAL, an increase of EUR 9 million in the open vendor balance and an increase of EUR 11 million in the accruals, which is shown in the budget implementation reports (see chapter 6).

4.4. IN-KIND CONTRIBUTIONS

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

Under the H2020 Programme, in-kind contributions by Private Member beneficiaries 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 are determined in accordance with the usual cost accounting practices of the entities concerned, the applicable accounting standards of the country where the entity is established, and also 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 the 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 based on eligible costs allows for the automated calculation of in-kind contributions to operational activities via the Horizon Europe IT tools.

4.5. IN-KIND IN ADDITIONAL ACTIVITIES (IKAA)

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

"Additional activity" means an activity, included in the annual additional activities plan annexed to the main part of the work programme, that does not receive financial support from the joint undertaking but contributes to its objectives, and is directly linked to the uptake of results from projects under that joint undertaking or its preceding initiatives or that has a significant Union added value.

In-kind contributions to additional activities are 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. 49 of the SBA defines the scope of CBE's additional activities:

- (a) investments in new facilities demonstrating a new value chain, including investments in durable equipment, tools and accompanying infrastructure, in particular related to regional deployment and its sustainability verification;
- (b) investments in a new innovative and sustainable production plant or flagship;
- (c) investments in new research and innovation and justified infrastructure, including facilities, tools, durable equipment, or pilot plants (research centres);
- (d) standardisation activities;
- (e) communication, dissemination and awareness-raising activities.

4.6. CONTRIBUTIONS PER PROGRAMME

Members' contributions (as per Funding regulation)						
	EU cash (a)	Third country contribution (UK) (b)	Private members' cash (c)	Private members' IKOP (d)	Private members' IKAA (e)	Total (f)=(a)+(b)+(c)+(d)+(e)
H2020	835,000,000.00	-	22,195,488.31	263,293,995.00	2,444,510,516.69	3,565,000,000.00
Horizon Europe	966,714,000.00	50,000,000.00	23,850,000.00	1.026.150.000,00		2,066,714,000.00

Members' contributions as of 31.12.2025										
	EU cash validated	EU cash not validated (PF)	Other members cash	Other members cash not paid	Other members IKOP validated	Other members IKOP reported but not validated	IKAA certified	IKAA reported but not certified	Total	Achievement rate
H2020	768,887,914.89	-	21,843,742.74	-	149,887,791.72	14,434,959.17	2,404,436,175.87	106,000,000.00	3,465,490,584.39	97%
Horizon Europe	364,182,654.32	40,731,658.68	5,916,911.50	50,000.00	-	31,932,563.30	15,093,549.04	72,805,915.14	530,713,251.98	26%

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

H2020 contributions are in line with expectations. For what concerns the EU cash contributions validated at the end of 2025, it should be noted that EUR 58 million (7.5% of EUR 768,9 million) represent open pre-financing (based on paid cost claims and before accounting adjustments). As such they are not EU cash contributions validated by CBE JU as being spent in the projects, but they constitute a cash advance which remains a receivable until clearing.

Regarding the contributions by other Members at the end of 2025, the IKOP target was set at the closure of all the BBI JU calls in signed grants. It is not a legal target set in the founding regulation of the BBI JU initiative and the IKOP will contribute to achieving the overall legal target alongside the finalisation of BBI JU projects (9% of which are still ongoing). The specific legal target for IKAA contributions was already achieved in 2022 at the planning stage, and the planning cycle for these contributions will continue until the end of 2024. Therefore, IKAA will play a pivotal role in the achievement of the EUR 2,73 billion overall target of BIC contributions to the BBI initiative. In order to achieve this result, the IKAA planning process aims at around EUR 2,5 billion to be contributed by the end of the initiative.

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

In 2025, in addition to the cut for support of Ukraine which took place in 2024, there was another cut regarding the envelope of Horizon Europe Programme to finance AI Gigafactories for a total amount of EUR 9.3 million.

CBE JU received an additional budget of EUR 50 million from third countries appropriations which was split between the administrative budget (for an amount of EUR 350 thousand) and the operational budget (for an amount of EUR 49.65 thousand). In accordance with Art. 10(2) of Council Regulation (EU) 2021/2085 of 19 November 2021, BIC will match the corresponding increased contribution.

For the EU cash contributions validated at the end of 2025 under Horizon Europe, it shall be noted that four calls out of the seven planned (including the small NEBA call for 2023) have been implemented by the closure and EUR 316,3 million (87% of EUR 364,2 million) represent open pre-financing, and its accounting treatment follows the same steps described above for H2020 contributions.

In the third amendment to AWP 2025 GB of CBE JU has approved additional contribution from Private Member BIC to compensate the additional UK administrative contribution in the amount of EUR 50 thousand. This contribution has not been requested or received in 2025, although relates to this year. In early 2026 a recovery order has been established and the amount has been recovered.

Regarding the contributions by other Members at the end of 2025 under Horizon Europe, there is a total of EUR 31.9 million IKOP accrued as combination of pro rata estimation and IKOP from the cost claims, as 37 claims have already been received by year end for the first CBE JU projects that started in 2023 and 2024.

During 2025 CBE JU has performed a major catch up exercise during which all BIC members were requested to provide a revised IKAA plan for Calls 2022, 2023 and 2024. IKAA Plans have been revised and approved by the GB decision CBE-GB-4/26 of 22 April 2026. The corresponding IKAA reports have been received and will be sent for validation to the Governing Board as part of annual activity report and annual accounts 2025 in June 2026.

4.7. RELATED PARTIES

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

As transactions between the JU and these parties take place as part of the normal operations of the JU and on terms and conditions that are normal for such transactions, no specific disclosures are required. The key management entitlements are disclosed in note **4.8**

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

<https://www.cbe.europa.eu/governance>

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>

The Executive Director is remunerated in accordance with the Staff Regulations of the European Union that is published on the Europa website and is the official document describing the rights and the obligations of all officials of the EU. At its meeting of 17 June 2022, the CBE JU Governing Board took note of the previous Executive Director's resignation with effect from 1 September 2023. On 25 July 2023, the GB appointed Nicolo' Giacomuzzi-Moore as CBE JU's Executive Director ad interim as of 1 September 2023. He was officially nominated as the new Executive Director during the Governing Board meeting of 6 December 2023 and took up his official duties in early January 2024.

4.9. OTHER EVENTS

Russian war of aggression against Ukraine

The war does not affect materially the recognition and measurement of any assets and liabilities on the balance sheet nor of any revenue and expenses recognised in the statement of financial performance.

Based on the facts and circumstances at the time of preparation of these financial statements, in particular, the evolving situation, the financial effect of the war on subsequent reporting periods of the CBE JU cannot be reliably estimated.

4.10. OTHER INFORMATION

BREXIT - United Kingdom joins Horizon Europe Programme

As of 1 January 2024, the United Kingdom became an associated country to Horizon Europe. Its researchers are able to participate in this research and innovation programme of the EU on the same terms as researchers from other associated countries and will have access to Horizon Europe funding. As this association agreement only applied for calls and budget 2024 onwards, carry over from budget 2022 and 2023 could not be used to finance UK participants.

4.11. EVENTS AFTER REPORTING DATE

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

4.12. OBSERVATIONS ON MANAGEMENT AND CONTROL SYSTEMS

Not applicable.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (the entity has no significant interest rate risk and other price risk).

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

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

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

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

5.2. CURRENCY RISKS

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

5.3. CREDIT RISK

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

5.4. LIQUIDITY RISK

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

CIRCULAR BIO-BASED EUROPE JOINT UNDERTAKING

FINANCIAL YEAR 2025

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of Circular Bio-based Europe 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 created for the purpose of reimbursing unused administrative appropriations of the H2020 Programme equally to the Commission and to BIC.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

EUR '000

	Title	2025	2024
Revenue		160,594	161,209
of which:			
BBI Joint Undertaking revenues	1	-	1
Other income BBI	1	348	235
CBE European Commission (incl. EFTA) contribution administrative expenditure	1	2,561	1,751
CBE European Commission (incl. EFTA) contribution operational expenditure	1	155,117	157,408
CBE Bio-based Industries Consortium contribution administrative expenditures	1	2,511	1,751
CBE Other income	1	58	63
Expenditure		(161,014)	(158,181)
of which:			
Staff expenditure	1	(3,591)	(3,185)
Administrative expenditure	2	(2,270)	(2,649)
Operational expenditure	3	(154,878)	(152,347)
Re-activation of unused 2024 BBI	4	(275)	-
Exchange rate differences		0	(1)
Budget result		(420)	3,027

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2025	2024
ECONOMIC RESULT OF THE YEAR	(147,857)	(92,741)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	105 294	67,208
<i>In-kind contributions validated in the year</i>	45 720	12 310
<i>Adjustments for accrual cut-off (net)</i>	12 130	(12 385)
<i>Unpaid invoices at year end but booked in charges (class 6)</i>	-	2,508
<i>Depreciation, amortisation and impairment of intangible and tangible assets</i>	81	26
<i>Recovery Orders issued in the year in class 7 and not yet cashed</i>	(191)	(423)
<i>Pre-financing paid in previous year and cleared in the year</i>	47,528	65,050
<i>Write-off receivables</i>	(13)	126
<i>Other income adjustment</i>	47	-
<i>Other individually immaterial items</i>	(8)	(4)
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	42,143	28,561
<i>Members' cash contributions collected in the year</i>	160,188	160,910
<i>Unused H2020 Adm contributions paid back</i>	(275)	-
<i>Asset acquisitions (less unpaid amounts)</i>	(15)	(204)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(118,048)	(132,149)
<i>Entitlements established in previous year and cashed in the year</i>	293	4
<i>Other individually immaterial</i>	-	-
BUDGET RESULT OF THE YEAR	(420)	3,027

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue

Item	Income appropriations		Entitlements established			Revenue			Out-standing	
	Initial budget	Final budget	Current year	Carried over/ Reactivation	Total	On entitlements of current year	On entitlements carried over/ Reactivation	Total		%
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/5	10=5-8
1001 BBI EUROPEAN COMMISS	-	-	-	-	-	-	-	-	-	-
1002 BBI EUROPEAN COMMISS	-	-	-	-	-	-	-	-	-	-
1003 BBI BIO-BASED INDUSTRIES CONSORTIUM	-	-	-	-	-	-	-	-	-	-
1006 OTHER INCOME BBI	p.m.	p.m.	(29)	3 494	3 465	(174)	522	3 48	10 %	3 117
1007 CBE EUROPEAN COMMISSION	2 511	2 561	2 561	0	2 561	2 561	0	2 561	100 %	0
1008 CBE EUROPEAN COMMISSION	155 117	155 117	155 117	0	155 117	155 117	0	155 117	100 %	0
1009 CBE BIO-BASED INDUSTRIES CONSORTIUM	2 511	2 561	2 511	0	2 511	2 511	0	2 511	100 %	0
1012 CBE OTHER INCOME	p.m.	p.m.	58	0	58	57	0	57	97 %	2
Total Chapter 10	160 138	160 238	160 217	3 494	163 711	160 071	522	160 592	98%	3 118
Total Title 1	160 138	160 238	160 217	3 494	163 711	160 071	522	160 592	98%	3 118
GRAND TOTAL CASH	160 138	160 238	160 217	3 494	163 711	160 071	522	160 592	98%	3 118
2017 C2 REACTIVATION OF APPROPRIATIONS FOR AD	266	266		266	266		266	266	100 %	
2020 BBI C2 REACTIVATION OF APPROPRIATIONS	2 131	2 610		2 610	2 610		2 610	2 610	100 %	
2030 BBI C2 REACTIVATION OF APPROPRIATIONS	21 495	21 776		21 776	21 776		21 776	21 776	100 %	
Total Chapter 20	23 892	24 652	0	24 652	24 652	0	24 652	24 652	100%	0
Total Title 2	23 892	24 652	0	24 652	24 652	0	24 652	24 652	100%	0
GRAND TOTAL	184 030	184 890	160 217	28 146	188 362	160 071	25 173	185 244	98%	3 118

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 1	Amending budgets 2	Transfers 3	Final adopted budget 4=1+2+3	Reactivated appropriations 5	Assigned revenue 6	
1101 CBE STAFF COSTS	2 311	100	0	2 411	1 244	0	1 244
1111 CBE TRAINEES	100	0	0	100	0	0	0
Total Chapter 11	2 411	100	0	2 511	1 244	0	1 244
1200 BBI SUNDRY RECRUITMENT EXPENSES	7	0	(7)	0	0	0	0
1202 CBE SUNDRY RECRUITMENT	5	0	7	12	0	0	0
1203 CBE INSTALLATION, RESETTLEMENT AND DAILY ALLOWANCE	43	0	0	43	0	0	0
Total Chapter 12	55	0	0	55	0	0	0
1301 CBE MISSION EXPENSES	75	0	0	75	0	0	0
Total Chapter 13	75	0	0	75	0	0	0
1404 CBE MEDICAL SERVICE	31	0	0	31	0	0	0
1405 CBE MOBILITY COSTS AND OTHER SOCIAL EXPENSES	167	0	0	167	0	0	0
1406 CBE TRAINING	70	0	0	70	0	12	12
1407 CBE SUPPLEMENTARY AID FOR THE DISABLED	5	0	0	5	0	0	0
Total Chapter 14	273	0	0	273	0	12	12
1501 CBE STAFF TEAMBUILDI	10	0	0	10	3	0	3
Total Chapter 15	10	0	0	10	3	0	3
Total Title 1	2 824	100	0	2 924	1 247	12	1 259
							8=4+7

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

	Item	Budget appropriations				Additional appropriations				Total appropri. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total		
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
2001	CBE RENTALS	350	0	(203)	148	253	0	253	400	
2011	CBE CHARGES AND WORK	50	0	(43)	7	0	0	0	7	
	Total Chapter 20	400	0	(246)	154	253	0	253	407	
2102	CBE IT EQUIPMENT & SOFTWARE PURCHASE	477	0	200	677	139	0	139	816	
2103	CBE OTHER IT COSTS	136	0	0	136	35	44	79	215	
	Total Chapter 21	613	0	200	813	174	44	218	1 032	
2201	CBE MOVABLE PROPERTY	5	0	(5)	0	0	0	0	0	
	Total Chapter 22	5	0	(5)	0	0	0	0	0	
2304	CBE STATIONERY AND OFFICE SUPPLIES	20	0	0	20	0	0	0	20	
2305	CBE FINANCIAL CHARGE	0	0	5	5	0	0	0	5	
2306	CBE LEGAL EXPENDITURE	4	0	9	13	18	0	18	31	
	Total Chapter 23	24	0	14	38	18	0	18	56	
2401	CBE TELECOMMUNICATIONS AND POSTAL CHARGES	37	0	(24)	13	0	0	0	13	
	Total Chapter 24	37	0	(24)	13	0	0	0	13	
2501	CBE EXPENDITURE ON FORMAL MEETINGS	74	0	(15)	59	0	0	0	59	
	Total Chapter 25	74	0	(15)	59	0	0	0	59	
2604	CBE EVENTS AND CAMPAIGNS	190	0	0	190	464	0	464	654	
2605	CBE MATERIALS	95	0	27	122	0	0	0	122	
2606	CBE COMMUNICATIONS TOOLS	70	0	0	70	0	0	0	70	

2607	CBE PUBLIC RELATIONS	62	0	0	0	62	42	0	42	104
Total Chapter 26		417	0	27	444	506	506	0	506	950
2703	CBE STUDIES, CONSULT	50	0	(10)	40	21	21	0	21	60
2704	CBE SERVICE CONTRACT	100	0	10	110	52	52	0	52	163
2705	CBE AUDIT COSTS	27	0	(27)	0	0	0	0	0	0
2707	CBE EXTERNAL STAFF	275	0	0	275	0	0	0	0	275
Total Chapter 27		452	0	(27)	425	73	73	0	73	498
2901	CBE EXPERT REVIEWERS	175	0	76	251	30	30	0	30	281
Total Chapter 29		175	0	76	251	30	30	0	30	281
Total Title 2		2 198	0	0	2 198	1 052	1 097	44	1 097	3 295

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	
3000	0	0	0	0	5	338	343	343
Total Chapter 30	0	0	0	0	5	338	343	343
3101	142 048	(50)	(448)	141 550	30 914	0	30 914	172 463
Total Chapter 31	142 048	(50)	(448)	141 550	30 914	0	30 914	172 463
3200	750	0	448	1 198	0	0	0	1 198
Total Chapter 32	750	0	448	1 198	0	0	0	1 198
Total Title 3	142 798	(50)	0	142 748	30 919	338	31 257	174 005

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
4000 Re-activation of unused 2024 BBI ADM appropriation	0	0	0	0	275	0	275	275
Total Chapter 40	0	0	0	0	275	0	275	275
Total Title 4	0	0	0	0	275	0	275	275
GRAND TOTAL	147 819	50	0	147 869	33 494	394	33 888	181 758

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

Item	Budget appropriations			Additional appropriations			Total apppr. 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
1101 CBE STAFF COSTS	2 311	100	0	2 411	1 763	0	1 763
1111 CBE TRAINEES	100	0	0	100	0	0	100
Total Chapter 11	2 411	100	0	2 511	1 763	0	1 763
1200 BBI SUNDRY RECRUITMENT EXPENSES	7	0	(7)	0	0	0	0
1202 CBE SUNDRY RECRUITMENT	5	0	7	12	0	0	12
1203 CBE INSTALLATION, RESETTLEMENT AND DAILY ALLOWANCE	43	0	0	43	0	0	43
Total Chapter 12	55	0	0	55	0	0	55
1301 CBE MISSION EXPENSES	75	0	0	75	0	0	75
Total Chapter 13	75	0	0	75	0	0	75
1404 CBE MEDICAL SERVICE	31	0	0	31	0	0	31
1405 CBE MOBILITY COSTS AND OTHER SOCIAL EXPENSES	167	0	0	167	0	0	167
1406 CBE TRAINING	70	0	0	70	0	12	82
1407 CBE SUPPLEMENTARY AID FOR THE DISABLED	5	0	0	5	0	0	5
Total Chapter 14	273	0	0	273	0	12	285
1501 CBE STAFF TEAMBUILDI	10	0	0	10	0	0	10
Total Chapter 15	10	0	0	10	0	0	10
Total Title 1	2 824	100	0	2 924	1 763	12	1 775
							8=4+7

5.2.2. Breakdown & changes in payment appropriations – Title 2

	Item	Budget appropriations				Additional appropriations				Total appropri. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total		
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
2001	CBE RENTALS	350	0	(203)	148	253	0	253	400	
2011	CBE CHARGES AND WORK	50	0	(43)	7	0	0	0	7	
	Total Chapter 20	400	0	(246)	154	253	0	253	407	
2102	CBE IT EQUIPMENT & SOFTWARE PURCHASE	477	0	200	677	139	0	139	816	
2103	CBE OTHER IT COSTS	136	0	0	136	35	44	79	215	
	Total Chapter 21	613	0	200	813	174	44	218	1 032	
2201	CBE MOVABLE PROPERTY	5	0	(5)	0	0	0	0	0	
	Total Chapter 22	5	0	(5)	0	0	0	0	0	
2304	CBE STATIONERY AND OFFICE SUPPLIES	20	0	0	20	0	0	0	20	
2305	CBE FINANCIAL CHARGE	0	0	5	5	0	0	0	5	
2306	CBE LEGAL EXPENDITURE	4	0	9	13	18	0	18	31	
	Total Chapter 23	24	0	14	38	18	0	18	56	
2401	CBE TELECOMMUNICATIONS AND POSTAL CHARGES	37	0	(24)	13	0	0	0	13	
	Total Chapter 24	37	0	(24)	13	0	0	0	13	
2501	CBE EXPENDITURE ON FORMAL MEETINGS	74	0	(15)	59	0	0	0	59	
	Total Chapter 25	74	0	(15)	59	0	0	0	59	
2604	CBE EVENTS AND CAMPAIGNS	190	0	0	190	464	0	464	654	
2605	CBE MATERIALS	95	0	27	122	0	0	0	122	
2606	CBE COMMUNICATIONS TOOLS	70	0	0	70	0	0	0	70	
2607	CBE PUBLIC RELATIONS	62	0	0	62	42	0	42	104	

Total Chapter 26	417	0	27	444	506	0	506	950
2703 CBE STUDIES, CONSULT	50	0	(10)	40	21	0	21	60
2704 CBE SERVICE CONTRACT	100	0	10	110	52	0	52	163
2705 CBE AUDIT COSTS	27	0	(27)	0	0	0	0	0
2707 CBE EXTERNAL STAFF	275	0	0	275	0	0	0	275
Total Chapter 27	452	0	(27)	425	73	0	73	498
2901 CBE EXPERT REVIEWERS	175	0	76	251	30	0	30	281
Total Chapter 29	175	0	76	251	30	0	30	281
Total Title 2	2 198	0	0	2 198	1 052	44	1 097	3 295

5.2.3. Breakdown & changes in payment appropriations – Title 3

Item	Budget appropriations			Additional appropriations			Total appropri. available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	
3000 BBI PREVIOUS YEARS' CALL	0	0	0	0	5	338	343
Total Chapter 30	0	0	0	0	5	338	343
3101 CBE CURRENT YEAR CALL	142 048	(50)	(448)	141 550	30 914	0	30 914
Total Chapter 31	142 048	(50)	(448)	141 550	30 914	0	172 463
3200 CBE EVALUATORS' CONTRACTS AND MEETINGS	750	0	448	1 198	0	0	1 198
Total Chapter 32	750	0	448	1 198	0	0	1 198
Total Title 3	142 798	(50)	0	142 748	30 919	338	174 005

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		
4000	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
Re-activation of unused 2024 BBI ADM appropriation	0	0	0	0	275	0	275	275	
Total Chapter 40	0	0	0	0	275	0	275	275	
Total Title 4	0	0	0	0	275	0	275	275	
GRAND TOTAL	160 138	100	0	160 238	24 652	394	25 046	185 284	

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations – Title 1

EUR '000

	Item	Total approp. available	Commitments made				Appropriations carried over to 2026			Appropriations lapsing				
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1101	CBE STAFF COSTS	3 655	2 024	1 243	0	3 267	89 %	0	0	0	387	1	0	388
1111	CBE TRAINEES	100	28	0	0	28	28 %	0	0	0	72	0	0	72
	Total Chapter 11	3 755	2 052	1 243	0	3 296	88%	0	0	0	459	1	0	460
1202	CBE SUNDRY RECRUITMENT	12	0	0	0	0	0 %	0	0	0	12	0	0	12
1203	CBE INSTALLATION, RESETTLEMENT AND DAILY ALLOWANCE	43	0	0	0	0	0 %	0	0	0	43	0	0	43
	Total Chapter 12	55	0	0	0	0	0%	0	0	0	55	0	0	55
1301	CBE MISSION EXPENSES	75	69	0	0	69	92 %	0	0	0	6	0	0	6
	Total Chapter 13	75	69	0	0	69	92%	0	0	0	6	0	0	6
1404	CBE MEDICAL SERVICE	31	16	0	0	16	52 %	0	0	0	15	0	0	15
1405	CBE MOBILITY COSTS AND OTHER SOCIAL EXPENSES	167	152	0	0	152	91 %	0	0	0	15	0	0	15
1406	CBE TRAINING	82	42	0	0	42	51 %	0	0	0	28	0	12	40

5.3.2. Implementation of commitment appropriations – Title 2

EUR '000

Item	Total approp. available	Commitments made			Appropriations carried over to 2026			Appropriations lapsing			Total		
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget		from re-activations	from assign. revenue
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
2001 CBE RENTALS	400	148	253	0	400	100 %	0	0	0	0	0	0	0
2011 CBE CHARGES AND WORK	7	6	0	0	6	89 %	0	0	0	1	0	0	1
Total Chapter 20	407	153	253	0	406	100%	0	0	0	1	0	0	1
2102 CBE IT EQUIPMENT & SOFTWARE PURCHASE	816	623	135	0	758	93 %	0	0	0	54	4	0	58
2103 CBE OTHER IT COSTS	215	33	35	44	113	52 %	0	0	0	103	0	0	103
Total Chapter 21	1 032	656	170	44	871	84%	0	0	0	157	4	0	161
2304 CBE STATIONERY AND OFFICE SUPPLIES	20	18	0	0	18	91 %	0	0	0	2	0	0	2
2305 CBE FINANCIAL CHARGE	5	0	0	0	0	10 %	0	0	0	5	0	0	5
2306 CBE LEGAL EXPENDITURE	31	13	18	0	31	100 %	0	0	0	0	0	0	0
Total Chapter 23	56	32	18	0	49	89%	0	0	0	6	0	0	6
2401 CBE TELECOMMUNICATIONS AND POSTAL CHARGES	13	8	0	0	8	62 %	0	0	0	5	0	0	5
Total Chapter 24	13	8	0	0	8	62%	0	0	0	5	0	0	5

5.3.3. Implementation of commitment appropriations – Title 3

EUR '000

Item	Total approp. available	Commitments made				Appropriations carried over to 2026				Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
3000 BBI PREVIOUS YEARS' CALL	343	0	5	0	5	2%	0	0	0	0	0	338	338
Total Chapter 30	343	0	5	0	5	2%	0	0	0	0	0	338	338
3101 CBE CURRENT YEAR CALL	172 463	141 550	30 914	0	172 463	100%	0	0	0	0	0	0	0
Total Chapter 31	172 463	141 550	30 914	0	172 463	100%	0	0	0	0	0	0	0
3200 CBE EVALUATORS' CONTRACTS AND MEETINGS	1 198	950	0	0	950	79%	0	0	0	248	0	0	248
Total Chapter 32	1 198	950	0	0	950	79%	0	0	0	248	0	0	248
Total Title 3	174 005	142 500	30 919	0	173 419	100%	0	0	0	248	0	338	586

5.3.4. Implementation of commitment appropriations – Title 4

EUR '000

Item	Total approp. available	Commitments made				Appropriations carried over to 2026			Appropriations lapsing				
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
Re-activation of unused 2024 BBI ADM appropriation	275	0	275	0	275	100 %	0	0	0	0	0	0	0
Total Chapter 40	275	0	275	0	275	100%	0	0	0	0	0	0	0
Total Title 4	275	0	275	0	275	100%	0	0	0	0	0	0	0
GRAND TOTAL	181 758	146 637	33 480	44	180 161	99%	0	0	0	1 232	15	350	1 597

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.4.1. Implementation of payment appropriations – Title 1

EUR '000

Item	Total approp. availab.	Payments made				Appropriations carried over to 2026				Appropriations lapsing				
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1101 CBE STAFF COSTS	4 174	1 767	1 500	0	3 267	78 %	0	0	0	0	644	263	0	906
1111 CBE TRAINEES	100	28	0	0	28	28 %	0	0	0	0	72	0	0	72
Total Chapter 11	4 274	1 796	1 500	0	3 296	77%	0	0	0	0	715	263	0	978
1202 CBE SUNDRY RECRUITMENT	12	0	0	0	0	0 %	0	0	0	0	12	0	0	12
1203 CBE INSTALLATION, RESETTLEMENT AND DAILY ALLOWANCE	43	0	0	0	0	0 %	0	0	0	0	43	0	0	43
Total Chapter 12	55	0	0	0	0	0%	0	0	0	0	55	0	0	55
1301 CBE MISSION EXPENSES	75	66	0	0	66	88 %	0	0	0	0	9	0	0	9
Total Chapter 13	75	66	0	0	66	88%	0	0	0	0	9	0	0	9
1404 CBE MEDICAL SERVICE	31	16	0	0	16	52 %	0	0	0	0	15	0	0	15
1405 CBE MOBILITY COSTS AND OTHER SOCIAL EXPENSES	167	155	0	0	155	93 %	0	0	0	0	12	0	0	12
1406 CBE TRAINING	82	52	0	0	52	63 %	0	0	0	0	18	0	12	30
1407 CBE SUPPLEMENTARY AID FOR THE DISABLED	5	0	0	0	0	0 %	0	0	0	0	5	0	0	5

Total Chapter 14	285	222	0	0	0	0	0	0	0	0	0	51	0	12	63
1501 CBE STAFF TEAMBUILDI	10	7	0	0	0	0	0	0	0	0	0	3	0	0	3
Total Chapter 15	10	7	0	0	0	0	0	0	0	0	0	3	0	0	3
Total Title 1	4 698	2 091	1 500	0	3 591	0	0	0	0	0	0	833	263	12	1 108

5.4.2. Implementation of payment appropriations – Title 2

EUR '000

Item	Total approp. availab.	Payments made				Appropriations carried over to 2026				Appropriations lapsing				
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
2001 CBE RENTALS	372	93	276	0	369	99%	0	0	0	0	3	0	0	3
2011 CBE CHARGES AND WORK	25	6	0	0	6	23%	0	0	0	0	19	0	0	19
Total Chapter 20	397	98	276	0	375	94%	0	0	0	0	23	0	0	23
2102 CBE IT EQUIPMENT & SOFTWARE PURCHASE	964	484	256	0	741	77%	0	0	0	0	193	30	0	224
2103 CBE OTHER IT COSTS	208	54	18	23	95	46%	0	0	0	0	82	10	21	113
Total Chapter 21	1 172	538	274	23	836	71%	0	0	0	0	275	40	21	336
2304 CBE STATIONERY AND OFFICE SUPPLIES	20	14	0	0	14	71%	0	0	0	0	6	0	0	6
2305 CBE FINANCIAL CHARGE	5	0	0	0	0	10%	0	0	0	0	5	0	0	5
2306 CBE LEGAL EXPENDITURE	31	9	18	0	27	88%	0	0	0	0	4	0	0	4
2307 CBE OTHER CURRENT ADMINISTRATIVE EXPENDITURE	0	0	0	0	0	100%	0	0	0	0	0	0	0	0
Total Chapter 23	56	24	18	0	41	74%	0	0	0	0	14	0	0	14
2401 CBE TELECOMMUNICATIONS AND POSTAL CHARGES	37	7	0	0	7	20%	0	0	0	0	29	0	0	29
Total Chapter 24	37	7	0	0	7	20%	0	0	0	0	29	0	0	29

5.4.3. Implementation of payment appropriations – Title 3

EUR '000

Item	Total approp. availab.	Payments made			Appropriations carried over to 2026				Appropriations lapsing					
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
3000 BBI PREVIOUS YEARS' CALL	2 707	0	0	0	0	0 %	0	0	0	0	0	2 369	338	2 707
Total Chapter 30	2 707	0	0	0	0	0%	0	0	0	0	0	2 369	338	2 707
3100 BBI CURRENT YEAR CALL	11 579	0	8 925	0	8 925	77 %	0	0	0	0	0	2 654	0	2 654
3101 CBE CURRENT YEAR CALL	161 312	136 939	7 829	0	144 768	90 %	0	0	0	0	16 544	0	0	16 544
Total Chapter 31	172 891	136 939	16 753	0	153 692	89%	0	0	0	0	16 544	2 654	0	19 198
3200 CBE EVALUATORS' CONTRACTS AND MEETINGS	1 634	1 186	0	0	1 186	73 %	0	0	0	0	448	0	0	448
Total Chapter 32	1 634	1 186	0	0	1 186	73%	0	0	0	0	448	0	0	448
Total Title 3	177 231	138 125	16 753	0	154 878	87%	0	0	0	0	16 992	5 023	338	22 353

5.4.4 Implementation of payment appropriations – Title 4

EUR '000

Item	Total approp. availab.	Payments made			Appropriations carried over to 2026				Appropriations lapsing					
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
Re-activation of unused 2024 BBI ADM appropriation	275	0	275	0	275	100 %	0	0	0	0	0	0	0	0
Total Chapter 40	275	0	275	0	275	100%	0	0	0	0	0	0	0	0
Total Title 4	275	0	275	0	275	100%	0	0	0	0	0	0	0	0
GRAND TOTAL	185 284	141 666	19 325	23	161 014	87%	0	0	0	0	18 572	5 327	371	24 270

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 commitment outstanding at year-end	
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end		
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1101 CBE STAFF COSTS	11	(11)	0	0	3 267	3 267	0	0	0
1111 CBE TRAINEES	1	(1)	0	0	28	28	0	0	0
Total Chapter 11	12	(12)	0	0	3 296	3 296	0	0	0
1202 CBE SUNDRY RECRUITMENT	3	(3)	0	0	0	0	0	0	0
Total Chapter 12	3	(3)	0	0	0	0	0	0	0
1301 CBE MISSION EXPENSES	55	(54)	2	0	69	64	0	5	5
Total Chapter 13	55	(54)	2	0	69	64	0	5	5
1404 CBE MEDICAL SERVICE	3	(3)	0	0	16	16	0	0	0
1405 CBE MOBILITY COSTS AND OTHER SOCIAL EXPENSES	36	(19)	17	0	152	138	0	14	14
1406 CBE TRAINING	48	(21)	27	0	42	25	0	17	17
Total Chapter 14	87	(43)	44	0	209	178	0	31	31
1501 CBE STAFF TEAMBUILDI	1	0	1	0	10	6	0	4	4
Total Chapter 15	1	0	1	0	10	6	0	4	4
Total Title 1	157	(111)	46	0	3 584	3 544	0	40	40

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
	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	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7
2001 CBE RENTALS	0	0	0	0	400	369	0	31
2011 CBE CHARGES AND WORK	0	(0)	0	0	6	6	0	0
Total Chapter 20	1	(0)	0	0	406	375	0	31
2102 CBE IT EQUIPMENT & SOFTWARE PURCHASE	304	(26)	80	198	758	661	0	97
2103 CBE OTHER IT COSTS	1	0	1	0	113	94	0	19
Total Chapter 21	305	(26)	81	198	871	755	0	116
2304 CBE STATIONERY AND OFFICE SUPPLIES	0	0	0	0	18	14	0	4
2305 CBE FINANCIAL CHARGE	0	0	0	0	0	0	0	0
2306 CBE LEGAL EXPENDITURE	0	0	0	0	31	27	0	4
2307 CBE OTHER CURRENT ADMINISTRATIVE EXPENDITURE	0	0	0	0	0	0	0	0
Total Chapter 23	0	0	0	0	49	41	0	8
2401 CBE TELECOMMUNICATIONS AND POSTAL CHARGES	7	(3)	4	0	8	3	0	5
Total Chapter 24	7	(3)	4	0	8	3	0	5

2501	CBE EXPENDITURE ON FORMAL MEETINGS	1	(0)	1	0	37	33	0	4	4
Total Chapter 25		1	(0)	1	0	37	33	0	4	4
2604	CBE EVENTS AND CAMPAIGNS	56	(3)	40	13	578	175	0	403	416
2605	CBE MATERIALS	16	(0)	16	0	108	31	0	77	77
2606	CBE COMMUNICATIONS TOOLS	8	0	8	0	18	18	0	0	0
2607	CBE PUBLIC RELATIONS	0	0	0	0	69	27	0	42	42
Total Chapter 26		80	(4)	64	13	773	251	0	522	535
2703	CBE STUDIES, CONSULT	28	(28)	0	0	60	60	0	0	0
2704	CBE SERVICE CONTRACT	11	(2)	9	0	163	4	0	158	158
2705	CBE AUDIT COSTS	48	0	29	19	0	0	0	0	19
2707	CBE EXTERNAL STAFF	17	0	17	0	236	222	0	14	14
Total Chapter 27		103	(31)	54	19	458	286	0	173	192
2901	CBE EXPERT REVIEWERS	120	(7)	113	0	281	211	0	70	70
Total Chapter 29		120	(7)	113	0	281	211	0	70	70
Total Title 2		617	(70)	317	230	2 883	1 953	0	930	1 159

6.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year			Commitments of the current year					Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3000 BBI PREVIOUS YEARS' CALL	7 271	(1)	0	7 271	5	0	0	5	7 276
Total Chapter 30	7 271	(1)	0	7 271	5	0	0	5	7 276
3100 BBI CURRENT YEAR CALL	23 519	(749)	8 925	13 846	0	0	0	0	13 846
3101 CBE CURRENT YEAR CALL	325 394	(9 141)	144 768	171 485	172 463	0	0	172 463	343 948
Total Chapter 31	348 913	(9 890)	153 692	185 330	172 463	0	0	172 463	357 794
3200 CBE EVALUATORS' CONTRACTS AND MEETINGS	529	0	435	94	950	750	0	200	293
Total Chapter 32	529	0	435	94	950	750	0	200	293
Total Title 3	356 713	(9 891)	154 128	192 695	173 419	750	0	172 668	365 363

6.4. Outstanding commitments – Title 4

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end		
	1	2	3	4=1+2-3	5	7	8=5-6-7	9=4+8	
4000 Re-activation of unused 2024 BBI ADM appropriation	0	0	0	0	275	0	0	0	
Total Chapter 40	0	0	0	0	275	0	0	0	
Total Title 4	0	0	0	0	275	0	0	0	
GRAND TOTAL	357 487	(10 072)	154 491	192 925	180 161	0	173 638	366 562	

7. GLOSSARY

Administrative appropriations

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

Adopted budget

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

Amending budget

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

Appropriations

Budget funding.

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

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

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

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

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

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

Budgetary commitment

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

Cancellation of appropriations

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

Carryover of appropriations

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

Commitment appropriations

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

De-commitment

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

Differentiated appropriations.

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

Economic result

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

Entitlements established

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

Exchange rate difference

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

Expenditure

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

Grants

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

Lapsing appropriations

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

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

Legal basis / basic act

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

Legal commitment

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

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

Non-differentiated appropriations

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

Operational appropriations

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

Outstanding commitments

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

Payment appropriations

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

RAL (Reste à liquider)

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

Surplus

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

Transfer between budget lines

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