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Mrs. Erzsébet Fitor
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Smart Networks & Services Joint Undertaking
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Your message of	your reference	our reference	Melle
		JASM/PLTH	2026-06-04

Dear Erzsébet Fitor,

We have been appointed as auditor of the Smart Networks & Services JU, according to the Framework Contract No: EU-Rail.OP.02.22/LOT1/01 and the specific contract No – SNS/SC/2024/02.

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

Yours faithfully,

Baker Tilly Bedrijfsrevisoren BV

Jan Smits
Audit Partner

Christel De Blander
Audit Partner



**SMART NETWORKS AND
SERVICES JOINT UNDERTAKING
(SNS JU)**

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

Date: June 4 , 2026

Smart Networks and Services Joint Undertaking
Avenue de la Toison d'Or 56-60
1060 BRUSSELS

INDEPENDENT AUDITOR'S REPORT ON THE FINAL ANNUAL ACCOUNTS OF SMART NETWORK AND SERVICES JOINT UNDERTAKING FOR THE FINANCIAL YEAR FROM 01 JANUARY TO 31 DECEMBER 2025

Opinion

We have audited the accompanying final annual accounts of the Smart Network and Services 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 235.768.997,17 EUR and the statement of financial performance shows a loss of 177.761.321,35 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 xx , 2026

Yours faithfully,

Baker Tilly Bedrijfsrevisoren BV

Jan Smits
Audit Partner

Christel De Blander
Audit Partner

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Smits Jan

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Final annual accounts of the Smart
Networks and Services 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 **Smart Networks and Services** Joint Undertaking, in accordance with Article 52 of the Model Financial Regulation ('MFR')¹ and I hereby certify that the annual accounts of the **Smart Networks and Services** Joint Undertaking 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 **Smart Networks and Services** 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 **Smart Networks and Services** Joint Undertaking.

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 13:31:22 UTC

Katty Hancq
**Accounting Officer of the
Smart Networks and Services Joint Undertaking**

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

BACKGROUND INFORMATION NOTE

1. GENERAL BACKGROUND ON THE ENTITY

Establishment

The European Smart Networks and Services JU (SNS JU) is a joint undertaking established in 2021 by European Union Council Regulation No 2021/2085. This EU Partnership is jointly led by the EU Commission and the 6G Smart Networks and Services Industry Association (6G-IA).

The SNS JU is a Union body. It is an independent legal entity as per the article 187 of the Treaty on the Functioning of the European Union with a dedicated budget and staff. It receives financing from the European Union (article 71 of the Financial Regulation), the EFTA, and the industry association 6G-IA and counts with a maximum authorized staff of 17 staff members. The SNS JU started its activity in 2022 under the umbrella of DG CNECT and achieved financial autonomy as of 24 October 2023.

Mission

The SNS JU is a Public-Private Partnership that aims to facilitate and develop industrial leadership in Europe in 5G and 6G networks and services. The SNS JU funds projects that shape a solid Research and Innovation (R&I) roadmap and deployment agenda by engaging a critical mass of European stakeholders and facilitating international cooperation on various 6G initiatives.

The two main missions of the Joint Undertaking are:

1. Fostering Europe's technology sovereignty in 6G by implementing the related R&I programme leading to the conception and standardisation around 2025. It encourages preparation for early market adoption of 6G technologies by the end of the decade. Mobilizing a broad set of stakeholders is key to address strategic areas of the networks and services value chain. This ranges from edge and cloud-based service provisioning to market opportunities in new components and devices beyond smartphones.

2. Boosting 5G deployment in Europe in view of developing digital lead markets and enabling the digital and green transition of the economy and society. For this objective, the SNS JU coordinates strategic guidance for the relevant programmes under the Connecting Europe Facility, in particular 5G Corridors. It also contributes to the coordination of national programmes, including under the Recovery and Resilience Facility and other European programmes and facilities.

Main operational activities

The SNS JU developed a set of actions in the frame of the Annual Work Programme 2025 aimed at technological and business realisation underpinning the 6G vision. The main operational activity of the SNS JU in 2025 was the implementation of the Research and Innovation (R&I) Work Programme (WP), including the fourth and fifth Calls for proposals under the programme.

The focus of 6G R&I in the WP2025 is to complement R&I on enabling technologies / technical enablers and Proof of Concepts (PoCs) with more system-oriented R&I and dedicated prototyping and experimentation, whilst considering long-term R&I on disruptive concepts.

This Annual Work Programme 2025 of the SNS JU continued the second phase implementation of the SNS roadmap. Compared to the three previous Calls, it included:

- A reinforced focus on key technological topics targeting medium to higher Technology Readiness Level (TRL) ranges;
- Strands on 6G disruptive technologies targeting long-term R&I starting at low TR;
- Activities designed to further support the 6G standardisation phase (target 2025 with first batch of 6G Study Items);
- A reinforced emphasis on trust, security and communication privacy-enhancing technologies, sustainability, societal challenges and economic aspects;

- A set of activities on Microelectronics for connectivity and more specifically on “Front End Module” (FEM) that combines digital, radio and packaging technologies to reach a reconfigurable, multi frequency, versatile front end for 6G end-to-end system and extending/reinforcing the cooperation with the Chips JU;
- A dedicated strand on further R&I work on multiple aspects of photonic technology reinforcing the synergy with the European Partnerships for Photonics;
- A dedicated strand on terrestrial (TN) and non-terrestrial networks (NTN) unification/integration, focusing on unification of technologies, protocols and architectures in complement to what ESA/Space Agencies are supporting, also considering the demanding requirements of the most innovative use cases of NTN;
- A set of activities on experimenting & validating 6G solutions and use cases targeting the development of an evolvable 6G telco cloud and service provision experimental infrastructure for the duration of the SNS programme, offering opportunities to include and extend additional platforms developed in other related national initiatives, Cluster 4 projects (e.g., under the “Advanced computing and big data” (domain), Important Project of Common European Interest - Cloud Infrastructure and Services (IPCEI-CIS), or previous SNS projects;
- International cooperation activities, under Stream B and where relevant, targeting US and considering the policy developments between EU and US on 6G under the EU-US Trade and Technology Council (TTC);
- Complementary and extended opportunities to test 6G technologies through Proof of Concepts and trials with verticals, targeting the validation of SNS KVIs and KPIs in the context of very advanced digital use cases with a focus on specific vertical sectors (i.e., Industry/Manufacturing, Media, Transportation/Logistics, Emergency and Safety Services and Health);
- Further extension of the stakeholder’s base, notably towards the cloud, IoT, microelectronics, photonics and key vertical user industries;
- Collaboration with key industry verticals was strengthened, encompassing diverse sectors such as transportation, healthcare and manufacturing. Cross-sector partnerships were pursued to harness the transformative potential of 6G technologies and drive sustainable change;
- Implementation of R&I cooperation with Japan and the Republic of South Korea;
- Best practices were exchanged with other JUs, events, workshops on shared scientific interests were organised, and opportunities for coordinated calls or synergy actions were assessed. Notably, the SNS JU and Chips JU workshop on “Microelectronics for 6G front end module”;
- Additional activities concerned reporting and monitoring: input was provided for Horizon Europe evaluation and monitoring along with the preparation of progress monitoring reports;
- The SNS JU also supported coordination of stakeholders’ activities and delivery of strategic documents in relation to the Connecting Europe Facility (CEF) Digital Programme. This involved reviewing the Strategic Deployment Agenda (SDA) for 5G for Connected and Automated Mobility and facilitating the establishment of project pipelines for pan-European 5G corridors.

Governance

The Governing Board of the SNS JU is composed of representatives of the public and private members, the European Union represented by the European Commission and the Private Member represented by the Industry Association 6G-IA. The Governing Board is responsible for the Joint Undertaking’s decision-making, including the content of the work programme and the funding decisions related to the research and innovation activities under Horizon Europe. The Governing Board supervises the implementation of the activities and provides strategic guidance to other EU programmes with activities in the area of smart networks and services.

The Executive Director is the legal representative of the SNS JU. She is responsible for the day-to-day management of the Joint Undertaking in accordance with the decisions of the Governing Board.

The States Representatives Group is an advisory body that provides guidance on all strategic issues as well as all relevant activities of the Joint Undertaking. It is composed of representatives of each Member State and Associated Country.

The Stakeholders Group is an advisory body that brings together public and private stakeholders in the smart networks and services field. The Group can be consulted on specific questions.

Sources of financing

The SNS JU is funded by the European Union, the EFTA, the United Kingdom and the Private Member 6G-IA. The Union and the EFTA are represented by the European Commission who provides with financial contributions to cover administrative and operational expenditure. The United Kingdom, through the Commission, provides financial contributions to operational activities. The Private Member funds part of the administrative costs and contributes to the operational costs with in-kind contributions. The in-kind contributions consist of the costs incurred by the Private Members in implementing indirect actions that are not reimbursed by the Joint Undertaking.

2. ANNUAL ACCOUNTS

Basis for preparation

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

Accounting Officer

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

The Single Basic Act³ establishing the new generations of JUs required, within one year following the date of entry into force of the Regulation, the establishment of back-office arrangements to provide horizontal support functions to the Joint Undertakings by concluding service level agreements. The Back-Office arrangement on Accounting (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 Smart Networks and Services Joint Undertaking Governing Board of 14 December 2022, on behalf of the BOA Acc, 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 Smart Networks and Services Joint Undertaking. Following the enactment of the contingency back-up plan for long term leaves, the deputization of Ms. Andrea Tóth was activated from the date 20 November 2024. The deputy accounting officer was appointed with the same responsibility and the same conditions as the accounting officer. The deputization remained active until 17 September 2025 when it was subsequently revoked, following notification from the ED of SNS JU to the GB regarding the return to duty of Ms. Katty Hancq.

Composition of the annual accounts

The annual accounts cover the current period from 1 January to 31 December 2025 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.

² 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).

³ COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014.

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.

3. OPERATIONAL HIGHLIGHTS

Achievements of the year

The main operational achievements of 2025 were the successful implementation of the Annual Work Programme 2025 (including its portfolio of Research and Innovation projects) and the development and approval of the Annual Work Programme 2026.

Execution of the Annual Work Programme 2025

The level of execution of the Annual Work Programme 2025 was high, achieving the main operational objectives and obtaining a budget implementation rate that was partially impacted by some events related to the calls of 2025. This is the second year that the SNS JU managed the operations and the budget on its own with outstanding results and a very high productivity rate. The relationship with the European Commission within the Framework Partnership Agreement, was fruitful, maintaining a good collaboration in horizontal matters of legal, financial and administrative nature.

The organisation integrated in the dynamics of the Joint Undertakings by joining common actions and fostering the creation of synergies, notably in the field of IT and procurement, consolidating the role of the SNS JU in the network and contributing to the progress towards higher efficiency. The JU benefitted from the common agreement on the White Atrium that was renewed in February 2025 and established, within its legal frame, the necessary contracts related to the refurbishment works of the office space of the JU. The Administration team was also reinforced with the contracting of interim staff services in the fields of IT, procurement, project assistance, communication and stakeholders' relationship management. These compensated for the low number of staff members in relation to the ambitious objectives and high level of activity held during the year.

On the operational side, the 2025 Calls (Call 4 and 5 of the SNS JU program) were launched several months later than foreseen (respectively on 22 May and 18 June 2025) due to delays in the adoption of the College decision on the security provisions under Article 22(5) of the Horizon Europe Regulation, which was taken only mid-May 2025. The Calls closed on 18 September 2025.

The College decision established the framework and the list of positively assessed countries, non-EU or non-associated countries whose participation in restricted or security-sensitive calls was deemed acceptable following the Commission's assessment of risks to the Union's strategic assets, interests, autonomy, or security. As the Calls could not be launched before this Decision, the preparation and signature of the grant agreements (GAPs) will take place in the first half of 2026, followed by the payment of the pre-financings. This explains the low level of operational payments.

The total EU expenditure for the 2025 Calls was EUR 128 million.

The implementation of the Calls included all programmatic aspects such as the evaluation of proposals including the selection and contracting of the experts, the running of the evaluations and the selection of the best proposals was approved by the SNS JU Governing Board. In parallel to this activity, the SNS JU ensured all due previous Calls projects review and experts contracting, amendments, interim payments and portfolio management.

The core operational achievement of 2025 is the consolidation of the SNS JU in the Research and Innovation (R&I) 5G/6G scene in Europe. This is due to the Joint Undertaking funding for 5G and 6G to the R&I community which reinforces the cutting-edge research and innovation in Europe. This is also supported by extensive communication activities, participation to events and workshops and engagement with stakeholders, at national, European and international levels.

SNS JU positioned the 2025 Research and Innovation programme as the capstone of “Phase 2” of the SNS JU roadmap, shifting from mostly enabling-tech research into more system-oriented R&I with prototyping/experimentation, while still keeping a pipeline of lower-TRL disruptive 6G concepts.

The 2025 R&I work programme structure was based on 3 complementary streams (B, C, D) and Cross-cutting priorities:

1) Stream B: 6G technology research

This stream funds wireless/signal processing, communication infrastructure technologies and devices, reliable services and smart security, with an explicit push to show standardisation relevance (notably as 3GPP 6G study activities started in 2025).

Areas of Focus in 2025:

- Medium-to-higher TRLs, while still funding low-TRL disruptive 6G work,
- Artificial Intelligence and trust/security/reliability/privacy-enhancing technologies,
- Microelectronics, including Front-End Module (FEM) development,
- Terrestrial + non-terrestrial network (NTN) unification, advancing seamless global connectivity through satellite and space-based communication systems, including the signature of a Memorandum of Intent and relevant activities with the European Space Agency, and
- Photonics/optical network integration into 6G architecture, playing a vital role in next-generation communication infrastructure and enabling ultra-fast, high-capacity data transmission.

2) Stream C: 6G Telco Cloud experimental platforms

This stream funds the experimental infrastructure(s) that enable the programme’s PoCs and later vertical pilots, with a “platform” orientation.

Areas of focus in 2025:

- 6G telco cloud and service platform, leaning on open-source technologies and aligning with the EU’s Connected Collaborative Computing (“3C”) networks direction (telco–edge–cloud convergence). Telco-edge Cloud enables distributed computing closer to the user and powering real-time, data-driven applications across sectors, in close synergies with other Horizon Europe and European Commission funding and priorities.

3) Stream D: large-scale trials & pilots with vertical sectors

This stream targets demonstrations and pilots in real vertical contexts, explicitly focusing on:

- Industry & Manufacturing,
- Media,
- Transportation & Logistics,
- Emergency & Safety Services,
- Healthcare.

4) Cross-cutting priorities that shape all streams.

Areas of focus in 2025:

- Sustainability (“Sustainable 6G” + “6G for sustainability”) and operationalisation of Key Value Indicators (KVIs) alongside technical KPIs,
- Security, privacy, trustworthiness and reliability as first-order design goals,
- Supply chain and sovereignty, from microelectronics through to platforms/services, and
- International cooperation, especially referenced around EU–US policy coordination on 6G (via TTC context), while still prioritising EU capability-building.

These technological advancements provide opportunities for Europe to spearhead innovation in fields critical to 6G, creating a more connected, efficient, and sustainable digital ecosystem.

Additionally, the SNS JU initiated and coordinated various Working Groups, ensuring their effective contribution to 6G R&I and 5G deployment. In 2025, three “SNS Project-related Working Groups”, two

"SNS Strategic Working Groups", and nine "6G-IA Industry-driven Working Groups" were operational. Adjustments to the structure of the Working Groups were made based on recommendations from the JU Governing Board. The SNS JU broadened the engagement of stakeholders e.g. through workshop and a dedicated roundtable and launched a Call for expression of Interest for its Stakeholders' Group.

Development and approval of the Annual Work Programme 2026

The preparation of the Annual Work Programme 2026, including its Research and Innovation was open and inclusive, involving numerous meetings throughout the calendar year between the 6G-Industry Association (6G-IA) Taskforce, The European Commission (DG CONNECT) and the SNS JU Programme team. Consultations with 6G-IA and Networld Europe members took place multiple times. Collaboration with associations beyond the 6G-IA community was ensured as well as engagement with different stakeholder, and the States Representative Group (SRG) including governments from all European Member States and associated countries to Horizon Europe was involved throughout the year and provided a positive opinion.

Other Activities

Through the strategic Working Groups of the Smart Networks and Services Joint Undertaking (SNS JU) launched in 2024, notably the Working Group on "5G for Connected and Automated Mobility Deployment", the SNS JU Governing Board approved the "5G Strategic Deployment Agenda for the Road Sector" in December 2025. This work was carried out in close collaboration with relevant automotive and transport industry associations. The Agenda provides strategic guidance to the Connecting Europe Facility (CEF) Digital Programme, which supports the deployment of 5G infrastructure along transport corridors, including road, rail, and inland waterways.

In line with the rules and objectives set out in the SNS JU Communication Policy, adopted by the Governing Board in November 2024, the SNS JU further strengthened its communication and outreach activities throughout 2025. These efforts included the organisation of a high-profile keynote session at the Mobile World Congress (MWC), a High-Level Stakeholder Roundtable in Brussels, as well as several thematic workshops and webinars. The SNS JU also published a series of communications showcasing project results across key technological and application domains, launched a dedicated campaign highlighting SNS JU projects' key achievements in 2025, and carried out joint outreach activities with other European Joint Undertakings to promote the value of the JU model within the European research and innovation ecosystem. In parallel, the SNS JU expanded its digital presence, notably through the launch of a LinkedIn Newsletter and engagement on additional social media platforms.

Particular attention was devoted to the Memorandum of Intent (MoI) signed between the SNS JU and the European Space Agency (ESA) in October 2025 on "Cooperating on the Integration of Non-Terrestrial Networks in 6G". This strategic partnership aims to bring together mobile and satellite ecosystem actors to strengthen research and innovation and to accelerate progress in the integration of terrestrial and non-terrestrial networks for 6G. The collaboration seeks to enable ubiquitous, seamless, resilient, and high-quality connectivity for citizens and key industrial sectors across Europe, thereby reinforcing Europe's position in the global telecommunications landscape.

In addition, the SNS JU supported the 2025 edition of the EUCNC & 6G Summit held in Poznań, Poland, and coordinated a series of information sessions dedicated to the 2025 Research and Innovation Work Programme, including guidance on participation rules and funding opportunities.

The SNS JU also fostered close cooperation and information exchange with EU Member States, supporting meetings of the States' Representatives Group (SRG), promoting synergies with national and regional 6G initiatives, and organising dedicated workshops, including on cross-cutting topics such as sustainability, while ensuring coordinated action at EU level.

Finally, the SNS JU developed and launched a Call for Expression of Interest (CEI) for the selection of members of the SNS JU Stakeholder Group, further strengthening structured engagement with the wider smart networks and services ecosystem.

Budget 2025

The 2025 Budget of the SNS Joint Undertaking was approved by the Governing Board on 22/11/2024 (GB Decision 14/2024) and amended on 22/09/2025 (GB Decision 08/2025) and on 10/12/2025 (GB Decision 12/2025). The total commitment appropriations approved amounted to EUR 136.596.258, and the payment appropriations, to EUR 126.348.905. These include the appropriations of previous years that were re-activated in 2025, EUR 985.735 administrative commitment and payments and EUR 5.643.653 operational commitments. The budget is composed of a statement of revenue and a statement of expenditure.

Statement of revenue	Commitment Appropriations	%	Payment appropriations	%
EU	128.050.175	94%	121.818.980	96%
EFTA	3.350.517	2%	3.334.359	3%
UK	4.000.000	3%		
IA	1.195.566	1%	1.195.566	1%
TOTAL	136.596.258	100%	126.348.905	100%

Table 1: Statement of revenue

Statement of expenditure	Commitment Appropriations	%	Payment appropriations	%
Title 1	2.404.493	2%	2.404.493	2%
Title 2	1.450.640	1%	1.450.640	1%
Title 3	132.741.125	97%	122.493.772	97%
TOTAL	136.596.258	100%	126.348.905	100%

Table 2: Statement of expenditure

Budget and budget implementation

The budget of 2025 was effectively executed. The implementation rate on the revenue is 100%. The implementation rates of expenditure are 97% on commitment appropriations and 18% of payment appropriations. The lower rate in payment appropriations is explained by the delay in launching the calls of 2025 caused by policy related matters. The payment of the pre-financings had to be postponed to 2026. In the planned scenario, the payment appropriations rate would have been of 99%.

Revenue

The sources of revenue are the European Union, the European Free Trade Association (EFTA) and the Private Member, the 6G-Industry Association and the United Kingdom. The contributions were made in accordance with the provisions of the respective annual agreements signed with the Commission and the Industry Association. The contributions of the current year had an implementation rate of 100%.

Revenue	Current year	Implemented	%	Previous years
EU	121.249.430	121.249.430	100%	569.550
EFTA	3.334.359	3.334.359	100%	
UK				
IA	779.382	779.382	100%	416.184
TOTAL	125.363.171	125.363.171	100%	985.734

Table 3: Revenue Implementation

In October 2023 the European Union, represented by the European Commission (DG CNECT) and the SNS Joint Undertaking signed the Financial Framework Partnership Agreement (FFPA) which defines the budget implementation tasks that are entrusted to the Joint Undertaking under Council Regulation 2021/2085 and funded from Horizon Europe. The Agreement establishes the rules for the implementation and for the payment of the Union's contribution and defines the relations between the Joint Undertaking and the European Commission. In July 2024 a new version of the FFPA (amendment) was signed by the European Commission (DG CNECT) and the SNS Joint Undertaking, mainly to introduce the provisions related to the synergy call.

In May 2025 the Commission and the SNS JU signed the Contribution Agreement for 2025. Within the frames of the FFPA and the Contribution Agreement, the JU requested a provisional pre-financing for a

total EUR 124.233.789 in accordance with article 19 of the FFPA. The amount is composed of an administrative component of EUR 2.090.017 and an operational component of EUR 122.143.772. The total amount was cashed in 2025. It is to be considered that the amount requested from DG CNECT differs from the voted payment appropriations 2025 by EUR 350.000. This is the budget allocated to the expert evaluators 2025 that was managed by the Commission and the REA in accordance with its mandate. The Contribution agreement was amended to introduce the contribution from the United Kingdom of EUR 4.000.000 commitment appropriations.

In March 2025 the 6G-IA and the SNS JU signed the annual contribution agreement for EUR 779.382 to cover part of the administrative expenditure of the joint undertaking. The amount was cashed by September 2025.

Expenditure

The statement of expenditure is composed of three titles: Title 1 Staff expenditure, Title 2 Infrastructure and operating expenditure and Title 3 Operational expenditure. Title 1 and Title 2 are of administrative nature, and Title 3 is of operational nature.

The budget implementation rates of Title 1 are 100% and 99% on commitment and payment appropriations, respectively. The budget implementation rates of Title 2 are 93% and 67% for commitment and payment appropriations, respectively. The budget implementation rates of Title 3 are 97% and 16% for commitment and payment appropriations, respectively.

Expenditure	Commitment appropriations			Payment appropriations		
	Total budget	Implemented	%	Total budget	Implemented	%
Title 1 Staff	2.418.045	2.417.596	100%	2.404.493	2.372.376	99%
Title 2 Infrastructure and operating	1.437.088	1.331.993	93%	1.450.640	968.631	67%
Title 2 Operations	132.741.125	128.699.203	97%	122.493.772	19.452.778	16%
TOTAL	136.596.258	132.448.792	97%	126.348.905	22.793.785	18%

Table 4: Expenditure implementation by title

By nature of expenditure, the budget implementation rates of administrative expenditure are 97% and 87% and those of operational expenditure are 97% and 16% on commitment and payment appropriations, respectively.

Expenditure	Commitment appropriations			Payment appropriations		
	Total budget	Implemented	%	Total budget	Implemented	%
Administrative	3.855.133	3.749.589	97%	3.855.133	3.341.007	87%
Operational	132.741.125	128.699.203	97%	122.493.772	19.452.778	16%
TOTAL	136.596.258	132.448.792	97%	126.348.905	22.793.785	18%

Table 5: Expenditure implementation by nature

The implementation rate of the re-activated budget is 100% in commitment and in payment appropriations. The operational commitment appropriations for EUR 5.643.653 were committed and will be used to fund a project. The administrative appropriations EUR 985.734 were committed and paid in several budget lines in Title 1 and in Title 2. These appropriations were consumed with priority in their respective lines in compliance with article 12 of the Financial Rules.

Title 1 Staff expenditure

The implementation rate of Title 1 is 100% in commitment appropriations and 99% in payment appropriations. The implementation of the budget allocated to the staff is explained mainly by the salaries and allowances paid to the staff members. The team of 17 members was complete for 8 months. As of September, one vacancy was open and will be filled in February 2026. The team was supported by some interim staff which explains the expenditure on external services. The services provided in December will be paid in January 2026.

Title 1	Commitment appropriations			Payment appropriations		
	Total budget	Implemented	%	Total budget	Implemented	%
Salaries and allowances	2.049.401	2.049.401	100%	2.051.248	2.049.401	100%
Missions	30.297	30.297	100%	40.844	30.297	74%
Socio-medical infrastructure	802	802	100%	802	802	100%
Training	11.883	11.883	100%	11.883	10.508	88%
External services	246.726	246.276	100%	218.838	200.492	92%
Receptions, events and representation	2.632	2.632	100%	2.632	2.632	100%
Social welfare	60.084	60.084	100%	60.084	60.084	100%
Other	16.222	16.222	100%	18.162	18.162	100%
TOTAL	2.418.045	2.417.596	100%	2.404.493	2.372.376	99%

Table 6: Expenditure Title 1

Title 2 Infrastructure and operating expenditure

The implementation rate of Title 2 is 93% in commitment appropriations and 67% in payment appropriations.

Title 2	Commitment appropriations			Payment appropriations		
	Total budget	Implemented	%	Total budget	Implemented	%
Building rental and associated costs	195.698	195.698	100%	204.820	204.820	100%
Information and communication technology	537.287	525.247	98%	553.364	553.364	100%
Movable property and associated costs				75.000		0%
Current administrative expenditure	223.329	171.000	77%	378.140	151.982	40%
Postage/telecommunications	8.000		0%	8.000		
Meeting expenses	11.215	2.417	22%	10.000	2.417	24%
Running costs in relation to operational activities	89.402	65.474	73%	70.180	34.234	49%
Other infrastructure and operating expenditure	372.157	372.157	100%	151.137	21.814	14%
TOTAL	1.437.088	1.331.993	93%	1.450.640	968.631	67%

Table 7: Expenditure Title 2

The rental of building and associated costs cover all costs related to the premises where the joint undertaking is located in Brussels (the White Atrium building). These costs relate to the rental of the office space, the rental of the parking slots, the charges and the notary costs. The legal frame is the usufruct agreement 2025-2031.

The costs related to ICT are mainly explained by the payment of the SUMMA onboarding fees to DG BUDG for EUR 200.000 and the expenditure related to the global SLA with DIGIT on IT procurement and services for EUR 118.502. Other costs relate to external services within the frame of the BOA ICT which amounted to EUR 113.142. The use of EC tools ABAC and HR amounted to EUR 70.222. The purchase of ICT equipment and software licenses for EUR 34.808.

The current administrative expense is mainly explained by the procurement of audit and legal services and the agreements with other joint undertakings and with the Commission on the provision of services such as accounting, treasury, logistics and translation. Initially, it was planned to contract the services of external experts to reinforce some areas, but this was considerably reduced because of the late signature of the framework contract. Part of the budget was transferred to infrastructure costs to cover the office refurbishment whose budget was underestimated.

In December the contract for the office refurbishment was signed for EUR 350.236 within the frame of the usufruct agreement and the facility management contract of the White Atrium. The high workload impeded signing the contract earlier in the year. Payments will be made in 2026. If the payments would have been made in 2025, the implementation rate of Title 2 would have been 91%.

Title 3: Operational expenditure

The implementation rate of Title 3 is 97% in commitment appropriations and 16% in payment appropriations. The total commitments made under Title 3 amounted to EUR 128.699.203, composed of EUR 128.143.653 on grants/projects and EUR 555.550 on evaluators and reviewer experts. The total payments amount to EUR 19.452.778 and are composed of EUR 18.918.548 grants/projects and EUR 534.230 evaluators and reviewer experts.

Title 3	Commitment appropriations			Payment appropriations		
	Total budget	Implemented	%	Total budget	Implemented	%
Grants/Projects	132.181.125	128.143.653	97%	121.938.222	18.918.548	16%
Expert Evaluators	350.000	350.000	99%	350.000	350.000	96%
Expert Reviewers	210.000	205.550		205.550	184.230	
TOTAL	132.741.125	128.699.203	97%	122.493.772	19.452.778	16%

Table 8: Expenditure Title 3

The payments on grants/projects for EUR 18.918.548 made in 2025 are composed of one pre-financing related to the call of 2024 for EUR 2.383.973,20, interim/final payments related to the call of 2022 for EUR 2.768.306,75 and interim payments related to the call of 2023 for EUR 13.766.267,86.

The 2025 calls (4&5) were launched several months later than foreseen (respectively on 22 May and 18 June 2025) due to delays in the Commission’s internal decision-making process regarding the security provisions under Article 22(5) of the Horizon Europe Regulation. This decision established the framework and the list of positively assessed countries, non-EU or non-associated countries whose participation in restricted or security-sensitive calls was deemed acceptable following the Commission’s assessment of risks to the Union’s strategic assets, interests, autonomy, or security. As the Calls could not be launched before this Decision, the preparation and signature of the grant agreements (GAPs) will take place in the first half of 2026, together with the related pre-financings. The payment appropriations left unused in 2025 will be used in future years in accordance with the Financial Rules.

In a case where grant agreements for the calls amount were signed and pre-financed in 2025, the total payment implementation rate would be close to 100%.

Outstanding commitments

The outstanding commitments are the commitments from previous years that were carried forward to 2025 and the commitments of 2025, that both remained unpaid by 31 December 2025. This is mainly explained as the grant agreements cover projects with an average duration of 3 years. The amount of the entire project is committed by the signature of the agreement. The pre-financing is made after signature of the agreement, the interim payment is due by mid-project and the final payment is made after the end of the project implementation. The appropriations committed and not paid are carried forward to the coming years.

In 2025, the amount carried forward from previous years amounted to EUR 86.289.753 and the amount committed during 2025 amounted to EUR 132.448.792. This amount was reduced by the de-committed amount EUR 137.368 and the paid amount EUR 22.793.785, leading to an outstanding amount of EUR 195.807.392.

The outstanding amount is high because of the low operational payments made in 2025. In a case where the pre-financings of the calls of 2025 would have been made (EUR 102.081.722) the outstanding amount would have been significantly lower, EUR 93.725.670.

	Committed prior years	Committed 2025	De-committed	Paid	Outstanding	%
Title 1	37.067	2.417.596	(6.524)	(2.372.376)	75.763	0%
Title 2	239.444	1.331.993	(89.443)	(968.631)	513.363	0%
Title 3	86.013.242	128.699.203	(41.401)	(19.452.778)	195.218.266	100%
TOTAL	86.289.753	132.448.792	(137.368)	(22.793.785)	195.807.392	100%

Table 9: Outstanding commitments

Lapsing appropriations

The lapsing appropriations are those appropriations made available in 2025 that were not used. These amount to EUR 4.147.466 commitment appropriations and to EUR 103.555.120 payment appropriations. The main driver of the lapsing appropriations is in the operational budget. Commitment appropriations for EUR 4.041.922 could not be used to fund an additional project of the calls 2025 as these do not reach the minimum of EUR 6.000.000. Payment appropriations for EUR 103.040.994 were left unused because the pre-financings of the calls of 2025 could not be made in 2025 as planned. In the case where these were made, the lapsing appropriations would have been significantly lower, EUR 959.272. The lapsing appropriations will be reactivated within the next 3 years in accordance with Article 12 of the Financial Rules.

	Commitment appropriations			Payment appropriations		
	Available	Implemented	Lapsing	Available	Implemented	Lapsing
Title 1	2.418.045	2.417.596	449	2.404.493	2.372.376	32.117
Title 2	1.437.088	1.331.993	105.195	1.450.640	968.817	482.009
Title 3	132.741.125	128.699.903	4.041.922	122.493.772	19.452.778	103.040.994
TOTAL	136.596.258	132.448.792	4.147.466	126.348.905	22.793.785	103.555.120

Table 10: Lapsing appropriations

Amendments/Transfers

The amendments to the Work Programme (and Budget) 2025 number 3 and 4¹ were aimed at introducing the contribution from the United Kingdom of EUR 4.000.000 in the budget of 2025, line 22 UK contributions in the statement of revenue and Title 3 – 300 Grants in the statement of expenditure. It was decided to include only the commitment appropriations while the payment appropriations were not needed in 2025 given the high volume of lapsing appropriations as explained above. These payment appropriations will be used in future years based on the needs of JU, in accordance with the rules of the Commission and the principle of sound financial management.

	Commitment appropriations				Payment appropriations			
	Initial	Amendments	Transfers	Final	Initial	Amendments	Transfers	Final
Title 1	2.404.493		13.552	2.418.045	2.404.493			2.404.493
Title 2	1.450.640		(13.552)	1.437.088	1.450.640			1.450.640
Title 3	128.741.125	4.000.000		132.741.125	122.493.772			122.493.772
TOTAL	132.596.258	4.000.000	0	136.596.258	126.348.905			126.348.905

Table 11: Budget amendments and transfers

With regards the transfers, according to the Article 12 of the Financial Rules, the Executive Director may transfer appropriations:

- a) from one title to another up to a maximum of 10 % of the appropriations for the year shown on the line from which the transfer is made and
- b) from one chapter to another and within each chapter without limit.

Various budget transfers were made between chapters within Title 1, Title 2 and Title 3, with no impact on the total budget of the Titles, and in accordance with point b) above. Only one transfer from Title 2 to Title 1 for EUR 13.552 was needed to cover some staff-related costs. The amount represents 6% of the line from which the transfer was made (Current administrative expenditure), lower than 10% in accordance with point

¹ The amendments 1 and 2 to the AWP 2025 are of operational nature and did not have any impact on the budget.

a) above. These reallocations were generated by the high budget implementation of the administrative budget and were considered necessary to cover the administrative expenditure.

Some technical transfers were made to re-allocate the funds' source among budget lines. These transfers ensured the prompter consumption of the re-activated budget and had no impact on the statement of expenditure as it was approved by the Governing Board.

All transfers were authorized by the Executive Director. The Governing Board was informed of the budget transfers made in 2025 in accordance with Article 12 of the Financial Rules.

SMART NETWORKS AND SERVICES JOINT UNDERTAKING

FINANCIAL YEAR 2025

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

BALANCE SHEET

	Note	31.12.2025	31.12.2024
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2.2	31.757,33	21.040,59
<i>Long term pre-financing</i>	2.3	28.830.837,98	99.775.031,59
		28.862.595,31	99.796.072,18
CURRENT ASSETS			
<i>Short-term Pre-financing</i>	2.3	84.548.243,51	135.770.000,87
<i>Exchange receivables and non-exchange recoverables</i>	2.4	122.358.158,35	19.785.564,10
		206.906.401,86	155.555.564,97
TOTAL ASSETS		235.768.997,17	255.351.637,15
CURRENT LIABILITIES			
<i>Payables and other liabilities</i>	2.7	168.068.561,56	43.768.203,17
<i>Accrued charges and deferred income</i>	2.8	25.778.186,49	15.881.070,35
		193.846.748,05	59.649.273,52
TOTAL LIABILITIES		193.846.748,05	59.649.273,52
NET ASSETS			
<i>Contribution from Members</i>	2.9	442.072.466,70	418.091.259,86
<i>Accumulated deficit</i>		(222.388.896,23)	(85.999.613,02)
<i>Economic result of the year</i>		(177.761.321,35)	(136.389.283,21)
TOTAL NET ASSETS		41.922.249,12	195.702.363,63
LIABILITIES AND NET ASSETS		235.768.997,17	255.351.637,15

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2025	2024
REVENUE			
Revenue from non-exchange transactions			
<i>Recovery of operating expenses</i>	3.1	-	-
<i>Other non-exchange revenue</i>	3.2	-	-
Revenue from exchange transactions			
<i>Recovery of administrative expenses</i>	3.3	8.204,56	-
Total revenue		8.204,56	-
EXPENSES			
<i>Operating costs</i>	3.4	(174.469.202,58)	(133.810.737,26)
<i>Staff costs</i>	3.5	(2.120.233,48)	(1.887.093,53)
<i>Other expenses</i>	3.7	(1.180.089,85)	(691.452,42)
Total expenses		(177.769.525,91)	(136.389.283,21)
ECONOMIC RESULT OF THE YEAR		(177.761.321,35)	(136.389.283,21)

CASHFLOW STATEMENT⁴

	2025	2024
<i>Economic result of the year</i>	(177.761.321,35)	(136.389.283,21)
Operating activities	155.249.116,85	136.393.357,16
<i>Depreciation and amortization</i>	7.837,02	7.160,95
<i>(Increase)/decrease in pre-financing</i>	122.165.950,97	3.251.909,84
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(102.572.594,25)	1.686.307,51
<i>Increase/(decrease) in payables</i>	124.300.358,39	12.222.808,06
<i>Increase/(decrease) in accrued charges & deferred income</i>	9.897.116,14	(9.174.844,27)
<i>Increase/(decrease) in in-kind contributions</i>	1.450.448,58	-
Financing activities	22.530.758,26	128.400.015,07
<i>Increase/(decrease) in cash contributions</i>	22.530.758,26	128.400.015,07
Investing activities	(18.553,76)	(4.073,95)
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(18.553,76)	(4.073,95)
NET CASHFLOW	-	-
<i>Net increase/(decrease) in cash and cash equivalents</i>	-	-
<i>Cash and cash equivalents at the beginning of the year</i>	-	-
<i>Cash and cash equivalents at year-end</i>	-	-

⁴The treasury of the Smart Networks and Services JU is integrated into the Commission's treasury system. Because of this, the Smart Networks and Services 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	289.691.244,79	-	(85.999.613,02)	203.691.631,77
Allocation 2023 economic result		(85.999.613,02)	85.999.613,02	-
Cash contribution	128.400.015,07	-	-	128.400.015,07
Economic result of the year	-	-	(136.389.283,21)	(136.389.283,21)
BALANCE AS AT 31.12.2024	418.091.259,86	(85.999.613,02)	(136.389.283,21)	195.702.363,63
Allocation 2024 economic result		(136.389.283,21)	136.389.283,21	-
Cash contribution	22.530.758,26	-	-	22.530.758,26
Contribution in-kind	1.450.448,58	-	-	1.450.448,58
Economic result of the year	-	-	(177.761.321,35)	(177.761.321,35)
BALANCE AS AT 31.12.2025	442.072.466,70	(222.388.896,23)	(177.761.321,35)	41.922.249,12

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 Smart Networks and Services Joint Undertaking 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 cashflows from the investments have expired or are waived, or and when the entity has transferred substantially all risks and rewards of ownership to another party.

1.3.5. Pre-financing amounts

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

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period. Pre-financing is classified as a current asset unless it is considered unlikely to be cleared within the next twelve months from the reporting period, in which case it is classified as long-term pre-financing.

1.3.6. Receivables and recoverables

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

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

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition less write-down for impairment. A write-down for impairment is established when there is objective

evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.3.7. Cash and cash equivalents

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

1.3.8. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services, and to non-exchange transactions e.g., to cost claims from beneficiaries, grants or other EU funding, or pre-financing received (see note **1.3.5**), or non-validated in-kind contributions to operational activities (see note **1.6.2**).

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

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

1.3.9. Accrued and deferred revenue and charges

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

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer. These aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

1.3.10. Provisions

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

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

1.3.11. Net assets

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

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

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

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

(i) Revenue from non-exchange transactions

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

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

(ii) Revenue from exchange transactions

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

1.4.2. Expenses

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

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

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

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

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

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

1.5.2. Contingent liabilities

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

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

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

1.6. CONTRIBUTIONS FROM MEMBERS

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

1.6.1. Financial contributions

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

Horizon Europe Programme:

- EU Contributions: In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA), the JU received from the European Union a pre-financing payment for the implementation of the Horizon Europe Framework Programme.
- According to the Specific Guidance for the accounting of the EU cash contributions received by the Joint Undertakings under FFPA related to MFF 2021-2027, the contributions payments done by the EU for the Horizon Europe Programme are accounted as 'Contributions in cash to be validated'. During the provisional accounting closure, the JU should, on the basis of the payment's implementation report, determine the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe Programme. In the accounting of the JU the underlying amount should be, for the purpose of the preparation of the provisional financial statements, transferred from the provisional payments to the net assets of the JU (cut-off procedure). It will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – AAR (Art. 19.2 FFPA).
- Private contributions from the industry association 6G-IA: 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 with resources other than cash, e.g. laboratory equipment, specialised staff, etc. These in-kind contributions consist of the costs incurred by Private Members in implementing indirect actions.

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

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

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

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

The EU cash contributions are validated and recognised in the accounts of the JU based on the payments processed by the JU (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 program implementation the amounts of contributions recognised per member category (EU and Private Members) differ significantly from each other. This gap between the recognised amount of EU cash contributions on one hand and in-kind contributions on the other hand will be closed as the program is approaching the finalisation stage.

Due to major simplifications applied for Horizon Europe Programme, the certification for IKOP is based on the CFS20 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 difference is a cause of a major delay between the time when the IKOP balances are committed (upon signature of the grant) until they could be validated and recognised in net assets of the JU.

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

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

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

On 31 December 2025 the Joint Undertaking has no intangible assets (2024: none).

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.

	Computer hardware	Other	Assets under construction	TOTAL
<i>Gross carrying amount at 31.12.2024</i>	29.011,84			29.011,84
<i>Additions</i>	3.485,35	2.837,58	12.230,83	18.553,76
<i>Disposals</i>	-	-	-	-
Gross carrying amount at 31.12.2025	32.497,19	2.837,58	12.230,83	47.565,60
<i>Accumulated depreciation at 31.12.2024</i>	(7.971,25)	-	-	(7.971,25)
<i>Depreciation charge for the year</i>	(7.761,35)	(75,67)	-	(7.837,02)
<i>Disposals</i>	-	-	-	-
Accumulated depreciation at 31.12.2025	(15.732,60)	(75,67)		(15.808,27)
NET CARRYING AMOUNT AT 31.12.2025	16.764,59	2.761,91	12.230,83	31.757,33
<i>NET CARRYING AMOUNT AT 31.12.2024</i>	21.040,59	-	-	21.040,59

The computer hardware consists of IT equipment valued at EUR 29.011,84 and is composed of laptops, printer and mobile iPhones. In 2025 five additional laptops were purchased for EUR 3.485,35. This IT equipment is depreciated over its useful life of 4 years.

As referenced in the sublease contract for the office space, certain office equipment was left on the premises and effectively transferred to SNS JU free of charge. Although these items are expected to provide future economic benefits, SNS JU could not measure their fair value reliably due to lack of information from the counterparty. Therefore, these items were not recognized on SNS JU's balance sheet. The revenue from non-exchange transaction could neither be measured.

2.3. PRE-FINANCING

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

	31.12.2025	31.12.2024
<i>Non-current pre-financing</i>	28.830.837,98	99.775.031,59
<i>Current pre-financing</i>	84.548.243,51	135.770.000,87
Total	113.379.081,49	235.545.032,46

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

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

By default, the pre-financing payments are registered as short-term (current) in the accounting system. At year-end, the pre-financing is correctly classified as current or non-current. For all pre-financing amounts open at 31 December 2025 a case-by-case assessment has been performed. The current pre-financing is presented as the estimated clearing of pre-financing 2025 (EUR 84.548.243,51), while the non-current pre-financing is calculated as the residual value between the open pre-financing and the current pre-financing, after deduction of the estimated clearing of pre-financing 2025. The total pre-financing in 2025 is significantly lower than the total pre-financing in 2024 because the pre-financings of the calls 2025 could not be paid in 2025. They will be paid in 2026.

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

2.4. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

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

	31.12.2025	31.12.2024
Recoverables from non-exchange transactions		
<i>Public bodies</i>	-	-
<i>Central treasury liaison accounts</i>	122.304.655,89	19.735.270,17
Total Recoverables from non-exchange transactions	122.304.655,89	19.735.270,17
Receivables from exchange transactions		
<i>Customers</i>	8.204,56	-
<i>Accrued income and deferred charges</i>	45.297,90	50.293,93
Total Receivables from exchange transactions	53.502,46	50.293,93
Total	122.358.158,35	19.785.564,10

The Central treasury liaison (intercompany) accounts with the Commission represents the virtual bank accounts of Smart Networks and Services JU. The treasury of the joint undertaking is integrated into the Commission's treasury system. Because of this the joint undertaking 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. The ending balance of this heading is thus the result of the incoming and

outgoing payments and represents the funds available for the joint undertaking. The balance of 2025 is significantly higher than in 2024 because of the low payment implementation rate of 2025. The pre-financings of the calls 2025 could not be made in 2025 and will be made in 2026. If the payments were implemented as planned the balance would have been similar to 2024.

2.5. CASH AND CASH EQUIVALENTS

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

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

LIABILITIES

2.6. PROVISIONS

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

At 31 December 2025 the Joint Undertaking has not established any provisions (2024: nil).

2.7. PAYABLES AND OTHER LIABILITIES

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

	31.12.2025	31.12.2024
<i>Contribution in kind from Members to be validated</i>	41.570.246,15	24.684.227,09
Total contributions to be validated	41.570.246,15	24.684.227,09
<i>Cash contribution from EC to be validated</i>	121.909.571,27	19.077.158,53
<i>Suppliers</i>	4.588.744,14	6.817,55
Total payables to entities	126.498.315,41	19.083.976,08
Total	168.068.561,56	43.768.203,17

The contributions in-kind from the private members to be validated includes the contributions in-kind for operational activities (IKOP) related to on-going projects without a validated contribution certificate on 31 December 2025. The estimated cumulative IKOP 2025 amounts to EUR 41.570.246,15 (2024: EUR 24.684.227,09). It was estimated on a case-by-case basis using the best available information on the projects at cut-off date 30 April 2026. The annual increase is due to the additional 12-month period of 64 projects and additional 16 projects that started implementation in 2025.

After validation of the IKOP at the end of the projects, the IKOP will be booked to Net Assets and presented as "Contributions received from Members" (note 2.9).

The cash contributions from EC to be validated amount to EUR 121.909.571,27 (2024: EUR 19.077.158,53) and are significantly higher than in 2024 because of the low payment implementation rate of 2025. If the pre-financings were made in 2025, the balance would be similar to 2024.

The cash contributions from the EC to be validated are the financial contributions for the Horizon Europe Programme received but not spent (notes 1.6.1 and 4.6).

The discrepancy for the Suppliers between the end of 2024 and 2025 is due to cost claims that were ongoing and not validated at the end of 2025. The amount of 2024 refers to administrative payments only.

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>	25.778.186,49	15.881.070,35

The accrued charges are largely composed of operational accruals making up EUR 25.607.681,05 in 2025 and representing the total estimated operational costs for 2025 less the accrued clearing of pre-financing. The accrued operational costs relate to ongoing projects in 2025 (80 projects) and was estimated on a case-by-case basis using the best available information about each project on 30 April 2026.

The administrative accruals amount to EUR 170.505,44 in 2025 and are made up primarily of external services provided in 2025 that were not invoiced and the cost of the untaken leave of staff members. The 50% of the cost is explained by the interim staff and external professionals that worked in December and the invoices were submitted in January 2026. Other services provided and not yet invoiced are IT services, support to events organisation and actual building charges that will be adjusted in 2026.

NET ASSETS

2.9. CONTRIBUTIONS FROM MEMBERS

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

Programming period	2025		2024	
	Cash	in-Kind	Cash	in-Kind
Horizon Europe	440.622.018,12	1.450.448,58	418.091.259,86	-
Total	440.622.018,12	1.450.448,58	418.091.259,86	-

2.9.1. Research and Innovation funding Programme for 2021-2027 (Horizon Europe)

Member	EU Commission		6G-IA Association		Total	
	Cash	In kind	Cash	In kind	Cash	In kind
Running costs contributions at 31.12.2024	2.361.179,62	-	1.248.406,54	-	3.609.586,16	-
Adjustment for previous years contributions	8.535,54	-	-	-	8.535,54	-
Current year contributions	2.290.062,91	779.382,00	-	-	3.069.444,91	-
Running costs contributions at 31.12.2025	4.659.778,07	2.027.788,54	2.027.788,54	-	6.687.566,61	-
Operating costs contributions at 31.12.2024	414.481.673,70	-	-	-	414.481.673,70	-
Current year contributions	19.452.777,81	1.450.448,58	-	1.450.448,58	19.452.777,81	1.450.448,58
Operating costs contributions at 31.12.2025	433.934.451,51	1.450.448,58	-	1.450.448,58	433.934.451,51	1.450.448,58
TOTAL contributions at 31.12.2024	416.842.853,32	1.248.406,54	-	-	418.091.259,86	-
TOTAL contributions at 31.12.2025 (including adjustment)	438.594.229,58	2.027.788,54	2.027.788,54	1.450.448,58	440.622.018,12	1.450.448,58

According to the specific guidance issued by the EC Accounting Officer for the accounting of the EU cash contributions received under Horizon Europe program, the accounting treatment of the EU contribution should align with Art. 19.1 of the Financial Framework Partnership Agreement (FFPA), defining that the Union contributions take form of provisional payments ("pre-financings"). Based on this requirement, the JU determines, based on the payment implementation report the amount of operating and administrative expenditure that have been covered from the EU financial contributions and enters only this amount into the Net Assets.

As per the budget implementation report, the total payments implemented in 2025 amounted to EUR 22.793.785,28, composed of EUR 3.341.007,47 administrative and EUR 19.452.777,81 operational. The 68,54% of the administrative payments (EUR 2.290.062,91) and the 100% of the operational payments (EUR 19.452.777,81) make a total of EUR 21.742.840,72 and are entered into the Net Assets as cash contribution from the EU implemented in 2025. This is in accordance with the cited specific guidance. The contribution from the EU implemented in 2025 is significantly lower than in previous years because the pre-financings related to the calls of 2025 were not made in 2025 as planned. If these were made the net assets 2025 would have been EUR 102 million higher.

The operational EU contribution reported in 2025 for EUR 19.452.777,81 is significantly lower than in previous years as the operational payment implementation was lower than planned. The pre-financing payments related to the calls of 2025 for EUR 102 million were not executed in 2025 as planned because the launch of the calls had to be delayed for policy related matters. The pre-financings will be made in 2026.

The cash contributions received from the Industry Association have a different accounting treatment as these are directly recognised into Net Assets. The total cash contributions made since 2022 amount to EUR 2.477.364,00. The table reports only the contribution since the financial autonomy of SNS JU, in 2025 (EUR 779.382,00), 2024 (EUR 767.021,00) and in 2023 (EUR 481.385,54) totalling EUR 2.027.788,54.

The in-kind contributions for operational activities (IKOP) validated by end of 2025 amount to EUR 1.450.448,58.

See note **4.6** for further details.

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.

The Joint Undertaking did not have any recovery of expenses from the start of their financial autonomy until 31 December 2025.

3.2. OTHER NON-EXCHANGE REVENUE

The Joint Undertaking did not have any other non-exchange revenue in 2025 and none since their financial autonomy in 2023.

EXCHANGE REVENUE

3.3. REVENUE FROM EXCHANGE TRANSACTIONS

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

The Joint Undertaking had other exchange revenue in 2025 for EUR 8.204,56 which relates to building charges.

	31.12.2025	31.12.2024
<i>Recovery of administrative expenses</i>	8.204,56	-
Total	8.204,56	-

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 2025 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 2025 are included in the operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates are based on costs incurred to date as a proportion of the estimated total costs of the projects ("pro-rata temporis").

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

	2025	2024
Total operational costs from in-kind contributions	18.336.467,64	14.224.791,73
Total operational costs from EU contributions	156.132.734,94	119.585.945,53
Total	174.469.202,58	133.810.737,26

The operational costs from in-kind contributions to operational activities (IKOP) amount to EUR 18.336.467,64 and is composed of validated IKOP for EUR 1.450.448,58 and estimated IKOP for EUR 16.886.019,06. The validated cost relates to three projects that ended implementation in 2025 while the estimated cost combines actual costs reported and lineal estimation for the non-reported period.

The total operational cost from EU contributions 2025 is EUR 156.132.734,94. It is composed of validated EU contributions for EUR 59.677.160,74 calculated as the cost claim value reported in 2025, and of estimated EU contributions for EUR 96.455.574,20 calculated as an adjusted lineal pro-rata. The accrued cost in 2025 relates to a total of 80 ongoing projects, higher than that in 2024 with 64 projects ongoing.

3.5. STAFF COSTS

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

As per Article 83a (2) of the Staff Regulations, the part paid by the JU shall correspond to the percentage share between a) the JU's revenues without the subsidy from the general budget, and b) its total revenues. To avoid disruptive variations over time, the JUs employer's pension contribution is calculated with a single percentage share for the whole duration of the JU. This single percentage was established on the basis of the EU and non-EU members' respective contributions, as foreseen in the JU's legal basis, with a correction and regularisation at the last year of existence of the JU. The contribution of the Smart Networks and Services Joint Undertaking was set as 1,00% of the total pension scheme contributions. This contribution is accounted within staff costs.

	2025	2024
<i>Staff costs</i>	<i>2.120.233,48</i>	<i>1.887.093,53</i>

The difference in the staff costs between 2025 and 2024 is due to the re-classification exercise and the salary indexation.

3.6. FINANCE EXPENSES

The Joint Undertaking did not incur any financial expenses in 2025 (2024: nil).

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>	520.903,86	289.823,77
<i>Rent expenses</i>	126.654,13	131.816,45
<i>Communications & publications</i>	-	-
<i>Missions</i>	30.296,84	25.146,77
<i>External non-IT services</i>	399.883,78	144.506,95
<i>Legal Expenses</i>	10.007,49	24.559,00
<i>Depreciation of tangible fixed assets</i>	7.837,02	7.160,95
<i>Maintenance and security of the building</i>	72.562,69	57.843,87
<i>Office Supplies & maintenance</i>	353,88	904,41
<i>Experts expenses</i>	-	471,37
<i>Training costs</i>	11.497,62	9.175,21
<i>Insurance costs</i>	92,54	43,67
Total	1.180.089,85	691.452,42

The main expenses are composed of external IT services and non-IT services.

The external IT services costs EUR 520.903,86 in 2025 (EUR 289.823,77 in 2024), are explained mainly because of the SUMMA onboarding fee for EUR 200.000,00 that was paid to the Commission. Other regular IT services were contracted to European Commission via Service Level Agreements (DIGIT, DG BUDG) on the provision of digital services and the use of ABAC, and to the external contractors through procurement within the inter-joint undertaking Back Office Arrangement on ICT.

The non-IT external services relate to a diverse range of services contracted to companies via procurement and to the European Commission. The main expenses refer to the services provided by the Back Office Arrangement (BOA) on accounting, the provision of treasury services by DG BUDG, the cost of interim staff, the cost of the audit and other minor expenses. The implementation of the administrative budget was very high in 2025 due to the high level of activity held during all the year. Interim staff were contracted to support staff members raising the administrative expense.

An overview of the amount to be committed and paid during the remaining term of these lease contract is as follows:

	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	127.492,35	535.982,98	152.511,22	815.986,55

A new lease contract for rental of the main office building enters into force as from 1/2/2025 running until 31/01/2032.

4. OTHER SIGNIFICANT DISCLOSURES

4.1. CONTINGENT ASSETS

No contingent assets were identified for the Joint Undertaking at 31 December 2025. (2024: none).

4.2. CONTINGENT LIABILITIES

No contingent liabilities were identified for the Joint Undertaking at 31 December 2025. (2024: none).

4.3. OUTSTANDING COMMITMENTS NOT YET EXPENSED

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

	31.12.2025	31.12.2024
<i>Outstanding commitments not yet expensed</i>	166.472.532,63	70.460.575,68

4.4. IN-KIND CONTRIBUTIONS (IKOP)

According to the Single Basic Act, members other than the European Union can contribute with non-financial resources. In case of the SNS JU, the private members of the industry association 6G-IA will contribute with in-kind contributions to the activities of the Joint Undertaking. There are two types of in-kind contributions: in-kind contributions to operational activities (IKOP) and in-kind contributions to additional activities (IKAA).

The IKOP comprises contributions from private members consisting of the eligible costs incurred by them in implementing specific indirect actions (funded projects) less the contribution of the Joint Undertaking to those costs. The IKOP reported will be validated and accepted by the Joint Undertaking according to the legal requirements established. The target for 2025 at programme level is a minimum of 6% (EUR 8 million).

The IKOP is reported by the private members after the end of the project. The projects resulting from the first call of SNS JU started in the beginning of 2023. The projects have an average duration of three years, meaning that the first IKOP will be reported by 2025/2026. By then, the IKOP accepted will be recognised as contributions from members under the net assets heading of the balance sheet. By the end of 2025, the IKOP incurred during the year was reasonably estimated and recorded as operational expense in the statement of financial performance of the Joint Undertaking (note 3.4).

4.5. IN-KIND IN ADDITIONAL ACTIVITIES (IKAA)

The IKAA are associated to the implementation of additional activities by the private members that contribute to the objectives of the Joint Undertaking but are not directly linked to the legal entity of the Joint Undertaking nor under its control. Additional activities may include:

- (a) spin-off research and development activities;
- (b) contributions to standardisation;
- (c) contributions to consultations in the context of Union regulatory processes;
- (d) activities financed by loans of the European Investment Bank and not funded under a grant by the Union;
- (e) contributions to activities of the members other than the Union and any other group or association of stakeholders in the area of the Smart Networks and Services Joint Undertaking, not funded under a grant by the Union;
- (f) activities to develop the ecosystem including building cooperation with verticals;
- (g) dissemination activities of results globally to achieve consensus on supported technologies as preparation of future standards;
- (h) trials, demos, pilots, go to market and early deployment of technologies;
- (i) international cooperation not funded under a grant by the Union;
- (j) activities related to the preparation of, and participation in, research and innovation projects funded by private or public bodies other than the Union.

Because the outflow of resources related to the additional activities is outside of the control of the Joint Undertaking, these contributions are not recognised in its financial statements but are instead disclosed in the annual accounts.

The IKAA reported that meet all the legal requirements will be validated and accepted. The deadline for the private members to report the IKAA is 31/05/N+1.

To provide a complete picture of the operational activities related to the JU they are disclosed as additional information in the notes and in table **4.6**.

4.6. CONTRIBUTIONS PER PROGRAMME

	Members' contributions (as per Funding regulation)					Total (f) = (a) + (b) + (c) + (d) + (e)
	EU cash (a)	Third country contribution (UK) (b)	Private members' cash (c)	Private members' IKOP (d)	Private members' IKAA (e)	
Horizon Europe	879.000.000,00	21.000.000,00	4.629.750,00	895.370.250,00		1.800.000.000,00

According to article 162 of the Single Basic Act, the Union financial contribution to the Smart Networks and Services Joint Undertaking, including EFTA appropriations, to cover administrative costs and operational costs shall be up to EUR 900.000.000, including up to EUR 18.519.000 for administrative costs. As per the recent budgetary decision, the contribution from the European Union and the EFTA to the joint undertaking is reduced by a total of EUR 21.000.000 as of 2025 and the United Kingdom will contribute by the same amount.

According to article 163 of the Single Basic Act, the (private) members of the Smart Networks and Services Joint Undertaking other than the Union shall make or arrange for their constituent or affiliated entities to make a total contribution of at least EUR 900.000.000 over the period set out in Article 3. As per Article 3, the SNS JU is set up as a Union body for a period ending on 31 December 2031 and financed under the MFF 2021-2027.

According to article 163 of the Single Basic Act, the (private) members of the Smart Networks and Services Joint Undertaking other than the Union shall make or arrange for their constituent or affiliated entities to make an annual financial contribution to the administrative costs of the Smart Networks and Services Joint Undertaking of at least 20 % of the total administrative costs. They shall endeavour to increase their number of constituent or affiliated entities in order to increase their contribution to 50 % of the administrative costs of the Smart Networks and Services Joint Undertaking over its lifetime, taking due account of constituent and affiliated entities that are SMEs.

Members contributions as of 31.12.2025									
	EU cash validated	EU cash not validated (PF)	Other members cash	Other members IKOP validated	Other members IKOP reported but not validated	IKAA certified	IKAA reported but not certified	Total	Achievement rate
Horizon Europe	438.594.229,58	121.909.571,27	2.465.364,00	1.450.448,58	41.570.246,15	474.052.258,97	16.000.000,00	1.096.042.118,55	61%

The SNS JU received contributions from the European Union, the EFTA and the Private Members in 2025. This table reports the member's cash contributions related to Horizon Europe that were implemented up to 31 December 2025.

The total contributions implemented by the SNS Joint Undertaking up to 31 December 2025 amounts to EUR 562.981.164,85 which is the equivalent to the sum of the EU (and EFTA) cash validated, the EU cash not validated, and the other (private) members cash as reported in the table. Out of this amount, the contributions of the EU and the EFTA amount to EUR 560.503.800,85 which are 62,55% of the total contribution of EUR 900.000.000,00 in the Single Basic Act.

The cash contributions from the Private Members for administrative expenses received up to 31 December 2025 amount to EUR 2.465.364,00 which represents 53,25% of the planned amount EUR 4.629.750,00. Out of EUR 2.465.364,00 industry cash contributions, EUR 2.027.788,54 is booked in the net asset of the JU, while EUR 437.575,46 was provided before the financial autonomy of the JU, hence reported only in the 4.6 table.

The in-kind contributions to operational activities (IKOP) validated amounts to EUR 1.450.448,58 and relates to three projects that ended implementation in 2025. The IKOP reported but not validated amounts to EUR 41.570.246,15 and is an estimation based on a linear pro rata or actuals reported by project that were ongoing in 2025. The in-kind contributions for additional activities (IKAA) that are certified on 31 May 2025 amount to EUR 474.052.258,97 and refer to activities of 2022, 2023, 2024 and 2025. The remaining IKAA of 2025, estimated and not certified, amount to EUR 16.000.000,00. The total certified IKAA 2025 will be reported in the annual accounts for financial year 2026. The total in-kind reported amounts to EUR 533.072.953,70 which represents 59,54% of the total in-kind contribution of EUR 895.370.250,00 in the Single Basic Act. The achievement rate will expectedly increase to 70% by 2027 and reach the target by 2031, as a result of onboarding of new projects, new actors in SNS programme, and increase in additional activities which emerge with the progress of the SNS funding phases (e.g. additional activities in the standardization area have increased starting from 2025).

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://smart-networks.europa.eu/gouvernance/>

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.

The Executive Director of the SNS JU was appointed by Governing Board Decision 11/2023 of 24 May 2023.

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

4.9. OTHER EVENTS

RUSSIA-UKRAINE WAR

At the time of preparation of these financial statements, the management is not aware of any events linked to the war in Ukraine that should be disclosed as non-adjusting events or taken into account in these financial statements as adjusting events. For subsequent reporting periods, the war may affect the recognition and measurement of some assets on the balance sheet and also of some expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war in Ukraine cannot be reliably estimated.

BREXIT

United Kingdom joins the Horizon Europe programme as of 1 January 2024, the United Kingdom has become 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.

4.10. OTHER INFORMATION

Not applicable.

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.

SMART NETWORKS AND SERVICES JOINT UNDERTAKING
FINANCIAL YEAR 2025

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

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

1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of the Smart Networks and Services Joint Undertaking is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of the joint undertaking:

Principles of unity and budget accuracy

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

Principle of annuality

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

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

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

Principle of universality

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

Principle of specification

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

Principle of sound financial management

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

Principle of economy

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

Principle of efficiency

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

Principle of effectiveness

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

Principle of internal control

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

Principle of transparency

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

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

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

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

Title 1

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

Title 2

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

Title 3

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

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		EUR '000	
	Title	2025	2024
Revenue		125.363	132.834
<i>of which:</i>			
<i>EU Contribution</i>	1	121.249	127.551
<i>EFTA contributions</i>	2	3.334	4.515
<i>6G SNS Industry Association contribution</i>	3	779	767
Expenditure		(22.794)	(128.138)
<i>of which:</i>			
<i>Staff expenditure</i>	1	(2.372)	(1.978)
<i>Administrative expenditure</i>	2	(969)	(548)
<i>Operational expenditure</i>	3	(19.453)	(125.613)
Exchange rate differences		-	-
Budget result		102.569	4.696

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR '000	
	2025	2024
ECONOMIC RESULT OF THE YEAR	(177.761)	(136.389)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	157.370	108.424
<i>In-kind contributions validated in the year</i>	1.450	-
<i>Adjustments for accrual cut-off (net)</i>	113.312	50.455
<i>Depreciation of intangible and tangible assets</i>	8	7
<i>Recovery orders issued in the year and not yet cashed</i>	(8)	-
<i>Pre-financing given in previous year and cleared in the year</i>	42.608	57.962
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	122.961	32.661
<i>Members' cash contributions collected in the year</i>	125.363	132.834
<i>Asset acquisitions (less unpaid amounts)</i>	(19)	(7)
<i>Assets received in previous year and paid in the year</i>	-	(22)
<i>New pre-financing paid in the year and remaining open at 31 Dec</i>	(2.384)	(100.144)
BUDGET RESULT OF THE YEAR	102.569	4.696

4. IMPLEMENTATION OF BUDGET REVENUE

IMPLEMENTATION OF BUDGET REVENUE

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	On entitlements carried over/ reactivated	Total	On entitlements of current year	On entitlements carried over/ reactivated	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/5	10=5-8
10 EU contribution - Administrative	2.034	2.034	2.034	-	2.034	2.034	-	2.034	100 %	-
Total Chapter 10	2.034	2.034	2.034	-	2.034	2.034	-	2.034	100 %	-
Total Title 10	2.034	2.034	2.034	-	2.034	2.034	-	2.034	100 %	-
11 EU contribution - Operational	119.215	119.215	119.215	-	119.215	119.215	-	119.215	100 %	-
Total Chapter 11	119.215	119.215	119.215	-	119.215	119.215	-	119.215	100 %	-
Total Title 11	119.215	119.215	119.215	-	119.215	119.215	-	119.215	100 %	-
20 EFTA contributions - Administrative	56	56	56	-	56	56	-	56	100 %	-
Total Chapter 20	56	56	56	-	56	56	-	56	100 %	-
Total Title 20	56	56	56	-	56	56	-	56	100 %	-
21 EFTA contributions - Operational	3.278	3.278	3.278	-	3.278	3.278	-	3.278	100 %	-
Total Chapter 21	3.278	3.278	3.278	-	3.278	3.278	-	3.278	100 %	-
Total Title 21	3.278	3.278	3.278	-	3.278	3.278	-	3.278	100 %	-
30 6G SNS Industry Association contribution - Adminis	779	779	779	-	779	779	-	779	100 %	-
Total Chapter 30	779	779	779	-	779	779	-	779	100 %	-
Total Title 30	779	779	779	-	779	779	-	779	100 %	-
70 Recoveries - Administrative	p.m.	p.m.	8	-	8	-	-	-	-	8
Total Chapter 70	-	-	8	-	8	-	-	-	-	8
Total Title 70	-	-	8	-	8	-	-	-	-	8
Subtotal cash transactions	125.363	125.363	125.371	-	125.371	125.363	-	125.363	100 %	8
60 Reactivated Administrative	986	986	-	986	986	-	986	986	100 %	-
Total Chapter 60	986	986	-	986	986	-	986	986	100 %	-
Total Title 60	986	986	-	986	986	-	986	986	100 %	-
GRAND TOTAL	126.349	126.349	125.371	986	126.357	125.363	986	126.349	100 %	8

EUR '000

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 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
110 Establishment plan posts	1.183	-	(174)	1.009	202	-	202	1.211
111 External personnel	839	-	(105)	734	105	-	105	839
Total Chapter 11	2.022	-	(280)	1.743	307	-	307	2.049
130 Mission expenses	30	-	(20)	10	20	-	20	30
Total Chapter 13	30	-	(20)	10	20	-	20	30
140 Socio-medical infrastructure	10	-	(9)	1	-	-	-	1
Total Chapter 14	10	-	(9)	1	-	-	-	1
150 Training	10	-	2	12	-	-	-	12
Total Chapter 15	10	-	2	12	-	-	-	12
160 External services	81	-	27	108	139	-	139	247
Total Chapter 16	81	-	27	108	139	-	139	247
170 Receptions, events and representation	5	-	(2)	3	-	-	-	3
Total Chapter 17	5	-	(2)	3	-	-	-	3
180 Social welfare	70	-	(11)	59	1	-	1	60
Total Chapter 18	70	-	(11)	59	1	-	1	60
190 Other staff related expenditure	13	-	-	13	3	-	3	16
Total Chapter 19	13	-	-	13	3	-	3	16
Total Title 1	2.241	-	(293)	1.948	470	-	470	2.418

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

Item	Budget appropriations			Additional appropriations			Total approp. available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	
	1	2	3	4=1+2+3	5	6	7=5+6
200	175	-	21	196	-	-	196
Total Chapter 20	175	-	21	196	-	-	196
210	110	-	-	110	427	-	537
Total Chapter 21	110	-	-	110	427	-	537
220	75	-	(75)	-	-	-	-
Total Chapter 22	75	-	(75)	-	-	-	-
230	150	-	8	158	65	-	223
Total Chapter 23	150	-	8	158	65	-	223
240	8	-	-	8	-	-	8
Total Chapter 24	8	-	-	8	-	-	8
250	10	-	-	10	1	-	11
Total Chapter 25	10	-	-	10	1	-	11
260	100	-	(11)	89	-	-	89
Total Chapter 26	100	-	(11)	89	-	-	89
290	-	-	350	350	22	-	372
Total Chapter 29	-	-	350	350	22	-	372
Total Title 2	628	-	293	921	516	-	1.437

5.1.3. Breakdown & changes in commitment appropriations – Title 3

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
300 Grants	123.097	4.000	(560)	126.537	5.644	-	5.644	132.181
Total Chapter 30	123.097	4.000	(560)	126.537	5.644	-	5.644	132.181
310 Experts costs	-	-	560	560	-	-	-	560
Total Chapter 31	-	-	560	560	-	-	-	560
Total Title 3	123.097	4.000	-	127.097	5.644	-	5.644	132.741
GRAND TOTAL	125.967	4.000	-	129.967	6.629	-	6.629	136.596

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 appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total		
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
110 Establishment plan posts	1.183	-	(173)	1.010	202	-	202	1.212	
111 External personnel	839	-	(105)	734	105	-	105	839	
Total Chapter 11	2.022	-	(278)	1.745	307	-	307	2.051	
130 Mission expenses	30	-	(9)	21	20	-	20	41	
Total Chapter 13	30	-	(9)	21	20	-	20	41	
140 Socio-medical infrastructure	10	-	(9)	1	-	-	-	1	
Total Chapter 14	10	-	(9)	1	-	-	-	1	
150 Training	10	-	2	12	-	-	-	12	
Total Chapter 15	10	-	2	12	-	-	-	12	
160 External services	81	-	-	81	138	-	138	219	
Total Chapter 16	81	-	-	81	138	-	138	219	
170 Receptions, events and representation	5	-	(2)	3	-	-	-	3	
Total Chapter 17	5	-	(2)	3	-	-	-	3	
180 Social welfare	70	-	(10)	60	-	-	-	60	
Total Chapter 18	70	-	(10)	60	-	-	-	60	
190 Other staff related expenditure	13	-	-	13	5	-	5	18	
Total Chapter 19	13	-	-	13	5	-	5	18	
Total Title 1	2.241	-	(307)	1.935	470	-	470	2.404	

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

Item	Budget appropriations			Additional appropriations			Total approp. available 8=4+7
	Initial budget adopted 1	Amending budgets 2	Transfers 3	Final adopted budget 4=1+2+3	Reactivated appropriations 5	Assigned revenue 6	
200 Rental of buildings and associated costs	175	-	30	205	-	-	205
Total Chapter 20	175	-	30	205	-	-	205
210 Information, communication technology and data pro	110	-	13	123	430	-	553
Total Chapter 21	110	-	13	123	430	-	553
220 Movable property and associated costs	75	-	-	75	-	-	75
Total Chapter 22	75	-	-	75	-	-	75
230 Current administrative expenditure	150	-	163	313	66	-	378
Total Chapter 23	150	-	163	313	66	-	378
240 Postage / Telecommunications	8	-	-	8	-	-	8
Total Chapter 24	8	-	-	8	-	-	8
250 Meeting expenses	10	-	-	10	-	-	10
Total Chapter 25	10	-	-	10	-	-	10
260 Running costs in connection with operational activity	100	-	(30)	70	-	-	70
Total Chapter 26	100	-	(30)	70	-	-	70
290 Other infrastructure and operating expenditure	-	-	131	131	20	-	151
Total Chapter 29	-	-	131	131	20	-	151
Total Title 2	628	-	307	935	516	-	1.451

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial budget adopted 1	Amending budgets 2	Transfers 3	Final adopted budget 4=1+2+3	Reactivated appropriations 5	Assigned revenue 6	Total 7=5+6	
300 Grants	122.029	-	(91)	121.938	-	-	-	121.938
Total Chapter 30	122.029	-	(91)	121.938	-	-	-	121.938
310 Experts costs	465	-	91	556	-	-	-	556
Total Chapter 31	465	-	91	556	-	-	-	556
Total Title 3	122.494	-	-	122.494	-	-	-	122.494
GRAND TOTAL	125.363	-	-	125.363	986	-	986	126.349

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations – Title 1

EUR '000

Item	Total approp. available	Commitments made				%	Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total		from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
110	1.211	1.009	202	-	1.211	100 %	-	-	-	-
111	839	734	105	-	839	100 %	-	-	-	-
Total Chapter 11	2.049	1.743	307	-	2.049	100 %	-	-	-	-
130	30	10	20	-	30	100 %	-	-	-	-
Total Chapter 13	30	10	20	-	30	100 %	-	-	-	-
140	1	1	-	-	1	100 %	-	-	-	-
Total Chapter 14	1	1	-	-	1	100 %	-	-	-	-
150	12	12	-	-	12	100 %	-	-	-	-
Total Chapter 15	12	12	-	-	12	100 %	-	-	-	-
160	247	107	139	-	246	100 %	-	-	-	-
Total Chapter 16	247	107	139	-	246	100 %	-	-	-	-
170	3	3	-	-	3	100 %	-	-	-	-
Total Chapter 17	3	3	-	-	3	100 %	-	-	-	-
180	60	59	1	-	60	100 %	-	-	-	-
Total Chapter 18	60	59	1	-	60	100 %	-	-	-	-
190	16	13	3	-	16	100 %	-	-	-	-
Total Chapter 19	16	13	3	-	16	100 %	-	-	-	-
Total Title 1	2.418	1.948	470	-	2.418	100 %	-	-	-	-

5.3.2. Implementation of commitment appropriations – Title 2

EUR '000

Item	Total approp. available	Commitments made			Total	%	Appropriations lapsing			Total
		from final adopt. budget	from re-activations	from assign. revenue			from final adopt. budget	from re-activations	from assign. revenue	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
200 Rental of buildings and associated costs	196	196	-	-	196	100 %	-	-	-	-
Total Chapter 20	196	196	-	-	196	100 %	-	-	-	-
210 Information, communication technology and data pro	537	98	427	-	525	98 %	12	-	-	12
Total Chapter 21	537	98	427	-	525	98 %	12	-	-	12
230 Current administrative expenditure	223	106	65	-	171	77 %	52	-	-	52
Total Chapter 23	223	106	65	-	171	77 %	52	-	-	52
240 Postage / Telecommunications	8	-	-	-	-	0 %	8	-	-	8
Total Chapter 24	8	-	-	-	-	0 %	8	-	-	8
250 Meeting expenses	11	1	1	-	2	22 %	9	-	-	9
Total Chapter 25	11	1	1	-	2	22 %	9	-	-	9
260 Running costs in connection with operational activity	89	65	-	-	65	73 %	24	-	-	24
Total Chapter 26	89	65	-	-	65	73 %	24	-	-	24
290 Other infrastructure and operating expenditure	372	350	22	-	372	100 %	-	-	-	-
Total Chapter 29	372	350	22	-	372	100 %	-	-	-	-
Total Title 2	1.437	816	516	-	1.332	93%	105	-	-	105

5.3.3. Implementation of commitment appropriations – Title 3

		Commitments made				Appropriations lapsing				EUR '000
Item	Total approp. available	from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
300 Grants	132.181	122.500	5.644	-	128.144	97 %	4.037	-	-	4.037
Total Chapter 30	132.181	122.500	5.644	-	128.144	97 %	4.037	-	-	4.037
310 Experts costs	560	556	-	-	556	99 %	4	-	-	4
Total Chapter 31	560	556	-	-	556	99 %	4	-	-	4
Total Title 3	132.741	123.056	5.644	-	128.699	97%	4.042	-	-	4.042
GRAND TOTAL	136.596	125.819	6.629	-	132.449	97 %	4.147	-	-	4.147

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.4.1. Implementation of payment appropriations – Title 1

Item	Total approp. availab.	Payments made				%	Appropriations lapsing				Total
		from final adopt. budget	from re-activations	from assign. revenue	Total		from final adopt. budget	from re-activations	from assign. rev.		
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	
110 Establishment plan posts	1.212	1.009	202	-	1.211	100 %	1	-	-	1	
111 External personnel	839	734	105	-	839	100 %	1	-	-	1	
Total Chapter 11	2.051	1.743	307	-	2.049	100 %	2	-	-	2	
130 Mission expenses	41	10	20	-	30	74 %	11	-	-	11	
Total Chapter 13	41	10	20	-	30	74 %	11	-	-	11	
140 Socio-medical infrastructure	1	1	-	-	1	100 %	-	-	-	-	
Total Chapter 14	1	1	-	-	1	100 %	-	-	-	-	
150 Training	12	11	-	-	11	88 %	1	-	-	1	
Total Chapter 15	12	11	-	-	11	88 %	1	-	-	1	
160 External services	219	62	138	-	200	92 %	18	-	-	18	
Total Chapter 16	219	62	138	-	200	92 %	18	-	-	18	
170 Receptions, events and representation	3	3	-	-	3	100 %	-	-	-	-	
Total Chapter 17	3	3	-	-	3	100 %	-	-	-	-	
180 Social welfare	60	60	-	-	60	100 %	-	-	-	-	
Total Chapter 18	60	60	-	-	60	100 %	-	-	-	-	
190 Other staff related expenditure	18	13	5	-	18	100 %	-	-	-	-	
Total Chapter 19	18	13	5	-	18	100 %	-	-	-	-	
Total Title 1	2.404	1.902	470	-	2.372	99 %	32	-	-	32	

EUR '000

5.4.2. Implementation of payment appropriations – Title 2

	Item	Total approp. availab.	Payments made				%	Appropriations lapsing				Total
			from final adopt. budget	from re-activations	from assign. revenue	Total		from final adopt. budget	from re-activations	from assign. rev.		
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	
200	Rental of buildings and associated costs	205	205	-	-	205	100 %	-	-	-	-	
	Total Chapter 20	205	205	-	-	205	100 %	-	-	-	-	
210	Information, communication technology and data pro	553	123	430	-	553	100 %	-	-	-	-	
	Total Chapter 21	553	123	430	-	553	100 %	-	-	-	-	
220	Movable property and associated costs	75	-	-	-	-	0 %	75	-	-	75	
	Total Chapter 22	75	-	-	-	-	0 %	75	-	-	75	
230	Current administrative expenditure	378	86	66	-	152	40 %	226	-	-	226	
	Total Chapter 23	378	86	66	-	152	40 %	226	-	-	226	
240	Postage / Telecommunications	8	-	-	-	-	0 %	8	-	-	8	
	Total Chapter 24	8	-	-	-	-	0 %	8	-	-	8	
250	Meeting expenses	10	2	-	-	2	24 %	8	-	-	8	
	Total Chapter 25	10	2	-	-	2	24 %	8	-	-	8	
260	Running costs in connection with operational activ	70	34	-	-	34	49 %	36	-	-	36	
	Total Chapter 26	70	34	-	-	34	49 %	36	-	-	36	
290	Other infrastructure and operating expenditure	151	1	20	-	22	14 %	129	-	-	129	
	Total Chapter 29	151	1	20	-	22	14 %	129	-	-	129	
	Total Title 2	1.451	453	516	-	969	67 %	482	-	-	482	

5.4.3. Implementation of payment appropriations – Title 3

EUR '000

Item	Total approp. availab.	Payments made				%	Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total		from final adopt. budget	from re-activations	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
300 Grants	121.938	18.919	-	-	18.919	16 %	103.020	-	-	103.020
Total Chapter 30	121.938	18.919	-	-	18.919	16 %	103.020	-	-	103.020
310 Experts costs	556	534	-	-	534	96 %	21	-	-	21
Total Chapter 31	556	534	-	-	534	96 %	21	-	-	21
Total Title 3	122.494	19.453	-	-	19.453	16 %	103.041	-	-	103.041
GRAND TOTAL	126.349	21.808	986	-	22.794	18 %	103.555	-	-	103.555

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. outstanding at year-end		
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
110 Establishment plan posts	-	-	-	-	1.211	1.211	-	-	-
111 External personnel	-	-	-	-	839	839	-	-	-
Total Chapter 11	-	-	-	-	2.049	2.049	-	-	-
130 Mission expenses	-	-	-	-	30	30	-	-	-
Total Chapter 13	-	-	-	-	30	30	-	-	-
140 Socio-medical infrastructure	2	(2)	-	-	1	1	-	-	-
Total Chapter 14	2	(2)	-	-	1	1	-	-	-
150 Training	1	(1)	-	-	12	11	-	1	1
Total Chapter 15	1	(1)	-	-	12	11	-	1	1
160 External services	29	-	29	-	246	172	-	74	74
Total Chapter 16	29	-	29	-	246	172	-	74	74
170 Receptions, events and representation	1	(1)	-	-	3	3	-	-	-
Total Chapter 17	1	(1)	-	-	3	3	-	-	-
180 Social welfare	-	-	-	-	60	60	-	-	-
Total Chapter 18	-	-	-	-	60	60	-	-	-
190 Other staff related expenditure	5	(3)	2	-	16	16	-	-	-
Total Chapter 19	5	(3)	2	-	16	16	-	-	-
Total Title 1	37	(7)	31	-	2.418	2.342	-	76	76

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	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7		9=4+8
200										
<i>Rental of buildings and associated costs</i>	19	-	19	-	196	186	-	10	10	
Total Chapter 20	19	-	19	-	196	186	-	10	10	
210										
<i>Information, communication technology and data pro</i>	110	(57)	53	-	525	500	-	25	25	
Total Chapter 21	110	(57)	53	-	525	500	-	25	25	
230										
<i>Current administrative expenditure</i>	103	(26)	78	-	171	74	-	97	97	
Total Chapter 23	103	(26)	78	-	171	74	-	97	97	
240										
<i>Postage / Telecommunications</i>	1	(1)	-	-	-	-	-	-	-	
Total Chapter 24	1	(1)	-	-	-	-	-	-	-	
250										
<i>Meeting expenses</i>	-	-	-	-	2	2	-	-	-	
Total Chapter 25	-	-	-	-	2	2	-	-	-	
260										
<i>Running costs in connection with operational activities</i>	6	(6)	-	-	65	34	-	31	31	
Total Chapter 26	6	(6)	-	-	65	34	-	31	31	
290										
<i>Other infrastructure and operating expenditure</i>	-	-	-	-	372	22	-	350	350	
Total Chapter 29	-	-	-	-	372	22	-	350	350	
Total Title 2	239	(89)	150	-	1.332	819	-	513	513	

6.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitment. outstanding at year-end
	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. outstanding at year-end	Total commitment. outstanding at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
300 Grants	86.009	(37)	18.919	67.053	128.144	-	-	128.144	195.197
Total Chapter 30	86.009	(37)	18.919	67.053	128.144	-	-	128.144	195.197
310 Experts costs	4	(4)	-	-	556	534	-	21	21
Total Chapter 31	4	(4)	-	-	556	534	-	21	21
Total Title 3	86.013	(41)	18.919	67.053	128.699	534	-	128.165	195.218
GRAND TOTAL	86.290	(137)	19.099	67.053	132.449	3.695	-	128.754	195.807

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 carryovers, 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.