

25

**Consolidated
financial
statements
2025**

Foreword

Effective cost control in support of EPFL's growth strategy

In 2025, EPFL was again strongly affected by the consequences of the budget cuts introduced in response to the geopolitical events occurring over the past few years. It's only by effective cost control that we've been able to maintain our high quality standards and ensure we can continue to execute on our core missions of education, research and innovation.

The federal contribution is still our main source of funding, accounting for 61% of our revenue.

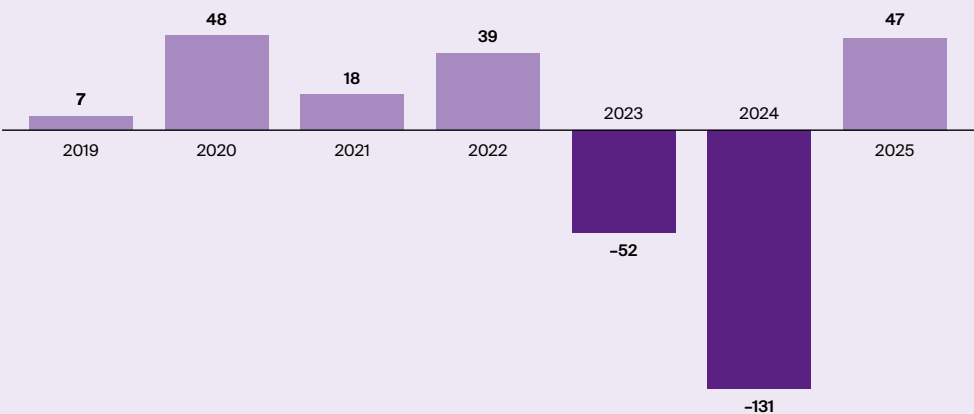
Third-party funding grew 9% (or MCHF + 39) and made up 39% of our operating revenue, reflecting our School's ability to attract outside funding and supplement the contribution from the federal government.

Free cash-flow

Owing to the sharp budget cuts, EPFL, like the other ETH Domain institutions, is paying close attention to its free cash flow.* The figure below shows that free cash flow turned positive in 2025 after two substantially negative years in 2023 and 2024, which were mainly due to the significant increase in electricity prices and the early transfer of the SwissTech Convention Center (STCC) to the Swiss federal government. The turnaround in 2025 reflects the cost-saving measures and spending cuts that EPFL introduced in recent years and ramped up in 2025. These measures included capping the number of first-year bachelor's students at 3,000, which was effective at slowing the growth in our student body (up 0.4% in September 2025), and instituting a temporary freeze on new research chairs (which are held by professors). In addition, all EPFL schools and vice presidencies have taken steps to prioritize their projects and identify cost-saving opportunities.

* cash flow from operating activities + net investments in property, plant, equipment and intangible assets)

Free cash-flow evolution

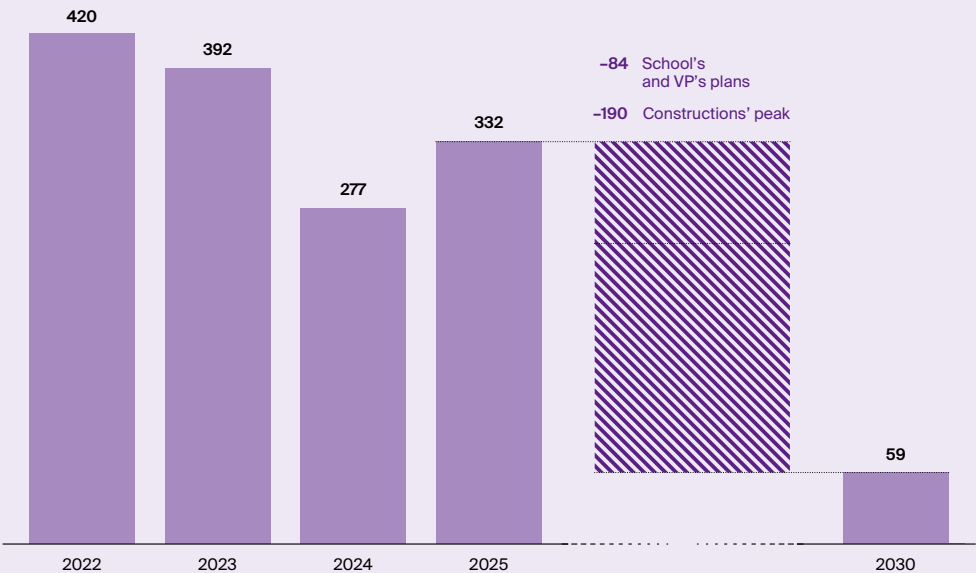


The positive free cash flow in 2025 is especially significant given that our School will experience negative cash flow between 2026 and 2030 owing to the construction of two major buildings: Double Deck and the Advanced Science Building. Double Deck will be used for educational purposes while the Advanced Science Building will give our researchers a cutting-edge facility for studying the basic sciences.

Changes in reserves

The free cash flow generated in 2025 was used to partly restore our reserves with and without dedication, which grew 20% (MCHF 55) during the year. However, reserves are set to decline as funds are deployed to cover the peak in construction activity in 2026–2030 against a backdrop of government budget cuts. We will need to use up almost all of our remaining reserves over the next five years to finance the two new buildings, which will enable us to support our growing student body, remain at the forefront of scientific research, and renovate the infrastructure on our Lausanne campus – in particular to help meet our carbon-emission reduction targets.

Reserves evolution



Finance function plays a critical role in planning, efficiency and collaboration

In a climate marked by a decrease in federal spending on education, research and innovation, our goal at the Vice Presidency for Finances (VPF) is to support the School's growth strategy and resource-allocation objectives in a way that enables us to keep fulfilling our core missions, upgrade and standardise our processes, and maintain our efforts to boost operating efficiency.

Optimising the use of our finances requires a concerted effort from all departments involved in EPFL's operations, including our support services, schools and colleges, and research labs. At the VPF, we strive to continuously improve our processes and systems, working closely with all stakeholders involved in our budgeting and accounting processes. We also maintain an open dialogue with EPFL's administrative, teaching and research staff, including by providing specific training on financial topics, to help us meet the needs of those handling

the School's funds on a daily basis and benefit from their ideas on how our administrative processes can be improved.

In 2025, we furthered our efforts to deploy modern decision-support software that provides the speed and agility managers need to respond to the steady pace of change in EPFL's environment. Advanced technology will be instrumental in enabling us to automate our processes and manage data more effectively, paving the way to faster decision-making.

Some of our key initiatives in this area are:

- The Nexus programme to migrate to a new version of our financial management system. The design phase was completed in 2025 and the development work has begun with the goal of implementing the new version in 2027. One priority in this programme is to upgrade the tools used at EPFL research labs, to help them better manage their finances.
- The development of long-term planning software that will improve our ability to forecast the needs of each school and college* as well as EPFL as a whole. The software was installed at schools and colleges in 2025 and will be rolled out across EPFL in 2026.
- An assessment of how artificial intelligence can be deployed to provide better financial support to our School and to individual units. In 2025, we carried out a pilot test of a system that simplifies the handling of questions that the VPF receives from personnel at EPFL schools and colleges.

* Structures that mainly comprise education and research activities

Risk management

EPFL introduced a new risk management approach in 2025 focused on risks specific to our School. The new approach is intended to give upper management a more structured view of the risks associated with its strategy, including risks that are currently under control as well as those requiring more effective mitigation measures. The cross-functional analyses enabled by the new approach are helping us to identify the most sensitive issues in the areas of finance, infrastructure, digital technology, regulations and organisational processes, and to examine how these issues are evolving in today's rapidly changing environment.

Based on the findings of these analyses, we have outlined several measures for improving our overall risk management. These include enhancing our financial-planning and liability-management procedures, taking steps to steer our real estate projects more effectively, and updating our internal control applications so they better cover critical processes. We also plan to step up our awareness-building programmes in the areas of data protection, compliance, knowledge security and psychosocial risk prevention.

In digital technology, we have continued our cybersecurity initiatives and are performing business continuity tests and assessments, which together will improve the resilience of our essential systems and services. We are also working to improve coordination among different services and better structure our international partnerships so as to more effectively plan for sensitive situations.

For the past few years, our Risk Management Committee has been carefully examining multi-level governance issues at some entities within our broader scope of consolidation.

All the efforts described above will reinforce risk management at our School and hone our ability to adapt our strategy and priorities to our changing environment.

Discussion of the consolidated financial statements

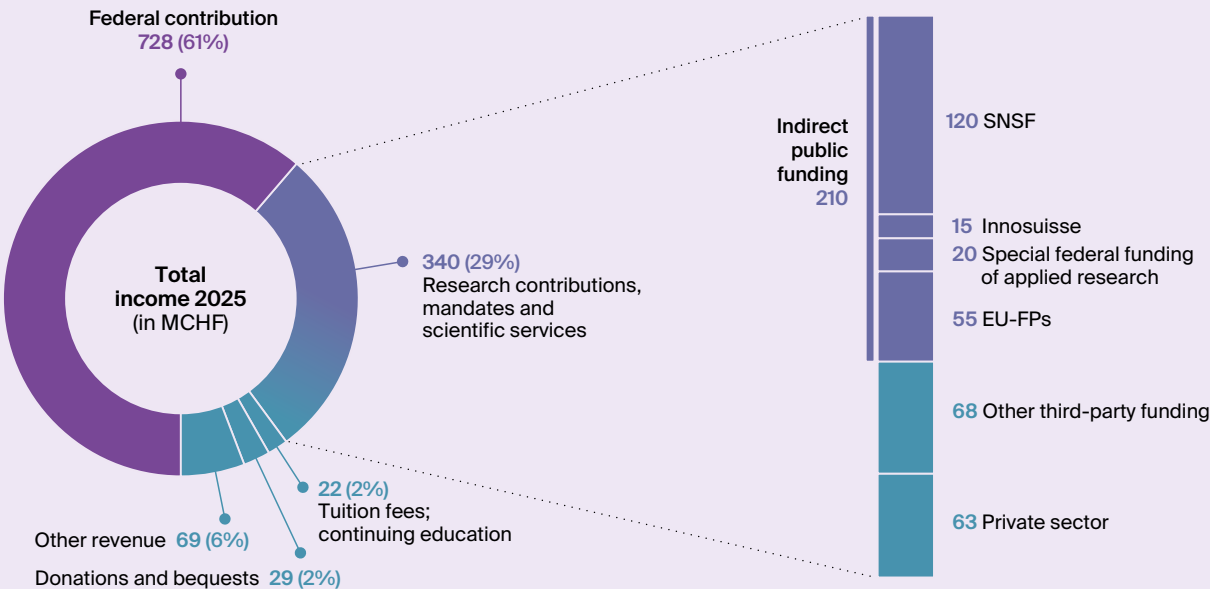
Consolidated statement of financial performance

Operating revenue totalled MCHF 1,188 in 2025 (versus MCHF 1,050 in 2024), and the combined total of operating expenses, net financial income/expense, and the surplus/deficit of associated entities was MCHF 1,159 (versus MCHF 1,173 in 2024). After booking a MCHF 123 deficit in 2024 – due primarily to the MCHF 141 transfer of funds to the Swiss Federal Office for Buildings and Logistics, in connection with the early transfer of the STCC to the Swiss federal government – we recorded a MCHF 29 surplus in 2025.

As a reminder, EPFL has three revenue streams:

- The **federal contribution** to EPFL, which is our main source of funding and accounts for approximately two-thirds of operating revenue. It is granted to EPFL by the ETH Domain. The federal contribution totalled MCHF 728 in 2025, up 16% from 2024 (see note 5).
- **Indirect public funding**, which is our second-largest source. This funding (MCHF 210 in 2025, up 7% from 2024) comes from the Swiss National Science Foundation, Innosuisse, other Swiss federal programmes, and EU Framework Programmes.
- Other funding, which comes from the private sector, non-profit organisations, services revenue, tuition, and donations and bequests; these together amounted to MCHF 250 in 2025 (up 12% from 2024) and represent our third-largest source of funding. The increase is non-recurring and reflects a change in accounting method for funding from a third party.

The second and third revenue streams listed above make up our third-party funding, which grew by MCHF 39 in 2025 to reach MCHF 460 (or 39% of operating revenue). Switzerland’s exclusion from the EU’s Horizon Europe research programme until 31 December 2024 led to a substantial drop in revenue, although this was offset by Switzerland’s return to the programme in 2025 and by higher funding from several Swiss agencies under the “transitional measures for the 2021–2027 Horizon Europe programme”. Revenue from these transitional measures grew from MCHF 47 in 2024 to MCHF 57 in 2025. We would also note that donations and bequests, which tend to be more volatile, declined from MCHF 37 to MCHF 29.



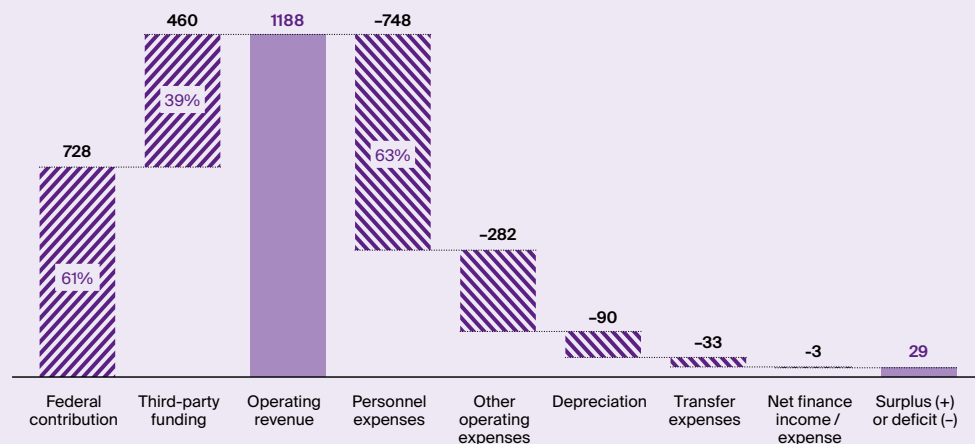
Consolidated operating expenses, at MCHF 1,154, were largely unchanged from 2024, although there were significant variations in individual line items:

- Personnel expenses edged down MCHF 6 to MCHF 748 and accounted for nearly 65% of operating expenses. These personnel expenses corresponded to 5,970 full-time equivalents (FTEs) in 2025, or 132 FTEs less than in 2024 (see note 10).
- Other operating expenses fell MCHF 18 to MCHF 282, primarily on the back of lower energy costs following the spike in 2023 and 2024.
- Depreciation and transfer expenses totalled MCHF 123 (versus MCHF 118 in 2024).

Summary consolidated statement of financial performance

MCHF	2025	2024
Operating revenue	1 188	1 050
Changes to previous year	13.1%	- 9.4%
Operating expenses	1 155	1 173
Changes to previous year	- 1.5%	- 0.4%
Net finance income / expense	- 4	1
Surplus (+) or deficit (-)	29	- 123

Graphical representation of the 2025 consolidated statement of financial performance



Consolidated balance sheet

Total assets amounted to MCHF 1,782 at 31 December 2025, up MCHF 25 from the prior year.

The MCHF 21 decrease in non-current assets, while marginal, masks larger fluctuations within individual asset categories (see the consolidated balance sheet on page 2). Plant, property and equipment declined by MCHF 279 owing to the first-time application of IPSAS 43 in 2025, which meant that leases were reclassified to a new line item called Right-of-use assets from movable and immovable tangible assets, and to the derecognition of the STCC at 6 January 2025 following its early transfer to the Swiss federal government.

The MCHF 113 decline in total liabilities can be attributed primarily to a MCHF 109 drop in net defined benefit liabilities. This accounting entry was offset by a corresponding increase in equity (recognised in valuation reserves).

Summary consolidated balance sheet

MCHF	31.12.2025	31.12.2024
Current assets	870	825
Thereof cash and cash equivalents	536	503
Non-current assets	911	932
Total assets	1 782	1 757
Liabilities	1 196	1 308
Equity	586	448
Total liabilities and equity	1 782	1 757
Changes to previous years	1.4%	-4.1%

Consolidated cash flow statement

As a reminder, the negative MCHF 430 total cash flow in 2024 mainly reflects the reduction in the federal contribution in connection with the early transfer of the STCC along with the implementation of a new investment strategy that resulted in a net transfer of MCHF 294 to more than 90-day deposits (recorded in cash flows from investing activities).

Total cash flow was a positive MCHF 15 in 2025. As shown in the consolidated cash flow statement on page 5, cash flows from investing activities included MCHF 59 of purchases of property, plant, equipment and intangible assets (versus MCHF 75 in 2024) and a MCHF 16 net cash outlay for current and non-current financial assets.

Consolidated cash flow statement

MCHF	2025	2024
Cash flows from operating activities	105	-56
Cash flows from investing activities	-75	-369
Cash flows from financing activities	-15	-5
Total cash flow	15	-430

Table of contents

Consolidated financial statements	01
Consolidated statement of financial performance	01
Consolidated balance sheet	02
Consolidated statement of changes in equity	03
Consolidated cash flow statement	05
Notes to the consolidated financial statements	07
01 Business activity	07
02 Basis of accounting	07
03 Accounting policies	11
04 Estimation uncertainty and management judgements	22
05 Federal financial contribution	23
06 Tuition fees, continuing education	24
07 Research contributions, mandates and scientific services	24
08 Donations and bequests	25
09 Other revenue	26
10 Personnel expenses	26
11 Other operating expenses	27
12 Transfer expenses	27
13 Net finance income / expense	28
14 Cash and cash equivalents	28
15 Receivables	28
16 Inventories	29
17 Prepaid expenses and accrued income	29
18 Change in associated entities	29
19 Property, plant and equipment and intangible assets	31
20 Rights of use	33
21 Financial assets and loans	34
22 Co-financing	34
23 Current liabilities	35
24 Financial liabilities	35
25 Accrued expenses and deferred income	36
26 Provisions	37
27 Net defined benefit liabilities	37
28 Dedicated third-party funds	43
29 Financial risk management and additional information about financial instruments	44
30 Contingent liabilities and contingent assets	50
31 Financial commitments	51
32 Remuneration of key management personnel	51
33 List of the controlled and associated entities (scope of consolidation)	51
34 Events after the reporting date	52
Report of the statutory auditor	53

Glossary

BCC	Building Cost Classification
BVG	<i>Altersvorsorge</i>
CAS	Common Audit Service
CHF	Swiss franc
CHUV	<i>Centre hospitalier universitaire vaudois</i>
CSCS	<i>Centre suisse de calcul scientifique</i>
CSEM	<i>Centre suisse d'électronique et de microtechnique</i>
ETH	<i>Eidgenössischen technischen Hochschulen</i>
EU	European Union
FEIP	Fondation EPFL Innovation Park
FFA	Federal Finance Administration
FTE	Full time equivalent
ICS	Internal control system
IPSAS	International Public Sector Accounting Standards
MCHF	Millions of Swiss francs
SNSF	Swiss National Science Foundation
SQIE	<i>Société pour le quartier de l'innovation de l'EPFL</i>
SQNE	<i>Société du quartier nord de l'EPFL</i>
SR	Systematische Rechtssammlung
STCC	SwissTech Convention Center
UNIL	<i>Université de Lausanne</i>

Consolidated financial statements

Rounding differences: It is possible that the sum of figures presented in this document does not correspond exactly to the total amounts shown in the tables. Variations are calculated on unrounded figures and may differ from values based on the figures in the tables, which are rounded.

Consolidated statement of financial performance

MCHF	2025	2024	Change absolute	Note
Federal financial contribution	675	580	95	
Federal contribution to accommodation	53	49	4	
Total federal contribution	728	629	99	05
Tuition fees, continuing education	22	19	3	06
Swiss National Science Foundation (SNSF)	120	111	9	
Swiss Innovation Agency (Innosuisse)	15	11	3	
Special federal funding of applied research	20	20	0	
EU Framework Programmes for Research and Innovation (EU-FPs)	55	55	0	
Industry-oriented research (private sector)	63	57	5	
Other project-oriented third-party funding (incl. cantons, municipalities, international organisations)	68	43	24	
Research contributions, mandates and scientific services	340	297	43	07
thereof transitional measures Confederation	57	47	11	07
Donations and bequests	29	37	-7	08
Other revenue	68	68	0	09
Operating revenue	1 188	1 050	138	
Personnel expenses	748	754	-6	10, 27
Other operating expenses	283	301	-18	11
Depreciation	90	90	0	19, 20, 21
Transfer expenses	33	28	5	12
Operating expenses	1 155	1 173	-19	
Operating result	33	-123	157	
Net finance expense / income	-3	1	-5	13
Share of surplus / deficit of associated entities and joint ventures	-1	-1	-1	18
Surplus (+) or deficit (-)	29	-123	151	

Consolidated balance sheet

MCHF	31.12.2025	31.12.2024	Change absolute	Note
Cash and cash equivalents	91	76	15	14
Current receivables from non-exchange transactions	291	279	12	15
Current receivables from exchange transactions	18	17	2	15
Current financial assets and loans	445	427	18	21
Inventories	3	3	0	16
Prepaid expenses and accrued income	23	23	-1	17
Total current assets	870	825	46	
Property, plant and equipment	222	502	-279	19
Intangible assets	13	54	-41	19
Non-current receivables from non-exchange transactions	280	273	7	15
Investments in associated entities and joint ventures	37	38	-1	18
Activated rights of use	297	0	297	20
Non-current financial assets and loans	8	8	0	21
Co-financing	55	57	-2	22
Total non-current assets	911	932	-21	
Total assets	1 782	1 757	25	
Current liabilities	40	41	-1	23
Current financial liabilities	19	152	-132	24
Accrued expenses and deferred income	61	63	-2	25
Short-term provisions	31	24	7	26
Short-term liabilities	150	279	-129	
Dedicated third-party funds	633	632	0	28
Non-current financial liabilities	347	222	125	24
Net defined benefit liabilities	49	158	-109	27
Long-term provisions	16	16	0	26
Long-term liabilities	1 045	1 029	16	
Total liabilities	1 196	1 308	-113	
Valuation reserves	231	122	109	
Reserves from associated entities	37	38	-1	18
Donations, grants, co-financing	158	157	2	
Reserves with internal dedication	91	119	-28	
Reserves without dedication	241	158	83	
Accumulated surplus (+) / deficit (-)	-172	-145	-27	
Other equity	160	131	28	
Total equity	586	448	138	
Total liabilities and equity	1 782	1 757	25	

Consolidated statement of changes in equity

MCHF	Valuation reserves	Reserves from associated entities	Donations, grants, co-financing	Teaching and research reserves	Infrastructure and administration reserves	Reserves with internal dedication	Reserves without dedication	Accumulated surplus (+) / deficit (-)	Total equity
2024									
Value as of 01.01.2024	149	39	155	101	11	112	281	-137	599
Revaluation of defined benefit liability	-27								-27
Total items directly recognised in equity	-27	0						0	-27
Surplus (+) or deficit (-)								-123	-123
Transfers in current period		-1	2					-1	0
Transfer of reserves with internal dedication				5	2	7	-7		0
Appropriation of reserves							-116	116	0
Total changes	-27	-1	2	5	2	7	-123	-8	-150
Value as of 31.12.2024	122	38	157	105	13	119	158	-145	448
2025									
Value as of 01.01.2025	122	38	157	105	13	119	158	-145	448
Revaluation of defined benefit liability	109								109
Changes in investments in associated entities		0						0	0
Total items directly recognised in equity	109	0						0	109
Surplus (+) or deficit (-)								29	29
Transfers in current period		-1	2					0	0
Transfer of reserves with internal dedication				-18	-10	-28	28		0
Appropriation of reserves							55	-55	0
Total changes	109	-1	2	-18	-10	-28	83	-27	138
Value as of 31.12.2025	231	37	158	88	3	91	241	-172	586

Overview

The portion of equity representing EPFL's capacity for development consists of reserves with (MCHF 91) and without dedication (MCHF 241), which together amounted to MCHF 332 as at 31 December 2025, which is MCHF 55 more than as at 31 December 2024.

Valuation reserves

Valuation reserves relate to net defined benefit liabilities and are discussed in [note 27](#). These net defined benefit liabilities totalled MCHF 49 at 31 December 2025 and are recognised in liabilities. The MCHF 109 variation reflects a change in actuarial assumptions for the fair value of plan assets (see [note 27](#)).

Reserves with internal dedication

These are reserves used for teaching and research activities, including research in the strategic areas identified by the ETH Board, and for funding new research facilities.

Reserves without dedication

These reserves include unused funds that are not bound by contractual or internal obligations.

The MCHF 83 net increase (equivalent to 12.3% of the federal contribution) can be attributed to the surplus generated in 2025 and the non-recurring effect of a reclassification of leases, as discussed in the foreword.

Donations, grants, co-financing

The net increase of MCHF 2 in reserves related to donations, grants and co-financing reflects the fact that the funds used to finance new research chairs and other teaching and research activities were fully offset by new donations and bequests (see [note 8](#)).

Accumulated surplus (+) / deficit (-)

The MCHF -27 change in the accumulated surplus/deficit reflects the MCHF 29 surplus in 2025 less the appropriation of MCHF 55 for reserves without dedication. Nearly half of this appropriated amount is due to a reclassification of funding agreements for which the remaining amount is no longer considered as being subject to a liability to the funding agency (see [note 7](#)).

Consolidated cash flow statement

MCHF	2025	2024	Change absolute	Note
Surplus (+) or deficit (-)	29	-123	151	
Depreciation	90	90	0	17, 19, 21
Share of surplus / deficit of associated entities and joint ventures	1	1	1	18
Net finance income / expense (non-cash)	-1	-5	4	13
Increase / decrease in net working capital	-17	-45	28	
Increase / decrease in net defined benefit liabilities	0	-4	4	27
Increase / decrease in provisions	7	-2	10	26
Increase / decrease in non-current receivables	-7	-43	37	15
Increase / decrease in dedicated third-party funds	0	68	-68	28
Reclassifications and other (non-cash) income	1	6	-5	
Cash flows from operating activities	105	-56	161	
Purchase of property, plant and equipment	-51	-70	19	19
Purchase of intangible assets	-10	-5	-4	19
Increase in loans	-127	-176	50	21
Increase in current and non-current financial assets	-16	-181	164	21
Total investments	-203	-432	228	
Disposal of property, plant and equipment	0	0	0	19
Disposal of intangible assets	2	0	2	19
Decrease in loans	101	45	56	21
Decrease in current and non-current financial assets	26	18	8	21
Total divestments	128	63	65	
Cash flows from investing activities	-75	-369	293	
Increase in short-term and long-term financial liabilities	0	3	-3	24
Decrease in short-term and long-term financial liabilities	-15	-8	-7	24
Cash flows from financing activities	-15	-5	-10	
Total cash flow	15	-430	445	
Cash and cash equivalents at the beginning of the period	76	507	-430	14
Total cash flow	15	-430		
Cash and cash equivalents at the end of the period	91	76	15	14
Contained in the cash flows from operating activities:				
Dividends received	0	1	-1	
Interest received	4	5	-1	
Interest paid	-8	-10	2	

Notes to the consolidated financial statements

01 Business activity

EPFL is one of two Swiss federal institutes of technology. With the status of a federal school since 1969, it has grown in many ways, to the extent of becoming one of the most well-known European institutions of science and technology. EPFL is Europe's most cosmopolitan technical university, with students, professors and staff from over 130 nations. A dynamic environment, open to Switzerland and the world, EPFL is centred on its three missions: teaching, research and technology transfer. EPFL works together with an extensive network of partners including other universities and institutes of technology, developing and emerging countries, secondary schools and colleges, industry and economy, political circles and the general public, to bring about a real impact for society.

The School brings together some 18,500 people, including 14,000 students and 378 professors. Thirteen complete bachelor's programmes and twenty-nine master's programmes are offered in engineering, basic sciences, information technology and communication, life sciences, as well as in the fields of construction, architecture, the environment, digital humanities and financial engineering. They are accompanied by exchange programmes with the world's best institutions and industrial internships to better understand the realities of the corporate world.

02 Basis of accounting

These financial statements are consolidated financial statements covering the reporting period from 1 January 2025 to 31 December 2025. The reporting date is 31 December 2025. The report is prepared in Swiss francs (CHF). All figures are shown in millions of Swiss francs (MCHF) unless indicated otherwise. The accounts presented in French are binding.

Legal basis

EPFL's accounting is based on the following legal foundations (including directives and regulations) in effect in the reporting period:

- Federal Act on the Federal Institutes of Technology of 4 October 1991 (ETH Act; SR 414.110)
- Ordinance on the Domain of the Swiss Federal Institutes of Technology of 19 November 2003 (Ordinance on the ETH Domain; SR 414.110.3)
- Ordinance on the Finance and Accounting of the ETH Domain of 5 December 2014 (SR 414.123)
- Accounting Manual for the ETH Domain (version 8.0)

Accounting standards

The annual consolidated financial statements of EPFL have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs). The underlying accounting provisions are set out in the Accounting Manual for the ETH Domain (art. 34 of the Ordinance on the Finance and Accounting of the ETH Domain, SR 414.123).

IPSASs issued but not yet applied

The following IPSASs were issued before the reporting date:

standard	title	effective date
IPSAS 47	Revenue	01.01.2026
IPSAS 48	Transfer expenses	01.01.2026
IPSAS 49	Retirement benefit plans	01.01.2026
	Improvements to IPSAS 2023	01.01.2026*
	Amendments to IPSAS Standards: Specific IFRIC Interpretations	01.01.2026
	Concessionaires leases and other arrangements conveying rights over assets (amendments to IPSAS 43, IPSAS 47 and IPSAS 48)	01.01.2027
IPSAS 50	Exploration for and evaluation of mineral resources, stripping costs in the production phase of a surface mine (amendments to IPSAS 12)	01.01.2027
	Definition of material (amendments to IPSAS 1, IPSAS 3 and the conceptual framework)	01.01.2027
	Amendments to IPSAS standards as a result of the application of IPSAS 46 "Measurement"	01.01.2028
IPSAS 33	First-time adoption of accrual basis IPSASs (updated version)	01.01.2028

* Effective date for changes that may have an impact on EPFL

The above mentioned standards and improvements to the IPSASs have not been applied early in these annual consolidated financial statements.

EPFL is currently analysing the expected impacts of the following standards on the annual consolidated financial statements:

- IPSAS 47 "Revenue" replaces the previous standards IPSAS 9 "Revenue from exchange transactions", IPSAS 11 "Construction contracts" and IPSAS 23 "Revenue from non-exchange transactions". Under the new standard, revenue transactions are classified into binding arrangements and non-binding arrangements. A binding arrangement is an agreement that confers both rights and obligations on the parties that can be enforced by legal or equivalent means. The difference between the two categories affects both the time at which the revenue is recognised and the recognition of assets and liabilities that are associated with revenue transactions.

EPFL expects that the requirements in the standard that relate to classification and presentation of revenue transactions, in particular, will have an impact on the balance sheet. In both research contracts and donations subject to conditions regarding the use of funds, there are significant contract volumes that are accounted for under IPSAS 23 and the total contract value meets the recognition criteria for a receivable under IPSAS 23. In the case of research contracts, there are often conditions in the performance of the contract, which results in a liability being recognised from non-current, dedicated third-party funds. All research contracts previously classified under IPSAS 23 and a significant number of donation contracts will be treated as binding arrangements under IPSAS 47. As a result, assets and liabilities arising from such agreements will only be recognised where there is a performance obligation not yet satisfied or a right to consideration not yet unconditional. Receivables will only be recognised where the entitlement to the consideration is unconditional. Donations previously recognised under IPSAS 23 without conditions will be classified as binding arrangements under IPSAS 47 if the provisions regarding the use of funds are sufficiently specific to give rise to compliance obligations. As a result, the balance sheet of the ETH Domain will be significantly reduced.

In addition, the timing of revenue recognition for donations classified as binding arrangements changes. These donation contracts usually contain obligations to provide services, which take place over a period of time. As a result, a significant proportion of the reserves from donations recognised in equity under IPSAS 23 are reported as liabilities under IPSAS 47. The impact on revenue from donations in the first year of application within EPFL has yet to be determined and depends on various factors, including the volume of donations in different years and the transition rights to be exercised by EPFL in the initial application.

- IPSAS 48 “Transfer expenses” contains provisions on the recognition and disclosure of transfer expenses and thus closes an existing gap in the IPSASs. As is the case with IPSAS 47 “Revenue”, the standard is based on the concept of binding agreements. The recognition of transfer expenses depends on whether the transaction includes an enforceable right to the fulfilment of the obligations (by the recipient of the transfer). Such an enforceable right is recognised by the transferor and subsequently recognised as an expense when the enforceable right expires. EPFL does not expect any material impact on EPFL’s consolidated balance sheet, statement of financial performance and cash flow statement. However, these clarifications have not yet been completed.
- Concessionary leases and other arrangements conveying rights over assets has led to amendments to IPSAS 43, IPSAS 47 and IPSAS 48. Among other things, these amendments address the application of these standards to agreements for the use of property, plant and equipment that are given without consideration or at below market terms.
- Amendments to IPSAS Standards – Specific IFRIC interpretations is to support the IPSAS Board (IPSASB) objective of supplementing the existing IPSASs with specific interpretations already published by the IFRS Interpretations Committee. Depending on the transaction, amendments based on IFRIC 1 “Changes in existing decommissioning, restoration and similar liabilities” and IFRIC 14 “The limit on a defined benefit asset, minimum funding requirements and their interaction” relevant to EPFL. However, the relevant clarifications have not yet been completed.
- Amendments to IPSAS standards as a result of the application of IPSAS 46 “Measurement” marks the end of the second phase of the IPSASB’s measurement project. Following the Publication of IPSAS 46 in May 2023, the IPSASB analysed the applicability of the current operational value to individual IPSAS standards. The IPSASB concluded that the current operational value should be introduced in IPSAS 12 “Inventories” and IPSAS 21 “Impairment of non-cash-generating assets”.

Changes in accounting due to new IPSASs

IPSAS 43 “Leases”

On 1 January 2025, EPFL applied IPSAS 43 “Leases” for the first time. IPSAS 43 introduces a standardised approach for lessees to account for leases, whereby for each lease an asset is to be recognised for the rights to use the leased assets and a liability is to be recognised for the payment obligations entered into. The distinction between finance and operating leases previously required under IPSAS 13 “Leases” is therefore no longer necessary for the lessee. In contrast to the previous disclosure of expenses from operating leases, depreciation on rights of use and interest expenses from the compounding of interest on lease liabilities will now be recognised. In the cash flow statement, the amortisation portion from newly recognised leases reduces cash flows from financing activities rather than cash flows from operating activities, as was the case before. Interest payments continue to be reported as cash flows from operating activities. The accounting rules for lessors remain largely unchanged. The lessor continues to distinguish between finance and operating leases for accounting purposes.

EPFL has chosen the modified retrospective approach for the first-time application of IPSAS 43. For reasons of simplification, there has been no reassessment of whether a contract already in existence on 1 January 2025 constitutes or contains a lease. Contracts previously classified as operating leases were capitalised and recognised as liabilities in the amount of the present value of the future residual lease payments. As with current leases, leases that had a residual term of less than twelve months on the date of application were not recognised in the balance sheet. The lease payments associated with these leases were recognised as expenses on a straight-line basis over the term of the lease. Extension and termination options were reassessed when IPSAS 43 was first applied in the measurement of the lease term.

The reconciliation of operating lease obligations as at 31 December 2024 to the opening balance sheet value of lease liabilities as at 1 January 2025 is as follows:

MCHF	01.01.2025
Future minimum lease payments from non-cancellable operating leases as of 31.12.2024	141
Revaluation of the lease term due to extension or termination options	29
Simplified application for short-term leases	-1
Variable lease payments and other effects	-41
Gross lease liabilities as of 01.01.2025	127
Discounting	-7
Additional lease liabilities due to initial application of IPSAS 43 as of 01.01.2025	121
Present value from finance lease liabilities as of 31.12.2024	290
Lease liabilities as of 01.01.2025	410

Lease liabilities were discounted using the incremental borrowing rate as of 1 January 2025. The average interest rate was 0.57%. Other effects mainly comprise adjustments for variable lease payments that were presented as payments for operating leases but are not recognised under IPSAS 43, as well as prepaid rental interest.

As a result of the initial application of IPSAS 43 as of 1 January 2025, additional right-of-use assets of MCHF 121 were recognised. The previous year's figures have not been restated. The switch to IPSAS 43 has no impact on equity as of 1 January 2025.

IPSAS 44 “Non-current assets held for sale and discontinued operations”

IPSAS 44 “Non-current assets held for sale and discontinued operations” governs the accounting and measurement of assets held for sale and specifies the presentation and disclosure of discontinued operations. EPFL does not expect any material impact from the first-time application of IPSAS 44 for the following reasons: There were no transactions on the books as at 31 December 2025 and no new transactions in the reporting period that meet the criteria.

IPSAS 45 “Property, plant and equipment”

IPSAS 45 “Property, plant and equipment” replaces the previous standard on the same topic, IPSAS 17. The new standard includes an additional measurement model (“current operational value”). The standard also introduces the requirement to recognise and disclose heritage assets that qualify as items of property, plant and equipment.

Under IPSAS 17, EPFL had exercised its option not to include heritage assets. The holdings of culturally relevant assets comprise collections from the arts and sciences as well as various archives, which have been analysed to determine whether they constitute heritage assets within the meaning of IPSAS 45. Due to the historical development, use and specialist focus, the “collection” itself was defined as the accounting unit for all collections. The analysis with regard to the characteristics of a heritage asset and the valuation of the assets were carried out accordingly at the collection level. Some of the collections exhibit the characteristics of heritage assets named in IPSAS 45. They also meet the requirements to be classified as an asset in accordance with IPSAS 1.

Collections for which no reliable valuation is possible are not recognised in the balance sheet. On the date of initial application, there were no collections in EPFL that fulfilled the recognition criteria. The sole collection concerned is presented in [note 19](#).

IPSAS 46 “Measurement”

IPSAS 46 “Measurement” introduces principles for initial and subsequent measurements that apply to all IPSAS. The standard for the first time provides comprehensive guidance on fair value measurement. It also introduces a new additional measurement model (“current operational value”), which provides an alternative measurement basis for certain public sector assets. The first-time application of IPSAS 46 has no direct, material impact on EPFL. We expect the impact to become apparent only with the second phase of the IPSASB project, amendments to IPSAS standards as a result of the application of IPSAS 46 “Measurement” (see the section [“IPSAS issued but not yet applied”](#) in this note).

03 Accounting policies

The accounting policies are derived from the basis of accounting. The annual consolidated financial statements present a true and fair view of EPFL’s financial position, financial performance and cash flows.

The consolidated financial statements are based on historical cost. Exceptions to this rule are described in the following presentation of the accounting principles.

Consolidation

The annual consolidated financial statements of EPFL comprise the financial statements of all the entities over which it exercises direct or indirect control. The carrying amounts of investments in associated entities are also included in the consolidated financial statements.

Control means that, through its involvement with the entity, EPFL has the power to direct the relevant activities of the entity and thus the ability to affect the nature and amount of benefits. At the same time, the controlling entity is exposed, or has rights, to variable benefits. EPFL normally has control if it directly or indirectly holds more than 50% of the voting rights or potential voting rights of the entity. These entities are fully consolidated.

Entities are consolidated on the basis of the single-entity financial statements of EPFL and the controlled entities. Receivables, liabilities, revenue and expenses from transactions between the consolidated entities as well as ownership interests and unrealised intra-economic entity surpluses are eliminated on consolidation. All financial statements are prepared in accordance with uniform policies and normally at the same reporting date.

Due to time constraints, it is sometimes necessary to use prior-year financial statements for controlled entities rather than the financial statements as of 31 December of the reporting period. The prior-year financial statements used make up an insignificant portion of the consolidated financial statements of EPFL and are adjusted for significant transactions between the prior-year reporting date and 31 December of the reporting period.

Investments in entities newly acquired in the course of the reporting period are included in the annual consolidated financial statements if they meet the consolidation criteria and exceed the thresholds defined in the Ordinance on the Finance and Accounting of the ETH Domain two years in succession. Entities which are sold are included up until the date on which control is lost, which is usually the date of disposal.

There are no non-controlling interests to consider or report in EPFL.

Associated entities are entities where EPFL has influence, but not control. A significant investment in an associated entity usually exists if EPFL holds 20% to 50% of the voting rights. These investments are not consolidated, but are instead accounted for using the equity method and recognised as investments in associated entities. Under the equity method, the value of the investment corresponds to the acquisition value, which is subsequently adjusted for any changes in the net assets of the associated entity.

An overview of the controlled and associated entities can be found in [note 33](#).

Currency translation

Transactions in a currency other than the functional currency are translated using the exchange rate at the transaction date.

At the reporting date, monetary items in foreign currencies are translated at the closing rate and non-monetary items using the exchange rate at the transaction date. The resulting currency translation differences are recognised as finance income or finance expense.

Assets and liabilities of controlled entities with a different functional currency are translated at the closing rate, and the statement of financial performance and cash flow statement at the average rate. Translation differences arising on the translation of net assets and statements of financial performance are recognised in equity.

The principal currencies and their exchange rates are:

currency	unit	closing rate as of 31.12.2025	closing rate as of 31.12.2024	average rate 2025	average rate 2024
EUR	1	0.9305	0.9389	0.9370	0.9524
USD	1	0.7923	0.9063	0.8307	0.8801
GBP	1	1.0674	1.1364	1.0938	1.1251

Revenue recognition

Each inflow of funds is assessed to determine whether it is an exchange transaction (IPSAS 9) or a non-exchange transaction (IPSAS 23). In the case of an exchange transaction (IPSAS 9), the revenue is generally recognised when the goods are delivered or the services rendered. For project agreements, the performance obligation not yet performed is allocated to liabilities. The revenue is recorded and reported by reference to the stage of completion of the project, based on the costs incurred in the reporting period.

In the case of a non-exchange transaction (IPSAS 23), a distinction is made between whether or not there is a performance or repayment obligation. If there is such an obligation, the corresponding amount is recognised as a liability at inception of the agreement and released to surplus or deficit according to the stage of completion based on the resources consumed.

If there is neither an exchange nor a performance or repayment obligation in accordance with IPSAS 23, revenue is recognised in surplus or deficit in full in the reporting period and net assets / equity increased accordingly. This is usually the case with donations.

Revenue is structured as follows.

Total federal contribution

The contributions granted by the federal government to EPFL include the federal financial contribution (in the narrower sense) and the federal contribution to accommodation. Both types of revenue are classified as non-exchange transactions (IPSAS 23).

Federal contributions are recognised in the year in which they are paid. Unused funds from federal financial contributions result in reserves under equity.

The contribution to accommodation is equal to the accommodation expense, which is equal in amount to an imputed rent for the buildings owned by the federal government and used by EPFL. Accommodation expense is reported within other operating expenses.

Tuition fees, continuing education

Revenue from tuition fees, cost contributions to continuing education and further training as well as administration fees is classified as an exchange transaction (IPSAS 9). As a rule, revenue is accounted for on an accrual basis when the goods are delivered or the services rendered.

Research contributions, mandates and scientific services

Project-related contributions are given to EPFL by various donors with the aim of promoting teaching and research. Project financing primarily relates to multi-year projects. Depending on the nature of the contributions, they are classified as either an exchange or a non-exchange transaction.

Donations and bequests

Revenue from donations and bequests is classified as a non-exchange transaction (IPSAS 23). Such grants where there is no conditional repayment risk are usually recognised as revenue in full when the agreement is signed.

Donations also include goods and services in-kind, which are distinguished as follows:

- **Goods in-kind** are recognised as assets in accordance with the applicable provisions when the agreement is signed.
- **Donated rights** to use assets in the sense of an operating lease are recognised as revenue and expense. Donated rights to use assets in the sense of a finance lease are measured at their fair value at inception of the agreement, if this is known, and depreciated over their useful life. If a performance obligation exists, it is stated as a liability and revenue recognised annually according to the services received. If there is no performance obligation, revenue is recognised upon recognition of the asset as a whole.
- **Services in-kind** received are not recognised but are instead disclosed and commented upon in the notes if they are material.

They are not recognised due to the high number and the difficulty of identifying, separating and evaluating of rights of use and services in kind within research agreements. There is only a general description of the research activity in the notes section.

Other revenue

Among other items, other revenue includes other service revenue and real estate revenue. This revenue is classified as an exchange transaction (IPSAS 9). As a rule, revenue is accounted for on an accrual basis when the goods are delivered or the services rendered.

Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand, demand and term deposits with financial institutions and funds invested with the federal government if their total term or the remaining term to maturity at the time of acquisition is less than 90 days. Cash and cash equivalents are measured at their nominal amount.

Receivables

Receivables from exchange (from goods and services) and non-exchange transactions are presented separately in the balance sheet.

In the case of receivables from non-exchange transactions (IPSAS 23), such as on SNSF, Innosuisse and EU projects and from other donors, it is probable that there will be an inflow of funds in relation to the total contractual project volume. Therefore, the total amount of the project is usually recognised as a receivable at inception of the agreement if the fair value can be measured reliably. If the recognition criteria cannot be met, information is disclosed under contingent assets.

Non-current receivables of over MCHF 10 are stated at amortised cost using the effective interest method. Current receivables are stated at cost.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Appropriate value adjustments are recognised for slow-moving inventories.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation. They are depreciated over their estimated useful life using the straight-line method. The estimated useful lives are as follows:

asset category	useful life
Immovable assets	
Property	unrestricted
Leasehold improvements up to MCHF 1	10 years
Leasehold improvements from MCHF 1	according to components ¹
Buildings and structures	according to components ²
Movable assets	
Machinery, equipment, tools, devices	5 years
Passenger vehicles, delivery vehicles, trucks, aircraft, ships, etc.	5 years
Furnishings	5 years
IT and communication	3 years
Heritage assets	to be determined on a case-by-case basis (unlimited useful life possible)

¹ In the case of items of property, plant and equipment with a value of MCHF 1 or above, it is checked whether components (with a value that is significant in relation to the total value) need to be recognised and depreciated separately because they have a different useful life (components approach).

² Useful life depends on the type of building, its purpose and the fabric of the building (20–100 years). Assets under construction are not depreciated.

Capitalised leasehold improvements and installations in leased premises are depreciated over the estimated useful life or over the term of the lease if shorter.

In the event of additions to property, plant and equipment with a purchase value of MCHF 1 or above, components with a purchase value that is significant in relation to the total purchase value are recognised and depreciated separately based on their specific useful life (components approach).

Investments that have future economic benefits or are of public interest over several years and can be measured reliably are recognised as assets and depreciated over the estimated useful life.

Heritage assets are assets distinguished by their rarity, irreplaceability, limited use and/or their particular significance in terms of their architectural, artistic, cultural, environmental, historical, scientific, technological or other characteristics. If heritage assets generate long-term economic benefits or are of public interest and can be measured reliably, they are recognised as assets and depreciated over the estimated useful life. The useful life of heritage assets is determined separately for each heritage asset. Heritage assets can have an indefinite useful life, as they are usually held with the intention of preserving them for the benefit of future generations and appropriate measures are taken to ensure their preservation. Heritage assets with an indefinite useful life are not depreciated, but are tested for impairment annually. Heritage assets that do not meet the capitalisation criteria are disclosed in [note 19](#).

The residual value of scrapped or sold property, plant and equipment is derecognised from the balance sheet. The disposal date corresponds to the date of physical disposal of the investment. The gains or losses resulting from the derecognition of an item of property, plant and equipment are recognised as operating revenue or operating expenses.

Intangible assets

Intangible assets are recognised at cost. Standard software is amortised over three years using the straight-line method. Other intangible assets with an amortisation period required to be determined individually are amortised over their estimated useful life using the straight-line method.

Impairments of non-financial assets (property, plant and equipment and intangible assets)

Property, plant and equipment and intangible assets are reviewed annually for indications of impairment. If specific indications are identified, an impairment test is performed. If the carrying amount permanently exceeds the value in use or net realisable value, an impairment is recognised in surplus or deficit in the amount of the difference. If the main purpose of an investment is to generate a commercial return, the impairment is calculated using IPSAS 26 "Impairment of cash-generating assets". For all other investments, any impairment is calculated in accordance with the provisions of IPSAS 21 "Impairment of non-cash-generating assets".

The main criteria for the judgement are the original motives behind the respective investments and the significance of the planned cash inflows.

Financial assets

EPFL recognises loss allowances for expected credit losses (ECL) for financial assets which are valued at amortised cost. EPFL measures the loss allowances on receivables in the amount of the expected credit losses over the term (simplified approach). The amount of the loss allowance is measured in the amount of the 12-month credit loss to be expected on the following financial instruments (three-level approach):

- loans which have a low default risk at the balance sheet date, and
- bank deposits for which the default risk has not significantly increased since initial recognition.

Loss allowances for receivables from non-exchange transactions and for receivables from exchange transactions will be measured in the amount of the expected lifetime credit loss (simplified approach) using a loss allowance matrix for portfolios of receivables. In some individual cases, a receivable cannot be assigned to a portfolio and is therefore assessed separately. The probability of default is based on experience, supplemented where possible with currently observed data and an assumption of future development. No loss allowance will be recognised for the share for which a performance obligation according to IPSAS 23 is still recorded on the balance sheet.

In determining whether the default risk of a financial asset has significantly increased since the initial recognition, and in estimating expected credit losses, EPFL takes into account appropriate and reliable information, which is relevant and available without undue expenditure of time and money. This comprises both quantitative as well as qualitative information and analyses which are based on previous experiences of EPFL and well-founded assessments, including forward-looking information, where possible. Among other things, the ETH Domain assumes that the default risk of a financial asset has significantly increased if it is overdue by more than 30 days.

Presentation of the loss allowance for expected credit losses in the balance sheet

Impairments on financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Utilisation of loss allowances

The gross carrying amount of a financial asset is derecognised if, after reasonable assessment, EPFL does not expect that the financial asset to be recoverable in whole or in part. For this purpose, EPFL carries out an individual estimate of the time and amount of the acceptance of the loss allowance. Here, EPFL fundamentally expects that collection of the financial asset is possible. If EPFL does not expect any significant redemption, the amount will be used and the asset derecognised.

Leases

Leases (method applied from 1 January 2025)

At the commencement of a contract, an assessment is made as to whether it constitutes or includes a lease. This is the case if the contract conveys the right to control the use of an identified asset for a specific period of time in return for consideration.

As lessee

An asset for the right-of-use asset granted and a lease liability are recognised on the commencement date. If a lease contract contains both lease and non-lease components, a lease component and the related non-lease component are recognised in EPFL as a single lease component.

The right-of-use asset is initially measured at cost, which corresponds to the initial measurement of the lease liability, adjusted for payments made on or before the commencement date, plus costs that can be recognised under IPSAS 43. Thereafter, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of the lease term. In addition, the right-of-use asset is adjusted for any impairments on an ongoing basis.

The lease liability is initially measured at the present value of the lease payments not yet made on the commencement date, discounted using the interest rate underlying the lease, or, if this cannot be readily determined, using the incremental borrowing rate of EPFL. The incremental borrowing rate is based on risk-free interest rates from the federal government, which are adjusted for various factors, including the type of asset. The lease payments taken into account in the measurement of the lease liability

comprise contractually fixed payments including de facto fixed payments and variable lease payments if they are linked to an index or an (interest) rate. The liability also includes lease payments for extension options if there is sufficient certainty that they will be exercised, as well as penalties for early termination of the lease, unless there is sufficient certainty that the lease will not be terminated early.

The lease liability is measured at amortised carrying amount using the effective interest method. It is remeasured if future lease payments change due to a change in the index or (interest) rate or if the assessment of whether an extension or termination option will be exercised alters. It is reported in the balance sheet under financial liabilities.

Current leases with a maximum term of twelve months on the commencement date are not recognised in EPFL. The lease payments associated with these leases are recognised as expenses on a straight-line basis.

As lessor

Where EPFL acts as the lessor, it classifies each lease as either a finance lease or an operating lease at the commencement of the contract. In order to classify each lease, an overall assessment is made as to whether the lease essentially transfers all the risks and rewards associated with ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is an operating lease. In the case of subleasing, the main lease and the sublease are assessed separately. The sublease is estimated on the basis of the right-of-use asset from the main lease.

Method applied before 1 January 2025

Leases for real estate, equipment, other movable assets and vehicles where EPFL substantially assumes all the risks and rewards incidental to ownership are treated as finance leases.

At inception of the lease, the assets and liabilities under a finance lease are recognised at the fair value of the leased property or, if lower, the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the outstanding liability and the finance charge.

The reduction is deducted from the recognised lease liability. The depreciation of the leased goods occurs over whichever is the shorter of the useful life or the lease term, if the transfer of ownership is not certain by the end of the lease term.

Other leases where EPFL acts as the lessee or lessor are recognised as operating leases. They are not carried on the balance sheet, but instead recognised as an expense in the statement of financial performance on an accrual basis.

Long-term leases of real estate are assessed separately depending on whether they are for plots of land or buildings.

Financial assets and loans

At initial recognition, a financial asset will be classified and measured as follows in EPFL:

- **At amortised cost (AC)**

These are debt instruments that are held in order to collect contractual cash flows which are exclusively principal and interest payments. These include primarily loans and fixed deposits.

Originated loans and fixed deposits are stated either at amortised cost (nominal value of less than MCHF 10, and current loans and fixed deposits of over MCHF 10) or at amortised cost using the effective interest method (non-current loans and fixed deposits of over MCHF 10).

Amortised cost is reduced by impairment losses. Interest earnings, foreign exchange gains and losses and impairments will be recognised in surplus or deficit. A gain or loss from derecognition will be recognised in surplus or deficit.

- **At fair value through surplus or deficit (FV statement of financial performance)**

Financial assets held for trade purposes and derivative financial instruments are recognised at fair value through surplus or deficit. Fluctuations in value and dividends will be recognised in surplus or deficit.

Investment property

Real estate held directly as investment property is only reported separately if it is material. Otherwise, it is recognised in the balance sheet as property, plant and equipment and disclosed accordingly.

Co-financing

Co-financing is third-party funding acquired by EPFL that is used to finance construction projects in property owned by the federal government.

Co-financing is measured based on the valuation of the underlying property, which the federal government recognises at cost less accumulated depreciation. A property's ongoing depreciation reduces the value of the co-financing to the same degree as the underlying property.

Co-financing is reported with the same amounts on both the assets and the equity and liabilities side (in equity) of the balance sheet.

Current liabilities

Current liabilities are usually recognised on receipt of the invoice. This item also includes current accounts with third parties (including social insurance institutions). Current liabilities are measured at their nominal amount.

Financial liabilities

Financial liabilities include monetary liabilities resulting from financing activities as well as negative replacement values from derivative financial instruments. Monetary liabilities are usually interest-bearing. Liabilities that are due for repayment within twelve months of the reporting date are current. They are generally measured at amortised cost. Derivative financial instruments are measured at their fair value.

Provisions

Provisions are recognised when a past event gives rise to a present obligation, an outflow of resources is probable and the amount can be estimated reliably.

Defined benefit plans

Net defined benefit liabilities presented in the balance sheet are measured in accordance with the methods of IPSAS 39. They correspond to the present value of the defined benefit obligations (DBOs), less the fair value of the plan assets. A description of the pension scheme and the insured persons of EPFL can be found in [note 27](#).

The defined benefit obligations and the service costs are determined annually by external experts using the actuarial valuation method Projected Unit Credit Method (PUC). The calculation is made based on information about the beneficiaries (salary, vested benefits, etc.) and using both demographic (retirement rates, disability rates, mortality rates, etc.) and financial (salary or pension trends, returns, etc.) assumptions. The amounts calculated are discounted to the valuation date by applying a discount rate. Changes in estimates of economic conditions can significantly affect defined benefit obligations.

The defined benefit obligations were measured based on the current membership base of the ETH Domain's pension scheme as of 31 October 2025, using actuarial assumptions as of 31 December 2025 (e.g. BVG 2020 actuarial tables), and the plan provisions of the ETH Domain pension scheme. The results were then adjusted using estimated pro rata cash flows as of 31 December 2025. The fair value of the plan assets is used including estimated performance as of 31 December 2025.

The inclusion of risk sharing in the measurement of pension liability occurs in a two-level judgement and requires the definition of additional assumptions. As with the other financial and demographic assumptions, these assumptions are from the employer's perspective. In the first step, it will be checked whether a structural funding gap based on BVG currently exists or may arise. If this is the case, any performance measures (conversion rate reduction and accompanying measures such as the contribution of retirement assets, adjustment of amounts) will be taken into consideration in the calculations. Any funding gap based on IPSAS that may remain will be split up mathematically in a second step between employer and employee.

The assumption is that the employer's share of the financial shortfall is limited to 64% as per the current scale for regulatory savings contributions. The employee share is distributed according to the past and future expected service years at a flat rate in an acquired and outstanding share. The part that has already been acquired reduces the cash value of the employer's pension liability while the outstanding part reduces the future service costs of the employer.

Effects from plan amendments that relate to risk-sharing assumptions have no longer been recognised on the statement of financial performance since the introduction of risk sharing, but rather are recognised directly in equity as part of the revaluation of the liability.

Any net pension plan asset from a defined benefit plan will be recognised at the lower value from the excess cover (after deduction of employee's contribution of 50%) and the cash value of an economic benefit in the form of refunds or reductions of future contribution payments ("asset ceiling").

Current service cost, past service cost resulting from plan amendments, gains and losses on plan compensation, administrative costs and interest on the net defined benefit liabilities are presented in the statement of financial performance within personnel expenses.

Plan amendments and settlements are recognised immediately in surplus or deficit in the period in which they occur provided that they result in vested benefits.

Actuarial and investment gains and losses on defined benefit plans are recognised directly in equity in the reporting period in which they occur.

Dedicated third-party funds

Liabilities from dedicated projects that arise from non-exchange transactions (IPSAS 23) are presented in the balance sheet as dedicated third-party funds. They are allocated solely to non-current liabilities because the projects usually last for several years and the current portion of the liability cannot be determined in most cases due to the nature of the projects.

They are measured based on the outstanding performance obligations at the reporting date, which are calculated from the total contractual project volume less services performed up to the reporting date.

Equity

Net assets/equity is the residual interest in the assets of an entity after deducting all its liabilities. In EPFL, equity is structured as follow.

Valuation reserves (recognised directly in equity)

This position contains revaluation reserves for net defined benefit liabilities. Actuarial and investment gains and losses on defined benefit obligations or plan assets are recognised directly in equity.

Reserves from associated entities

This item contains reserves from the inclusion of the proportional equity from the associated entities valued according to the equity method. These reserves cannot be accessed directly and they are dedicated.

Donations, grants and co-financing

This item includes unused third-party funds from donations and bequests as well as from other grants that have conditions attached, but are not required to be classified as liabilities.

These funds are exclusively from non-exchange transactions (IPSAS 23). The result generated from the management of third-party funds and the reserves for fluctuations in the value of the securities portfolio (risk capital) are also allocated to this category. Further information on co-financing can be found in [note 22](#).

Reserves with internal dedication

- **Teaching and research reserves.** This item indicates that various internal commitments exist and appropriate reserves must be recognised to cover them. They comprise reserves for teaching and research projects. These also include appointment commitments i.e. funds granted to newly elected professors under contractual arrangements for the purpose of setting up their professorship.
- **Infrastructure and administration reserves.** These include reserves for delayed construction projects and for dedicated savings for specific infrastructure projects and administration projects.

Reserves without dedication

Funds for which there are no contractual or internal provisions in accordance with IPSASs are presented as reserves without dedication. They are not restricted in terms of time or purpose.

Reserves must have been generated. They are recognised and released within the equity.

Accumulated surplus / deficit

The accumulated surplus/deficit shows the cumulative results at the reporting date. It comprises the surplus/deficit carried forward, the surplus/deficit for the period and increases or decreases (transfers in current period) in donations, grants and co-financing as well as reserves from associated entities and the allocations to and releases from the reserves (appropriation of reserves).

The surplus/deficit carried forward changes annually as part of the appropriation of surplus/deficit. The surplus/deficit for the period includes the portion of the result not yet distributed. If currency translation differences arise on foreign, fully consolidated entities on consolidation, they are recognised in equity, without affecting surplus or deficit.

Contingent liabilities and contingent assets

A contingent liability is either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of an uncertain future event not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because of its low probability of occurrence or because the obligation cannot be measured reliably (the criteria for recognising a provision are not met).

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of an uncertain future event not wholly within the control of the entity.

Financial commitments

Financial commitments are presented in the Notes if they are based on events prior to the reporting date, they will definitely lead to obligations to third parties after the reporting date and their amount can be measured reliably.

Cash flow statement

The cash flow statement shows the cash flows from operating activities, investing activities and financing activities. It is presented using the indirect method, i.e. cash flows from operating activities are based on the surplus or deficit for the period, adjusted for the effects of transactions of a non-cash nature. "Total cash flow" represents the change in the balance sheet item "Cash and cash equivalents" taking account of foreign currency effects during the consolidation of foreign investments.

Estimation uncertainty in the application of accounting policies

Preparation of the annual consolidated financial statements depends on assumptions and estimates in connection with accounting principles, where management has a certain margin of discretion. Although these estimates are based on management's best knowledge, actual results may differ from those estimates.

This applies to the following items in particular.

Useful life and impairment of property, plant and equipment

The useful life of property, plant and equipment is defined and periodically reviewed bearing in mind current technical conditions and past experience. A change in the estimate may affect the future amount of the depreciation charges and the carrying amount.

Assessments that could lead to a reduction in the carrying amount (impairment) are likewise made in the course of the regular impairment review.

Term of the lease and determination of whether the exercise of extension options is sufficiently certain

The lease term influences the amount of right-of-use assets and lease liabilities. It is estimated taking into account extension and termination options if their exercise is considered sufficiently certain. A reassessment is carried out in the event of significant changes in circumstances that are within the control of the lessee. This estimate may deviate from the actual rental period.

Provisions and contingent assets and liabilities

Provisions and contingent assets and liabilities involve a higher degree of estimation with respect to the probability and scale of cash inflows and outflows. As a result, they therefore may lead to a higher or lower cash outflow depending on the actual outcome of a past event.

Defined benefit plans

The net defined benefit liabilities and assets are calculated based on long-term actuarial assumptions for the defined benefit obligations and for the expected returns on plan assets. These assumptions may differ from actual future developments. The determination of the discount rate and future salary and pension trends and demographic development (future life expectancy, disability, likelihood of the employee leaving) and assumptions about risk sharing between employer and employee are an important component of the actuarial valuation.

Recognition of donations

EPFL regularly receives donations in the form of assets. Under IPSASs, donations must be recognised initially at fair value. The determination of that fair value requires management to make estimates.

Discount rates

Uniform discount rates have been defined for use in discounting non-current receivables, liabilities and provisions. They are based on a risk-free rate and a premium for credit risk. However, because of the current interest rate situation these discounting rates are subject to some uncertainties.

Loss allowance for expected credit losses

In the measurement of the loss allowance due to expected credit losses for receivables from non-exchange transactions and for receivables from exchange transactions, the key assumptions for determining probabilities of default are subject to estimation uncertainties.

Management judgements in the application of accounting policies

Infestation of EPFL's cooling systems with quagga mussels

EPFL's cooling systems are infested with invasive quagga mussels. The cooling systems are still in operation, and EPFL has taken initial measures to ensure continued operation, but is also planning further measures to clean the systems. The cost of the entire set of measures is estimated at approximately MCHF 69. In its letter of 29 February 2024, the Federal Council stated that, due to the tight financial situation of the federal government, EPFL is expected to bear these costs itself. Because these costs pertain to buildings owned by the Federal Government, which are recorded outside EPFL's accounting scope and there is no obligating event for EPFL within the meaning of IPSAS 19, no provision has been made in the consolidated financial statements of EPFL.

05 Federal financial contribution

MCHF	2025	2024	Change absolute
Federal financial contribution	675	580	95

MCHF	2025	2024	Change absolute
Federal contribution to accommodation	53	49	4

The basic funding granted by the Swiss federal government, also called the federal contribution, accounts for two-thirds of EPFL's operating revenue. This funding is intended primarily to cover the costs of teaching, research and overheads. It also includes contributions for the School's strategic priorities, which are human health, energy, the climate and environmental sustainability, a responsible digital transition, high-tech materials and key technology, and societal outreach and dialogue.

Note that the federal contribution was reduced by MCHF 141 in 2024 in order to cover the funds transferred to the Swiss Federal Office for Buildings and Logistics in connection with the early transfer of the STCC to the Swiss federal government, which took place on 6 January 2025.

The MCHF 95 increase in 2025 reflects the return of the MCHF 141 less a 2.7% (or MCHF 19) one-time cut, a MCHF 14 reduction in the federal contribution owing to an equivalent increase in the construction budget for 2025, and a decline in funding for ETH Board strategic projects, as most of this funding was paid in 2024.

The federal contribution to accommodation covers the rent charged to EPFL by the Swiss federal government for the use of government-owned land and buildings. This contribution totalled MCHF 53 in 2025, up MCHF 4 from the prior year (MCHF 49).

06 Tuition fees, continuing education

MCHF	2025	2024	Change absolute
Tuition fees, continuing education	22	19	3
of which tuition fees for bachelor/master students	18	16	2

Tuition fees and attendance fees for studies and continuing education programmes as well as other fees are regulated in the Ordinance on Fees in the Domain of Federal Institutes of Technology (RS 414.131.7 of 31 May 1995; as amended on 1 January 2025).

The increase in 2025 is due to the initial effects of the tripling of tuition fees for non-Swiss-resident students, which went into force in September 2025. The full effects will be seen in 2026.

07 Research contributions, mandates and scientific services

MCHF	2025	of which IPSAS 23 revenues	of which IPSAS 9 revenues	2024	Change absolute
Swiss National Science Foundation (SNSF)	120	120	0	111	9
Swiss Innovation Agency (Innosuisse)	15	15	0	11	3
Special federal funding of applied research	20	13	7	20	0
EU Framework Programmes for Research and Innovation (EU-FPs)	55	55	0	55	0
Industry-oriented research (private sector)	63	31	31	57	5
Other project-oriented third-party funding (incl. cantons, municipalities, international organisations)	68	59	9	43	24
Total research contributions, mandates and scientific services	340	293	47	297	43

Research contributions, mandates and scientific services include all funding granted by national and international institutions, as well as third-party funding from Swiss cantons and municipalities, international organisations, Swiss federal agencies and private-sector entities. Third-party funding is mainly aimed at two- to five-year projects, and is recognised as revenue on a percentage-of-completion basis during the accounting period in which the funding is used.

Research contributions, mandates and scientific services totalled MCHF 340 in 2025, up 14.5% from the prior year.

The 56% increase in other third-party project-oriented funding primarily reflects the reclassification of funding agreements for which the remaining balance is no longer considered as being subject to a liability to the funding agency, meaning these amounts could be transferred to reserves without dedication.

Ordinary federal research funding and transitional measures

MCHF	2025	thereof regular research funding	thereof transi- tional measures Confederation	2024	Change absolute
Swiss National Science Foundation (SNSF)	120	105	15	111	9
Swiss Innovation Agency (Innosuisse)	15	14	0	11	3
Special federal funding of applied research	20	20	0	20	0
EU Framework Programmes for Research and Innovation (EU-FPs)	55	13	42	55	0
Total regular research funding /transitional measures Confederation		152	57		

Funding for EU Framework Programmes was largely unchanged from 2024 thanks to MCHF 57 in funds received from the Swiss government's transitional measures (versus MCHF 47 in 2024) and to EPFL researchers' considerable success in obtaining ERC grants following Switzerland's return to the Horizon Europe research programme on 1 January 2025.

08 Donations and bequests

MCHF	2025	2024	Change absolute
Donations and bequests	29	37	-7

This line item consists of donations and bequests made to EPFL and its consolidated entities, as well as revenue from usage rights for property made available by the cantons of Neuchâtel, Fribourg and Valais (see following table). These funds allow EPFL to implement strategic initiatives (such as creating new chairs) and acquire the necessary equipment to spur both research and teaching.

In-kind contributions

MCHF	2025	2024	Change absolute
Goods in-kind	0	0	0
Donated rights	5	6	-1
Total in-kind contributions recognised as revenue	5	6	-1
Services in-kind	5	4	1
Total in-kind contributions not recognised as revenue	5	4	1
Total in-kind contributions received	10	10	0

The donated rights concern the use of the Microcity building, made available by the Canton of Neuchâtel, and the Alpôle, Industrie 17 and Industrie 19 buildings, made available free of charge by the Canton of Valais.

The services in-kind corresponds to the value of the high-speed computing capacity provided by the Swiss National Supercomputing Centre (CSCS, part of ETH Zürich).

09 Other revenue

MCHF	2025	2024	Change absolute
Licences and patents	3	4	-1
Sales	4	4	0
Refunds	2	3	-1
Other services	30	27	3
Real estate revenue	27	27	0
Own work capitalised	2	2	0
Total other revenue	68	68	0

Revenue from “other services” relates primarily to income generated by events and conferences, in particular those organised by STCC.

Real estate revenue comes from commercial property and laboratories that are rented to third parties, and concerns essentially EPFL Innovation Park (SQIE and FEIP buildings) and the SQNE building.

The recent amendment to the Ordinance on the Finance and Accounting of the ETH Domain (SR 414.123) requires ETH Domain institutions real estate revenue to the Swiss government. These institutions record all the revenue to be transferred under a separate line item, for greater clarity. The transfer of 90% of the revenue is recognised under other operating expenses (see note 11).

10 Personnel expenses

MCHF	2025	2024	Change absolute
Professors	91	90	1
Scientific personnel	280	284	-4
Technical and administrative personnel, apprentices, trainees	243	251	-7
IC, Suva and other refunds	-3	-3	0
Total salaries and wages	611	622	-10
Social insurances OASI / DI / IC / MB	39	40	-1
Net pension costs	71	68	3
Accident and sickness insurance Suva (BU / NBU / KTG)	1	2	0
Employer's contribution to family compensation fund (FAK / FamZG)	16	16	0
Total social insurance schemes and pension expenses	128	125	3
Other employer contributions	0	0	0
Temporary personnel	2	3	-1
Change in provisions for untaken leave and overtime	-1	-3	3
Change in provisions for contributions to long-service awards	0	0	0
Other personnel expenses	7	7	0
Total personnel expenses	748	754	-6

The slight 0.8% (or MCHF 6) decline in personnel expenses can be attributed to a 1.0% cost-of-living pay rise, almost fully offset by a net decrease of 132 FTEs, as shown in the following table.

Full-time equivalents (FTEs)

Full-time equivalents	2025	2024	Change absolute
Professors	360	357	3
Scientific personnel	3 478	3 516	-38
Technical and administrative personnel, apprentices, trainees	2 132	2 229	-97
Total full-time equivalents	5 970	6 102	-132

The reduction of 132 full-time equivalents (FTEs) in 2025 is primarily due to the termination of the Blue Brain Project's activities at the Geneva campus effective 31 December 2024.

11 Other operating expenses

MCHF	2025	2024	Change absolute
Expenses for goods and materials	40	44	-4
Premises costs	97	102	-5
Energy costs	26	42	-16
IT expenses	27	28	-1
Expenses for consultations, appraisals and guest lecturers	26	27	-1
Library expenses	4	5	-1
Other operating costs	62	53	9
Total other operating expenses	283	301	-18

The premises costs include the rent charged by the Swiss government for the use of its buildings by EPFL. These costs are fully offset by the federal contribution to accommodation (see note 5).

The decrease in energy costs is due primarily to the drop in electricity prices, which are now close to 2022 levels after spiking in 2023 and 2024.

12 Transfer expenses

MCHF	2025	2024	Change absolute
Scholarships and grants to students and doctoral students	6	7	-1
Contributions to research projects	21	14	6
Other transfer expenses	7	7	0
Total transfer expenses	33	28	5

The "Contributions to research projects" line item includes funds that EPFL distributes to its partners on projects for which EPFL is fully responsible for project implementation. This is in contrast to research projects for which EPFL is the leading house, where the funds transferred to the project partners are deducted from total research contributions, mandates and scientific services (see note 7).

13 Net finance income/expense

MCHF	2025	2024	Change absolute
Interest income	4	6	-2
Income from investments	0	1	-1
Fair value gains on financial assets	2	6	-4
Foreign currency gains	2	3	-1
Other finance income	0	0	0
Total finance income	8	15	-7
Interest expense	8	10	-2
Fair value losses on financial assets	0	0	0
Foreign currency losses	3	2	0
Other finance expense	0	1	0
Total finance expense	12	14	-2
Total net finance expense / income	-3	1	-5

The decrease in “fair value gains on financial assets” can be attributed to the broad rise in interest rates in financial markets.

The interest expense given above relates to financial liabilities, which are discussed in [note 24](#).

14 Cash and cash equivalents

MCHF	31.12.2025	31.12.2024	Change absolute
PostFinance	34	13	22
Bank	10	3	7
Short-term deposits (< 90 days)	47	61	-14
Total cash and cash equivalents	91	76	15

15 Receivables

MCHF	31.12.2025	31.12.2024	Change absolute
Receivables from project contracts and donations	571	550	20
Other receivables	1	2	-1
Loss allowance	-1	-1	0
Total receivables from non-exchange transactions	571	552	19
of which current	291	279	12
of which non-current	280	273	7
Trade accounts receivable	19	17	2
Other receivables	0	0	0
Loss allowance	0	0	0
Total receivables from exchange transactions	18	17	2
of which current	18	17	2
of which non-current	0	0	0

16 Inventories

MCHF	31.12.2025	31.12.2024	Change absolute
Inventories purchased	3	3	0
Inventories self-produced	0	0	0
Total inventories	3	3	0

17 Prepaid expenses and accrued income

MCHF	31.12.2025	31.12.2024	Change absolute
Interest	1	1	0
Prepaid expenses	11	13	-2
Other prepaid expenses and accrued income	10	9	1
Total prepaid expenses and accrued income	23	23	-1

18 Change in associated entities

Details about the significant associated entities can be found in the tables below. All the associated entities can be found in the scope of consolidation on [note 33](#).

There are no joint ventures in EPFL's scope of consolidation.

Change in associated entities

MCHF	2025	2024
As of 01.01.	38	39
Additions	0	0
Disposals	0	0
Dividends	0	0
Share of the annual surplus or deficit	-1	-1
As of 31.12.	37	38

The Fondation "Institut d'imagerie moléculaire translationnelle" (IIMT) was liquidated and removed from the Geneva Canton commercial register on 21 August 2025. The foundation's net assets were transferred to the Fondation privée des HUG at book value (MCHF 0.5).

Material associated entities – aggregated financial information

The aggregated financial information about the material associated entities is indicated below. This reflects the amounts of the financial statements of the associated entities which are adjusted to the accounting of the ETH Domain applying simplifications.

MCHF	Les Bois Chamblard	Fondation Campus Biotech Geneva
------	--------------------	------------------------------------

31.12.2025

Reporting date used	31.12.2024	31.12.2025
Current assets	9	7
Non-current assets	14	19
Short-term liabilities	0	3
Long-term liabilities	0	1
Revenue	0	30
Surplus (+) or deficit (-)	0	-2

31.12.2024

Reporting date used	31.12.2023	31.12.2024
Current assets	9	7
Non-current assets	14	22
Short-term liabilities	0	2
Long-term liabilities	0	2
Revenue	0	29
Surplus (+) or deficit (-)	0	-1

The reporting date of 31 December 2024 is used for Les Bois Chamblard foundation because this associated entity has its financial statements audited and publishes them after EPFL publishes its own consolidated financial statements. However, the amounts given include any material events occurring in 2025.

Aggregated information for individually immaterial associated entities

Fondation du centre universitaire protestant de Lausanne
and Fondation « Institut d'imagerie moléculaire translationnelle IIMT » in liquidation

MCHF	2025	2024
Revenue	0	0
Surplus (+) or deficit (-)	0	0

Unrecognised share of losses of associated entities

No associated entities reported losses.

19 Property, plant and equipment and intangible assets

Change in property, plant and equipment and intangible assets in 2025

MCHF	Large-scale research plants and equipment, machinery, furnishings, vehicles	Information and communication	Advance payments, movable assets under construction	Total movable assets	Property, buildings	Assets under construction	Total immovable assets	Total property, plant and equipment	Total intangible assets
Purchase value									
Value as of 01.01.2025	613	106	15	734	524	6	530	1 264	91
Changes from restatement as of 01.01.	0	0	0	0	-364	0	-364	-364	-70
Value as of 01.01.2025	613	106	15	734	161	6	166	901	21
Additions	31	6	9	46	3	3	5	51	10
Reclassifications	8	0	-8	0	2	-2	0	0	0
Disposals	-10	-17	0	-28	-3	-1	-5	-32	-7
Value as of 31.12.2025	642	95	16	753	163	4	167	920	24
Accumulated depreciation									
Value as of 01.01.2025	482	80	0	562	201	0	201	763	38
Changes from restatement as of 01.01.	0	0	0	0	-104	0	-104	-104	-27
Value as of 01.01.2025	482	80	0	562	97	0	97	659	11
Depreciation	46	14	0	60	9	0	9	68	2
Impairments	0	0	0	0	0	0	0	0	0
Disposals value adjustments	-9	-17	0	-26	-3	0	-3	-30	-2
Value as of 31.12.2025	519	76	0	595	103	0	103	698	11
Balance sheet value as of 31.12.2025	123	18	16	158	60	4	64	222	13

Change in property, plant and equipment and intangible assets in 2024

Purchase value									
Value as of 01.01.2024	567	94	33	694	519	9	527	1 221	88
Additions	43	13	7	63	6	4	10	73	5
Reclassifications	11	5	-16	0	0	0	0	0	0
Disposals	-9	-6	-9	-23	0	-6	-7	-30	-2
Value as of 31.12.2024	613	106	15	734	524	6	530	1 264	91
Accumulated depreciation									
Value as of 01.01.2024	445	73	0	518	181	0	181	699	35
Depreciation	45	12	0	57	20	0	20	77	4
Impairments	0	0	0	0	0	6	7	7	0
Disposals value adjustments	-8	-6	0	-13	0	-6	-7	-20	-2
Value as of 31.12.2024	482	80	0	562	201	0	201	763	38
Balance sheet value as of 31.12.2024	131	26	15	172	324	6	329	502	54
thereof leased assets				0	260		260	260	0

Almost all of the buildings that EPFL uses are owned by the Swiss federal government and are therefore not recognised as assets on EPFL's balance sheet but rather on that of the Swiss federal government. EPFL's immovable assets consisted primarily of fixtures and fittings installed by tenants (BCC 3) in buildings owned by the Swiss federal government and rented buildings.

The MCHF 264 net decrease in property and buildings primarily reflects the reclassification of leased buildings to right-of-use assets, as described in [note 20](#).

The main purchases of movable assets in 2025 related to a MCHF 2.1 investment to upgrade the variable configuration tokamak and the acquisition of new servers, in the amount of MCHF 3.7.

The main purchases of intangible assets related to IT licences (MCHF 3.9) and ERP software for academic, finance and HR functions (MCHF 2.4). The MCHF -3 value adjustment corresponds to a correction of errors in prior years.

In 2025, MCHF 8 of assets under construction were put into service and reclassified accordingly.

EPFL's cultural asset comes from a donation. In general, cultural assets should, in principle, be carried out at the collection level as the unit of account, since cultural assets are organized and preserved within collections. However, EPFL's collection cannot be reliably assessed as a whole. There are indeed valuation approaches or market-oriented comparative values for certain elements (individual objects), but aggregating these individual values is not sufficient to determine the appropriate total value of the collection. A potential valuation premium due to the completeness, context, preservation, or usage history of the collection should be considered, but it cannot be reliably quantified either from available internal sources or from external transaction prices. Currently, there are no comparable sales or transactions on the market involving complete collections of a similar nature, or the prices obtained in sales cannot be extrapolated to other transactions.

Furthermore, acquisition or production cost is not available due to the historical nature of the collection's creation.

For these reasons, the collection concerned has not been recognized in the balance sheet as of the reporting date. Individual values within this collection have also not been recorded separately, since, according to the chosen unit of account (collection), an individual valuation does not reflect the economic value of use.

The collection in question contributes to achieving EPFL's objectives. It serves research, teaching, documentation, and knowledge transfer and is characterized by its curatorial unity, thematic completeness, and interdisciplinary usefulness. The collection enables a systematic representation of categories and the networking of scientific, technical, and cultural content and should be considered as a strategically relevant resource.

EPFL cultural assets

collection category	description
Archives and special collections	EPFL Archives of Modern Construction: They preserve and organize original documents – plans, models, photographs, technical documents, correspondence, created by actors in the fields of architecture, construction, and spatial planning, as well as by photographers, publishers, and other specialists related to the subject of built environment. This archive is part of the cultural assets of national importance.

The collections concerned continue to be documented, maintained, and, as far as possible, systematically catalogued.

20 Rights of use

Lease contracts as lessee and other rights of use assets

Following the introduction of IPSAS 43, see note 3, EPFL's lease contracts mainly comprise the rental of real estate for teaching and research purposes, as well as office at arm's length terms. Extension and termination options are assessed with regard to the probability of exercise or occurrence upon conclusion of the contract and are reassessed if there are indications of changes in the relevant conditions. As of 31 December 2025, the lease terms of individual leases were reassessed due to changes in the underlying conditions. The right-of-use assets and leasing liabilities were adjusted accordingly. Information in which EPFL is the lessee, as well as other right-of-use assets, is presented below.

Balance sheet items related to lease contracts and other rights of use

MCHF	31.12.2025
Rights to use movable assets capitalized under leases	0
Rights of use for immovable assets capitalized under leasing	255
Total right-of-use assets from movable and immovable assets capitalised under leasing	255
Other right-of-use assets from immovable assets	41
Total other right-of-use assets from movable and immovable assets	41
Total activated rights of use	297

Details regarding lease commitments are provided in [note 24](#) and [note 29](#).

Additions to rights of use in 2025 amounted to MCHF 9.

The volume of lease contracts already signed but not yet commenced as of 31 December 2025, amounts to MCHF 1.

Rights of use – amounts recognized in the income statement related to lease contracts

MCHF	31.12.2025
Other revenue	
Income from subleasing of right-of-use assets	20
Depreciation	
Right-of-use movable assets	1
Right-of-use immovable assets	14
Total depreciation right-of-use assets from movable and immovable tangible assets	15
Net finance income / expense	
Interest expense from lease agreements	7

Total cash outflows related to lease contracts as lessee in 2025 amounted to MCHF 21.

Future expected income from subleases under operating lease agreements amounted to MCHF 33.

On the other hand, no future income is expected from finance leases because EPFL had no such leases in effect at 31 December 2025.

21 Financial assets and loans

MCHF	31.12.2025	31.12.2024	Change absolute
Securities, fixed deposits and investment funds	200	188	12
Other financial assets	88	108	-20
Loans	157	131	26
Total current financial assets and loans	445	427	18
Other financial assets	8	8	0
Total non-current financial assets and loans	8	8	0

“Other non-current financial assets” include the MCHF 6 stake in CSEM SA that EPFL holds on a fiduciary basis for the ETH Board (2024: MCHF 7).

22 Co-financing

MCHF	2025	2024	Change absolute
Purchase value			
As of 01.01.	93	93	0
Additions	0	0	0
Disposals	0	0	0
As of 31.12.	93	93	0
Accumulated depreciation			
As of 01.01.	36	33	2
Depreciation	2	2	0
Disposals	0	0	0
As of 31.12.	38	36	2
Balance sheet value as of 31.12.	55	57	-2

Most of the co-financing relates to the Rolex Learning Center, EPFL Pavilions building (formerly ArtLab), the ME-D building and the new day-care centre, which together make up 94% (MCHF 51) of the total. No new co-financing was raised in 2025. The decrease in this line item can be attributed solely to depreciation.

23 Current liabilities

MCHF	31.12.2025	31.12.2024	Change absolute
Trade payables	22	19	3
Liabilities to social insurance institutions	1	1	0
Other current liabilities	17	20	-3
Total current liabilities	40	41	-1

Other current liabilities consist primarily of funds to be distributed to research project partners on projects for which EPFL is the leading house (2025: MCHF 9; 2024: MCHF 14).

24 Financial liabilities

MCHF	31.12.2025	31.12.2024	Change absolute
Lease liabilities	13	146	-133
Other financial liabilities	6	6	0
Total current financial liabilities	19	152	-132
Lease liabilities	273	144	129
Other financial liabilities	74	79	-4
Total non-current financial liabilities	347	222	125

EPFL's finance leases relate mainly to property rented by EPFL, EPFL Innovation Park, SQIE and SQNE. [Note 4](#) gives the assumptions used to measure and recognise those leases in the consolidated financial statements.

At 31 December 2025, finance lease liabilities totalled MCHF 87 for EPFL, MCHF 77 for SQNE, MCHF 89 for SQIE and MCHF 32 for EPFL Innovation Park.

All these leases include a clause linking rental payments to the Swiss consumer index. Finance lease liabilities decrease in line with the amortisation schedules associated with the yearly contractual payments.

Other financial liabilities include the agreed right-of-use for the Microcity building, which is recognised as a finance lease. This liability was MCHF 41 at 31 December 2025 (versus MCHF 44 at 31 December 2024). The decline in other financial liabilities reflects revenue recognised periodically and recorded in donation income with no effect on cash flow.

Reversion of the SwissTech Convention Center

Until the start of 2025, the SwissTech Convention Center (STCC) in Écublens was used under a finance lease with Société pour le quartier nord de l'EPFL (SQNE) acting as lessee. In 2022, EPFL created the conditions for the premature reversion of the STCC to the federal government. Parliament gave a commitment credit of MCHF 146 for this in December 2022. In 2022, the lease agreement for the STCC was also reassessed on the basis of the latest possible contractual transfer date, i.e. 31 December 2026.

Credit Suisse Asset Management (Switzerland) AG (deregistered from the commercial register on 30 August 2024, with the entity's assets and liabilities assumed by UBS Asset Management Switzerland AG) announced on 20 August 2024 the early reversion of the STCC to the federal government in January 2025, with payment to the notary by 20 December 2024. The lease was revalued based on the specified date of reversion, and the residual value subsequently corresponded to the purchase price of the building, which was contractually agreed with Credit Suisse Funds AG (deregistered from the commercial register on 30 April 2024, with the entity's assets and liabilities assumed by UBS Funds Switzerland AG as a result of the merger). The revaluation had no material impact on the surplus/deficit for 2024.

In 2024, the premature reversion of the STCC to the federal government led to a reduction in the federal financial contribution received by EPFL of MCHF 141. EPFL compensated for this reduction by drawing an equal amount from its reserves to finance its operating activities. EPFL's investment credit was increased by the same amount to finance the acquisition.

EPFL's investment credit (with the Swiss Federal Office for Buildings and Logistics) was increased by the same amount to finance this acquisition.

On 6 January 2025, the assets and lease liabilities for the use of the STCC were derecognised. The derecognition had no impact on the surplus/deficit of SQNE or EPFL in 2025. Since the STCC's reversion to the Confederation, the use of the STCC by SQNE has been carried out via the existing legal basis, which governs the use of federal government real estate by EPFL.

Current and non-current financial liabilities – change

MCHF	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
As of 01.01.	152	222	374	15	363	378
Changes from restatement as of 01.01.	8	113	121	-	-	-
Financial liabilities as of 01.01.	159	336	495	15	363	378
Increase in short-term and long-term financial liabilities	0	0	0	0	3	3
Decrease in short-term and long-term financial liabilities	-15	0	-15	-8	0	-8
Total cash transactions	-15	0	-15	-8	3	-5
Changes in fair values	0	0	0	0	0	0
Reclassifications	18	-18	0	144	-144	0
Other changes*	-143	30	-113	1	0	1
Total non-cash transactions	-125	12	-114	144	-144	1
Financial liabilities as of 31.12.	19	347	367	152	222	374

* Relate primarily to the transfer of the STCC

25 Accrued expenses and deferred income

MCHF	31.12.2025	31.12.2024	Change absolute
Deferred income	43	42	1
Other accrued expenses and deferred income	18	21	-3
Total accrued expenses and deferred income	61	63	-2

26 Provisions

Provisions – summary

MCHF	31.12.2025	31.12.2024	Change absolute
Provisions for untaken leave and overtime	22	23	0
Other long-term employee benefits (IPSAS 39)	16	16	0
Litigations	2	1	1
Other provisions	6	0	6
Total provisions	47	40	7

“Other long-term employee benefits (IPSAS 39)” consist mainly of provisions for future jubilee benefits.

The “other provisions” relate to the fact that an audit by the European Commission's Common Audit Service found that some project costs may be ineligible, with a potential liability estimated at MCHF 6.

Provisions – variation 2025

MCHF	Provisions for untaken leave and overtime	Other long-term employee benefits (IPSAS 39)	Litigations	Other provisions	Total provisions
Value as of 01.01.2025	23	16	1	0	40
Additions to provisions	0	2	1	6	10
Reversal	-1	0	0	0	-1
Use of provisions	0	-2	0	0	-2
Value as of 31.12.2025	22	16	2	6	47
of which current	22	0	2	6	31
of which non-current	0	16	0	0	16

Provisions – variation 2024

MCHF	Provisions for untaken leave and overtime	Other long-term employee benefits (IPSAS 39)	Litigations	Other provisions	Total provisions
Value as of 01.01.2025	26	16	1	0	42
Additions to provisions	0	3	1	0	3
Reversal	-3	0	0	0	-3
Use of provisions	0	-2	0	0	-2
Value as of 31.12.2025	23	16	1	0	40
of which current	23	0	1	0	24
of which non-current	0	16	0	0	16

27 Defined benefit plans

Most employees and pensioners of the institutions of EPFL are insured under the pension scheme the ETH Domain maintains at the collective institution “Swiss Federal Pension Fund Publica” (Publica). There are no other significant pension schemes at the controlled entities, therefore any further statements in the text refer to the pension scheme the ETH Domain maintains at Publica., except where indicated.

The net defined benefit liabilities as at 31 December 2025 include net defined benefit liabilities from other plans outside the ETH Domain's pension fund at Publica amounting MCHF 0, as the effect of the asset ceiling limits the recognition of a surplus (2024: significantly less than MCHF 1).

Legal framework and responsibilities

Legal requirements

Swiss pension plans must be managed and operated through a legally separate, trustee-administered pension institution. The law prescribes minimum benefits.

Organisation of the pension scheme

Publica is an independent, state-run institution under public law.

The Board of Directors (Kassenkommission) is Publica's most senior governing body. In addition to management, it is also responsible for the oversight and supervision of Publica's Executive Board. The Board of Directors has sixteen members, eight representing the insured employees and eight representing the employers from among all the affiliated pension plans. This means that Publica's most senior governing body is made up of an equal number of employee and employer representatives.

Each pension scheme has its own Parity Commission made up of equal numbers of representatives. Among other things, it is involved in concluding the affiliation contract and decides on the appropriation of any surpluses. Each Parity Commission is made up of nine employer representatives and nine employee representatives from the entities.

Benefits from the pension plans

In accordance with IPSAS 39, the pension plans are classified as defined benefit plans.

The pension solution is defined in the terms of the ETH Domain pension scheme applicable to employees and professors, and these regulations are part of the affiliation contract with Publica. There are pension plans for different groups of insured persons. The different pension plans provide benefits in excess of the minimum benefits required by law in the event of disability, death, old age and departure, i.e. what are known as "enveloping" plans (obligatory and extraordinary benefits).

The employer and employee savings contributions are set as a percentage of the insured salary. A risk premium is charged for death and disability insurance. The administrative costs are paid by the employer.

The old-age pension is calculated from the credit balance in the retirement fund at the retirement date multiplied by the conversion rate specified in the terms. Employees have the option of drawing the retirement benefits as a lump sum.

In addition, employees have the option of making additional savings contributions.

The risk benefits are determined depending on the projected savings capital, which attracts interest, and on the conversion rate.

Investment of assets

Investments are made by Publica for all pension schemes (with the same investment profile) collectively.

As Publica's most senior governing body, the Board of Directors bears overall responsibility for asset management. It is responsible for issuing and amending the investment policy and determines the investment strategy. The Investment Committee advises the Board of Directors on investment-related issues and oversees compliance with the investment policy and strategy.

Responsibility for implementing the investment strategy rests with Publica's Asset Management. Asset Management also makes tactical decisions to deviate temporarily from the investment strategy weightings in order to generate added value compared to the existing strategy. Where individual asset classes are built up or reduced over a number of years, a pro rata strategy is calculated so as to enable transactions to be diversified over time.

Risks for the employer

The Parity Commission of the ETH Domain's pension scheme may change the funding system (contributions and future benefits) at any time. The Parity Commission may collect restructuring contributions from the employer if the scheme is underfunded within the meaning of pension law (art. 44 BVV 2) and if other measures are without success. If these are used to fund benefits in excess of the statutory minimum, the employer must indicate their agreement with this approach.

Risk sharing (sharing of risk between insured persons and the employer), which was introduced in 2020, remains unchanged (details can be found in [note 3](#)). As no structural funding gap has been identified, this year's valuation does not take into account any planned benefit adjustments (in particular no reduction in the conversion rate and no compensatory measures). However, assumptions used for the valuation as at 31 December 2025 still led to a funding gap under IPSAS, and the expanded risk sharing approach was applied.

The provisional regulatory funding ratio for the ETH Domain's pension scheme with Publica in accordance with BVV 2 was 109.4% at the end of 2025 (2024: 105.2%). The provisional economic funding ratio for the ETH Domain's pension scheme with Publica at the end of the year was 97.3% (2024: 92.6%).

Special events during the reporting period

The benefits of the insurance plan were adjusted in the previous year and treated as a plan amendment: adjustments to the pension schemes included changes to death benefits. Among other things, the level of lump-sum death benefits was increased and an additional lump-sum death benefit for spouses and life partners was introduced. In addition, from 1 January 2024, the level child pension benefits was reduced to the standard BVG basis.

There were no plan amendments in the reporting year.

Net defined benefit liabilities / assets

MCHF	31.12.2025	31.12.2024	Change absolute
Present value of defined benefit obligations	2 288	2 279	10
Less fair value of plan assets	-2 240	-2 121	-119
Recognised net defined benefit liabilities (+) / assets (-)	49	158	-109

The decrease in net defined benefit liabilities of MCHF 109 results from an increase in the fair value of plan assets and a comparatively lower increase in the present value of defined benefit obligations. The increase in the discount rate (31 December 2025: 1.15%; 31 December 2024: 1.0%) led to a reduction in net defined benefit liabilities of MCHF 43, whereas experience adjustments resulted in an increase in net defined benefit liabilities of MCHF 42.

Plan assets increased by MCHF 119 due to the positive return on investments.

Net pension costs

MCHF	2025	2024	Change absolute
Current service cost (employer)	68	61	7
Past service cost	0	4	-4
Gains (-)/losses (+) from plan settlements	0	0	0
Interest expense from defined benefit obligations	23	32	-9
Interest income from plan assets	-21	-30	9
Administrative costs (excl. asset management costs)	1	1	0
Total Net pension costs incl. interest expense recognised in statement of financial performance	71	68	3

The net pension cost of EPFL for the reporting year amounts to MCHF 71 (2024: MCHF 68). Of the total, MCHF 1 relates to pension plans outside EPFL's pension scheme with Publica (previous year: MCHF 1).

Net pension costs were MCHF 3 higher than in the previous year. The increase is attributable to higher current service costs (increase of MCHF 7), partially offset by lower past service costs (decrease of MCHF 4).

The rise in current service cost is primarily due to the change in the discount rate. Under IPSAS 39, the calculation of the current service cost is based on the discount rate of the previous year, and the development reflects the decrease in the discount rate in 2024.

Past service cost in the previous year included the effect of plan buy-ins of professors at EPFL as well as the effect of plan amendments.

For the coming financial year, employer contributions of MCHF 70 and employee contributions of MCHF 39 are expected.

Revaluation recognised in equity

MCHF	31.12.2025	31.12.2024	Change absolute
Actuarial gains (-) and losses (+)	-1	121	-122
from change in financial assumptions	-37	73	-110
from change in demographic assumptions	-6	0	-6
from experience adjustments	43	49	-6
Return on plan assets excl. interest income, gains (-)/losses (+)	-109	-94	-14
Adjustment to asset ceiling	1	0	1
Revaluation amount recognised in equity	-108	27	-136
Cumulative amount of revaluation recognised in equity, gain (-)/loss (+)	-231	-122	-109

The revaluation gain (remeasurement) recognised in equity for 2025 amounts to MCHF 109 (2024: loss of MCHF 27). This results in positive valuation reserves of MCHF 231 as at 31 December 2025 (2024: MCHF 122). Of this amount, valuation reserves of MCHF 4 (2024: MCHF 4) pertain to pension plans outside EPFL's pension scheme with Publica.

The actuarial gains from the change in financial assumptions mainly result from the increase in the discount rate (MCHF 43).

The gain was reduced by the higher expected salary development and other financial assumptions (actuarial loss of MCHF 6).

Furthermore, experience-based losses reduced the cumulative revaluation gains recognised in equity by MCHF 43.

Experience-based gains and losses reflect deviations between assumptions made and actual values realised. This year, the experience-based losses particularly reflect the effect of the higher interest credited on retirement assets as well as experience adjustments resulting from changes in plan membership.

The return on plan assets recognised in equity is attributable to the gain on investments based on a return of 6.5%, compared to the expected net interest on plan assets of 1.00%, which corresponds to the discount rate of the previous year.

Change in present value of defined benefit obligations

MCHF	2025	2024
Present value of defined benefit obligations as of 01.01.	2 279	2 135
Current service cost (employer)	68	61
Interest expense from defined benefit obligations	23	32
Employee contributions	41	41
Benefits paid in (+) and paid out (-)	-121	-115
Past service cost	0	4
Actuarial gains (-) / losses (+)	-1	121
Present value of defined benefit obligations as of 31.12.	2 288	2 279

The weighted average term arising from defined benefit obligations for EPFL is 12.7 years as at 31 December 2025 (2024: 13.0 years).

Change in the fair value of plan assets

MCHF	2025	2024
Fair value of plan assets as of 01.01.	2 121	2 000
Interest income from plan assets	21	30
Employer contributions	71	72
Employee contributions	41	41
Benefits paid in (+) and paid out (-)	-121	-115
Administrative costs (excl. asset management costs)	-1	-1
Return on plan assets excl. interest income, gains (+) / losses (-)	109	94
Fair value of plan assets as of 31.12.	2 240	2 121

Change in net defined benefit liabilities

MCHF	2025	2024
Net defined benefit liabilities as of 01.01.	158	135
Net pension costs incl. interest expense recognised in statement of financial performance	71	68
Revaluation amount recognised in equity	-109	27
Employer contributions	-71	-72
Obligations paid directly by the entity	0	0
Net defined benefit liabilities (+) / assets (-) as of 31.12.	49	158

Major categories of plan assets (in percentage)

%	2025			2024		
	Listed	Not listed	31.12.2025	Listed	Not listed	31.12.2024
Liquidity	5	0	5	3	0	3
Bonds (in CHF) Confederation	7	0	7	7	0	7
Bonds (in CHF) ex. Confederation	6	0	6	7	0	7
Government bonds (in foreign currencies)	14	0	14	14	0	14
Corporate bonds (in foreign currencies)	5	0	5	5	0	5
Mortgages	3	0	3	3	0	3
Shares	34	0	34	35	0	35
Real estate	8	8	17	8	8	16
Commodities	3	0	3	3	0	3
Other	0	7	7	0	7	7
Total plan assets	85	15	100	85	15	100

Publica bears the actuarial and investment risks itself. The investment strategy is defined in such a way that benefits under the policy can be provided at maturity.

None of the properties owned by the pension plan has been identified as being used by the employer.

Principal actuarial assumptions used as at the reporting date

%	2025	2024
Discount rate as of 01.01.	1.00	1.50
Discount rate as of 31.12.	1.15	1.00
Expected salary development	1.25	1.20
Expected pension development	0.00	0.00
Interest on retirement savings	1.25	1.10
Share of employee contribution to funding gap	36.00	36.00
Life expectancy at age 65 – women (no. of years)	24.81	24.70
Life expectancy at age 65 – men (no. of years)	23.07	22.95

As in the previous year, the discount rate is derived from the yield on fixed-interest high-quality corporate bonds and the expected cash flows of the ETH Domain's pension scheme at Publica based on data from the prior year. The expected future salary development is based on macroeconomic reference data.

The rate of pension increase is the rate of pension increase expected for the average remaining term based on the financial position of the pension plan. The share of employee contribution to any funding gap is based on the current staging of savings contributions under the policy. The generation tables in BVG 2020 are applied for assumptions about life expectancy.

Sensitivity analysis (effect on present value of defined benefit obligations)

MCHF	31.12.2025		31.12.2024	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (change $\pm 0.25\%$)	-68	71	-53	56
Expected salary development (change $\pm 0.25\%$)	9	-10	6	-6
Expected pension development (change $\pm 0.25\%$)	47	n/a	42	n/a
Interest on retirement savings (change $\pm 0.25\%$)	10	-11	12	-12
Share of employee contribution to funding gap (change $\pm 10\%$)	-1	1	-9	9
Life expectancy (change ± 1 year)	64	-66	53	-54

The adjustment in defined benefit obligations upon adjustment of the actuarial assumptions is determined in the sensitivity analysis. Only one of the assumptions is adjusted at a time, while the other parameters remain unchanged.

The discount rate, the assumptions made on salary trends and on interest on retirement savings as well as the share of employee contribution to funding gap have been increased or lowered by fixed percentage points.

The sensitivity of the assumption relating to expected pension development has been tested for increases only, as it is not possible to reduce pension benefits.

The sensitivity to life expectancy has been calculated by lowering or increasing life expectancy by a flat-rate factor, as a result of which the life expectancy of most age categories has been increased or reduced by about one year.

28 Dedicated third-party funds

MCHF	31.12.2025	31.12.2024	Change absolute	thereof transitional measures Confederation 31.12.2025
Swiss National Science Foundation (SNSF)	310	318	-8	45
Swiss Innovation Agency (Innosuisse)	24	23	1	0
EU Framework Programmes for Research and Innovation (FP)	147	113	34	64
Special federal funding of applied research	37	39	-2	0
Industry-oriented research (private sector)	68	67	1	
Other project-oriented third-party funding	47	72	-25	
Total dedicated third-party funds	633	632	0	109

The dedicated third-party funds correspond to the outstanding performance obligations on current research projects and mandates from contracts with non-exchange transactions. The MCHF 34 increase in funding from EU Framework Programmes reflects the growth in funding from the Swiss government's transitional measures for the 2024–2027 Horizon Europe research programme as well as EPFL researchers' considerable success in obtaining ERC grants in 2025.

The MCHF 25 decrease in other project-oriented third-party funding is non-recurring and results from the reclassification of third-party funding agreements.

29 Financial risk management and additional information about financial instruments

Classes and categories of financial instruments by carrying amount

MCHF	Amortised cost	Fair value through surplus or deficit	Financial liabilities measured at amortised cost	Total carrying amount
31.12.2025				
Cash and cash equivalents	91			91
Receivables from non-exchange transactions	571			571
Receivables from exchange transactions	18			18
Financial assets and loans	245	208		452
Prepaid expenses and accrued income	11			11
Total financial assets	936	208	0	1 143
Current liabilities			40	40
Leasing liabilities			286	286
Financial liabilities		0	80	80
Accrued expenses and deferred income			18	18
Total financial liabilities		0	424	424
31.12.2024				
Financial assets	914	176		1 090
Financial liabilities		0	436	436

General

Financial risk management is embedded in the general risk management of EPFL.

It primarily addresses:

- credit risk (default risk);
- and liquidity risk;
- as well as market risk (interest rate, foreign currency and other price risk).

The focus of risk management remains on credit risk. There are guidelines governing the investment of financial resources in order to reduce default and market risk. The counterparties to a large proportion of the receivables and claims arising from financial assets are of high credit standing and solvency.

Concentration risks only exist in relation to these counterparties, which is why the credit risk is generally considered to be low.

There are also receivables and financial assets in foreign currencies, which are hedged on a case-by-case basis to reduce the risk.

Compliance with and the effectiveness of the guidelines are ensured by the internal control system (ICS).

Credit and default risk

The default risk is the risk of financial losses, if one contractual party of a financial instrument does not fulfil its contractual obligations.

The maximum exposure to default risk corresponds to the carrying amounts in the balance sheet. The actual risk is very low due to the fact that the counterparties to a large proportion of the financial assets are the federal government and other public-sector institutions.

The table below shows the maximum exposure to default risk of the financial assets broken down into type of counterparty.

Maximum exposure to default risk

MCHF	Total	Federal government	European Commission FP*	SNSF, Innosuisse, OASI social service, Suva	SNB and banks with government guarantee	PostFinance and other banks	Other counterparties (for ex. cantons, foundations)	Other counterparties (for ex. private companies)
31.12.2025								
Cash and cash equivalents	91	47	0	0	0	44	0	0
Receivables from non-exchange transactions	571	43	111	254	0	0	119	44
Receivables from exchange transactions	18	1	0	0	0	0	5	13
Financial assets and loans	452	88	0	0	0	30	163	171
Prepaid expenses and accrued income	11	2	0	0	0	0	7	2
Total	1 144	181	112	254	0	74	293	230
31.12.2024								
Total previous period	1 090	155	90	259	0	96	270	220

* In the column "European Commission FP", the receivables disclosed are from European universities which have emerged from EU research framework programmes, as well as the outstanding receivables from the temporary measures for Horizon 2020 and Horizon Europe (direct financing State Secretariat for Education, Research and Innovation SERI). The temporary measures for non-accessible programme parts from Horizon Europe are shown in the column of the respective sponsor (SNSF, Innosuisse).

Estimate of expected credit losses as of 31 December 2025

Cash and cash equivalents

EPFL deposits cash and cash equivalents in the accounts set up for this purpose at the PostFinance, cantonal banks, other banks and with the Swiss Federal Finance Administration. All counterparties have an investment grade rating from a recognised rating agency. EPFL therefore assumes that no significant increase in the credit risk has occurred since the initial recognition and determines the expected credit losses, due to the short-term nature of the financial instruments, on the basis of the 12-month credit loss.

Receivables from non-exchange transactions and receivables from exchange transactions

EPFL applies a loss allowance matrix to determine the expected credit losses on receivables from non-exchange transactions and receivables from exchange transactions.

Maturity analysis

MCHF	Total receivables	Not due	Due until 90 days	Due 91 to 180 days	Due 181 to 360 days	Due more than 360 days
31.12.2025						
Gross amount	590	578	10	1	0	0
Receivables from non-exchange transactions brutto	572	564	7	0	0	0
Loss allowance	-1	0	0	0	0	0
Receivables from exchange transactions brutto	19	15	3	0	0	0
Loss allowance	0	0	0	0	0	0
31.12.2024						
Gross amount	570	559	9	1	1	0
Receivables from non-exchange transactions brutto	553	548	4	0	1	0
Loss allowance	-1	0	0	0	0	0
Receivables from exchange transactions brutto	17	11	5	1	0	0
Loss allowance	0	0	0	0	0	0

Loss allowances in the amount of MCHF 1 were recognised for at-risk trade accounts receivable at the end of 2025 (2024: MCHF 1). Minor loss allowances are to be reported on receivables from non-exchange transactions.

At the balance sheet date, no receivables from non-exchange transactions and no receivables from exchange transactions were impaired in credit rating.

Financial assets and loans

As of 31 December 2025, financial assets and loans valued at amortised cost amounted to MCHF 245 (2024: MCHF 259). These include MCHF 157 in short-term loans and MCHF 88 in financial investments placed with the Confederation.

Based on historic data and also taking into account future developments, EPFL assesses the credit risk of the counterparties to be low and therefore assumes that no significant increase in the credit risk has occurred since the initial recognition. EPFL therefore determines the expected credit losses on the basis of the 12-month credit loss.

There were no significant overdue loans as of 31 December 2025. No significant loss allowances were recognised in respect of loans during the reporting period.

Liquidity risk

The liquidity risk is the risk that EPFL might possibly not be able to meet its financial obligations according to contract by delivering cash or other financial assets.

EPFL has processes and principles in place which guarantee that adequate liquidity is available to settle current and future obligations. This includes maintaining an adequate reserve of liquidity and tradeable securities.

Financial liabilities arise, most notably, from current operating liabilities and leasing liabilities. Under normal circumstances, expenses and investments are financed internally. In individual cases, investments are financed through lease agreements. Financial liabilities include a liability arising from the donated right at EPFL (Microcity) which is recognised in the balance sheet. It is treated as a finance lease but does not represent a liquidity risk.

The following table shows the maturities of the financial liabilities.

The entities controlled by EPFL may raise funds on the financial market, the institutions may not do so themselves, however.

Cash and cash equivalents and short-term investments are available to cover current liabilities and short-term financial liabilities. The liquidity risk is low.

Contractual maturities of the financial liabilities

MCHF	Total carrying amount	Total contract value	Up to 1 year	1 to 5 years	More than 5 years
31.12.2025					
Current liabilities	40	40	40	0	0
Leasing liabilities	286	286	13	62	211
Financial liabilities	80	80	6	21	53
Accrued expenses and deferred income	18	18	18	0	0
Non-derivative financial liabilities	424	424	77	84	263
Derivative financial liabilities	0	0	0	0	0
Total	424	424	77	84	263
31.12.2024					
Total previous period	436	531	219	78	234

Market risk

The market risk is the risk that the market prices, such as exchange rates, interest rates or share prices change and thus the revenues of EPFL or the value of the financial instruments held are influenced.

Interest rate and price risk

Interest rate risk is not hedged. A one percentage point increase or decrease in the interest rate would increase or reduce surplus or deficit by around MCHF 0.

The bonds under the asset management mandates are also taken into account in analysing interest rate risk.

The other trading positions (excluding bonds) largely consist of equity funds holding both international and Swiss equities as well as Swiss and foreign funds. A 10% decrease in price would reduce surplus or deficit by MCHF 4.

Most of the trading positions exposed to a price risk are held under asset management mandates with Swiss banks.

EPFL issued the investment guidelines based on art. 34c, paragraph 2 of the ETH Act (SR 414.110). EPFL defined its own investment strategies on this basis. A model is operated for the selection of the relevant portfolio optimised for the investment strategy of the asset management mandate.

This model is used to reconcile the risk associated with the assets and the risk capability of EPFL and a value fluctuation reserve is formed accordingly. It ensures that expected minimum yields are achieved. EPFL reviews the defined strategy quarterly.

Foreign currency risk

The majority of the receivables and liabilities in foreign currencies are in euros and US dollars. These are hedged using derivatives according to prevailing circumstances. Most foreign currency risks in asset management mandates are hedged. Net of hedges, a fluctuation in the exchange rate of these two currencies of $\pm 10\%$ would impact the statement of financial performance as follows.

Sensitivity to foreign currency risk

MCHF	Total	CHF	EUR	USD	Other
31.12.2025					
Cash and cash equivalents	91	88	1	2	0
Receivables from non-exchange transactions	571	485	69	17	0
./. IPSAS 23 receivables with performance obligation component	-487	-405	-65	-16	0
Receivables from exchange transactions	18	18	1	0	0
Financial assets and loans	452	447	0	5	0
Prepaid expenses and accrued income	11	11	0	0	0
Total	657	643	7	8	0
Current liabilities	40	36	4	0	0
Leasing liabilities	286	286	0	0	0
Financial liabilities	80	80	0	0	0
Accrued expenses and deferred income	18	15	2	0	0
Total	424	417	6	0	0
Net currency balance	233	226	0	7	0
Sensitivity affecting financial performance $\pm 10\%$			0	1	
Closing rate			0.9305	0.7923	
31.12.2024					
Cash and cash equivalents	76	73	2	1	0
Receivables from non-exchange transactions	552	493	43	16	0
./. IPSAS 23 receivables with performance obligation component	-424	-366	-43	-15	0
Receivables from exchange transactions	17	16	0	0	0
Financial assets and loans	435	430	1	4	0
Prepaid expenses and accrued income	10	10	0	0	0
Total	666	655	4	6	0
Current liabilities	41	34	6	0	0
Leasing liabilities	290	290	0	0	0
Financial liabilities	85	85	0	0	0
Accrued expenses and deferred income	21	18	2	0	0
Total	436	427	8	1	0
Net currency balance	230	228	-4	6	0
Sensitivity affecting financial performance $\pm 10\%$			-0	1	
Closing rate			0.9389	0.9063	

Capital management

Managed capital is defined as equity excluding valuation reserves. EPFL seeks to create a solid equity base. This base will enable the implementation of the performance mandate to be guaranteed. Legal regulations prohibit EPFL from raising funds in the capital market.

Estimation of fair value

Due to their short-term maturity, the carrying amount of cash and cash equivalents and the carrying amounts of current loans, fixed deposits, receivables and current liabilities are a reasonable approximation of the respective fair value. These are therefore not recognised separately

EPFL does not estimate the fair values of non-current receivables from non-exchange transactions, as these receivables can only be fulfilled through the realisation of the respective project by EPFL. The financial assets are recognised at fair value, which is based on actual values, provided these can be determined reliably. Otherwise, the fair value corresponds to the acquisition costs.

The fair value of the fixed-interest financial assets which are traded publicly is based upon stock market quotations on the reporting date.

Hierarchy levels of the financial instruments measured at fair value

Financial instruments measured at fair value are required to be disclosed within a three-level valuation hierarchy:

- **Level 1** – quoted prices in an active market for identical assets and liabilities.
- **Level 2** – valuation techniques where all significant input parameters are based on observable market data.
- **Level 3** – valuation techniques where significant input parameters are not based on observable market data.

Fair value hierarchy

MCHF	Carrying amount/ fair value	Level 1	Level 2	Level 3
31.12.2025				
Financial assets	208	200	8	0
Financial liabilities	0	0	0	0
31.12.2024				
Financial assets	176	168	8	0
Financial liabilities	0	0	0	0

Net surplus or deficit by valuation category

MCHF	2025		
	Amortised cost	Fair Value through surplus or deficit	Financial liabilities
Interest income (+)/interest expense (-)	2	2	-8
Income from investments		0	
Change in fair value		2	
Currency translation differences, net	0	0	0
Impairments	0		
Total net surplus or deficit by category	1	3	-8

2024			
Total net surplus or deficit by category previous year	4	8	-10

30 Contingent liabilities and contingent assets

Contingent liabilities

MCHF	31.12.2025	31.12.2024	Change absolute
Guarantees	0	0	0
Warranties	3	3	0
Litigations	0	0	0
Other	216	202	15
Total contingent liabilities	219	204	15

At EPFL, warranties totaling 1 MCHF remain in place to cover any duties imposed by foreign customs authorities in cross-border transactions. These warranties have no time limit. Additionally, there is a bank warranty of approximately 2 MCHF for China Educational Instrument, valid until 31 December 2026.

The other contingent liabilities concern mainly:

- **Campus Biotech Geneva** – MCHF 199. Campus Biotech Geneva Foundation, the University of Geneva and EPFL are signatories to the lease of the buildings. The corresponding contingent liability is equal to the solidarity commitment remaining until the lease expires, including refurbishing.
- **Agora** – A joint and several commitment relating to the rent of the Agora building in Lausanne. EPFL could be liable for MCHF 8 if the other two parties on the lease (CHUV and UNIL) default on their obligations.
- An audit by the European Commission's Common Audit Service (CAS) gives rise to a risk that certain project costs may be deemed ineligible. The maximum potential compliance costs not covered by a provision (see [note 26](#)) is estimated at MCHF 10.

EPFL also has contingent liabilities of an unspecified amount related to its membership in research consortiums.

Contingent assets

MCHF	31.12.2025	31.12.2024	Change absolute
Off-balance sheet receivables	2	0	2
Other	0	0	0
Total contingent assets	2	0	2

Contingent assets relate to the following items:

- Two guarantees provided in favour of the supplier Thales for a total amount of MCHF 1.5
- One guarantee provided in favour of the supplier Cryogenic for a total amount of MCHF 0.5.

31 Financial commitments

MCHF	31.12.2025	31.12.2024	Change absolute
Financial commitments up to 1 year	9	7	2
Financial commitments from 1 to 5 years	0	0	0
Financial commitments over 5 years	0	0	0
No due date / indefinite	0	0	0
Total financial commitments	9	7	2

Financial commitments of less than one year relate to new orders of over MCHF 0.5 for research equipment. The decrease in these commitments in 2025 resulted from MCHF 11 of new orders that were placed during the year less the MCHF 9 of orders that were paid off in full. EPFL has also committed to covering the costs of major maintenance and renovation work for the operating equipment and interior of the Microcity building in Neuchâtel.

32 Remuneration of key management personnel

MCHF	2025	2024	Change absolute
Directorate (2025: 7 FTE ; 2024: 6 FTE)	3	3	0

33 List of the controlled and associated entities (scope of consolidation)

EPFL generally has no rights over the assets of controlled and associated entities. It cannot require that certain funds be transferred or access the entities' resources in any other way.

The scope of consolidation of EPFL includes the following entities.

Controlled entities				Proportion of voting rights 31.12.2025	Proportion of participating share 31.12.2025	Reporting date used
Fondation pour les étudiants de l'EPFL (FEE)	Foundation	The foundation supports students at EPFL, if their financial circumstances are making it much more difficult for them to complete their degree.	Écublens VD	60%	100%	31.12.2025
Fondation EPFL Innovation Park	Foundation	The foundation owns and maintains buildings for promising start-ups (technology park).	Écublens VD	27%	100%	31.12.2025
Société pour le quartier de l'innovation de l'EPFL (SQIE)	Simple partnership	The simple partnership rents buildings to large technology companies.	Écublens VD	80%	100%	31.12.2025
Société pour le quartier nord de l'EPFL (SQNE)	Simple partnership	The simple partnership operates a convention centre and a hotel, and leases commercial premises as well as student accommodation, which is managed by a third party.	Écublens VD	67%	100%	31.12.2025

EPFL has a 100% stake in SQNE that consists of a direct 90% stake, an indirect 5% stake through Fondation EPFL Innovation Park (fully consolidated), and an indirect 5% stake through Les Bois Chamblard, an associated entity that EPFL fully owns. Due to the 100% stake in Fondation Les Bois Chamblard, SQNE is fully consolidated without considering or presenting non-controlling interests.

Associated entities

	Legal form	Nature of collaboration / business activity	Domicile	Proportion of voting rights 31.12.2025	Proportion of participating share 31.12.2025
Les Bois Chamblard	Foundation	The foundation provides infrastructure for the organisation of workshops and conferences	Buchillon	20%	100%
Fondation Campus Biotech Geneva	Foundation	The Biotech Campus is a centre of excellence in biotechnology and in life science research	Geneva	25%	50%
Fondation du centre universitaire protestant de Lausanne	Foundation	The foundation provides accommodation for students from EPFL and from the University of Lausanne	Lausanne	29%	60%
Fondation "Institut d'imagerie moléculaire translationnelle IIMT", in liquidation	Foundation	The foundation contributes to the development of new programs in translational research and technological innovation in the area of molecular imaging (deregistered in 2025)	Geneva	0%	0%

52

Entities below materiality thresholds

The Ordinance on Finance and Accounting of the ETH Domain specifies the ownership thresholds to consider when establishing EPFL's scope of consolidation. Under appendix 2 of the Ordinance, entities that otherwise meet the consolidation criteria but are below the thresholds are not included in the scope of consolidation and must be presented as follows.

	31.12.2025	31.12.2024
Controlled entities		
Quantity	3	3
Total assets (MCHF)	5	5
Associated entities		
Quantity	4	4
Total assets (MCHF)	45	43

34 Events after the reporting date

EPFL's president and EPFL's vice president for finances approved the 2025 consolidated financial statements on 23 February 2026. No material events occurred between this date and the balance sheet date that would require an amendment or additional note to the consolidated financial statements.

Report of the statutory auditor

to the President of the Swiss Federal Institute of Technology Lausanne (EPFL)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of the Swiss Federal Institute of Technology Lausanne (EPFL) which comprise the consolidated statement of financial performance 2025, the consolidated balance sheet as at 31 December 2025, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (excluding foreword).

In our opinion the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the EPFL as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS), the legal requirements and the Accounting Manual for the ETH Domain.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA), Swiss Standards on Auditing (SA-CH) and article 35a^{ter} of the Federal Act on the Federal Institutes of Technology (SR 414.110). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report. We are independent based on the Federal Audit Office Act (SR 614.0) and the requirements of the audit profession. We have also fulfilled our other ethical 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

The EPFL Direction is responsible for the other information in the annual report. The other information comprises all information included in the annual report (published on the website of the EPFL) but does not include the consolidated financial statements and our auditor’s report thereon. The annual report is expected to be made available to us after the date of this report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report – as soon as it becomes available – and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We also refer to the section “Report on other legal and regulatory requirements” at the end of this report.

Responsibilities of the EPFL Direction for the consolidated financial statements

The EPFL Direction is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IPSAS and the legal requirements (Ordinance on the ETH Domain, SR 414.110.3; Ordinance on the Finance and Accounting of the ETH Domain, SR 414.123; Accounting Manual for the ETH Domain), and for such internal control as the EPFL Direction determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the EPFL Direction is responsible for assessing the EPFL’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 Swiss law, ISA and SA-CH 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 consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 EPFL’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the EPFL Direction’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 EPFL’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the notes to 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 EPFL to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the EPFL as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the EPFL audit. We remain solely responsible for our audit opinion.

We communicate with the EPFL Direction and the Audit Committee of the ETH Board 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the ETH Board.

In accordance with Art. 21 par. 2 of the Ordinance on the Finance and Accounting of the ETH Domain, we are required to confirm that no contradictions exist between the personnel reporting in the annual report and the consolidated financial statements, and that no contradictions exist between the financial figures in the annual report and the consolidated financial statements. The annual report is not yet available at the date of this report. We are therefore unable to issue this confirmation.

Furthermore, in accordance with Art. 21 par. 2 of the Ordinance on the Finance and Accounting of the ETH Domain, we confirm that risk management has been appropriately conducted according to the instructions of the ETH Board.

We recommend that these consolidated financial statements be approved.

Berne, 23 February 2026

SWISS FEDERAL AUDIT OFFICE

Regula Durrer
Licensed audit expert

Patrick Wegmann
Licensed audit expert



epfl.ch

Project: EPFL

The consolidated financial statements report is produced in French and translated into German and English. Only French version is binding.

Layout & printing: EPFL Print Center
Printed on 100% recycled paper.



