



Annual accounts of the European High Performance Computing Joint Undertaking

Financial year 2024

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European High Performance Computing Joint Undertaking, in accordance with Article 52 of the Model Financial Regulation ('MFR')¹ and I hereby certify that the annual accounts of the European High Performance Computing JU for the year 2024 have been prepared in accordance with Chapter 8 and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and Union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the European High Performance Computing Joint Undertaking's assets and liabilities and the budgetary implementation.

Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the European High-Performance Computing.

My assurance statement related to the Final Accounts 2024 will be transmitted to the Accounting Officer of the Commission. The Management Representation Letter, signed by the Authorising Officer and myself, will be sent to the European Court of Auditors for the audit of the Final Accounts.

Qualified electronic signature by: ANDREI

HRETU

Date 2025-06-10 10:04:32 UTC

Andrei Hretu

**Accounting Officer of the European High
Performance Computing Joint
Undertaking**

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

BACKGROUND INFORMATION NOTE

1. General background on the entity

Establishment

The European High Performance Computing Joint Undertaking (EuroHPC JU) was established in 2018 (Council Regulation (EU) 2018/1488 of 28/09/2018). This Council Regulation was repealed in 2021 and replaced by Council Regulation (EU) 2021/1173 of 13 July 2021 on establishing the European High Performance Computing Joint Undertaking and repealing Regulation (EU) 2018/1488. The Council Regulation (EU) 2024/1732 of 17 June 2024 amending Regulation (EU) 2021/1173 included a EuroHPC initiative for start-ups in order to boost European leadership in trustworthy artificial intelligence. This regulation defines the tasks that are entrusted to the EuroHPC Joint Undertaking under Horizon Europe (HE) programme, the Digital Europe programme (DEP) and the Connecting Europe Facility (CEF).

The Joint Undertaking is the legal entity responsible for the implementation of research and technological development in European High-Performance Computing. Between 2018 and the date when financial autonomy was achieved, on 23 September 2020, the EuroHPC JU operated under the auspices of the European Commission (DG CNECT). The Joint Undertaking is located in Luxembourg.

Mission

With Regulation 2021/1173 (in force since 08/08/2021), the mission of the EuroHPC JU is to develop, deploy, extend and maintain in the Union a world-leading federated, secure and hyper-connected supercomputing, quantum computing, service and data infrastructure ecosystem; support the development and uptake of demand-oriented and user-driven innovative and competitive supercomputing and widen the use of the supercomputing infrastructure to a large number of public and private users, and support the twin transition and the development of key skills for European science and industry.

With the amendment of 17 June 2024, a new activity pillar for the JU, in the area of Artificial Intelligence, was added by extending the mission of the Joint Undertaking to support the further development of a highly competitive and innovative AI startup and research ecosystem in Europe, including the development and uptake of European AI solution, by operating AI Factories.

The Joint Undertaking is still implementing actions under the H2020 and CEF1 programme as foreseen under Reg. 2018/1488.

Main operational activities

By pooling European and national resources together, the EuroHPC JU ensures that the EU and participating countries coordinate their investments with the objective of deploying, in Europe, world-class supercomputers and supporting world leading high performance computing (HPC). The JU seeks to support European excellence in computing solutions, improving cooperation in advanced scientific research, boosting industrial competitiveness, and ensuring European technological and digital autonomy.

The Joint Undertaking supports two main (legacy) objectives which the JU continued to implement in 2024²:

- Developing a world-class supercomputing infrastructure: procuring and deploying in the EU three pre-exascale supercomputers and five petascale supercomputers. These supercomputers are located across the European Union and are available to Europe's scientific and industrial users, from the private and public sectors, throughout Europe; and
- Supporting research and innovation activities: developing and maintaining an innovative European supercomputing ecosystem, stimulating a technology supply industry (from low-power processors to software and middleware, and their integration into supercomputing systems), and making supercomputing resources in many application areas available to a large number of public and private users, including small and medium-sized enterprises.

² Legacy activities as set out in Regulation 2018/1488

Since 2021, with the Regulation 2021/1173, the EuroHPC JU has the following objectives:

- a) To contribute to the implementation of Regulation (EU) 2021/695 and in particular Article 3 thereof, to deliver scientific, economic, environmental, technological and societal impact from the Union's investments in research and innovation, so as to strengthen the scientific and technological bases of the Union, deliver on the Union strategic priorities and contribute to the realisation of Union objectives and policies, and to contribute to tackling global challenges, including the Sustainable Development Goals by following the principles of the United Nations Agenda 2030 and the Paris Agreement adopted under the United Nations Framework Convention on Climate Change³.
- b) To develop close cooperation and ensure coordination with other European Partnerships, including through joint calls, as well as to seek synergies with relevant activities and programmes at Union, national, and regional level, in particular with those supporting the deployment of innovative solutions, education and regional development, where relevant.
- c) To develop, deploy, extend and maintain in the Union an integrated, demand-oriented and user-driven hyper-connected world-class supercomputing and data infrastructure.
- d) To federate the hyper-connected supercomputing and data infrastructure and interconnect it with the European data spaces and cloud ecosystem for providing computing and data services to a wide range of public and private users in Europe.
- e) To promote scientific excellence and support the uptake and systematic use of research and innovation results generated in the Union.
- f) To further develop and support a highly competitive and innovative supercomputing and data ecosystem broadly distributed in Europe contributing to the scientific and digital leadership of the Union, capable of autonomously producing computing technologies and architectures and their integration on leading computing systems, and advanced applications optimised for these systems.
- g) To widen the use of supercomputing services and the development of key skills that European science and industry need; and
- h) To perform activities in the domains of acquiring and operating AI-optimised supercomputers or partitions of supercomputers to enable machine learning and training of general-purpose AI models and to create a new access mode to its computing resources for the AI startup ecosystem and the research and innovation ecosystem and to develop dedicated AI applications that are optimised to run on its supercomputers.

The EuroHPC JU shall enable a co-design approach for the acquisition of world-class supercomputers, while safeguarding the security of the supply chain of procured technologies and systems. It shall contribute to the Union's strategic autonomy, support the development of technologies and applications reinforcing the European High Performance Computing supply chain and promote their integration in supercomputing systems that address a large number of scientific, societal, environmental, and industrial needs.

Governance

The EuroHPC JU is headed by an Executive Director, who is the chief executive responsible for the day-to-day management. He/she is appointed by the Governing Board, the main decision-making body of the JU. The Governing Board has the overall responsibility for the strategic orientation, funding decisions and supervision of the implementation of the JU's activities including all the public procurement activities. It is composed of representatives of the EU and Participating States. The Commission and each Participating State appoint one representative in the Governing Board. Each representative may be accompanied by one expert.

The Industrial and Scientific Advisory Board is made up of the Research and Innovation Advisory Group (RIAG) and the Infrastructure Advisory Group (INFRAG) provides independent advice to the Governing Board on the strategic research and innovation agenda and on the acquisition and operation of the supercomputers owned by the Joint Undertaking. RIAG and INFRAG are made up of representatives of academia and industry as users and technology suppliers.

³ OJ L 282, 19.10.2016, p. 4

Sources of financing

The EuroHPC JU is funded by its members, the Union represented by the Commission, the Participating States and the Private Members, the European Technology Platform for High Performance Computing - ETP4HPC, the Big Data Value Association - DAIRO/BDVA, and the European Quantum Industry Consortium - QuIC.

The Union financial contribution, from August 2021 onwards, to the Joint Undertaking including EEA appropriations shall be up to EUR 3,081,300,000; including EUR 92,000,000 for administrative costs, on the condition that this amount is at least matched by the contribution of Participating States, distributed as follows:

- a) Up to EUR 900,000,000 from Horizon Europe
- b) Up to EUR 1,981,300,000 from the Digital Europe Programme
- c) Up to EUR 200,000,000 from the Connecting Europe Facility.

The Union contribution also covers the administrative costs of the Joint Undertaking. The appropriations are coming from the HE and the DEP programme.

2. Annual accounts

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by Model Financial Regulation (MFR)⁴. As per this regulation, the annual accounts are prepared in accordance with the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

Accounting Officer

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

The Single Basic Act⁵ establishing the new generations of JUs required, within one year following the date of entry into force of the Regulation, the establishment of back-office arrangements, to provide horizontal support functions to the joint undertakings, by concluding service level agreements. The Accounting Back Office (Acco BOA) was established and took over the accounting services from Accounting Officer the European Commission from 1 December 2022.

Following the decision of the European High Performance Computing JU Governing Board of 25 November 2022, as of 1 December 2022 Andrei Hretu acts as the Accounting Officer of the European High Performance Computing JU on behalf of the Acco BOA.

Composition of the annual accounts

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

Process from Provisional accounts to discharge

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

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

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

⁴ Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 14 2, 29.5.2019, p. 16)

3. Operational highlights

Achievements of the year

In 2024, the European High Performance Computing Joint Undertaking (EuroHPC JU) was in its fourth full year of operation since its autonomy in September 2020. 2024 was a year of intense activity for the EuroHPC JU in supporting the development of Artificial Intelligence (AI), quantum computing, hyperconnectivity and supercomputing across Europe.

Following the selection of six quantum computing hosting entities in 2023, the EuroHPC JU announced the signatures of procurement contracts for Piast-Q, the EuroQCS-Poland quantum computer located in Poznan (PL) in July, VLQ, the LUMI-Q consortium's quantum computer located in Ostrava (CZ) in September, Lucy the EuroQCS-France quantum computer in Paris (FR) September, Euro-Q-Exa, the quantum computer located in Munich (DE) in September of 2024. In December 2024, EuroHPC signed hosting agreements to operate two additional state-of-the-art quantum computers in Luxembourg and the Netherlands. The deployment of these quantum computers across Europe offers the widest possible variety of European quantum computing platforms and hybrid classical-quantum architectures, positioning Europe at the forefront of this emerging field and providing European researchers with access to diverse and complementary quantum technologies. The EuroHPC Governing Board has selected the establishment of two Quantum Excellence Centres (QECs) in November of 2024, which will act as one-stop shops for all matters related to quantum computing algorithms and use-cases, as well as, for the hybridisation of workflows to harness the full potential of quantum accelerated HPC. In addition, these quantum developments have opened up a new partnership with Japan. In November 2024, a call was launched to enhance EU-Japan collaboration with a focus on hybrid Quantum-HPC algorithms for material science, biomedical research and climate modelling.

In May 2024, three EuroHPC pre-exa-scale supercomputers were ranked in the top 10 of the TOP500 list, while Deucalion also made its first appearance on the list. The TOP500 appears twice a year and provides an essential benchmark for the supercomputing community. EuroHPC supercomputers were similarly well placed in the November publication of TOP500 and it was especially notable that new entry JUPITER took first place in the Green500 list with its first module named JEDI (Jupiter Exascale Development Instrument). Also, in the first half of the year, the hosting agreement was signed with GENCI in France for EuroHPC second exascale supercomputer, Alice Recoque, and a tender call was launched. A call for tender was also launched for the mid-range supercomputer DAEDALUS which will be located in Greece.

The focus of the second half of the year was on the AI Factories initiative. Following the adoption of the amendment in June of the Council Regulation of EuroHPC JU, the activities of EuroHPC JU grew to include the deployment and operation of AI Factories. The change of legal base allows for the procurement of AI optimised machines, the upgrade of existing HPC infrastructure with enhanced AI capabilities, and the development of AI ecosystems centred around the EuroHPC supercomputing facilities. In less than six months EuroHPC JU selected seven consortia who will establish the first AI Factories in Finland, Germany, Greece, Italy, Luxembourg, Spain and Sweden. Like the other EuroHPC supercomputers, AI factories are funded by pooling European Union (EU) and national resources. They bring together the collaborative effort of 17 European countries and many consortia involving multiple participating countries. They will create a robust network of AI hubs across Europe that will act as one-stop shops for startups, SMEs and researchers. The fast-paced selection of these initial AI Factories in 2024 is evidence of EuroHPC's ability to respond to the rapidly changing landscape of advanced computing and to support the key objectives of the European Commission.

Alongside the AI Factories initiative, EuroHPC JU signed a contract with a CSC-IT led consortium to implement the EuroHPC Federation Platform in 2024. This new initiative will federate and further interconnect EuroHPC supercomputers, quantum computers, and data resources across Europe, enhancing user access to advanced technologies.

EuroHPC JU also provided technical expertise and software development to advance cutting-edge research. In early 2024 EuroHPC JU launched the EPICURE project which offers a coordinated European HPC application support service to public and private users that encourages the best possible uptake of the HPC systems by European researchers. The EPICURE project is set to run until January 2028

On the International front, the JU also initiated new collaborative partnerships with Japan on quantum and India on HPC applications.

A key objective of the EuroHPC JU is to strengthen Europe’s HPC expertise and develop the next generation of highly skilled workers and researchers. A significant milestone was celebrated in October 2024 when the inaugural cohort of students graduated from the EUMaster4HPC programme.

Over the year EuroHPC JU participated in multiple events including ISC24, Europe Day, #SC 24 and the European Agencies Network Day. EuroHPC JU also hosted several large events including our 2024 EuroHPC Summit in Antwerp in March with almost 700 participants, and the EuroHPC User Day which took place in Amsterdam in October.

The EuroHPC JU team continued to grow in 2024 and counted 40 full-time staff members and 4 interims at the end of 2024.

Operational Achievements

Operational EuroHPC Systems in 2024

In 2024, the EuroHPC Joint Undertaking continued to provide compute time for European researchers on the following systems: Leonardo, LUMI, Vega, MeluXina, Karolina, MareNostrum 5, Discoverer and Deucalion. The deployment of Jupiter, Europe’s first exascale computer, based at the Jülich Supercomputing Centre in Germany, is progressing at pace, reaching a major milestone in 2024 with the completion of JETI, the second module in this groundbreaking system.



Figure 1: EuroHPC Top500 highlights November 2024

All operational EuroHPC systems were ranked in the June and November editions of the TOP500 list and were among the world’s most powerful and energy efficient supercomputers in the world.

In June 2024, 3 Euro HPC systems were listed among the top 10 supercomputers in the world. In November 2024, 3 EuroHPC supercomputers were ranked within the top 15 systems globally as new systems entered the list, and JEDI Module from Jupiter took the #1 spot on the Green500 list (See Figure 1).

Access to EuroHPC Systems in 2024

All operational EuroHPC systems are accessible to users located in the European Union under the conditions set out in the EuroHPC Access Policy.

In 2024, EuroHPC JU opened five Access Calls to applicants. These were categorised according to several parameters, such as the volume of resources offered, the complexity of the evaluation process applied, the type and maturity of applications targeted by each mode, and the periodicity of cut-off dates, as summarized in Figure 2.

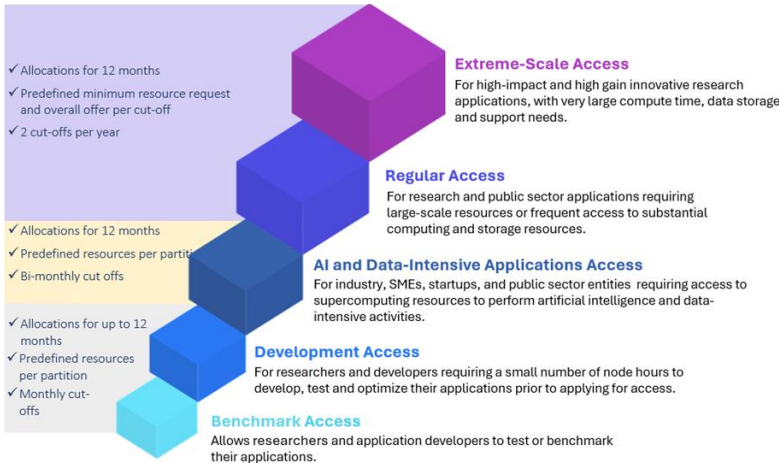


Figure 2: Overview of the Access calls offered in 2024 and their specifications

In 2024, 706 computational projects were awarded a total of 41.2 million node hours access time through the JU Access calls. These were fundamental to provide European scientists and SMEs with access to the computing resources of the EuroHPC JU for large-scale European projects that have important needs in terms of compute time, data storage, and support resources. (see Figure 3)

Access Mode	No. of cut-offs	CPU time awarded (node hours)	GPU time awarded (node hours)	Total time awarded (node hours)	No. of proposals submitted	No. of proposals awarded	Proposal validation rate
Benchmark Access	12	352,500	400,100	752,600	242	203	84%
Development Access	12	1,233,000	1,325,100	2,558,100	419	341	81%
AI and Data-intensive Applications Access	4	-	2,205,600	2,205,600	84	54	64%
Regular Access	2	4,802,132	2,780,841	7,582,973	84	66	79%
Extreme-scale Access	2	8,667,338	11,688,003	20,355,341	63	42	67%
Strategic Access	-	4,240,224	3,560,115	7,800,339	-	-	-
Total	32	19,295,194	21,959,759	41,254,953	892	706	79%

Figure 3: Summary of the access calls in 2024: access modes, number of cut-off dates, awarded resources in node hours, number of proposals submitted, awarded and their approval rate.

Procurements

HPC and Artificial Intelligence



Figure 4: Map of European AI Factories selected in 2024

2024 was a very busy year for EuroHPC in terms of procurement and infrastructural development. Across the areas of high-performance computing, Artificial Intelligence (AI) and quantum computing new procurements and partnerships were launched with a view to providing the European Union with an advanced, resilient HPC ecosystem.

The amendment to the Regulation (EU) 2021/1732 adopted Council in June 2024 provided EuroHPC JU with the mandate to boost European leadership in trustworthy Artificial Intelligence (AI)⁵.

In September 2024, the EuroHPC Joint Undertaking was then able to launch two calls for expressions of interest to select hosting entities to operate AI-optimised supercomputers, experimental AI platforms, and to deliver AI Factories services across Europe. A total of seven proposals were received, and all were approved by the Governing Board in December 2024.

Europe's first set of AI Factories will be located in Germany, Spain, Luxembourg, Finland, Greece, Italy and Sweden (See Figure 3). Six of these AI Factories will be supported by EuroHPC JU to procure new or upgrade existing machines with enhanced AI capabilities. All AI factories will provide users with services that will support the development of their AI activities across Europe.

Federation and Hyperconnectivity

Two new procurements were launched to federate and provide hyperconnectivity across EuroHPC's pan-European infrastructure. The EuroHPC Federation Platform will provide users with a single access point to current EuroHPC supercomputing resources and, in the future, to EuroHPC AI Factories and quantum computers. This 'one-stop-shop' approach will ensure greater accessibility and uptake to EuroHPC systems across Europe. The platform will also facilitate federated access to data lakes and data spaces across Europe by seamlessly integrating both private and public solutions. This procurement paves the way for a secure, scalable, and flexible hub, the EuroHPC Federation Platform, which is set to empower Europe's scientific, industrial, and academic communities and foster innovation in Europe.

The hyperconnectivity open tender was launched in December 2024 and aims to establish a future-proof bundle of hyperconnectivity services to support and enhance the capabilities of the European HPC infrastructure. This initiative, combined with the EuroHPC Federation Platform, will create a hyperconnected, federated, and secure ecosystem for High-Performance Computing (HPC) and quantum computing services.

Quantum computer procurements

Following the signature of Hosting Agreements with 6 selected Hosting Entities in June 2023 for EuroHPC's quantum computers, all procurement procedures were finalised in 2024 and four procurement contracts to deliver the systems "EuroQCS-Poland", "EuroQCS-France", "Euro-Q-Exa" and "LUMI-Q" were signed. The last two contracts delivering EuroQCS-Spain and EuroQCS-Italy were signed in early 2025. EuroHPC JU has selected the two additional Hosting Entities "EuroSSQ-HPC" at SURF in the Netherlands and "MeluXina-Q" at LuxProvide in Luxembourg focussing on quantum computing modalities that will complement the existing EuroHPC systems. In addition to acquiring quantum computing infrastructure, the EuroHPC JU has selected two Quantum Excellence Centres (QECs) to address relevant aspects of quantum computing, including hybrid HPC-QC, use-case developments, community and talent building and end-user support.

Research and Innovation activities

Grant agreements in 2024

In 2024 EuroHPC JU signed 7 grant agreements and 1 partnership framework agreement with projects covering skills & usage, HPC applications and technology, AI/ML and international partnerships.

Applications, Competence and Skills

In February 2024, a grant agreement for the EPICURE project was signed. On 1st of February 2024 the grant agreement with the EPICURE project was signed. The project aims at establishing and operating a distributed but coordinated Europe-wide high-performance computing application support service, to encourage the best possible uptake of the systems by European scientists and researchers.

April 2024 was marked by the signing of the Fortissimo FFplus grant, which will support the uptake of HPC-AI among SMEs.

⁵ 2024/1732 COUNCIL REGULATION (EU) 2024/1732 of 17 June 2024 amending Regulation (EU) 2021/1173 as regards a EuroHPC initiative for start-ups in order to boost European leadership in trustworthy artificial intelligence

In October 2024, two new grant agreements for Centres of Excellence (CoEs) for HPC Applications were signed (MICROCARD-2 and dealii-X) to support the development and adaptation of HPC applications for exascale and post-exascale computing.

On competences and skills, EuroCC4SEE project grant agreement was also signed in October. EuroCC4SEE aims to establish a network of National Centres of Competence (NCC) in Associated Countries, addressing HPC deployment maturity differences in Europe and complementing the existing EuroCC network of Competence Centres.

Building on the existing and very successful EUMaster4HPC pilot project, a call was launched in 2024 to design and establish a pan-European MSc programme in High Performance Computing (HPC) to train specialists through advanced education in system architecture, software development, and HPC utilization.

At the end of the year, the MINERVA project which will advance HPC-AI knowledge across European machine learning (ML) and AI communities, acting as a central hub to support large-scale ML and AI research and development.

HPC Technologies

In September, a Framework Partnership Agreement (FPA) was signed with RISC-V for HPC Digital Autonomy in Europe (DARE). This partnership is to be implemented as one or more Specific Grant Agreements (SGA) to invigorate Europe's HPC ecosystem by uniting technology producers and consumers in the development of a RISC-V ecosystem. The first SGA call was launched in the same year, with resulting grant signed in February 2025.

The year closed with signatures on two further grant agreements. NET4EXA will create an advanced high-speed interconnect for HPC and AI systems and the MINERVA project which will advance HPC-AI knowledge across European machine learning (ML) and AI communities, acting as a central hub for large-scale ML and AI research and development.

International Cooperation

At the request of the Commission, following successful the Digital Partnership dialogues, EuroHPC put into place scientific projects with Japan in the field of HPC and Quantum and with India in HPC.

Japan:

In early 2024, the HANAMI projects were signed in March 2024. The HANAMI project aims at supporting and fostering joint scientific teams to improve the performance and transferability of European and Japanese HPC applications by leveraging the skills and expertise of the scientific community within Europe and Japan. A central aspect is the user-driven development of HPC applications in relevant research areas.

To strengthen the digital partnership further between the European Union and its partners, the EuroHPC JU also launched in 2024 a call on international collaboration with Japan on quantum computing, focussing on algorithm and use-case developments in scientific and technological areas relevant for both regions. The evaluation and awarding of this call will take place in 2025.

India:

As part of the India-EU Intent of Cooperation on High Performance Computing and Quantum Technologies Agreement, which was established in November 2022, a joint call was launched in 2024 to foster collaboration with India on high-performance computing (HPC) applications. This initiative culminated in the signing of a grant agreement in April 2025 for the project GANANA.

Other items:

More information on the EuroHPC JU's administrative and operational activities, organisational chart, applicable legislation, budgetary and financial information, staffing status, and Governing Board key decisions, is available on the EuroHPC JU website <https://eurohpc-ju.europa.eu>, in its Report on Budgetary and Financial Management, and in its Annual Activity Report.

EUROPEAN HIGH PERFORMANCE COMPUTING JOINT UNDERTAKING
FINANCIAL YEAR 2024

**FINANCIAL STATEMENTS AND
EXPLANATORY NOTES**

BALANCE SHEET

	Note	31.12.2024	31.12.2023
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	3,853.00	5,933.00
<i>Intangible asset under construction</i>	2.1	-	-
<i>Property, plant and equipment</i>	2.2	268,449,263.29	205,778,459.07
<i>Long term pre-financing</i>	2.3	181,223,872.23	158,478,456.56
		449,676,988.52	364,262,848.63
CURRENT ASSETS			
<i>short term Pre-financing</i>	2.3	98,212,271.96	93,890,194.59
<i>Exchange receivables and non-exchange recoverable</i>	2.4	923,023,689.20	853,388,669.76
		1,021,235,961.16	947,278,864.35
TOTAL ASSETS		1,470,912,949.68	1,311,541,712.98
CURRENT LIABILITIES			
<i>Payables and other liabilities</i>	2.7	998,544,930.48	840,963,966.72
<i>Accrued charges and deferred income</i>	2.8	63,566,461.48	79,077,406.97
		1,062,111,391.96	920,041,373.69
TOTAL LIABILITIES		1,062,111,391.96	920,041,373.69
NET ASSETS			
<i>Contribution from Members</i>	2.9	884,003,784.07	712,002,890.92
<i>Accumulated deficit</i>		(320,502,551.63)	(179,437,167.77)
<i>Economic result of the year</i>		(154,699,674.72)	(141,065,383.86)
NET ASSETS		408,801,557.72	391,500,339.29
LIABILITIES AND NET ASSETS		1,470,912,949.68	1,311,541,712.98

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2024	2023
REVENUE			
Revenue from non-exchange transactions			
<i>Recovery of operating expenses</i>	3.1	22,051.01	235,000.00
<i>Other non-exchange revenue</i>	3.2	-	-
Revenue from exchange transactions			
<i>Financial revenues</i>	3.3	-	-
<i>Other exchange revenue</i>		14,127.97	9,820.05
Total revenue		36,178.98	244,820.05
EXPENSES			
<i>Operating costs</i>	3.4	(73,975,209.80)	(92,219,539.61)
<i>Staff costs</i>	3.5	(4,993,726.70)	(3,691,044.97)
<i>Financial expenses</i>	3.6	(104,640.76)	(19,737.90)
<i>Other expenses</i>	3.7	(75,662,276.44)	(45,379,881.43)
Total expenses		(154,735,853.70)	(141,310,203.91)
ECONOMIC RESULT OF THE YEAR		(154,699,674.72)	(141,065,383.86)

CASHFLOW STATEMENT⁶

	2024	2023
<i>Economic result of the year</i>	(154,699,674.72)	(141,065,383.86)
Operating activities		
Depreciation and amortization	66,219,840.93	38,661,156.21
(Increase)/Decrease in pre-financing	(27,067,493.04)	44,850,890.12
(Increase)/Decrease in exchange receivables and non-exchange	(69,635,019.44)	(351,332,108.87)
(Increase)/Decrease in payables	157,580,963.76	680,696,483.40
(Increase)/Decrease in accrued charges & deferred income	(15,510,945.49)	38,462,644.48
(Increase)/Decrease in cash contributions	172,000,893.15	(112,198,885.53)
(Increase)/Decrease in in-kind contributions	-	-
Other non-cash movements	-	-
Investing activities		
(Increase)/Decrease in intangible assets and property, plant, equipment	(128,888,565.15)	(198,074,795.95)
Net Cashflow	-	-
<i>Net Increase/(decrease) in cash and cash equivalents</i>	-	-
<i>Cash and cash equivalents at the beginning of the year</i>	-	-
<i>Cash and cash equivalents at year-end</i>	-	-

⁶ The treasury of Euro HPC JU was integrated into the Commission's treasury system. Because of this, Euro HPC JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading exchange receivables and non-exchange recoverables.

STATEMENT OF CHANGES IN NET ASSETS

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2022	528,967,784.46	(91,255,052.37)	(88,182,115.40)	349,530,616.69
<i>Allocation 2022 economic result</i>	-	<i>(88,182,115.40)</i>	<i>88,182,115.40</i>	-
<i>Cash contribution</i>	<i>171,115,083.39</i>	-	-	<i>171,115,083.39</i>
<i>Unpaid cash contributions</i>	<i>11,920,023.07</i>	-	-	<i>11,920,023.07</i>
<i>Economic result of the year</i>	-	-	<i>(141,065,383.86)</i>	<i>(141,065,383.86)</i>
BALANCE AS AT 31.12.2023	712,002,890.92	(179,437,167.77)	(141,065,383.86)	391,500,339.29
<i>Allocation 2023 economic result</i>	-	<i>(141,065,383.86)</i>	<i>141,065,383.86</i>	-
<i>Cash contribution</i>	<i>172,000,893.15</i>	-	-	<i>172,000,893.15</i>
<i>Unpaid cash contributions</i>	-	-	-	-
<i>Economic result of the year</i>	-	-	<i>(154,699,674.72)</i>	<i>(154,699,674.72)</i>
BALANCE AS AT 31.12.2024	884,003,784.07	(320,502,551.63)	(154,699,674.72)	408,801,557.72

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

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

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

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

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

1.2.2. Currency and basis for conversion

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

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

Euro exchange rates

Currency	31.12.2024	31.12.2023	Currency	31.12.2024	31.12.2023
BGN	1.9558	1.956	PLN	4.275	4.34
CZK	25.185	24.724	RON	4.9743	4.976
DKK	7.4578	7.453	SEK	11.459	11.096
GBP	0.8218	0.887	CHF	0.9412	0.926
NOK	11.795	11.241	JPY	163.06	156.33
HUF	411.35	382.80	USD	1.0389	1.105

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. Actual results could differ from those estimates. Reasonable estimates are an essential part of the preparation of

financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

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

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

The following new IPSAS standards and amendments are effective as of January 1, 2025:

- **IPSAS 46 Measurement:** IPSAS 46 brings measurement guidance together in a single standard and introduces a public sector specific current value measurement basis for assets held for their operational capacity and provides additional generic guidance on fair value. IPSAS 46 will be effective for periods beginning on or after January 1, 2025.
- **IPSAS 45 Property, Plant, Equipment:** IPSAS 45 introduces the current operational value as a measurement basis in the updated current value model for assets and also identifies the characteristics of heritage and infrastructure assets and provides new guidance on how these types of assets should be recognized and measured. IPSAS 45 will be effective for periods beginning on or after January 1, 2025.
- **IPSAS 43 Leases:** IPSAS 43 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. IPSAS 43 will be effective for periods beginning on or after January 1, 2025.
- **IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations:** IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value. IPSAS 44 will be effective for periods beginning on or after January 1, 2025.
- **Amendment to IPSAS 43 Leases:** This amendment offers a practical expedient to account for lease modifications in IPSAS 43, Leases. This amendment will be effective for periods beginning on or after January 1, 2025.

The following new IPSAS standards and amendments are effective as of January 1, 2026:

- **IPSAS 49 Retirement Benefits:** IPSAS 49 prescribes the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.
- **IPSAS 47 Revenue:** IPSAS 47 is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the existing three revenue standards and presents accounting models which will improve financial reporting and support effective public sector financial management. IPSAS 47 will be effective for periods beginning on or after January 1, 2026.
- **IPSAS 48 Transfer Expenses:** IPSAS 48 provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap which had previously led to ambiguity and inconsistency of accounting policies in the public sector. IPSAS 48 will be effective for periods beginning on or after January 1, 2026.
- **Amendment to IPSAS 1, Presentation of Financial Statements:** The amendments clarify the principles related to the right to defer settlement for at least twelve months (with or without covenants); and the meaning of 'settlement' when a liability is rolled over under and existing loan

facility. These amendments will be effective for periods beginning on or after January 1, 2026.

- **Amendment to IPSAS 43 Leases:** Amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any gain or loss that relates to the right-of-use it retains. This amendment will be effective for periods beginning on or after January 1, 2026.

The following new IPSAS standards and amendments are effective as of January 1, 2027:

- **Concessionary Leases and Other Arrangements Conveying Rights over Assets (Amendments to IPSAS 43, IPSAS 47, and IPSAS 48):** The new guidance enhances IPSAS 43, IPSAS 47, and IPSAS 48 by addressing the accounting for arrangements that are prevalent in the public sector consistent with the principles in those Standards. These amendments will be effective for periods beginning on or after January 1, 2027.
- **IPSAS 50, Exploration for and Evaluation of Mineral Resources:** IPSAS 50 provides guidance related to the costs incurred for exploration for, and evaluation of, mineral resources (for example, minerals, oil, natural gas and similar non-regenerative resources), as well as the costs of determining the technical feasibility and commercial viability of extracting the mineral resources. IPSAS 50 will be effective for periods beginning on or after January 1, 2027.
- **Stripping Costs in the Production Phase of a Mine (Amendments to IPSAS 12):** Appendix A in IPSAS 12, Inventories, provides interpretive guidance on accounting for waste removal costs that are incurred in surface mining activities during the production phase of the mine. These amendments will be effective for periods beginning on or after January 1, 2027.

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

The new IPSAS 43 standard will have a limited impact on the Joint Undertaking. The corresponding EAR 8 (Leases) was issued in 2025, the entities shall apply the revised EAR for annual financial statements covering periods beginning on or after 1 January 2027. The scope of lease contracts falling under IPSAS 43 will be limited to the rental commitment of the office building of the Joint Undertaking. The total commitment under note **3.7** can give an indication of the impact of the new standard on the financial statements.

1.3. BALANCE SHEET

1.3.1. Intangible assets

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

1.3.2. Property, plant and equipment

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

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

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee.

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither an asset nor a liability recognised in the balance sheet.

1.3.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.4. Financial assets

The classification of the financial instruments is determined at initial recognition. Based on the management model and the asset contractual cash-flow characteristics the financial assets can be classified in three categories: Financial assets at amortised cost ('AC'), financial assets at fair value through net assets/equity ('FVNA') or financial assets at fair value through surplus or deficit ('FVSD'). Based on this classification, the entity has only 'financial assets at amortised cost', which are exchange receivables.

Financial assets at amortised cost are non-derivative financial assets that meet two conditions: 1) The entity holds them in order to collect the contractual cash flows. 2) On specified days, there are contractual cash flows that are solely payments of the principal and interest on the outstanding principal.

Financial assets at amortised cost are included in current assets, except for those with maturity of more than 12 months from the balance sheet reporting date.

Initial recognition and measurement

Financial assets at amortised cost are initially recognised at their fair value plus the transaction costs.

Subsequent measurement

Financial assets at amortised cost are carried at amortised cost, which is the amount initially recognised minus the principal repayments, plus or minus the cumulative amortisation of the interests using the effective interest method. In addition, the entity recognises a loss allowance for expected credit losses over the lifetime of the financial assets. At each reporting date, the annual movement in the loss allowance adjusts the carrying amount of the financial asset. In the statement of financial performance, the entity recognises an impairment gain or loss for the adjustment of the loss allowance.

Derecognition

Financial assets at amortised cost are derecognised either when the rights to receive cashflows from the investments have expired or are waived, or and when the entity has transferred substantially all risks and rewards of ownership to another party.

1.3.5. Pre-financing amounts

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

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

1.3.6. Receivables and recoverables

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

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

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.3.7. Cash and cash equivalents

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

1.3.8. Payables

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

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

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

1.3.9. Accrued and deferred revenue and charges

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

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

1.3.10. Provisions

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

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

1.3.11. Net assets

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

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

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

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

(i) Revenue from non-exchange transactions

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

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

(ii) Revenue from exchange transactions

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

1.4.2. Expenses

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

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

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

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

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

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

1.5.2. Contingent liabilities

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

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

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

1.6. CONTRIBUTIONS FROM MEMBERS

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

1.6.1. Financial contributions

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

Horizon 2020 programme:

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

Horizon Europe programme:

- EU Contributions: In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the JU received from the European Union a pre-financing payment for the implementation of the Horizon Europe Framework programme.
- According to the Specific Guidance for the accounting of the EU cash contributions received by the Joint Undertakings under FFPA related to MFF 2021-2027, the contributions payments done by the EU for the Horizon Europe programme are accounted as 'contributions in cash to be validated'. During the provisional accounting closure, the JU should, on the basis of the payment's implementation report, determine the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe programme. In the accounting of the JU the underlying amount should be, for the purpose of the preparation of the provisional financial statements, transferred from the provisional payments to the net assets of the JU (cut-off procedure). It will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – CAAR (Art. 19.2 FFPA)

1.6.2. In-kind contributions

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

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

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

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

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

The EU cash contributions are validated and recognised in the accounts of the JU when paid to the JU (or based on the payments processed by the JU, in case of Horizon Europe, see note **2.7**) at the beginning of the project implementation, while members' in-kind contributions are only recognised after validation of the costs incurred and declared. Consequently, due to this time gap, during the programme implementation the amounts of contributions recognised per member category (EU and private members) differ significantly from each other. This gap between the recognised amount of EU cash contributions on one hand and in-kind contributions on the other hand will be closed as the programme is approaching the finalisation stage.

Due to major simplifications introduced in H2020 programme (which continue to be applied for Horizon Europe too), the certification for IKOP is based on the CFS certificate for the total eligible project costs. The certificates for IKOP are only due to be submitted to the JU after the end of the last project reporting period. This time difference is a cause of a major delay between the time when the IKOP balances are committed (upon signature of the grant) until they could be validated and recognised in net assets of the JU.

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

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

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

	TOTAL
<i>Gross carrying amount at 31.12.2023</i>	8,315.88
<i>Additions</i>	-
Gross carrying amount at 31.12.2024	8,315.88
<i>Accumulated depreciation at 31.12.2023</i>	(2,382.88)
<i>Depreciation charge for the year</i>	(2,080.00)
Accumulated depreciation at 31.12.2024	(4,462.88)
NET CARRYING AMOUNT AT 31.12.2024	3,853.00
<i>NET CARRYING AMOUNT AT 31.12.2023</i>	5,933.00

The intangible assets held are composed of computer software amortized at a rate of 25%.

2.2. PROPERTY, PLANT AND EQUIPMENT

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

	Plant and equipment	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2023</i>	11,029.31	256,738,436.84	45,597.78	256,795,063.93
<i>Additions</i>		128,885,626.80	2,938.35	128,888,565.15
Gross carrying amount at 31.12.2024	11,029.31	385,624,063.64	48,536.13	385,683,629.08
<i>Accumulated depreciation at 31.12.2023</i>	(3,971.74)	(50,999,921.67)	(12,711.45)	(51,016,604.86)
<i>Depreciation charge for the year</i>	(3,201.00)	(66,202,716.08)	(11,843.85)	(66,217,760.93)
Accumulated depreciation at 31.12.2024	(7,172,74)	(117,202,637.75)	(24,555.30)	(117,234,365.79)
NET CARRYING AMOUNT AT 31.12.2024	3,856.57	268,421,425.89	23,980.83	268,449,263.29
<i>NET CARRYING AMOUNT AT 31.12.2023</i>	7,057.57	205,738,515.17	32,886.33	205,778,459.07

The main increase in this heading stems from the capitalization of the builds completed during the year and brought into production for the supercomputers Deucalion (approx. gross value EUR 6,9 M) and Mare Nostrum 5 (approx. gross value EUR 121,9 M). EuroHPC JU has full ownership of the Mare Nostrum 5, while Deucalion is co-owned together with the Republic of Portugal. The full acquisition value of the Deucalion supercomputer amounted to approx. EUR 18,4 M.

During 2024 the estimated depreciating period of the supercomputer Lumi was shortened by 2 months following an assessment of the maintenance capabilities and the feasibility of operating the system over its current estimated useful life. The change in the estimate was reflected by the amendment of the hosting agreement, modifying the end of the hosting period from the initially foreseen date in December 2027 to October 2027.

As the change in the useful life of the supercomputer Lumi was triggered by particular circumstances related to this system, the useful life of the other items in the same class of assets has remained unchanged.

The change in depreciation was applied from the start of the current reporting period, i.e. January 2024. The new estimate has led to an increased depreciation charge of approx. EUR 779,361 per year for the period 2024-2026 and a decrease of the depreciation charge of EUR 2,3 M in 2027, the last year of operation.

At the time of drawing up the final annual accounts, the hosting entity for the supercomputer Deucalion, Fundação para a Ciência e a Tecnologia is launching a new open tender for the insurance of the machine after the tender launched in 2024 was unsuccessful. At the same time, the insurance for the Mare Nostrum 5 supercomputer is yet to be received by EuroHPC.

At present, the risk derived from the lack of an insurance does not warrant a reduction in the value of the assets.

2.3. PRE-FINANCING

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

	31.12.2024	31.12.2023
<i>Long-term pre-financing</i>	181,223,872.23	158,478,456.56
<i>Short-term pre-financing</i>	98,212,271.96	93,890,194.59
Total	279,436,144.19	252,368,651.15

The slight increase of the long-term pre-financing is the result of the combined effect of decreasing long-term advances for grants and the increase of long-term advances for assets which are not expected to reach the production stage by the end of the year 2025.

The long-term pre-financing is composed of pre-financing given for grants (approx. 28%) and pre-financing for assets (approx. 72%).

The slight increase in the short-term pre-financing is mainly driven by the increase driven by projects nearing their final stages of implementation which outweigh the decrease the heading following the capitalization of the supercomputers that entered into production during 2024.

The outstanding pre-financing presented under this heading is net of estimated (cut-off) expenses for on-going projects without validated cost claims on 31 December 2024. The clearing of pre-financing with cut-off expenses amounted to EUR 38,6 M. The remaining portion of the cut-off expenses is recorded in accrued charges (see note **2.8**).

The short-term pre-financing is composed of pre-financing given for grants (approx. 96%) and advances given for assets (approx. 4%) which are expected to reach the production stage during the year of 2025.

2.4. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

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

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

	31.12.2024	31.12.2023
Recoverables from non-exchange transactions		
<i>Accrued income non exchange</i>	-	235,000.00
<i>Central treasury liaison accounts</i>	904,717,934.30	840,716,028.23
<i>Cash contributions to be paid by the Members</i>	1,275,000.00	11,920,053.07
<i>Other</i>	7,315,388.99	515,368.76
	913,308,323.29	853,386,450.06
Receivables from exchange transactions		
<i>Accrued income and deferred charges</i>	9,714,518.50	-
<i>Other</i>	847.41	2,219.70
	9,715,365.91	2,219.70
Total	923,023,689.20	853,388,669.76

The Central treasury liaison (intercompany) accounts with the Commission represent a virtual bank account of EuroHPC JU as the treasury of the JU was integrated into the Commission's treasury system. Because of this, EuroHPC JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under this heading. The result of the incoming and outgoing payments represents the cash balance available to EuroHPC JU.

Cash Contributions to be paid by the Members is comprised of the receivables related to the funding for the supercomputers' acquisitions. At the time of drawing up the provisional accounts the amount of EUR 1,3 M has already been received.

Other non-exchange comprises of the recoverable VAT which was paid during 2024 on purchases related to supercomputers.

Accrued incomes and deferred charges relate to the deferred expenditure on the maintenance for supercomputers which was paid in advance.

The overall increase of approx. 8% in the value of the receivables stems mainly from the increase of the cash receivable from the Central treasury.

The Amendment of the Council Regulation (EU) 2021/1173 by the Council Regulation (EU) 2024/1732, expanding the objectives of EuroHPC JU in the field of AI technologies, has led to a reorganisation of the activities during the year which also had an impact on the schedule of payments leading to an increase in the value of the Central treasury liaison accounts.

2.5. CASH AND CASH EQUIVALENTS

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

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

LIABILITIES

2.6. PROVISIONS

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

At 31 December 2024 the Joint Undertaking did not have any provisions established.

2.7. PAYABLES AND OTHER LIABILITIES

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

	31.12.2024	31.12.2023
Contributions to be validated		
<i>Contributions in kind from Members to be validated</i>	74,652,681.60	71,106,445.05
<i>Cash contribution from EC to be validated</i>	828,037,725.43	758,945,214.98
	902,690,407.03	830,051,660.03
Current		
<i>Payables to Participant Guarantee Fund</i>	1,345,826.03	-
<i>Sundry payables</i>	94,508,697.42	10,912,306.69
	95,854,523.45	10,912,306.69
Total	998,544,930.48	840,963,966.72

Under the 'contribution in-kind from members to be validated' heading presented the in-kind contributions related to on-going projects without a validated contribution certificate at 31 December. The amount for the 2024 IKOP is recognised based on the estimates received from the members.

After validation of the contributions through the Governing Board, the amounts will be booked to Net Assets and presented as contribution received from members (note 2.9).

The 'contributions in cash to be validated' represents the financing received from the European Commission under the new Financial Framework Partnership Agreement but unspent, in relation to the programmes Horizon Europe, Digital Europe and Connecting Europe Facility (note 1.6.1) as well as the co-funding received but unspent from the Participating States for the acquisition of the supercomputers under the previously mentioned programmes. The share attributable to the EU contributions amounts to approx. 88% of the heading, while approx. 12% are attributable to the contributions from the Participating States including EUR 1,3 M, provided from the Recovery and Resilience Facility funding.

The increase under the heading is mainly a consequence of the fact that some payments for the grants and procurements have been postponed to 2025. In order to address the increasing balance EuroHPC JU has already had discussions with the European Commission to reduce the level of financing in 2025.

The value presented under the 'sundry payables' is mostly composed of payments related to the supercomputer on-going development and operating activities (approx. 64%) and payments for R&I grants (approx. 36%).

Due to the nature of the activities of the JU approx. 90% of the total liabilities (in-kind and cash contributions to be validated) are liabilities towards the members of the EuroHPC JU. This makes the exposure of the JU to claims from external unrelated parties to be very low.

2.8. ACCRUED CHARGES

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

	31.12.2024	31.12.2023
<i>Accrued charges</i>	63,566,461.48	79,077,406.97

The R&I grants account for 50% of the total value of the accrued charges and the operating and maintenance costs of the supercomputers account for a further 49% of the total.

The heading also includes accrued costs related to the administration of the JU (approx. EUR 477,188), operational procurement (approx. EUR 155,934) and staff expenses for untaken leave (approx. EUR 158,655).

The decrease of accrued costs is mainly due to the accrued value for the supercomputer Leonardo in 2023 for which the final payment was executed only in 2024 (approx. EUR 16,6 M).

NET ASSETS

2.9. CONTRIBUTIONS FROM MEMBERS

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

Programming period	2024			2023		
	Cash	In-Kind	Total	Cash	In-Kind	Total
<i>Horizon 2020 & CEF 1</i>	657,046,762.78	-	657,046,762.78	574,687,621.81	-	574,687,621.81
<i>Horizon Europe</i>	65,813,016.60	-	65,813,016.60	28,997,081.87	-	28,997,081.87
<i>DEP</i>	160,368,921.31	-	160,368,921.31	108,318,187.24	-	108,318,187.24
<i>CEF 2</i>	775,083.38	-	775,083.38	-	-	-
Total	884,003,784.07	-	884,003,784.07	712,002,890.92	-	712,002,890.92

2.9.1. Research and Innovation funding programme for 2014-2020 (Horizon 2020 & CEF 1)

Member	EU	Members other than the EU			Total	
	Cash	Cash	In kind	Total	Cash	In kind
<i>Running costs contributions at 31.12.2023</i>	8,882,548.63			-	8,882,548.63	-
<i>Current year contributions</i>				-	-	-
Running costs contributions at 31.12.2024	8,882,548.63	-	-	-	8,882,548.63	-
<i>Operating costs contributions at 31.12.2023</i>	436,161,236.38	129,643,836.80		129,643,836.80	565,805,073.18	-
<i>Current year contributions</i>	32,359,294.73	49,999,846.24		49,999,846.24	82,359,140.97	-
Operating costs contributions at 31.12.2024	468,520,531.11	179,643,683.04	-	179,643,683.04	648,164,214.15	-
<i>TOTAL contributions at 31.12.2023</i>	445,043,785.01	129,643,836.80		129,643,836.80	574,687,621.81	
TOTAL contributions at 31.12.2024	477,403,079.74	179,643,683.04		179,643,683.04	657,046,762.78	-

The difference that can be observed between the total contribution of the Union and the total contribution from the members other than the Union is due to the different methods of funding to the programme. The Union contributes only cash while the other members provide cash and in-kind contributions.

The cash and in-kind contributions have a different pattern of recognition in the net assets. While the cash is recognized as a contribution in the same year when the amount receivable is established, the in-kind contributions are recognized in the net assets after the end of the project due to the reporting and certification requirements.

Only the in-kind contributions from the members that are both certified by external auditors and validated by the Governing Board of the JU are considered in-kind contribution. Estimated in-kind contributions, i.e. contributions for which no certifications has been received and/or this certification has not been validated by the Governing Board are reported under "contributions in-kind to be validated" (see note 2.7).

The amounts presented as cash from members other than the Union include only the amounts which have been transferred to the EuroHPC JU for the purchase of supercomputers over which the JU has full ownership. The co-funding on grant agreements and the co-funding for the purchases of co-owned supercomputers are not included in the above cash contributions. For a comprehensive view of all the contributions to the programme see note 4.6.

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

Member	EU	Members other than the EU			Total	
	Cash	Cash	In kind	Total	Cash	In kind
<i>Running costs contributions at 31.12.2023</i>	1,697,754.61	-	-	-	1,697,754.61	-
<i>Current year contributions</i>	2,698,146.68	-	-	-	2,698,146.68	-
Running costs contributions at 31.12.2024	4,395,901.29	-	-	-	4,395,901.29	-
<i>Operating costs contributions at 31.12.2023</i>	27,299,327.26	-	-	-	27,299,327.26	-
<i>Current year contributions</i>	34,117,788.05	-	-	-	34,117,788.05	-
Operating costs contributions at 31.12.2024	61,417,115.31	-	-	-	61,417,115.31	-
<i>TOTAL contributions at 31.12.2023</i>	28,997,081.87	-	-	-	28,997,081.87	-
TOTAL contributions at 31.12.2024	65,813,016.60	-	-	-	65,813,016.60	-

According to the specific guidance issued by the EC Accounting Officer⁷ for the accounting of the EU cash contributions received under Horizon Europe programme, the accounting treatment of the EU contribution should align with Art. 19.1 of the Financial Framework Partnership Agreement (FFPA), defining that the Union contributions take form of provisional payments ('pre-financings'). Based on this new requirement, the JU determines, on the basis of the payment implementation report the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe programme and enters only this amount into the net assets. The unspent funds are booked among the liabilities as 'contributions in cash to be validated' (see note **2.7**).

Only the in-kind contributions from the members that are both certified by external auditors and validated by the Governing Board of the JU are considered in-kind contribution. Estimated in-kind contributions, i.e. contributions for which no certifications has been received and/or this certification has not been validated by the Governing Board are reported under 'contributions in-kind to be validated' (see note **2.7**).

The presentation only of the contribution from the Union is due to the different pattern of recognition in the net assets of the cash and in-kind contributions. While the cash is recognized as a contribution in the same year when the amount receivable is established, the in-kind contributions are recognized in the net assets after the end of the project due to the reporting and certification requirements. At the same time, the co-funding on grant agreements from the Participating States are not included in the net assets of the JU.

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

⁷ Ares(2022)6810956 – 03/10/2022 : Specific Guidance: Accounting for EU cash contributions received by Joint Undertakings under the Financial Framework Partnership Agreement related to MFF 2021-2027

2.9.3. Reasearch and Innovation programme 2021-2027 (Digital Europe Programme (DEP))

Member	EU	Members other than the EU			Total	
	Cash	Cash	In kind	Total	Cash	In kind
<i>Running costs contributions at 31.12.2023</i>	2,674,433.67				2,674,433.67	
<i>Current year contributions</i>	3,894,067.75				3,894,067.75	
Running costs contributions at 31.12.2024	6,568,501.42	-	-	-	6,568,501.42	-
<i>Operating costs contributions at 31.12.2023</i>	69,006,768.71	36,636,984.86		36,636,984.86	105,643,753.57	
<i>Current year contributions</i>	48,156,666.32				48,156,666.32	
Operating costs contributions at 31.12.2024	117,163,435.03	36,636,984.86	-	36,636,984.86	153,800,419.89	-
<i>TOTAL contributions at 31.12.2023</i>	71,681,202.38	36,636,984.86		36,636,984.86	108,318,187.24	
TOTAL contributions at 31.12.2024	123,731,936.45	36,636.984.86	-	36,636,984.86	160,368,921.31	-

Based on the specific guidance issued by the EC Accounting Officer⁸ for the accounting of the EU cash contributions received under Digital Europe programme, the accounting treatment of the EU contribution should align with Art. 19.1 of the Financial Framework Partnership Agreement (FFPA), defining that the Union contributions take form of provisional payments ('pre-financings'). Based on this new requirement, the JU determines, on the basis of the payment implementation report the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Digital Europe programme and enters only this amount into the net assets. The unspent funds are booked among the liabilities as "contributions in cash to be validated" (see note 2.7).

The difference that can be observed between the total contribution of the Union and the total contribution from the members other than the Union is due to the different methods of funding to the programme. The Union contributes only cash while the other members provide cash and in-kind contributions.

The cash and in-kind contributions have a different pattern of recognition in the net assets. While the cash is recognized as a contribution in the same year when the amount receivable is established, the in-kind contributions are recognized in the net assets after the end of the project due to the reporting and certification requirements.

Only the in-kind contributions from the members that are both certified by external auditors and validated by the Governing Board of the JU are considered in-kind contribution. Estimated in-kind contributions, i.e. contributions for which no certifications has been received and/or this certification has not been validated by the Governing Board are reported under 'contributions in-kind to be validated' (see note 2.7).

The amounts presented as cash from members other than the Union include only the amounts which have been transferred to the EuroHPC JU for the purchase of supercomputers over which the JU has full ownership. The co-funding on grant agreements and the co-funding for the purchases of co-owned supercomputers are not included in the above cash contributions.

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

⁸ Ares(2022)6810956 – 03/10/2022 : Specific Guidance: Accounting for EU cash contributions received by Joint Undertakings under the Financial Framework Partnership Agreement related to MFF 2021-2027

2.9.4. Research and Innovation funding programme 2021-2027 (CEF 2)

Member	EU	Members other than the EU			Total	
	Cash	Cash	In kind	Total	Cash	In kind
<i>Running costs contributions at 31.12.2023</i>	-	-	-	-	-	-
<i>Current year contributions</i>						
Running costs contributions at 31.12.2024	-	-	-	-	-	-
<i>Operating costs contributions at 31.12.2023</i>	-	-	-	-	-	-
<i>Current year contributions</i>	775,083.38			775,083.38		
Operating costs contributions at 31.12.2024	775,083.38	-	-	775,083.38	-	-
<i>TOTAL contributions at 31.12.2023</i>	-	-	-	-	-	-
TOTAL contributions at 31.12.2024	775,083.38	-	-	-	-	-

Based on the specific guidance issued by the EC Accounting Officer⁹ for the accounting of the EU cash contributions received under the CEF programme, the accounting treatment of the EU contribution should align with Art. 19.1 of the Financial Framework Partnership Agreement (FFPA), defining that the Union contributions take form of provisional payments ('pre-financings'). Based on this new requirement, the JU determines, on the basis of the payment implementation report the amount of operating expenditures that have been covered from the EU financial contributions to the CEF programme and enters only this amount into the net assets. The unspent funds are booked among the liabilities as 'contributions in cash to be validated' (see note **2.7**).

The activities performed in relation to the CEF programme are financed solely by the EU.

⁹ Ares(2022)6810956 – 03/10/2022 : Specific Guidance: Accounting for EU cash contributions received by Joint Undertakings under the Financial Framework Partnership Agreement related to MFF 2021-2027

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

NON-EXCHANGE REVENUE

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

3.1. RECOVERY OF EXPENSES

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

	2024	2023
<i>Recovery of expenses</i>	22,051.01	235,000.00

The recoveries made in 2024 were in relation to three projects financed through grant agreements.

3.2. OTHER NON-EXCHANGE REVENUE

The Joint Undertaking did not have any other non-exchange revenue during the year 2024.

EXCHANGE REVENUE

3.3. REVENUE FROM EXCHANGE TRANSACTIONS

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

	2024	2023
<i>Realised exchange rate gains</i>	-	6,465.53
<i>Miscellaneous income exchange</i>	14,127.97	3,354.52
Total	14,127.97	9,820.05

EXPENSES

3.4. OPERATIONAL COSTS

Included under this heading are operational expenses related to projects that were carried out in the current year. The part of the operational costs related to on-going projects without any validated cost claims (or equivalent) available on 31 December was estimated using the best information available at the time of preparation of the annual accounts. The estimation is based on the case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates are based on costs incurred to date as a proportion of the estimated total costs of the projects ("pro-rata temporis").

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

	2024	2023
<i>Operational costs: estimated in-kind contributions</i>	3,546,236.55	22,069,055.14
Total operational costs from in-kind contributions	3,546,236.55	22,069,055.14
<i>Operational costs: validated EU contributions</i>	67,095,123.74	35,214,575.00
<i>Operational costs: estimated EU contributions</i>	3,333,849.51	34,935,909.47
Total operational costs from EU contributions	70,428,973.25	70,150,484.47
Total	73,975,209.80	92,219,539.61

The overall decrease in the operational costs is mainly due to the decrease in the estimated in-kind contributions.

The slight increase of the operational costs financed through EU contributions stems mainly from the increase in the on-going numbers of the grant agreements linked to R&I projects and the operating costs of the supercomputers. The increase in the validated costs coupled with the decrease in the estimated ones, indicates that more projects are reaching their later stages of implementation compared to the newly started ones.

3.5. STAFF COSTS

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

As per Article 83a (2) of the Staff Regulations, the part paid by the JU shall correspond to the percentage share between a) the JU's revenues without the subsidy from the general budget, and b) its total revenues. To avoid disruptive variations over time, the JUs employer's pension contribution is calculated with a single percentage share for the whole duration of the JU. This single percentage was established on the basis of the EU and non-EU members' respective contributions, as foreseen in the JU's legal basis, with a correction and regularisation in the last year of existence of the JU. The contribution of EuroHPC JU was set as 41,2% of the total pension scheme contributions. This contribution is accounted within staff costs.

In view of implementation problems and the principle of good administration, it was agreed between the Commission and the JUs that the provisions of Article 83a (2) are applied only to the JUs set up by the SBA and EuroHPC JU and not to those established under the previous Regulations. Given the late entry into force of the SBA at the end of November 2021, the applicability started as from 2022.

	2024	2023
<i>Staff costs</i>	4,993,726.70	3,691,044.97

The 35% increase in staff costs is mainly due to the increase in staffing levels of the JU throughout the whole year in 2024.

3.6. FINANCE EXPENSES

	2024	2023
<i>Interest expense on late payment of charges</i>	104,640.76	19,737.90

The interest expense incurred during the year relate to the delayed processing of cost claims related to grant agreements.

3.7. OTHER EXPENSES

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

	2024	2023
<i>Property, plant and equipment related expenses</i>	66,219,840.93	38,661,156.21
<i>External non-IT services</i>	397,207.21	412,591.74
<i>Legal Expenses</i>	99,594.23	59,265.00
<i>Maintenance and security expenses</i>	68,967.23	91,176.45
<i>Office Supplies & maintenance</i>	89,609.33	93,496.82
<i>External IT services</i>	7,603,825.02	5,191,341.91
<i>Experts' expenses</i>	676,434.27	478,840.36
<i>Training costs</i>	7,348.63	43,117.59
<i>Recruitment costs</i>	-	1,245.72
<i>Missions</i>	227,600.33	179,709.52
<i>Communications & publications</i>	262,282.08	162,078.67
<i>IT operating lease</i>	491.68	1,774.68
<i>Expenses with other EU entities</i>	5,224.05	-
<i>Insurances</i>	3,851.45	4,086.76
Total	75,662,276.44	45,379,881.43

The main increases under this heading are due to the increased depreciation charges and the increased maintenance costs for the supercomputers in operation which are included in the heading 'external IT services'. As the build for more supercomputers is finalized and the machines are being brought into use it is expected that the related expenses will continue to increase in the following periods.

The variations in the other categories presented under the heading represent yearly variations which are dependent on the needs of the JU as part of its regular business activities.

EuroHPC JU's headquarters building in Luxembourg has been made available at EUR 0 cost by the Luxembourgish Government until 31 December 2026. At present the JU is paying only the maintenance costs for the building.

4. OTHER SIGNIFICANT DISCLOSURES

4.1. CONTINGENT ASSETS

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

4.2. CONTINGENT LIABILITIES

Court case

In June 2023, RADICAL Consulting UG, SURF B.V. and Bayerische Akademie der Wissenschaften lodged a complaint before the European Court of Justice against EuroHPC JU Decision rejecting the request for evaluation review, concerning a call for proposal for Centres of Excellence under Horizon Europe programme. In September 2023, EuroHPC JU lodged an action for inadmissibility of the complaint submitted by Radical and others. The General Court decided that the plea of inadmissibility is reserved until the Court rules on the substance of the case. EuroHPC JU has lodged its defence in 2024, followed by a further reply from the plaintiffs and the rejoinder during the same year. The General Court's judgement on the case is expected in the beginning of 2025.

At this stage the probability of cash outflows is not considered probable.

Supplier exposure assessment

Following the financial restructuring undergone by the Atos Group ("the Group"), the EuroHPC JU has continued to monitor the situation during 2024 and assessed the exposure of the Joint Undertaking to the Group. The impact assessment included a review of the values of all contractual agreements between the JU and the Group, with particular focus on the advances (pre-financing) paid towards the Group's companies for procurement contracts and grant agreements. The JU also undertook as well as an assessment of the potential spillover effect between projects. Lastly, the JU has also assessed what major disruptions to JU operations would be caused in case of a potential interruption of the Group's services and deliveries to the JU.

Following this review, the JU calculated that the value of the open advances for on-going contracts is estimated at EUR 88,4 M. The open advances do not include the pre-financing covered by the Mutual Insurance Mechanism or pre-financings covered by deliverables which have been submitted and are under approval by the JU. Concurrently, a reliable estimate of the recoverable amounts pertaining to the on-going contracts with open pre-financing could not be established at this time, as this is dependent on future developments which are currently impossible to predict. Therefore, the assessment concluded that the financial exposure is limited to a range of possible outcomes which span from an estimated impact of EUR 0 to an estimated maximum impact of EUR 88,4 M.

The assessment also maintains that other global HPC players could implement similar projects in the EU. The spillover effect, understood as dependencies between projects, remains limited.

It is to be noted, that at the time when the annual accounts of the EuroHPC JU are being drawn up, the Group is implementing changes aimed at stabilising their financial perspectives, based on the successful completion of ATOS' financial restructuring (Press Release of the Group on 19 December 2024). Moreover, all EuroHPC JU dealings with the Group are with Eviden BDS Advanced computing business Unit, which has been publicly stated as profitable, and which has also been declared of strategic interest by the French State.

On the 2nd of June 2025, ATOS announced that the Group had received a confirmatory offer from the French State to acquire part of its former Advanced Computing business, which includes the HPC, Quantum and the Business Computing and AI divisions. As a result, considering that the French State offer is binding, the associated supplier exposure risks are significantly mitigated.

In conclusion, based on the current business relationships with the Group, and considering also the latest publicly available information, the possibility of an outflow of resources or service potential is remote at this time.

4.3. OUTSTANDING COMMITMENTS NOT YET EXPENSED

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

	2024	2023
<i>Outstanding commitments not yet expensed</i>	1,448,652,613.33	1,842,010,260.53

The outstanding commitments not yet expensed represent the correction of the budgetary RAL with the estimated costs, which are determined by using an accrual-based principle not reflected in the budgetary result, where the cash-based principle is used. The high increase between the years is driven by the high increase of the outstanding commitments at the end of the year for multi-annual expenditure.

4.4. IN-KIND CONTRIBUTIONS

According to Council Regulation (EU) No 2021/1173 and to Council Regulation (EU) No 2018/1488, the members other than the Union shall provide in-kind contributions to the Joint Undertaking.

Under H2020 programme, in-kind contributions by private members and their affiliated entities consist of the costs incurred by them in implementing indirect actions less the contribution of the Joint Undertaking and any other Union contribution to those costs. For the purpose of valuing these in-kind contributions, the cost is determined in accordance with the usual cost accounting practices of the entities concerned, to the applicable accounting standards of the country where the entity is established, and to the applicable International Accounting Standards and International Financial Reporting Standards. The costs shall be certified by an independent external auditor appointed by the entity concerned. The valuation method may be verified by the JU, should there be any uncertainty arising from the certification.

The in-kind contributions by the Participating State where the hosting entity is established or by the Participating States in a hosting consortium consist of the operating costs of the pre-exascale supercomputers owned by the Joint Undertaking, incurred by the hosting entities, less the contributions by the Joint Undertaking and any other Union contribution to those costs.

Further simplification was introduced with the Council Regulation (EU) No 2021/1173 for the programmes Horizon Europe, Digital Europe and Connecting Europe Facility. In that context, a simplified reporting mechanism was put in place for the members, who are no longer required to report on non-eligible costs for in-kind contributions to operational activities. Consequently, in-kind contributions to operational activities are accounted for solely on the basis of eligible costs and reported and audited in accordance with the mechanism applicable to the specific grant agreement. Such accounting on the basis of eligible costs allows for the automated calculation of in-kind contributions to operational activities via the Horizon Europe IT tools.

The Council Regulation (EU) No 2021/1173 distinguishes under Art.2 between:

- "in-kind contributions to indirect actions' funded from Horizon Europe means contributions by the Participating State or the Private Members of the Joint Undertaking or their constituent entities or their affiliated entities, consisting of the eligible costs incurred by them in implementing indirect actions less the contribution of that Joint Undertaking, of the Participating States of that Joint Undertaking and of any other Union contribution to those costs;"
- "in-kind contributions to actions' funded from the Digital Europe programme or the Connecting Europe Facility means contributions by the Participating State or the Private Members of the Joint Undertaking or their constituent entities or their affiliated entities, consisting of the eligible costs incurred by them in implementing part of the activities of the Joint Undertaking less the contribution of that Joint Undertaking, of the Participating States of that Joint Undertaking and of any other Union contribution to those costs;"

4.5. IN-KIND IN ADDITIONAL ACTIVITIES (IKAA)

As EuroHPC JU's Council Regulation (EU) 2021/1173 as amended by Council Regulation (EU) 2024/1732 does not provide for a legal base to collect IKAA from its private members, the private members of the JU do not provide contributions in the form of IKAA.

4.6. CONTRIBUTIONS PER PROGRAMME

Programme	Members contributions as of 31.12.2024				
	(as per funding regulation)				
	EU ¹⁰	Third country contribution (UK) (b)	Participating States	Private members	Total
	(a)		(c)	(d)	(e)=(a)+(b)+(c)
H2020 / CEF 1	536,000,000.00		476,000,000.00	420,000,000.00	1,432,000,000.00
HE	879,000,000.00	91,000,000.00	879,000,000.00		
DEP	1,981,300,000.00		1,981,300,000.00	900,000,000.00	7,111,600,000.00
CEF	200,000,000.00		200,000,000.00		
Total	3,596,300,000.00	91,000,000.00	3,536,300,000.00	1,320,000,000.00	8,543,600,000.00

Programme	Members contributions as of 31.12.2024								Achievement rate
	EU cash validated	EU cash not validated	Participating States cash validated	Participating States cash not validated	Participating States estimated IKOP	Participating States estimated financial contributions	Private Members estimated IKOP	Total	
H2020 / CEF 1	477,403,079.74	-	179,643,683.04	-	51,932,160.67	306,779,532.56	19,965,713.16	1,035,724,169.17	72%
HE	65,813,016.60	234,116,116.84	-	-	-	72,291,552.03	1,630,061.50	373,850,746.97	
DEP	123,731,936.45	411,517,176.83	36,636,984.86	103,179,515.14	-	587,440,110.83	1,124,746.27	1,263,630,470.39	24%
CEF	775,083.38	79,224,916.62	-	-	-	-	-	80,000,000.00	

The EU and Participating States cash validated comprises the contributions of the Union received by the JU for the programme Horizon 2020 and the contribution implemented by the JU through payments for the programmes Horizon Europe, Digital Europe and Connecting Europe Facility.

The EU and Participating States 'cash not validated' comprises the contributions of the Union received by the JU for the programmes Horizon Europe, Digital Europe and Connecting Europe Facility which have not been implemented through payments and are thus held as pre-financing received.

The Participating States and private members 'estimated IKOP category' comprise the Joint Undertaking estimates of the in-kind contributions due in relation to the projects for which the necessary reporting and certification requirements were not met in order to allow for the validation of the contributions.

¹⁰ The EU contribution for the Horizon Europe programme reflects the adjusted figure following the mid-term revision of the MFF

The Participating States 'estimated financial contributions' comprises the total estimated commitments based on signed agreements for which the contributions have not yet been provided to the JU or are not provided directly to the JU. The amounts include the co-funding contribution of the Participating States to projects funded through grant agreements, the co-funding contributions for the purchase of the supercomputers owned by the JU and co-owned with the JU and the co-funding of the operational costs of the supercomputers in operation.

Council Regulation 2018/1488 (Horizon 2020 & CEF 1 programmes)

Overall, the achievement rate for funding on the Council Regulation 2018/1488 is at a level expected from a programme approaching its sunset period. The EU funding has reached 89% of its Regulation target while the Participating States contributions (cash provided to the JU and estimated in-kind and financial contributions) is at an estimated maximum 113% of its Regulation target.

Council Regulation 2021/1173 (Horizon Europe, Digital Europe and Connecting Europe Facility programmes)

The information presented for the Council Regulation 2021/1173 is in line with the financing expectations from a programme that started at the end of 2021 for the EuroHPC JU. The funding from the Union has reached 29% while the Participating States contributions (cash provided to the JU and estimated in-kind and financial contributions) is at an estimated maximum 26%.

4.7. RELATED PARTIES

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

4.8. KEY MANAGEMENT ENTITLEMENTS

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

	31.12.2024	31.12.2023
<i>Executive Director</i>	<i>AD14</i>	<i>AD14</i>

4.9. OTHER EVENTS

RUSSIA-UKRAINE WAR

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

For subsequent reporting periods, the war may affect the recognition and measurement of some assets on the balance sheet and of some expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war in Ukraine cannot be reliably estimated.

4.10. OTHER INFORMATION

BREXIT - United Kingdom joins Horizon Europe programme

As of 1 January 2024, the United Kingdom became an associated country to Horizon Europe. Its researchers are able to participate in this research and innovation programme of the EU on the same terms as researchers from other associated countries and have access to Horizon Europe funding.

4.11. EVENTS AFTER REPORTING DATE

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

4.12. OBSERVATIONS ON MANAGEMENT AND CONTROL SYSTEMS

Not applicable.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

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

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

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

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

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

5.2. CURRENCY RISKS

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

5.3. CREDIT RISK

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

5.4. LIQUIDITY RISK

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

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of European High-Performance Computing is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of the joint undertaking:

Principles of unity and budget accuracy

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

Principle of annuality

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

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

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

Principle of universality

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

Principle of specification

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

Principle of sound financial management

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

Principle of economy

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

Principle of efficiency

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

Principle of effectiveness

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

Principle of internal control

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

Principle of transparency

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

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

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

Following the provisions of the financial rules of the EuroHPC JU, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed in the following titles:

Title 1

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

Title 2

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

Title 3

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

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

	Title	2024	2023
Revenue		251,998	570,127
<i>of which:</i>			
<i>EU Contribution</i>	2	189,819	488,616
<i>Other contributions</i>	4	61,920	81,508
<i>Recoveries - R and I Calls</i>	5	259	3
Expenditure		(206,060)	(205,837)
<i>of which:</i>			
<i>Staff expenditure</i>	1	(5,397)	(4,056)
<i>Administrative expenditure</i>	2	(1,797)	(1,357)
<i>Operational expenditure</i>	3	(198,865)	(200,424)
Exchange rate differences		-	6
Budget result		45,938	364,296

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	2024	2023
ECONOMIC RESULT OF THE YEAR	(154,699,674.72)	(141,065,383.86)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	154,206,257.37	116,720,709.47
<i>Adjustments for accrual cut-off (net)</i>	11,917,558.19	53,342,166.09
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	66,219,840.93	38,659,216.16
<i>Pre-financing given in previous year and cleared in the year</i>	76,404,626.29	24,704,456.08
<i>Payments made from non-budget lines</i>	(319,747.28)	
<i>Other individually immaterial</i>	(16,020.76)	14,871.14
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	46,431,631.24	388,640,964.28
<i>Members' cash contributions collected in the year</i>	240,077,759.98	570,123,418.61
<i>Asset acquisitions (less unpaid amounts) and assets pre-financing</i>	(135,858,844.91)	(171,684,296.84)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(69,707,306.90)	(9,798,157.49)
<i>Entitlements established in previous year and cashed in the year</i>	11,920,023.07	
BUDGET RESULT OF THE YEAR	45,938,213.89	364,296,289.89

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. IMPLEMENTATION OF BUDGET REVENUE

EUR
'000

	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
2010	HE EU Contr (A)	2,983	2,983	2,983	-	2,983	2,983	-	2,983	100%	-
2020	DEP EU Contr (A)	4,821	4,821	4,821	-	4,821	4,821	-	4,821	100%	-
Total Chapter 20		7,804	7,804	7,804	-	7,804	7,804	-	7,804	100%	-
2100	Contribution from EU operational	32,359	32,359	32,359	-	32,359	32,359	-	32,359	100%	-
2110	HE EU Contr (O)	60,001	60,001	60,001	-	60,001	60,001	-	60,001	100%	-
2120	DEP EU Contr (O)	89,655	89,655	89,655	-	89,655	89,655	-	89,655	100%	-
Total Chapter 21		182,014	182,014	182,014	-	182,014	182,014	-	182,014	100%	-
Total Title 2		189,819	189,819	189,819	-	189,819	189,819	-	189,819	100%	-
4000	Participating States contribution	19,991	50,000	50,000	11,920	61,920	50,000	11,920	61,920	121%	-
4020	DEP PS Contr (O)	-	1,275	1,275	-	1,275	-	-	-	-	1,275
Total Chapter 40		19,991	51,275	51,275	11,920	63,195	50,000	11,920	61,920	121%	1,275
Total Title 4		19,991	51,275	51,275	11,920	63,195	50,000	11,920	61,920	121%	1,275
5000	Recoveries - R and I Calls	-	14	259	-	259	259	-	259	1836%	-
Total Chapter 50		-	14	259	-	259	259	-	259	1836%	-
Total Title 5		-	14	259	-	259	259	-	259	1836%	-
7010	EU Un (A) (n-2)	1,094	1,011							-	
Total Chapter 70		1,094	1,011	-	-	-	-	-	-	-	-
7101	EU Legacy Un (O) (n-2)	52,095	52,178	-	-	-	-	-	-	-	-
7104	EU HE Un (O) (n-2)	6,078	6,078	-	-	-	-	-	-	-	-
7107	EU DEP Un (O) (n-2)	32,616	32,616	-	-	-	-	-	-	-	-
7110	EU CEF2 Un (O) (n-2)	775	775	-	-	-	-	-	-	-	-
Total Chapter 71		91,564	91,647	-	-	-	-	-	-	-	-
7200	PS Legacy Un (O) (n-1)	13,712	13,712	-	-	-	-	-	-	-	-
Total Chapter 72		13,712	13,712	-	-	-	-	-	-	-	-
Total Title 7		106,369	106,369	-	-	-	-	-	-	-	-
GRAND TOTAL		316,179	347,476	241,353	11,920	253,273	240,078	11,920	251,998	73%	1,275

5. IMPLEMENTATION OF BUDGET EXPENDITURE

During 2024, the new activity pillar introduced by EU Council Regulation (EU) 2024/1732 in June 2024, amending the EuroHPC Regulation (EU) 2021/1173, to aim the development of a competitive artificial intelligence (AI) system in the EU, strongly impacted the implementation of the initial approved work programme 2024 and therefore the implementation of the budget appropriations assigned to the JU for this year.

The JU involved an in-depth analysis of the activities initially approved for 2024 to identify potential funding sources. Unused appropriations from previous years were reallocated, and several activities planned for 2024 were either cancelled or postponed to the period 2025 to 2027. In turn, this delayed the implementation of new Digital Europe infrastructure activities.

The above also impacted the low payment appropriation implementation under the HE and DEP programme that were planned to be launched in 2024:

- Under the Horizon Europe actions, eight calls were delayed in 2024 or postponed launching in 2025 and therefore the amount of 32 M Euro allocated as payment appropriations foreseen for pre-financing payments could not be spent by the end of 2024.
- Under the DEP Programme, two procurements could not be finalised in 2024 and therefore the amount of 56 M Euro allocated for the payment of the pre-financings could not be consumed.

Under H2020, by the end of 2024, 16 payment requests (RfP) related to final or interim cost claims were received, but the payments could not be finalised. This delay was caused by the need for additional documents or clarifications from the consortium, or because the technical reports were still under review by the project officers.

5.2. Breakdown & changes in commitment appropriations

5.2.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available 8=4+7
		Initial adopted budget 1	Amending budgets 2	Transfers 3	Final adopted budget 4=1+2+3	Reactivated appropriations 5	Assigned revenue 6	Total 7=5+6	
1100	TA - salaries & all.	3,257	436	-	3,693	-	-	-	3,693
1110	CA - salaries & all.	1,710	(291)	-	1,419	-	-	-	1,419
1120	Interim, Trainees & Seconded National Experts	300	(159)	-	141	-	-	-	141
Total Chapter 11		5,267	(13)	-	5,254	-	-	-	5,254
1200	Expenditure relating to recruitment	32	(11)	-	21	-	-	-	21
Total Chapter 12		32	(11)	-	21	-	-	-	21
1300	Mission and travel expenses	120	-	-	120	140	-	140	260
Total Chapter 13		120	-	-	120	140	-	140	260
1400	CAS & EU School transports	83	-	-	83	-	-	-	83
1410	Trainings (EU & external trainings)	89	(5)	-	84	4	-	4	89
1420	Social measures for Staff	75	(26)	-	48	-	-	-	48
Total Chapter 14		247	(31)	-	216	4	-	4	220
1500	HR administrative services	520	(365)	(20)	135	-	-	-	135
Total Chapter 15		520	(365)	(20)	135	-	-	-	135
Total Title 1		6,186	(421)	(20)	5,745	144	-	144	5,889

5.2.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

	Item	Budget appropriations				Additional appropriations			Total apprpr. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
2000	Buildings and associated costs	80	(10)	-	70	-	-	-	70
Total Chapter 20		80	(10)	-	70	-	-	-	70
2100	Information Technology	245	46	-	291	243	-	243	534
Total Chapter 21		245	46	-	291	243	-	243	534
2200	Movable property and associated costs	37	(5)	-	32	-	-	-	32
Total Chapter 22		37	(5)	-	32	-	-	-	32
2300	Current administrative expenditure	200	(52)	-	148	8	235	243	391
Total Chapter 23		200	(52)	-	148	8	235	243	391
2400	External administrative consultancy & auditing	70	119	91	280	100	-	100	380
Total Chapter 24		70	119	91	280	100	-	100	380
2500	Internal Meetings	50	-	-	50	20	-	20	70
Total Chapter 25		50	-	-	50	20	-	20	70
2600	Legal services	150	40	(93)	97	-	-	-	97
Total Chapter 26		150	40	(93)	97	-	-	-	97
2700	Communication, Information & Events	365	(139)	2	228	6	-	6	234
Total Chapter 27		365	(139)	2	228	6	-	6	234
2800	Experts and associated costs	421	422	-	843	350	-	350	1,193
Total Chapter 28		421	422	-	843	350	-	350	1,193
Total Title 2		1,618	421	-	2,039	726	235	961	3,001

5.2.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3000	Legacy R&I Action	-	14	20	34	97	10	107	141
3010	HE R&I Action	126,678	-	-	126,678	60,300	-	60,300	186,978
3020	DEP R&I Action	18,000	-	-	18,000	5,000	-	5,000	23,000
Total Chapter 30		144,678	14	20	144,712	65,397	10	65,407	210,119
3120	DEP Infra Action	66,352	-	-	66,352	21,800	-	21,800	88,152
Total Chapter 31		66,352	-	-	66,352	21,800	-	21,800	88,152
Total Title 3		211,030	14	20	211,064	87,197	10	87,207	298,271
GRAND TOTAL		218,834	14	-	218,848	88,067	245	88,312	307,160

5.3. Breakdown & changes in payment appropriations

5.3.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100	Salaries & Allowances Temporary Agents	3,257	436	(14)	3 679	0	0	0	3,679
1110	Salaries & Allowances Contractual Agents	1,710	(291)	0	1 419	2	0	2	1,421
1120	Interim, Trainees & Seconded National Experts	300	(159)	0	141	0	0	0	141
Total Chapter 11		5,267	(13)	(14)	5 240	2	0	2	5,241
1200	Expenditure relating to recruitment	32	(11)	0	21	0	0	0	21
Total Chapter 12-0		32	(11)	0	21	0	0	0	21
1300	Mission and travel expenses	120	0	0	120	154	0	154	274
Total Chapter 13		120	0	0	120	154	0	154	274
1400	CAS & EU School transports	83	5	14	101	0	0	0	101
1410	Trainings (EU & external trainings)	89	(5)	0	84	4	0	4	89
1420	Social measures for Staff	75	(14)	0	61	0	0	0	61
Total Chapter 14		247	(14)	14	247	4	0	4	251
1500	HR administrative services	520	(304)	(20)	196	99	0	99	295
Total Chapter 15		520	(304)	(20)	196	99	0	99	295
Total Title 1		6,186	(343)	(20)	5,823	259	0	259	6,082

5.3.2. Breakdown & changes in payment appropriations – Title 2

	Item	Budget appropriations				Additional appropriations			Total apppr. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	
2000	Buildings and associated costs	100	(30)	-	70	9	-	9	79
Total Chapter 20		100	(30)	-	70	9	-	9	79
2100	Information Technology	245	26	-	271	278	-	278	549
Total Chapter 21		245	26	-	271	278	-	278	549
2200	Movable property and associated costs	17	15	-	32	-	-	-	32
Total Chapter 22		17	15	-	32	-	-	-	32
2300	Current administrative expenditure	250	(102)	-	148	48	235	283	431
Total Chapter 23		250	(102)	-	148	48	235	283	431
2400	External administrative consultancy & auditing	20	169	-	189	29	-	29	218
Total Chapter 24		20	169	-	189	29	-	29	218
2500	Internal Meetings	40	10	-	50	25	-	25	75
Total Chapter 25		40	10	-	50	25	-	25	75
2600	Legal services	225	(35)	(65)	125	145	-	145	270
Total Chapter 26		225	(35)	(65)	125	145	-	145	270
2700	Communication, Information & Events	300	(74)	65	291	-	-	-	291
Total Chapter 27		300	(74)	65	291	-	-	-	291
2800	Experts and associated costs	421	363	-	785	218	-	218	1,002
Total Chapter 28		421	363	-	785	218	-	218	1,002
Total Title 2		1,618	343	-	1,961	751	235	986	2,947

5.3.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropri. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3000	Legacy R&I Action	24,162	5,411	20	29,593	9,089	10	9,099	38,692
3010	HE R&I Action	60,001	-	-	60,001	6,078	-	6,078	66,079
3020	DEP R&I Action	13,500	-	-	13,500	24,000	-	24,000	37,500
Total Chapter 30		97,662	5,411	20	103,093	39,167	10	39,177	142,270
3100	Legacy Infra Action	28,189	24,612	-	52,801	56,801	-	56,801	109,601
3120	DEP Infra Action	76,155	1,275	-	77,430	8,616	-	8,616	86,045
3130	CEF2 Infra Action	-	-	-	-	775	-	775	775
Total Chapter 31		104,343	25,887	-	130,230	66,192	-	66,192	196,422
Total Title 3		202,006	31,298	20	233,323	105,358	10	105,369	338,692
GRAND TOTAL		209,810	31,298	-	241,108	106,369	245	106,614	347,722

5.4. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.4.1. Implementation of commitment appropriations – Title 1

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
1100	TA - salaries & all.	3,693	3,568	-	-	3,568	97%	125	-	-	125
1110	CA - salaries & all.	1,419	1,243	-	-	1,243	88%	177	-	-	177
1120	Interim, Trainees & Seconded National Experts	141	141	-	-	141	100%	-	-	-	-
Total Chapter 11		5,254	4,952	-	-	4,952	94%	302	-	-	302
1200	Recruitment	21	21	-	-	21	100%	-	-	-	-
Total Chapter 12		21	21	-	-	21	100%	-	-	-	-
1300	Mission & travel exp	260	120	140	-	260	100%	-	-	-	-
Total Chapter 13		260	120	140	-	260	100%	-	-	-	-
1400	Cas & school transp.	83	79	-	-	79	95%	4	-	-	4
1410	Trainings (EU & external trainings)	89	84	4	-	88	99%	1	-	-	1
1420	Social measures for Staff	48	48	-	-	48	100%	-	-	-	-
Total Chapter 14		220	211	4	-	215	98%	5	-	-	5
1500	HR administrative services	135	135	-	-	135	100%	-	-	-	-
Total Chapter 15		135	135	-	-	135	100%	-	-	-	-
Total Title 1		5,889	5,438	144	-	5,583	95%	306	-	-	306

5.4.2. Implementation of commitment appropriations – Title 2

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
2000	Building & ass. cost	70	70	-	-	70	100%	-	-	-	-
Total Chapter 20		70	70	-	-	70	100%	-	-	-	-
2100	Information techn. i	534	272	243	-	515	96%	19	-	-	19
Total Chapter 21		534	272	243	-	515	96%	19	-	-	19
2200	Mov. prop & ass. cos	32	2	-	-	2	5%	31	-	-	31
Total Chapter 22		32	2	-	-	2	5%	31	-	-	31
2300	Curr. admin. exp.	391	148	8	213	369	94%	-	-	22	22
Total Chapter 23		391	148	8	213	369	94%	-	-	22	22
2400	Consult. & audit	380	280	100	-	380	100%	0	-	-	0
Total Chapter 24		380	280	100	-	380	100%	0	-	-	0
2500	Internal meetings	70	50	20	-	70	100%	-	-	-	-
Total Chapter 25		70	50	20	-	70	100%	-	-	-	-
2600	Legal services	97	82	-	-	82	85%	15	-	-	15
Total Chapter 26		97	82	-	-	82	85%	15	-	-	15
2700	Communicat° - info°	234	226	6	-	232	99%	2	-	-	2
Total Chapter 27		234	226	6	-	232	99%	2	-	-	2
2800	Experts & ass. costs	1,193	664	350	-	1,014	85%	179	-	-	179
Total Chapter 28		1,193	664	350	-	1,014	85%	179	-	-	179
Total Title 2		3,001	1,794	726	213	2,733	91%	246	-	22	268

5.4.3. Implementation of commitment appropriations – Title 3

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
3000	Legacy R&I action	141	1	57	-	58	41 %	33	40	10	83
3010	HE R&I action	186,978	113,178	60,044	-	173,222	93 %	13,500	256	-	13,756
3020	DEP R&I action	23,000	15,000	4,861	-	19,861	86 %	3,000	139	-	3,139
Total Chapter 30		210,119	128,179	64,961	-	193,140	92%	16,533	436	10	16,979
3120	DEP infra-action	88,152	6,329	12,763	-	19,092	22 %	60,023	9,038	-	69,060
Total Chapter 31		88,152	6,329	12,763	-	19,092	22%	60,023	9,038	-	69,060
Total Title 3		298,271	134,508	77,724	-	212,232	71%	76,555	9,473	10	86,039
GRAND TOTAL		307,160	141,740	78,594	213	220,548	72%	77,107	9,473	32	86,613

5.5. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.5.1. Implementation of payment appropriations – Title 1

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
1100	TA- salaries & all.	3,679	3,568	-	-	3,568	97%	111	-	-	111
1110	CA - salaries & all.	1,421	1,256	2	-	1,257	88%	164	-	-	164
1120	Interim, Trainees & Seconded National Experts	141	102	-	-	102	72%	39	-	-	39
Total Chapter 11		5,241	4,926	2	-	4,928	94%	313	-	-	313
1200	Recruitment	21	1	-	-	1	4%	20	-	-	20
Total Chapter 12		21	1	-	-	1	4%	20	-	-	20
1300	Mission & travel exp	274	57	130	-	188	68%	63	24	-	87
Total Chapter 13		274	57	130	-	188	68%	63	24	-	87
1400	Cas & school transp.	101	97	-	-	97	96%	4	-	-	4
1410	Trainings (EU & external trainings)	89	21	4	-	26	29%	63	-	-	63
1420	Social measures for Staff	61	41	-	-	41	67%	20	-	-	20
Total Chapter 14		251	160	4	-	164	65%	87	-	-	87
1500	HR administrative services	295	18	99	-	117	40%	178	-	-	178
Total Chapter 15		295	18	99	-	117	40%	178	-	-	178
Total Title 1		6,082	5,162	235	-	5,397	89%	661	24	-	685

5.5.2. Implementation of payment appropriations – Title 2

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
2000	Building & ass. cost	79	42	9	-	51	64 %	28	-	-	28
Total Chapter 20		79	42	9	-	51	64%	28	-	-	28
2100	Information techn. i	549	269	183	-	452	82 %	2	95	-	98
Total Chapter 21		549	269	183	-	452	82%	2	95	-	98
2200	Mov. prop & ass. cos	32	2	-	-	2	5 %	31	-	-	31
Total Chapter 22		32	2	-	-	2	5%	31	-	-	31
2300	Curr. admin. exp.	431	81	48	-	129	30 %	67	-	235	302
Total Chapter 23		431	81	48	-	129	30%	67	-	235	302
2400	Consult. & audit	218	18	29	-	48	22 %	171	-	-	171
Total Chapter 24		218	18	29	-	48	22%	171	-	-	171
2500	Internal meetings	75	39	25	-	64	86 %	11	-	-	11
Total Chapter 25		75	39	25	-	64	86%	11	-	-	11
2600	Legal services	270	11	145	-	156	58 %	114	-	-	114
Total Chapter 26		270	11	145	-	156	58%	114	-	-	114
2700	Communicat° - info°	291	266	-	-	266	91 %	25	-	-	25
Total Chapter 27		291	266	-	-	266	91%	25	-	-	25
2800	Experts & ass. costs	1,002	414	218	-	631	63 %	371	-	-	371
Total Chapter 28		1,002	414	218	-	631	63%	371	-	-	371
Total Title 2		2,947	1,141	656	-	1,797	61%	820	95	235	1,150

5.5.3. Implementation of payment appropriations – Title 3

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
3000	Legacy R&I action	38,692	1,547	9,089	-	10,635	27%	28,046	-	10	28,056
3010	HE R&I action	66,079	28,040	6,078	-	34,118	52%	31,961	-	-	31,961
3020	DEP R&I action	37,500	7,503	24,000	-	31,503	84%	5,997	-	-	5,997
Total Chapter 30		142,270	37,090	39,167	-	76,256	54%	66,004	-	10	66,014
3100	Legacy infra-action	109,601	48,379	56,801	-	105,180	96%	4,422	-	-	4,422
3120	DEP infra-action	86,045	8,038	8,616	-	16,654	19%	69,392	-	-	69,392
3130	CEF2 infra-action	775	-	775	-	775	100%	-	-	-	-
Total Chapter 31		196,422	56,417	66,192	-	122,608	62%	73,813	-	-	73,813
Total Title 3		338,692	93,506	105,358	-	198,865	59%	139,817	-	10	139,827
GRAND TOTAL		347,722	99,810	106,250	-	206,060	59%	141,298	119	245	141,662

6. OUTSTANDING COMMITMENTS

6.1. Outstanding commitments – Title 1

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1100	TA - salaries & all.	-	-	-	-	3,568	3,568	-	-	-
1110	CA - salaries & all.	106	(77)	15	13	1,243	1,243	-	-	13
1120	Interim, Trainees & Seconded National Experts	-	-	-	-	141	102	-	39	39
Total Chapter 11		106	(77)	15	13	4,952	4,913	-	39	52
1200	Recruitment	9	(9)	-	-	21	1	-	20	20
Total Chapter 12		9	(9)	-	-	21	1	-	20	20
1300	Mission & travel exp	68	(22)	14	32	260	173	-	87	119
Total Chapter 13		68	(22)	14	32	260	173	-	87	119
1400	Cas & school transp.	217	(64)	27	125	79	70	-	9	134
1410	Trainings (EU & external trainings)	-	-	-	-	88	26	-	62	62
1420	Social measures for Staff	-	-	-	-	48	41	-	8	8
Total Chapter 14		217	(64)	27	125	215	136	-	79	203
1500	HR administrative services	-	-	-	-	135	117	-	18	18
Total Chapter 15		-	-	-	-	135	117	-	18	18
Total Title 1		400	(173)	57	171	5,583	5,341	-	242	412

6.2. Outstanding commitments – Title 2

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Item	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2000	Building & ass. cost	10	-	10	-	70	41	-	29	29
Total Chapter 20		10	-	10	-	70	41	-	29	29
2100	Information techn. i	58	(38)	14	7	515	438	-	77	84
Total Chapter 21		58	(38)	14	7	515	438	-	77	84
2200	Mov. prop & ass. cos	-	-	-	-	2	2	-	-	-
Total Chapter 22		-	-	-	-	2	2	-	-	-
2300	Curr. admin. exp.	63	(34)	10	18	369	119	-	250	268
Total Chapter 23		63	(34)	10	18	369	119	-	250	268
2400	Consult. & audit	9	(2)	0	7	380	47	-	333	340
Total Chapter 24		9	(2)	0	7	380	47	-	333	340
2500	Internal meetings	21	(2)	17	2	70	47	-	23	25
Total Chapter 25		21	(2)	17	2	70	47	-	23	25
2600	Legal services	179	(2)	143	34	82	13	-	69	103
Total Chapter 26		179	(2)	143	34	82	13	-	69	103
2700	Communicat° - info°	55	(0)	39	17	232	227	-	4	21
Total Chapter 27		55	(0)	39	17	232	227	-	4	21
2800	Experts & ass. costs	275	(78)	118	79	1,014	513	-	501	580
Total Chapter 28		275	(78)	118	79	1,014	513	-	501	580
Total Title 2		670	(157)	351	163	2,733	1,447	-	1,286	1,449

6.3. Outstanding commitments – Title 3

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Item	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3000	Legacy R&I action	114,038	-	10,577	103,461	58	58	-	-	103,461
3010	HE R&I action	237,608	(30,854)	34,074	172,680	173,222	44	-	173,178	345,858
3020	DEP R&I action	85,959	(24,166)	29,073	32,721	19,861	2,430	-	17,430	50,151
Total Chapter 30		437,605	(55,020)	73,724	308,862	193,140	2,532	-	190,608	499,470
3100	Legacy infra-action	146,114	(65)	105,180	40,870	-	-	-	-	40,870
3110	HE infra-action	24,044	(24,044)	-	-	-	-	-	-	-
3120	DEP infra-action	1,221,231	(255,760)	16,647	948,824	19,092	7	-	19,085	967,909
3130	CEF2 infra-action	100,000	(19,228)	775	79,997	-	-	-	-	79,997
Total Chapter 31		1,491,390	(299,097)	122,602	1,069,691	19,092	7	-	19,085	1,088,776
Total Title 3		1,928,995	(354,116)	196,326	1,378,553	212,232	2,539	-	209,693	1,588,246
GRAND TOTAL		1,930,065	(354,446)	196,733	1,378,886	220,548	9,326	-	211,221	1,590,107

7. GLOSSARY

Administrative appropriations

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

Adopted budget

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

Amending budget

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

Appropriations

Budget funding.

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

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

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

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

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

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

Budgetary commitment

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

Cancellation of appropriations

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

Carryover of appropriations

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

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

De-commitment

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

Differentiated appropriations.

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

Economic result

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

Entitlements established

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

Exchange rate difference

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

Expenditure

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

Grants

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

Lapsing appropriations

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

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

Legal basis / basic act

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

Legal commitment

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

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

Non-differentiated appropriations

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

Operational appropriations

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

Outstanding commitments

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

Payment appropriations

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

RAL (Reste à liquider)

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

Surplus

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

Transfer between budget lines

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

