



Final Annual Accounts

European High Performance
Computing Joint Undertaking

Financial year 2025

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the 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 2025 have been prepared in accordance with Chapter 8 and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and Union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the 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 2025 will be transmitted to the Accounting Officer of the Commission. The Management Representation Letter, signed by the Authorising Officer and myself, will be sent to the European Court of Auditors for the audit of the Final Accounts.

Andrei Hretu

**Accounting Officer of the 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 This Council Regulation was repealed in 2021 and replaced by Council Regulation (EU) 2021/1173 of 13 July 2021 on establishing the European High Performance Computing Joint Undertaking and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 2025²:

- 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.

More information about the activities of the organisation can be found in EuroHPC's Consolidated Annual Activity Reports. A detailed account of their budget operations, including budget amendments and activity funding can be found in the Joint Undertaking's [Work 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 the accounting officer of 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)

EUROPEAN HIGH PERFORMANCE COMPUTING JOINT UNDERTAKING
FINANCIAL YEAR 2025

**FINANCIAL STATEMENTS AND
EXPLANATORY NOTES**

BALANCE SHEET

	Note	31.12.2025	31.12.2024
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	1,840.00	3,853.00
<i>Property, plant and equipment</i>	2.2	190,880,301.65	268,449,263.29
<i>Long term pre-financing</i>	2.3	385,721,610.89	181,223,872.23
		576,603,752.54	449,676,988.52
CURRENT ASSETS			
<i>Short-term Pre-financing</i>	2.3	144,821,713.00	98,212,271.96
<i>Exchange receivables and non-exchange recoverable</i>	2.4	574,339,806.77	923,023,689.20
		719,161,519.77	1,021,235,961.16
TOTAL ASSETS		1,295,765,272.31	1,470,912,949.68
CURRENT LIABILITIES			
<i>Payables and other liabilities</i>	2.7	710,149,176.56	998,544,930.48
<i>Accrued charges and deferred income</i>	2.8	120,520,060.03	63,566,461.48
		830,669,236.59	1,062,111,391.96
TOTAL LIABILITIES		830,669,236.59	1,062,111,391.96
NET ASSETS			
<i>Contribution from Members</i>	2.9	1,286,148,287.57	884,003,784.07
<i>Accumulated deficit</i>		(475,202,226.35)	(320,502,551.63)
<i>Economic result of the year</i>		(345,850,025.50)	(154,699,674.72)
NET ASSETS		465,096,035.72	408,801,557.72
LIABILITIES AND NET ASSETS		1,295,765,272.31	1,470,912,949.68

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2025	2024
REVENUE			
Revenue from non-exchange transactions			
<i>Recovery of operating expenses</i>	3.1	979.50	22,051.01
Revenue from exchange transactions			
<i>Other exchange revenue</i>	3.3	8,683.39	14,127.97
Total revenue		9,662.89	36,178.98
EXPENSES			
<i>Operating costs</i>	3.4	(248,860,921.32)	(73,975,209.80)
<i>Staff costs</i>	3.5	(6,269,228.89)	(4,993,726.70)
<i>Financial expenses</i>	3.6	(381,821.02)	(104,640.76)
<i>Other expenses</i>	3.7	(90,347,717.16)	(75,662,276.44)
Total expenses		(345,859,688.39)	(154,735,853.70)
ECONOMIC RESULT OF THE YEAR		(345,850,025.50)	(154,699,674.72)

CASHFLOW STATEMENT⁵

	2025	2024
<i>Economic result of the year</i>	(345,850,025.50)	(154,699,674.72)
<u>Operating activities</u>		
Depreciation and amortization	78,647,785.39	66,219,840.93
(Increase)/Decrease in pre-financing	(251,107,179.70)	(27,067,493.04)
(Increase)/Decrease in exchange receivables and non-exchange	348,683,882.43	(69,635,019.44)
(Increase)/Decrease in payables	(288,395,753.92)	157,580,963.76
(Increase)/Decrease in accrued charges & deferred income	56,953,598.55	(15,510,945.49)
<u>Financing activities⁶</u>		
(Increase)/Decrease in cash contributions	402,144,503.50	172,000,893.15
<u>Investing activities</u>		
(Increase)/Decrease in intangible assets and property, plant, equipment	(1,076,810.75)	(128,888,565.15)
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>	-	-

⁵ 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.

⁶ The presentation of the increase / (decrease) in cash contributions was reclassified under the category of Financing activities while in the previous financial statements was shown as a separate heading under the category of Operating activities. The change is strictly a presentation change. The nature of the contributions presented under this heading did not change.

STATEMENT OF CHANGES IN NET ASSETS

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2023	712,002,890.92	(179,437,167.77)	(141,065,383.86)	391,500,339.29
<i>Allocation 2023 economic result</i>	-	(141,065,383.86)	141,065,383.86	-
<i>Cash contribution</i>	172,000,893.15	-	-	172,000,893.15
<i>Unpaid cash contributions</i>	-	-	-	-
<i>Economic result of the year</i>	-	-	(154,699,674.72)	(154,699,674.72)
BALANCE AS AT 31.12.2024	884,003,784.07	(320,502,551.63)	(154,699,674.72)	408,801,557.72
<i>Allocation 2024 economic result</i>	-	(154,699,674.72)	154,699,674.72	-
<i>Cash contribution</i>	392,076,092.80	-	-	392,076,092.80
<i>Unpaid cash contributions</i>	10,068,410.70	-	-	10,068,410.70
<i>Economic result of the year</i>	-	-	(345,850,025.50)	(345,850,025.50)
BALANCE AS AT 31.12.2025	1,286,148,287.57	(475,202,226.35)	(345,850,025.50)	465,096,035.72

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	31.12.2025	31.12.2024	Currency	31.12.2025	31.12.2024
BGN	1,9558	1,956	PLN	4,221	4,34
CZK	24,237	24,724	RON	5,0968	4,976
DKK	7,4689	7,453	SEK	10,8215	11,096
GBP	0,8726	0,887	CHF	0,9314	0,926
NOK	11,483	11,241	JPY	184,09	156,33
HUF	385,15	382,80	USD	1,175	1,105

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: 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)

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

On 12 December 2025 the Accounting Officer of the European Commission adopted a targeted amendment of EAR 1 'Financial Statements'. The amendment, which is effective for reporting periods beginning on or after 1 January 2025, introduced changes to the guidance on the Segment Report. As the European High Performance Computing JU is not obliged to, and does not prepare, a Segment Report, the amendment has no impact on its annual accounts.

New EAR adopted with application after 31 December 2025

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

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

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

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

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

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

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

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

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

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

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

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

1.3. BALANCE SHEET

1.3.1. Intangible assets

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

1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. 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. Pre-financing is classified as a current asset unless it is considered unlikely to be cleared within the next twelve months from the reporting period, in which case it is classified as long-term pre-financing.

1.3.6. Receivables and recoverables

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

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

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

1.3.7. Cash and cash equivalents

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

1.3.8. Payables

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

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

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount. The corresponding expenses are entered 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 31.12.2024</i>	8,315.88
<i>Additions</i>	-
Gross carrying amount at 31.12.2025	8,315.88
<i>Accumulated depreciation at 31.12.2024</i>	(4,462.88)
<i>Depreciation charge for the year</i>	(2,013.00)
Accumulated depreciation at 31.12.2025	(6,475.88)
NET CARRYING AMOUNT AT 31.12.2025	1,840.00
<i>NET CARRYING AMOUNT AT 31.12.2024</i>	3,853.00

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	Furniture and vehicles	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2024</i>	11,029.31	-	385,624,063.64	48,536.13	385,683,629.08
Additions		5,377.64	1,071,433.11	-	1,076,810.75
Gross carrying amount at 31.12.2025	11,029.31	5,377.64	386,695,496.75	48,536.13	386,760,439.83
<i>Accumulated depreciation at 31.12.2024</i>	(7,172.74)		(117,202,637.75)	(24,555.30)	(117,234,365.79)
Depreciation charge for the year	(2,769.00)	(133.64)	(78,633,438.70)	(9,431.05)	(78,645,772.39)
Accumulated depreciation at 31.12.2025	(9,941.74)	(133.64)	(195,836,076.45)	(33,986.35)	(195,880,138.18)
NET CARRYING AMOUNT AT 31.12.2025	1,087.57	5,244.00	190,859,420.30	14,549.78	190,880,301.65
<i>NET CARRYING AMOUNT AT 31.12.2024</i>	3,856.57	-	268,421,425.89	23,980.83	268,449,263.29

During 2025 the upgrade of the petascale supercomputer Discoverer was finalised and it represents the main addition presented under the heading Computer hardware for a total of EUR 1.06 million. The upgrade aimed at increasing both the performance and the capacity of the supercomputer, has also led to an extension of the useful life of the original supercomputer until April 2028 from its originally foreseen end of life in June 2026.

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

The change in depreciation was applied from the entry into production of the upgrade in April 2025. The change in the useful life of the original supercomputer has led to a decrease of EUR 376.86 thousand in the 2025 depreciation value.

At the time of drawing up the final annual accounts, 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.

	31.12.2025	31.12.2024
<i>Long term pre-financing</i>	385,721,610.89	181,223,872.23
<i>Short term pre-financing</i>	144,821,713.00	98,212,271.96
Total	530,543,323.89	279,436,144.19

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 2025. The clearing of pre-financing with cut-off expenses amounted to EUR 95.63 million in 2025 (2024: EUR 35.60 million). The remaining portion of the cut-off expenses is recorded in accrued charges (see note **2.8**).

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

The estimation of the clearing is made using information from cost claims or invoices received until 30 April 2026 for periods before 31 December 2025 and a pro-rata temporis cost calculation for periods until 31 December 2025 which are not covered by a cost claim. The estimation of the pre-financing to be cleared during the year 2026 is based solely on a pro-rata temporis cost calculation. All the pre-financing that is considered unlikely to be cleared in the course of 2026 is classified as long-term pre-financing.

The 81% increase of the long-term pre-financing is the direct result of the increased long-term advances for the new grant agreements starting in 2025 and the advances for assets which are not expected to reach the production stage by the end of the year 2026. The 2025 long-term pre-financing is composed of pre-financing given for grants (approx. 58%) and pre-financing for assets (approx. 42%).

The 19% increase in the short-term pre-financing is mainly driven by the increase of the advances for assets which are expected to reach the production stage during the year 2026.

The short-term pre-financing is composed of pre-financing given for grants (approx. 59%) and advances given for assets (approx. 41%).

2.4. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

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

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

	31.12.2025	31.12.2024
Recoverables from non-exchange transactions		
<i>Central treasury liaison accounts</i>	551,680,927.28	904,717,934.30
<i>Cash contributions to be paid by the Members</i>	15,073,310.70	1,275,000.00
<i>Other non-exchange</i>	13,671.11	7,315,388.99
	566,767,909.09	913,308,323.29
Receivables from exchange transactions		
<i>Accrued income and deferred charges</i>	7,555,736.61	9,714,518.50
<i>Other exchange</i>	16,161.07	847.41
	7,571,897.68	9,715,365.91
Total	574,339,806.77	923,023,689.20

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 final annual accounts no amount was outstanding.

Other non-exchange comprises the recoverable VAT paid out during the year.

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

The heading Other exchange consists mainly of staff related receivables.

The decrease of approx. 38% in the value of the receivables and recoverables stems mainly from the decrease of the cash receivable from the Central treasury following the Joint Undertaking's commitment to limit the amount of EU pre-financing received and not implemented through payments before the end of the year.

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 2025 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)

	31.12.2025	31.12.2024
Contributions to be validated		
<i>Contributions in kind from Members to be validated</i>	148,361,998.33	74,652,681.60
<i>Contributions in cash from Members to be validated</i>	516,278,068.11	828,037,725.43
	664,640,066.44	902,690,407.03
Current		
<i>Payables to Participant Guarantee Fund</i>	-	1,345,826.03
<i>Sundry payables</i>	45,509,110.12	94,508,697.42
	45,509,110.12	95,854,523.45
Total	710,149,176.56	998,544,930.48

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 2025 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 increase in the in-kind contributions to be validated is mostly due to an increase in the in-kind contributions from the Participating States to the hosting and running of the supercomputers financed by the EU through the Digital Europe programme and Horizon 2020 programme which represents approx. 71% of the 2025 in-kind liability. The remaining 29% represents the in-kind contribution to be validated from the Private Members of the Joint Undertaking.

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. 80% of the heading, while approx. 20% are attributable to the contributions from the Participating States including EUR 6.35 million, provided from the Recovery and Resilience Facility (RRF) funding.

The liability for the contributions in cash received as an advance from the Members and not implemented through payments has been reduced by 38% following the improvements made by the Joint Undertaking in its cashflow management processes.

The value presented under the 'sundry payables' is mostly composed of payments related to the supercomputer on-going development and operating activities (approx. 69%), and payments for R&I grants (approx. 31%).

Due to the nature of the activities of the JU approx. 94% 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.

	31.12.2025	31.12.2024
<i>Accrued charges</i>	120,520,060.03	63,566,461.48

The R&I grants account for 37% of the total value of the accrued charges while the operating grants and maintenance costs of the supercomputers account for a further 61% of the total.

Approx. 78% of the year on year increase stems from the increased accrued costs of the operating grants and maintenance costs of the supercomputers while the remaining 22% stems from the accrued costs related to the R&I grants.

The accrued costs related to the administration of the JU and staff expenses for untaken leave account for approx. 2% of the total.

NET ASSETS

2.9. CONTRIBUTIONS FROM MEMBERS

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

Programming period	2025			2024		
	Cash	In-Kind	Total	Cash	In-Kind	Total
<i>Horizon 2020 & CEF 1</i>	676,152,259.96	-	676,152,259.96	657,046,762.78	-	657,046,762.78
<i>Horizon Europe</i>	223,801,687.51	-	223,801,687.51	65,813,016.60	-	65,813,016.60
<i>DEP</i>	383,419,556.72	-	383,419,556.72	160,368,921.31	-	160,368,921.31
<i>CEF 2</i>	2,774,783.38	-	2,774,783.38	775,083.38	-	775,083.38
Total	1,286,148,287.57	-	1,286,148,287.57	884,003,784.07	-	884,003,784.07

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

Member	EU Cash	Members other than the EU			Total	
		Cash	In kind	Total	Cash	In kind
<i>Running costs contributions at 31.12.2024</i>	8,882,548.63			-	8,882,548.63	
<i>Current year contributions</i>				-		-
Running costs contributions at 31.12.2025	8,882,548.63	-	-	-	8,882,548.63	-
<i>Operating costs contributions at 31.12.2024</i>	468,520,531.11	179,643,683.04		179,643,683.04	648,164,214.15	
<i>Current year contributions</i>	16,000,000.00	3,105,497.18		3,105,497.18	19,105,497.18	
Operating costs contributions at 31.12.2025	484,520,531.11	182,749,180.22	-	182,749,180.22	667,269,711.33	-
<i>TOTAL contributions at 31.12.2024</i>	<i>477,403,079.74</i>	<i>179,643,683.04</i>		<i>179,643,683.04</i>	<i>657,046,762.78</i>	
TOTAL contributions at 31.12.2025	493,403,079.74	182,749,180.22	-	182,749,180.22	676,152,259.96	-

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 are transferred to the EuroHPC JU for the purchase of supercomputers over which the JU has full ownership. Out of the total of EUR 182.75 million an amount of EUR 0.92 million was outstanding at 31 December 2025. The outstanding contribution balance was cashed in 2026. 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 31.12.2024</i>	4,395,901.29				4,395,901.29	
<i>Current year contributions</i>	3,315,546.37				3,315,546.37	
Running costs contributions at 31.12.2025	7,711,447.66	-	-	-	7,711,447.66	-
<i>Operating costs contributions at 31.12.2024</i>	61,417,115.31				61,417,115.31	
<i>Current year contributions</i>	154,673,124.54				154,673,124.54	
Operating costs contributions at 31.12.2025	216,090,239.85	-	-	-	216,090,239.85	-
<i>TOTAL contributions at 31.12.2024</i>	65,813,016.60				65,813,016.60	
TOTAL contributions at 31.12.2025	223,801,687.51	-	-	-	223,801,687.51	-

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 31.12.2024</i>	6,568,501.42				6,568,501.42	
<i>Current year contributions</i>	6,115,770.10				6,115,770.10	
Running costs contributions at 31.12.2025	12,684,271.52	-	-	-	12,684,271.52	-
<i>Operating costs contributions at 31.12.2024</i>	117,163,435.03	36,636,984.86		36,636,984.86	153,800,419.89	
<i>Current year contributions</i>	154,917,857.38	62,017,007.93			216,934,865.31	
Operating costs contributions at 31.12.2025	272,081,292.41	98,653,992.79	-	36,636,984.86	370,735,285.20	-
<i>TOTAL contributions at 31.12.2024</i>	123,731,936.45	36,636,984.86		36,636,984.86	160,368,921.31	
TOTAL contributions at 31.12.2025	284,765,563.93	98,653,992.79	-	36,636,984.86	383,419,556.72	-

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 are transferred to the EuroHPC JU for the purchase of supercomputers over which the JU has full ownership. Out of the total of EUR 98.65 million an amount of EUR 9.15 million was outstanding at 31 December 2025. The outstanding contribution balance was cashed in 2026. Out of the total amount of cash provided by the Members other than the Union EUR 22.7 million represent RRF funding. 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 31.12.2024</i>				-		
<i>Current year contributions</i>				-		
Running costs contributions at 31.12.2025	-	-	-	-	-	-
<i>Operating costs contributions at 31.12.2024</i>	775,083.38				775,083.38	
<i>Current year contributions</i>	1,999,700.00				1,999,700.00	
Operating costs contributions at 31.12.2025	2,774,783.38	-	-	-	2,774,783.38	-
<i>TOTAL contributions at 31.12.2024</i>	775,083.38				775,083.38	
TOTAL contributions at 31.12.2025	2,774,783.38	-	-	-	2,774,783.38	-

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.

	2025	2024
<i>Recovery of expenses</i>	979.50	22,051.01

The recoveries are related to 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 2025.

EXCHANGE REVENUE

3.3. REVENUE FROM EXCHANGE TRANSACTIONS

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

	2025	2024
<i>Miscellaneous income exchange</i>	8,683.39	14,127.97

The exchange revenue consists mostly of contractual penalties.

EXPENSES

3.4. OPERATIONAL COSTS

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

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

	2025	2024
<i>Operational costs: in-kind contributions</i>	73,709,316.73	3,546,236.55
<i>Operational costs: cash contributions</i>	175,151,604.59	70,428,973.25
Total	248,860,921.32	73,975,209.80

The overall increase in the in-kind contributions is mainly due to the addition of estimated contributions from the Participating States to the action grants for the supercomputers co-funded by the EU through the Digital Europe programme which account for approx. 52% of the in-kind contributions.

Another 20% of the in-kind heading represents the Participating States estimated contribution to the action grants for the supercomputers co-funded by the EU through the Horizon 2020 programme. The remaining 28% is represented by the estimated in-kind contributions of the Private Members to the R&I projects co-financed by the EU mainly through the Horizon Europe programme.

The increase in the operational costs funded through cash contributions is mostly due to increases related to the R&I grants which account for 71% of the heading while the operating grants for supercomputers account for the remaining 29%.

Most of the costs on the R&I grants are related to the grant agreements financed by the EU through the Horizon Europe programme which accounts for 63% of the total while the grants financed through the Digital Europe programme represent 22% of the R&I costs and the grants financed through the Horizon 2020 programme account for 15%.

The cost of the action grants for the hosting and running of the supercomputers are funded in a proportion of 74% through the Digital Europe programme and 26% through the Horizon 2020 programme.

The costs related to experts and other procurement contracts account for less than 1% of the 2025 costs.

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.

	2025	2024
Staff costs	6,269,228.89	4,993,726.70

The 26% increase in staff costs is mainly due to the yearly indexation of the salaries and the increase in staffing levels of the JU throughout the whole year in 2025.

3.6. FINANCE EXPENSES

	2025	2024
<i>Interest expense on late payment of charges</i>	381,796.25	104,640.76
<i>Other financial expenses</i>	24.77	-
Total	381,821.02	104,640.76

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.

	2025	2024
<i>Property, plant and equipment related expenses</i>	78,647,785.39	66,219,840.93
<i>External non-IT services</i>	1,169,305.29	397,207.21
<i>Legal Expenses</i>	-	99,594.23
<i>Maintenance and security expenses</i>	120,223.18	68,967.23
<i>Office Supplies & maintenance</i>	122,375.51	89,609.33
<i>External IT services</i>	8,775,892.91	7,603,825.02
<i>Experts' expenses</i>	763,789.39	676,434.27
<i>Training costs</i>	76,840.25	7,348.63
<i>Recruitment costs</i>	1,110.69	-
<i>Missions</i>	239,038.30	227,600.33
<i>Communications & publications</i>	291,332.38	262,282.08
<i>IT operating lease</i>	320.53	491.68
<i>Expenses with other EU entities</i>	135,803.56	5,224.05
<i>Insurances</i>	3,899.78	3,851.45
Total	90,347,717.16	75,662,276.44

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'. The two items account in aggregate to 93% of the total cost increase. 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 2027. 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

Supplier exposure assessment

Following the financial restructuring undergone by the Atos Group ("the Group"), the EuroHPC JU has continued to monitor the situation during 2025 and reassessed the exposure of the Joint Undertaking to the Group. The impact reassessment 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 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 46.6 million. 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 46.6 million.

The reassessment 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.

	2025	2024
Outstanding commitments not yet expensed	1,992,806,356.33	1,448,652,613.33

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;"

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 31.12.2025				
	(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 (legacy)	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	900,000,000.00	6,911,600,000.00
DEP	1,981,300,000.00		1,981,300,000.00		
CEF	200,000,000.00				
Total	3,596,300,000.00	91,000,000.00	3,336,300,000.00	1,320,000,000.00	8,343,600,000.00

Programme	Members contributions as of 31.12.2025								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 (legacy)	493,403,079.74	-	182,749,180.22	-	66,945,493.37	288,660,702.68	25,448,432.84	1,057,206,888.85	74%
HE	223,801,687.51	79,546,160.93	-	-	-	378,010,371.45	15,764,144.23	697,122,364.12	45%
DEP	284,765,563.93	254,751,980.04	98,653,992.79	103,749,730.52	37,994,768.97	1,554,691,664.18	2,209,158.92	2,336,816,859.35	
CEF	2,774,783.38	77,225,216.62	-	-	-	-	-	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.

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

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.

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 & Connecting Europe Facility 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 92% 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 76%. In addition to the estimated financial contributions from the Participating States, an additional EUR 197.49 million are expected to be added during 2026 as co-funding to the Digital Europe programme based on the on-going negotiations for new Hosting Agreements which are expected to be signed during the course of the year.

4.7. RELATED PARTIES

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

As transactions between the JU and these parties take place as part of the normal operations of the JU and on terms and conditions that are normal for such transactions, no specific disclosures are required.

The key management entitlements are disclosed in note **4.8**

More information on the composition of the Governing Board can be found on the organisation's website in the [governance section](#).

4.8. KEY MANAGEMENT ENTITLEMENTS

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

	31.12.2024	31.12.2023
<i>Executive Director</i>	<i>AD15</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

Albania, Moldova and Switzerland joined the Joint Undertaking in 2025

In June 2025 (Albania), in October 2025 (Moldova) and in November 2025 (Switzerland), became part of the Euro HPC Joint Undertaking. Their researchers are able to participate in the EuroHPC JU programmes at the same terms as researchers from other associated countries and have access to EU funding.

Court case resolution

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 was concluded in favour of the EuroHPC JU on the 02/02/2026.

4.11. EVENTS AFTER REPORTING DATE

At the time of preparation of these financial statements, the Joint Undertaking can report the following:

On 20 January 2026, the EuroHPC JU's mandate expanded under a new Regulation amendment (EU 2026/150, adding additional new action pillars to EuroHPC JU's mandate on the deployment of AI Gigafactories across Europe and the development of quantum technologies. Previously, the Regulation (EU) 2025/2653 of 19 December 2025, as regards incentivising defence-related investment in the EU budget, allowed the EuroHPC JU to flexibilise its financing sources for the AI, the Quantum, and the AI Gigafactories pillars.

The management is not aware of any other 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

EUR '000

	Title	2025	2024
Revenue		75,658	251,998
of which:			
EU contribution	2	24,546	189,819
Participating States contributions	4	51,035	61,920
Recoveries R&I	5	75	259
Recoveries - fees	6	1	-
Expenditure		(421,530)	(206,060)
of which:			
Staff expenditure	1	(6,939)	(5,397)
Administrative expenditure	2	(2,494)	(1,797)
Operational expenditure	3	(412,098)	(198,865)
Exchange rate differences		-	-
Budget result		(345,872)	45,938

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	2025	2024
ECONOMIC RESULT OF THE YEAR	(345,850,025.50)	(154,699,674.72)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	286,375,316.02	154,206,257.37
<i>Adjustments for accrual cut-off (net)</i>	169,134,175.95	11,917,558.19
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	78,647,785.39	66,219,840.93
<i>Pre-financing given in previous year and cleared in the year</i>	33,757,037.10	76,404,626.29
<i>Payments made from non-budget lines</i>	(15,870.00)	(319,747.28)
<i>Unpaid invoices at year end but booked in expenses</i>	4,844,628.45	
<i>Other individually immaterial</i>	7,559.13	(16,020.76)
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	(286,397,648.09)	46,431,631.24
<i>Members' cash contributions collected in the year</i>	74,306,555.48	240,077,759.98
<i>Asset acquisitions (less unpaid amounts)</i>	(105,615,194.23)	(135,858,844.91)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(256,431,553.05)	(69,707,306.90)
<i>Recovery orders established on balance sheet accounts</i>	67,543.71	
<i>Entitlements established in previous year and cashed in the year</i>	1,275,000.00	11,920,023.07
BUDGET RESULT OF THE YEAR	(345,872,357.57)	45,938,213.89

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 / Reactivated	Total	On entitlements of current year	On entitlements carried over / reactivated	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/5	
2010	HE EU contr (a)	3,419	3,419	3,419	0	3,419	3,419	0	3,419	100 %	0
2020	DEP EU contr (a)	5,128	5,128	5,128	0	5,128	5,128	0	5,128	100 %	0
Total Chapter 20		8,546	8,546	8,546	0	8,546	8,546	0	8,546	100 %	0
2100	Contribution EU (o)	16,000	16,000	16,000	0	16,000	16,000	0	16,000	100 %	0
Total Chapter 21		16,000	16,000	16,000	0	16,000	16,000	0	16,000	100 %	0
Total Title 2		24,546	24,546	24,546	0	24,546	24,546	0	24,546	100 %	0
4000	Participating states	19,991	3,105	3,105	0	3,105	3,105	0	3,105	100 %	0
4020	DEP PS contr (o)	80,862	61,728	61,728	1,275	62,553	46,655	1,275	47,930	77 %	15,073
Total Chapter 40		100,853	64,834	64,834	1,275	66,109	49,760	1,275	51,035	77 %	15,073
Total Title 4		100,853	64,834	64,834	1,275	66,109	49,760	1,275	51,035	77 %	15,073
5000	Recoveries R and I	0	0	75	0	75	75	0	75	100 %	0
Total Chapter 50		0	0	75	0	75	75	0	75	100 %	0
Total Title 5		0	0	75	0	75	75	0	75	100 %	0
6000	Recoveries - fees	0	0	1	0	1	1	0	1	100 %	0
Total Chapter 60		0	0	1	0	1	1	0	1	100 %	0
Total Title 6		0	0	1	0	1	1	0	1	100 %	0
Subtotal cash transactions		125,400	89,380	89,456	1,275	90,731	74,383	1,275	75,658	83 %	15,073

Annual accounts of the European High Performance Computing Joint Undertaking 2025

7010	Eu un (a) (n-2)	1,535	1,535	0	1,535	1,535	0	1,535	1,535	100 %	0
Total Chapter 70		1,535	1,535	0	1,535	1,535	0	1,535	1,535	100 %	0
7100	Eu legacy un (o)/n-1	4,063	4,063	0	4,063	4,063	0	4,063	4,063	100 %	0
7101	Eu legacy un (o)/n-2	10,926	10,926	0	10,926	10,926	0	10,926	10,926	100 %	0
7102	Eu legacy un (o)/n-3	10,048	10,048	0	10,048	10,048	0	10,048	10,048	100 %	0
7104	Eu he un (o) (n-2)	93,745	93,745	0	93,745	93,745	0	93,745	93,745	100 %	0
7105	Eu he un (o) (n-3)	73,004	73,004	0	73,004	73,004	0	73,004	73,004	100 %	0
7106	Eu dep un (o) (n-1)	1,100	1,100	0	1,100	1,100	0	1,100	1,100	100 %	0
7107	Eu dep un (o) (n-2)	63,469	63,469	0	63,469	63,469	0	63,469	63,469	100 %	0
7108	Eu dep un (o) (n-3)	129,062	129,062	0	129,062	129,062	0	129,062	129,062	100 %	0
7111	Eu cef2 un (o) (n-3)	2,000	2,000	0	2,000	2,000	0	2,000	2,000	100 %	0
Total Chapter 71		387,417	387,417	0	387,417	387,417	0	387,417	387,417	100 %	0
Total Title 7		388,952	388,952	0	388,952	388,952	0	388,952	388,952	100 %	0

GRAND TOTAL		514,352	478,332	89,456	390,227	479,683	74,383	390,227	464,610	97 %	15,073
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5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appror. 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
1100	Ta - salaries & all.	3,778	-	-	3,778	250	-	250	4,028
1110	Ca - salaries & all.	2,000	-	-	2,000	50	-	50	2,050
1120	Interim, train. & sne	290	-	-	290	150	-	150	440
Total Chapter 11		6,068	-	-	6,068	450	-	450	6,518
1200	Recruitment	23	-	(12)	12	-	-	-	12
Total Chapter 12		23	-	(12)	12	-	-	-	12
1300	Mission & travel exp	300	-	50	350	-	-	-	350
Total Chapter 13		300	-	50	350	-	-	-	350
1400	Cas & school transp.	130	-	(30)	100	-	1	1	101
1410	Trainings	120	-	(39)	81	18	-	18	100
1420	Social measures	65	-	(4)	61	-	-	-	61
Total Chapter 14		315	-	(73)	242	18	1	19	262
1500	Hr admin. services	210	-	(30)	180	-	-	-	180
Total Chapter 15		210	-	(30)	180	-	-	-	180
Total Title 1		6,916	-	(64)	6,853	468	1	469	7,322

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropri. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000	<i>Building & ass. cost</i>	100	-	-	100	30	-	30	130
Total Chapter 20		100	-	-	100	30	-	30	130
2100	<i>Information techn</i>	360	-	(17)	343	255	-	255	599
Total Chapter 21		360	-	(17)	343	255	-	255	599
2200	<i>Mov. prop & ass. cos</i>	40	-	(25)	15	-	-	-	15
Total Chapter 22		40	-	(25)	15	-	-	-	15
2300	<i>Curr. admin. exp.</i>	155	-	-	155	10	-	10	165
Total Chapter 23		155	-	-	155	10	-	10	165
2400	<i>Consult. & audit</i>	100	-	148	248	-	-	-	248
Total Chapter 24		100	-	148	248	-	-	-	248
2500	<i>Internal meetings</i>	50	-	-	50	20	-	20	70
Total Chapter 25		50	-	-	50	20	-	20	70
2600	<i>Legal services</i>	30	-	16	46	14	-	14	60
Total Chapter 26		30	-	16	46	14	-	14	60
2700	<i>Communicat° - info°</i>	375	-	(199)	176	81	-	81	257
Total Chapter 27		375	-	(199)	176	81	-	81	257
2800	<i>Experts & ass. costs</i>	420	-	142	562	550	-	550	1,112
Total Chapter 28		420	-	142	562	550	-	550	1,112
Total Title 2		1,630	-	64	1,694	960	-	960	2,653

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropri. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3000	Legacy R&I action	-	-	-	-	218	68	286	286
3010	HE R&I action	127,047	-	-	127,047	116,625	-	116,625	243,671
3020	DEP I&I action	-	-	-	-	30	-	30	30
3030	CEF2 R&I action	10,000	-	-	10,000	19,000	-	19,000	29,000
Total Chapter 30		137,047	-	-	137,047	135,873	68	135,940	272,987
3110	HE infra-action	-	20,000	-	20,000	-	-	-	20,000
3120	DEP infra-action	553,521	53,309	-	606,830	213,430	-	213,430	820,260
3130	CEF2 infra-action	-	60,000	-	60,000	-	-	-	60,000
Total Chapter 31		553,521	133,309	-	686,830	213,430	-	213,430	900,260
Total Title 3		690,568	133,309	-	823,877	349,303	68	349,371	1,173,248
GRAND TOTAL		699,114	133,309	-	832,423	350,731	68	350,800	1,183,223

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

	Item	Budget appropriations				Additional appropriations			Total apprpr. 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	Ta - salaries & all.	3,778	-	(5)	3,773	233	-	233	4,006
1110	Ca - salaries & all.	2,000	-	(13)	1,987	81	-	81	2,067
1120	Interim, train. & sne	290	-	(60)	230	110	-	110	340
Total Chapter 11		6,068	-	(78)	5,990	423	-	423	6,413
1200	Recruitment	23	-	(2)	21	-	-	-	21
Total Chapter 12		23	-	(2)	21	-	-	-	21
1300	Mission & travel exp	300	-	50	350	-	-	-	350
Total Chapter 13		300	-	50	350	-	-	-	350
1400	Cas & school transp.	130	-	(24)	106	-	1	1	107
1410	Trainings	120	-	(34)	86	29	-	29	115
1420	Social measures	65	-	(20)	45	6	-	6	51
Total Chapter 14		315	-	(78)	237	35	1	36	273
1500	Hr admin. services	210	-	(12)	198	-	-	-	198
Total Chapter 15		210	-	(12)	198	-	-	-	198
Total Title 1		6,916	-	(121)	6,795	458	1	459	7,254

5.2.2. Breakdown & changes in payment appropriations – Title 2

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
2000	<i>Building & ass. cost</i>	100	-	-	100	48	-	48	148
Total Chapter 20		100	-	-	100	48	-	48	148
2100	<i>Information techn</i>	360	-	81	441	160	-	160	601
Total Chapter 21		360	-	81	441	160	-	160	601
2200	<i>Mov. prop & ass. cos</i>	40	-	(30)	10	4	-	4	15
Total Chapter 22		40	-	(30)	10	4	-	4	15
2300	<i>Curr. admin. exp.</i>	155	-	209	364	-	-	-	364
Total Chapter 23		155	-	209	364	-	-	-	364
2400	<i>Consult. & audit</i>	100	-	238	338	5	-	5	342
Total Chapter 24		100	-	238	338	5	-	5	342
2500	<i>Internal meetings</i>	50	-	29	79	-	-	-	79
Total Chapter 25		50	-	29	79	-	-	-	79
2600	<i>Legal services</i>	30	-	1	31	16	-	16	48
Total Chapter 26		30	-	1	31	16	-	16	48
2700	<i>Communicat° - info°</i>	375	-	(205)	170	106	-	106	276
Total Chapter 27		375	-	(205)	170	106	-	106	276
2800	<i>Experts & ass. costs</i>	420	-	(203)	217	739	-	739	956
Total Chapter 28		420	-	(203)	217	739	-	739	956
Total Title 2		1,630	-	121	1,751	1,077	-	1,077	2,828

5.2.3. 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	<i>Legacy R&I action</i>	16,000	-	-	16,000	18,173	68	18,241	34,241
3010	<i>HE R&I action</i>	-	-	-	-	166,749	-	166,749	166,749
3020	<i>DEP R&I action</i>	-	-	-	-	9,860	-	9,860	9,860
Total Chapter 30		16,000	-	-	16,000	194,783	68	194,850	210,850
3100	<i>Legacy infra-action</i>	19,991	(16,886)	-	3,105	6,863	-	6,863	9,969
3120	<i>DEP infra-action</i>	80,862	(19,134)	-	61,728	183,771	-	183,771	245,499
3130	<i>CEF2 infra-action</i>	-	-	-	-	2,000	-	2,000	2,000
Total Chapter 31		100,853	(36,020)	-	64,834	192,634	-	192,634	257,468
Total Title 3		116,853	(36,020)	-	80,834	387,417	68	387,484	468,318
GRAND TOTAL		125,400	(36,020)	-	89,380	388,952	68	389,021	478,400

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations – Title 1

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
1100	Ta - salaries & all.	4,028	3,778	226	-	4,005	99 %	-	24	-	24
1110	Ca - salaries & all.	2,050	1,960	-	-	1,960	96 %	40	50	-	90
1120	Interim, train. & sne	440	290	56	-	346	79 %	-	94	-	94
Total Chapter 11		6,518	6,028	282	-	6,310	97 %	40	168	-	208
1200	Recruitment	12	12	-	-	12	100 %	-	-	-	-
Total Chapter 12		12	12	-	-	12	100 %	-	-	-	-
1300	Mission & travel exp	350	300	-	-	300	86 %	50	-	-	50
Total Chapter 13		350	300	-	-	300	86 %	50	-	-	50
1400	Cas & school transp.	101	100	-	-	100	99 %	-	-	1	1
1410	Trainings	100	78	18	-	96	96 %	4	-	-	4
1420	Social measures	61	34	-	-	34	56 %	27	-	-	27
Total Chapter 14		262	212	18	-	230	88 %	31	-	1	32
1500	Hr admin. services	180	178	-	-	178	99 %	2	-	-	2
Total Chapter 15		180	178	-	-	178	99 %	2	-	-	2
Total Title 1		7,322	6,730	300	-	7,030	96 %	123	168	1	292

5.3.2. 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	7	8	9	10=7+8+9
2000	<i>Building & ass. cost</i>	130	100	30	-	130	100 %	-	-	-	-
Total Chapter 20		130	100	30	-	130	100 %	-	-	-	-
2100	<i>Information techn.</i>	599	343	255	-	598	100 %	1	-	-	1
Total Chapter 21		599	343	255	-	598	100 %	1	-	-	1
2200	<i>Mov. prop & ass. cos</i>	15	15	-	-	15	100 %	-	-	-	-
Total Chapter 22		15	15	-	-	15	100 %	-	-	-	-
2300	<i>Curr. admin. exp.</i>	165	148	8	-	156	95 %	7	2	-	9
Total Chapter 23		165	148	8	-	156	95 %	7	2	-	9
2400	<i>Consult. & audit</i>	248	167	-	-	167	67 %	81	-	-	81
Total Chapter 24		248	167	-	-	167	67 %	81	-	-	81
2500	<i>Internal meetings</i>	70	50	20	-	70	100 %	-	-	-	-
Total Chapter 25		70	50	20	-	70	100 %	-	-	-	-
2600	<i>Legal services</i>	60	11	14	-	25	42 %	35	-	-	35
Total Chapter 26		60	11	14	-	25	42 %	35	-	-	35
2700	<i>Communicat° - info°</i>	257	176	81	-	257	100 %	-	-	-	-
Total Chapter 27		257	176	81	-	257	100 %	-	-	-	-
2800	<i>Experts & ass. costs</i>	1,112	562	550	-	1,112	100 %	-	-	-	-
Total Chapter 28		1,112	562	550	-	1,112	100 %	-	-	-	-
Total Title 2		2,653	1,571	958	-	2,528	95 %	123	2	-	125

5.3.3. 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	286	-	206	68	273	96 %	-	12	-	12
3010	HE R&I action	243,671	127,047	116,625	-	243,671	100 %	-	-	-	-
3020	DEP R&I action	30	-	8	-	8	26 %	-	22	-	22
3030	CEF2 R&I action	29,000	10,000	19,000	-	29,000	100 %	-	-	-	-
Total Chapter 30		272,987	137,047	135,838	68	272,953	100 %	-	35	-	35
3110	HE infra-action	20,000	-	-	-	-	0 %	20,000	-	-	20,000
3120	DEP infra-action	820,260	591,830	213,430	-	805,260	98 %	15,000	-	-	15,000
3130	CEF2 infra-action	60,000	-	-	-	-	0 %	60,000	-	-	60,000
Total Chapter 31		900,260	591,830	213,430	-	805,260	89 %	95,000	-	-	95,000
Total Title 3		1,173,248	728,877	349,268	68	1,078,213	92 %	95,000	35	-	95,035
GRAND TOTAL		1,183,223	737,177	350,526	68	1,087,770	92 %	95,246	205	1	95,452

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.4.1. Implementation of payment appropriations – Title 1

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
1100	Ta - salaries & all.	4,006	3,773	231	-	4,005	100 %	-	1	-	1
1110	Ca - salaries & all.	2,067	1,879	81	-	1,960	95 %	107	-	-	107
1120	Interim, train. & sne	340	208	110	-	317	93 %	22	-	-	22
Total Chapter 11		6,413	5,860	421	-	6,282	98 %	130	1	-	131
1200	Recruitment	21	17	-	-	17	82 %	4	-	-	4
Total Chapter 12		21	17	-	-	17	82 %	4	-	-	4
1300	Mission & travel exp	350	242	-	-	242	69 %	108	-	-	108
Total Chapter 13		350	242	-	-	242	69 %	108	-	-	108
1400	Cas & school transp.	107	95	-	1	96	89 %	11	-	-	11
1410	Trainings	115	71	29	-	100	87 %	15	-	-	15
1420	Social measures	51	28	6	-	34	67 %	17	-	-	17
Total Chapter 14		273	194	35	1	230	84 %	43	-	-	43
1500	Hr admin. services	198	168	-	-	168	85 %	30	-	-	30
Total Chapter 15		198	168	-	-	168	85 %	30	-	-	30
Total Title 1		7,254	6,481	457	1	6,939	96 %	314	1	-	316

5.4.2. Implementation of payment appropriations – Title 2

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
2000	<i>Building & ass. cost</i>	148	23	16	-	39	26 %	77	32	-	109
Total Chapter 20		148	23	16	-	39	26 %	77	32	-	109
2100	<i>Information techn</i>	601	419	160	-	579	96 %	22	-	-	22
Total Chapter 21		601	419	160	-	579	96 %	22	-	-	22
2200	<i>Mov. prop & ass. cos</i>	15	10	4	-	15	100 %	-	-	-	-
Total Chapter 22		15	10	4	-	15	100 %	-	-	-	-
2300	<i>Curr. admin. exp.</i>	364	287	-	-	287	79 %	76	-	-	76
Total Chapter 23		364	287	-	-	287	79 %	76	-	-	76
2400	<i>Consult. & audit</i>	342	338	-	-	338	99 %	-	5	-	5
Total Chapter 24		342	338	-	-	338	99 %	-	5	-	5
2500	<i>Internal meetings</i>	79	67	-	-	67	85 %	12	-	-	12
Total Chapter 25		79	67	-	-	67	85 %	12	-	-	12
2600	<i>Legal services</i>	48	12	16	-	29	60 %	19	-	-	19
Total Chapter 26		48	12	16	-	29	60 %	19	-	-	19
2700	<i>Communicat° - info°</i>	276	136	106	-	242	88 %	34	-	-	34
Total Chapter 27		276	136	106	-	242	88 %	34	-	-	34
2800	<i>Experts & ass. costs</i>	956	181	718	-	899	94 %	36	21	-	57
Total Chapter 28		956	181	718	-	899	94 %	36	21	-	57
Total Title 2		2,828	1,473	1,020	-	2,494	88 %	278	57	-	335

5.4.3. Implementation of payment appropriations – Title 3

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
3000	Legacy R&I action	34,241	16,000	16,701	68	32,768	96 %	-	1,473	-	1,473
3010	HE R&I action	166,749	-	154,673	-	154,673	93 %	-	12,076	-	12,076
3020	DEP R&I action	9,860	-	9,860	-	9,860	100 %	-	-	-	-
Total Chapter 30		210,850	16,000	181,234	68	197,302	94 %	-	13,549	-	13,549
3100	Legacy infra-action	9,969	2,184	3,538	-	5,722	57 %	922	3,325	-	4,247
3120	DEP infra-action	245,499	24,028	183,047	-	207,075	84 %	37,700	724	-	38,424
3130	CEF2 infra-action	2,000	-	2,000	-	2,000	100 %	-	-	-	-
Total Chapter 31		257,468	26,211	188,585	-	214,796	83 %	38,622	4,049	-	42,671
Total Title 3		468,318	42,211	369,819	68	412,098	88 %	38,622	17,598	-	56,220
GRAND TOTAL		478,400	50,166	371,296	68	421,530	88 %	39,214	17,656	-	56,870

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	Payments	Cancel-lation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	
1100	Ta - salaries & all.	-	-	-	-	4,005	4,005	-	-	-
1110	Ca - salaries & all.	13	(13)	-	-	1,960	1,960	-	-	-
1120	Interim, train. & sne	39	(16)	16	8	346	302	-	44	52
Total Chapter 11		52	(29)	16	8	6,310	6,266	-	44	52
1200	Recruitment	20	-	9	11	12	8	-	4	14
Total Chapter 12		20	-	9	11	12	8	-	4	14
1300	Mission & travel exp	119	(78)	41	-	300	201	-	99	99
Total Chapter 13		119	(78)	41	-	300	201	-	99	99
1400	Cas & school transp.	134	(129)	5	-	100	91	-	9	9
1410	Trainings	62	(19)	38	5	96	63	-	34	39
1420	Social measures	8	(8)	-	-	34	34	-	-	-
Total Chapter 14		203	(155)	43	5	230	187	-	43	48
1500	Hr admin. services	18	-	18	-	178	150	-	28	28
Total Chapter 15		18	-	18	-	178	150	-	28	28
Total Title 1		412	(263)	126	24	7,030	6,813	-	217	240

6.2. Outstanding commitments – Title 2

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	Payments	Total	Commitments made during the year	Payments	Cancel-lation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2000	<i>Building & ass. cost</i>	29	-	-	29	130	39	-	91	120
Total Chapter 20		29	-	-	29	130	39	-	91	120
2100	<i>Information techn</i>	84	(27)	57	-	598	522	-	75	76
Total Chapter 21		84	(27)	57	-	598	522	-	75	76
2200	<i>Mov. prop & ass. cos</i>	-	-	-	-	15	15	-	-	-
Total Chapter 22		-	-	-	-	15	15	-	-	-
2300	<i>Curr. admin. exp.</i>	268	(52)	207	9	156	80	-	76	84
Total Chapter 23		268	(52)	207	9	156	80	-	76	84
2400	<i>Consult. & audit</i>	340	(7)	307	26	167	31	-	136	162
Total Chapter 24		340	(7)	307	26	167	31	-	136	162
2500	<i>Internal meetings</i>	25	(16)	7	2	70	60	-	10	12
Total Chapter 25		25	(16)	7	2	70	60	-	10	12
2600	<i>Legal services</i>	103	(50)	20	33	25	9	-	16	49
Total Chapter 26		103	(50)	20	33	25	9	-	16	49
2700	<i>Communicat^o - info^o</i>	21	(1)	19	-	257	223	-	34	34
Total Chapter 27		21	(1)	19	-	257	223	-	34	34
2800	<i>Experts & ass. costs</i>	580	(304)	261	15	1.112	637	-	474	489
Total Chapter 28		580	(304)	261	15	1.112	637	-	474	489
Total Title 2		1,449	(458)	878	113	2,528	1,616	-	912	1,026

6.3. Outstanding commitments – Title 3

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancel-lation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3000	Legacy R&I action	103,461	-	32,495	70,966	273	273	-	-	70,966
3010	HE R&I action	345,858	(54,951)	59,922	230,985	243,671	94,752	-	148,920	379,905
3020	DEP R&I action	50,151	-	9,853	40,298	8	8	-	-	40,298
3030	CEF2 R&I action	-	-	-	-	29,000	-	-	29,000	29,000
Total Chapter 30		499,470	(54,951)	102,269	342,250	272,953	95,033	-	177,920	520,170
3100	Legacy infra-action	40,870	-	5,722	35,148	-	-	-	-	35,148
3120	DEP infra-action	967,909	(51,491)	163,505	752,914	805,260	43,570	-	761,690	1,514,604
3130	CEF2 infra-action	79,997	-	2,000	77,997	-	-	-	-	77,997
Total Chapter 31		1,088,776	(51,491)	171,226	866,059	805,260	43,570	-	761,690	1,627,749
Total Title 3		1,588,246	(106,442)	273,495	1,208,309	1,078,213	138,603	-	939,610	2,147,919
GRAND TOTAL		1,590,107	(107,163)	274,499	1,208,446	1,087,770	147,031	-	940,739	2,149,185

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.