



# Annual accounts of the Circular Bio-based Europe Joint Undertaking

Financial year 2024

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## **CERTIFICATION OF THE ACCOUNTS**

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

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the Circular Bio-based Europe Joint Undertaking's assets and liabilities and the budgetary implementation.

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

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

Andrea Tóth

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

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<sup>1</sup>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

Horizon Europe – the EU Framework Programme for Research and Innovation (2021-2027) – aims to increase the EU's research and innovation impact by combining European partnership co-investment with additional private and public sector funds in areas where the scope and scale of the research and innovation resources can help achieve the EU's Horizon Europe priorities, notably, its Pillar II – Global challenges and European industrial competitiveness.

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

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

#### Mission

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

#### Main operational activities

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

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

#### Governance

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

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

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

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

Other bodies of CBE JU are:

- The Scientific Committee, which is composed of a balanced representation of worldwide recognised experts from academia, industry, SMEs, non-governmental organisations and regulatory bodies;
- The States' Representatives Group, which is composed of one representative of each Member State and of each country associated to Horizon Europe;
- The Stakeholders' or Deployment Groups.

## **Sources of financing**

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

- Members' financial contributions to the administrative costs;
- Members' financial contributions to the operational costs;
- Any revenue generated by the JU;
- Any other financial contributions, resources and revenues.

## 2. Annual accounts

### Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by the Model Financial Regulation (MFR)<sup>1</sup>. As per this regulation, the annual accounts are prepared in accordance with the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

### Accounting Officer

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

The Single Basic Act<sup>2</sup> establishing the new generations of JUs, required, within one year following the date of entry into force of the Regulation, the establishment of back-office arrangements, to provide horizontal support functions to the joint undertakings, by concluding service level agreements. The Accounting Back Office (Acco BOA) was established and took over the accounting services from the Accounting Officer of the European Commission from 1 December 2022.

Following the decision of the **Circular Bio-based Europe** Joint Undertaking Governing Board of 29 November 2022 (CBE-GB-15/22), on behalf of the Back Office Arrangement Accounting (BOA), Ms. Katty Hancq, as of 1 December 2022, acts as the Accounting Officer and Ms. Andrea Tóth and Mr. Andrei Hretu were nominated as Deputy Accounting Officers of **Circular Bio-based Europe** Joint Undertaking. Following the enactment of the contingency back-up plan for long term leaves, the deputation of Ms. Andrea Tóth was activated from the date of 15 November 2024, in accordance with the GB decision CBE-GB-15/22. The deputy Accounting Officer was appointed with the same responsibility and the same conditions as the Accounting Officer. The deputation remains active until revoked.

### Composition of the annual accounts

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

### Process from provisional accounts to discharge

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

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

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

<sup>1</sup> 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)

<sup>2</sup> Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014

### 3. Operational highlights

#### Achievements of the year

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

The most important achievements of 2024 were as follows.

The third CBE JU call under Horizon Europe was published in April and the evaluations were successfully carried out in late autumn, setting the basis for the signature of the grant agreements in 2025.

Over the same period, the JU's founding partners prepared the ambitious Annual Work Plan 2025, also with a large call of over EUR 163 million. The definition of the call topics for 2025 was a result of the joint effort in defining and respecting a very tight planning and in involving to a maximum extent the Scientific Committee and the States' Representatives Group in the process.

On the project management side, the GAP of the 2023 call was successfully completed within the deadlines, and the pre-financing payments all made. For ongoing BBI JU-funded projects 36 interim and final payments were processed on time, covering over EUR 96 million of requested EU contribution. The total amount of net payments for 2024 was over EUR 19 million, reaching a 72% execution of the voted budget.

While the budget implementation was good overall, it was impacted by requests for the extension of two large flagship projects as well as some changes to the duration of certain projects' reporting periods, which combined resulted in an under-consumption of the budget. On the administrative side the BBI JU legacy budget was executed in priority (as it should have been fully executed by end 2024), so the CBE JU administrative budget remained with a surplus, which will be reactivated in the budgets of 2025 and 2026.

The CBE JU 2024 communications highlights include a successful Info Day for potential applicants with about 500 attending in person and over 1.500 remote participants. In addition, 1.300 networking meetings were held on the day, presenting the CBE JU's achievements in high-level stakeholder events, such as World Bio Markets, EUBCE, the Global Bioeconomy Summit, Ecomondo and the Sustainable Industry Week, and promoting the successes of CBE JU-funded projects, in particular the completion of several flagship biorefineries, which attracted high media interest.

On the IT side, CBE JU set up a new web-based IT tool in 2024, to gather information from projects on their achievements, including the KPIs and impacts of the Joint Undertaking. The first project was concluded in the summer with the full submission of data from the new CBE JU funded projects. This first module was focused on helping to organise the feedback from projects about their achievements, to support a structured elaboration of data and to facilitate the communication and reporting about the CBE JU specific objectives. A second contract was launched at the end of 2024 to develop the internal interface and to improve the validation and data extraction for reporting. This contract is expected to be finished by mid-2025.

On the recruitment side, the new Executive Director took up his functions in early 2024. Several other recruitments took place in 2024 (Head of Administration and Finance Unit, Financial Officer, Internal Control Coordinator, Project Officers) reaching the full CBE JU staff establishment plan.

CBE JU took the lead in the setting up of the Back Office Arrangement for HR jointly with IHI JU. The SLA including all JUs was signed in early 2024 as well as the multi-annual work plan. In this period the JUs continued working on joint actions, under the coordination of CBE JU, improving the coherence of the HR IT landscape and legal framework, sharing reserve lists and implementing joint selection procedures where possible. A new call for expression of interest to become a confidential counsellor was launched to reinforce the joint network of confidential counsellors.

#### Budget and budget implementation

##### The voted budget and amendments

2024 was the third year for which there was a combined budget for both CBE JU (Horizon Europe) as well as the BBI JU (Horizon 2020) legacy. On the administrative side 2024 was the last year for the execution of the BBI remaining budget whereas final payment(s) for the last BBI JU ongoing projects are expected to be made up to



(at least) the end of 2027. The Governing Board adopted the 2024 budget on 14 December 2023, for the global amount of EUR 221.898 thousand in commitment appropriations (CA) and EUR 190.228 thousand in payment appropriations (PA), including prior year unused reactivated (C2) appropriations). The budget was amended twice in 2024:

1. In mid-February 2024, to i) reactivate the remaining BBI JU administrative appropriations from 2023 (around EUR 640 thousand in CA and EUR 1.047 thousand in PA), with a view to executing a maximum before 2024 year end, and ii) to transfer around EUR 400 thousand in (BBI JU) PA from Title 1 to Title 2 (also to optimise the execution).
2. In October 2024, to transfer EUR 650 thousand in CA from both the CBE and BBI administrative budget Title 2 to Title 1 to ensure the salary-related payments of the last quarter, following unforeseen variations in the forecast pattern of execution.

The total amended budget (including prior year reactivations) was then CA EUR 222.538 thousand and PA EUR 191.275 thousand. The total amended C1 (fresh budget), without prior year reactivations, was EUR 151.800 thousand in CA and EUR 160.910 thousand in PA. There were large amounts of prior year reactivated appropriations as follows:

- Administrative
  - ✓ BBI JU: CA EUR 1.448 thousand, PA EUR 2.465 thousand
  - ✓ CBE JU: CA EUR 1.379 thousand, PA EUR 782 thousand
- Operational
  - ✓ BBI JU: CA EUR 23.147 thousand, PA EUR 26.590 thousand
  - ✓ CBE JU: PA EUR 45.536 thousand, PA EUR 529 thousand

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

The reactivated appropriations were consumed wherever possible in priority in line with CBE's Financial Rules art. 6(5), and reached 95% consumption on the admin CA side, 91% on the admin PA side, 99% on the operational CA side and 72% on the operational PA side by year end.

At the end of 2024, there was a total remaining surplus of BBI JU unused appropriations of:

- EUR 311 thousand in administrative CA (including C8 decommitted RAL) and EUR 275 thousand in administrative PA.
- EUR 399 thousand in operational CA and EUR 7.509 thousand in operational PA.

A decision will be taken in early 2025 as to how best to deal with the remaining BBI JU administrative appropriations.

CBE JU showed a much stronger execution for the first time (particularly on the administrative side, where the BBI JU legacy budget was running down). The total C1 administrative budget for CBE JU was EUR 3.502 thousand in CA and PA. Of this amount, EUR 2.704 thousand – 77% -was executed in CA and EUR 2.847 thousand – 81% -in PA. On the operational side, for CBE JU, the operational commitment appropriations available for the CBE 2024 call, including EUR 68.683 thousand from prior year reactivations, totalled EUR 214.680 thousand (this excludes EUR 1.000 thousand in the operational budget for expert-evaluators of the call). The call was launched for EUR 213 million and, following the call evaluations, the amount committed for the call was EUR 206.680 thousand, as EUR 7 million was decommitted for reactivation in the 2025 call in line with the CBE JU Financial Rules. However, another EUR 7,5 million will also be decommitted in 2025 (for reactivation in the call 2026). This means that the total operational CA execution was 93%.

A Governing Board decision was taken at the end of 2024 to reactivate in the 2025 budget of CBE JU:

- Administrative:
  - ✓ CA: EUR 2.071 thousand from 2023 and 2024
  - ✓ PA: EUR 2.371 thousand from 2022 and 2023
- Operational:
  - ✓ CA: EUR 23.638 thousand in CA from 2022 and 2023 (of which EUR 5 thousand from BBI JU)

- ✓ PA: EUR 21.495 thousand from 2022, 2023 and 2024 (of which EUR 13.948 thousand from BBI JU and EUR 7.547 thousand from CBE JU).

### **Administrative expenditure**

The total consumption of the administrative budget was 85% in CA and 86% in PA – a substantial improvement compared to 2023. For BBI JU, in its final year of budget execution, the rates were 99% in CA and 89% in PA.

- **Title 1:**
  - o Overall CA implementation of staff-related costs was 95% (for BBI JU the total T1 execution was 100%). For CBE, 93% of its salaries-only budget of EUR 2.037 thousand was executed. On the BBI JU side, salary costs (total budget EUR 1.005 thousand) showed a strong execution at 100%. All Title 1 chapters achieved an execution of over 90% with the exception of teambuilding expenses (EUR 11 thousand, 71%) and CBE sundry recruitment (EUR 13 thousand, 31%)
  - o The overall PA execution in Title 1 is 94% of which 96% for BBI JU and CBE JU 93%.
- **Title 2:**
  - o The 2024 infrastructure budget achieved an overall CA implementation of 72% in 2024. For BBI JU (budget EUR 1.440 thousand) the total was 99%. All Title 2 chapters showed an execution of > 80% with the exception of:
    - ✓ CBE rentals (EUR 778 thousand, 21%). This account was actually used to consolidate extra appropriations in the re-balancing exercise performed in Q4 2024 (including a budgetary amendment) to ease the execution of a very tight budget, and not all of the transferred credits were eventually needed.
    - ✓ CBE IT equipment purchases (EUR 551 thousand, 75%)
    - ✓ CBE formal meetings (EUR 49 thousand, 69%)
    - ✓ CBE studies and consultancy (EUR 51 thousand, 75%)
  - o The overall PA consumption in Title 2 is 78%. For BBI JU this is 89%. For BBI, execution of all chapters was 100% except for rental costs (total EUR 397 thousand – 43% execution). On the CBE JU side all T2 chapters showed an execution of <->80% with the exception of (taking the more material amounts):
    - ✓ IT equipment purchases (EUR 557 thousand, 76%)
    - ✓ Communication materials (EUR 110 thousand, 27%)
    - ✓ Audit costs (EUR 51 thousand, 3%)
    - ✓ External staff (EUR 283 thousand, 79%)
    - ✓ Expert reviewers (EUR 150 thousand, 53%)

For all of these chapters, invoices are expected to be received in early 2025.

### **Operational expenditure**

- **CA.** CBE JU call 2024 was launched in April 2024 for a total of EUR 213 million, of which accepted proposals totalled EUR 197.509 thousand. The GAP has been launched and is expected to be finalised by end May 2025.  
In May 2024 the GAP of the two CBE JU 2023 calls, totalling EUR 216,5 million, was finalised and between March and November the 30 pre-financing payments relating to these calls were made.
- **PA.**
  - o **BBI JU:** For the ongoing BBI projects, the Programme Office achieved an overall 72% implementation, with payments of 36 interim and final periodic reports for grants from the previous BBI JU calls (total EUR 19.479 thousand out of total Title 3 BBI JU projects' budget of EUR 26.988 thousand). This lower than anticipated execution was the result of a small number of payments anticipated towards year end being delayed until 2025, as well as the announced termination of one of the older flagship projects, for which a large payment was forecast in 2024 and there will instead be a recovery in 2025. The BBI JU remaining project payments are expected to continue until at least 2027.

- o **CBE JU:** The pre-financing payments for CBE call 2023 (totalling EUR 132.149 thousand) reached 84%. No interim payments are due for the first CBE JU calls until 2025.

### BOA implementation update

The Single Basic Act of the Joint Undertakings (SBA) indicated that the JUs should achieve synergies via the establishment of back-office arrangements operating in some identified areas. The following four areas have been identified as a priority by the JUs:

- Accounting
- Legal (administrative procurements)
- Information and Communication Technologies (ICT)
- Human Resources (HR)

The Accounting Back office is operational since December 2022, where the Accounting Officer of Clean Aviation JU (CAJU) acts as one of the service providers. The BOA procurement covers mainly the administrative type of joint procurements addressing needs of the JUs. CAJU has a leading role to coordinate the BOA procurement and to establish a common procurement planning for the JUs.

### Impact of the activities in the financial statements

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

- **Pre-financing:** In 2023 the second two calls for proposals under the Horizon Europe Programme were launched and the pre-financing occurred in 2024 for a total EUR 132.149 thousand. Nevertheless, for ongoing BBI JU projects and the finalisation of several projects the clearing of the pre-financing with incurred expenses, impacted the increase of pre-financing from EUR 140.368 thousand in 2023 to EUR 224.471 thousand in 2024 (see note **2.3**).
- **Increase of payables:** The payables increased by EUR 15.816 thousand (2023: EUR 78.642 thousand from 2024: EUR 94.459 thousand) mainly because the in-kind contributions to be validated for the provisional accounts as well as the contributions in cash to be validated increased significantly. (see note **2.7**).
- **Operational costs:** The decrease in the operational costs (2023: EUR 120.180 thousand; 2024: EUR 88.642 thousand) is mainly due to a reduction in the estimated in-kind contributions and the validated costs claims for operational project costs (see note **3.4**).

CIRCULAR BIO-BASED EUROPE JOINT UNDERTAKING

FINANCIAL YEAR 2024

# **FINANCIAL STATEMENTS AND EXPLANATORY NOTES**

## BALANCE SHEET

	Note	31.12.2024	31.12.2023
<b>NON-CURRENT ASSETS</b>			
<i>Intangible asset under construction</i>	2.1	280.018,75	112.436,10
<i>Property, plant and equipment</i>	2.2	78.376,00	67.588,26
<i>Long term pre-financing</i>	2.3	149.143.106,98	75.056.897,80
		<b>149.501.501,73</b>	<b>75.236.922,16</b>
<b>CURRENT ASSETS</b>			
<i>Short term Pre-financing</i>	2.3	75.327.635,62	65.310.787,10
<i>Exchange receivables and non-exchange recoverable</i>	2.4	61.495.212,82	58.448.096,64
		<b>136.822.848,44</b>	<b>123.758.883,74</b>
<b>TOTAL ASSETS</b>		<b>286.324.350,17</b>	<b>198.995.805,90</b>
<b>CURRENT LIABILITIES</b>			
<i>Short term provisions</i>	2.6	-	-
<i>Payables and other liabilities</i>	2.7	94.458.589,64	78.642.417,55
<i>Accrued charges and deferred income</i>	2.8	44.969.226,00	29.433.882,75
		<b>139.427.815,64</b>	<b>108.076.300,30</b>
<b>TOTAL LIABILITIES</b>		<b>139.427.815,64</b>	<b>108.076.300,30</b>
<b>NET ASSETS</b>			
<i>Contribution from Members</i>	2.9	1.127.945.150,86	979.226.825,78
<i>Accumulated deficit</i>		(888.307.320,18)	(760.505.237,48)
<i>Economic result of the year</i>		(92.741.296,15)	(127.802.082,70)
<b>NET ASSETS</b>		<b>146.896.534,53</b>	<b>90.919.505,60</b>
<b>LIABILITIES AND NET ASSETS</b>		<b>286.324.350,17</b>	<b>198.995.805,90</b>

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	2024	2023
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>			
<i>Recovery of operating expenses</i>	3.1	880.283,22	116.279,90
		<b>880.283,22</b>	<b>116.279,90</b>
<b>Revenue from exchange transactions</b>			
<i>Other exchange revenue</i>	3.3	71.464,60	18.188,69
		<b>71.464,60</b>	<b>18.188,69</b>
<b>Total revenue</b>		<b>951.747,82</b>	<b>134.468,59</b>
<b>EXPENSES</b>			
<i>Operational costs</i>	3.4	(88.642.113,32)	(120.180.335,69)
<i>Staff costs</i>	3.5	(3.105.891,08)	(2.757.139,48)
<i>Financial expenses</i>	3.6	(126.413,53)	(2.842.169,01)
<i>Other expenses</i>	3.7	(1.818.626,04)	(2.156.907,11)
<b>Total expenses</b>		<b>(93.693.043,97)</b>	<b>(127.936.551,29)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(92.741.296,15)</b>	<b>(127.802.082,70)</b>

**CASHFLOW STATEMENT<sup>1</sup>**

	2024	2023
<i>Economic result of the year</i>	(92.741.296,15)	(127.802.082,70)
<b>Operating activities</b>		
<i>Depreciation and amortisation</i>	25.690,86	27.534,25
<i>(Increase)/Decrease in pre-financing</i>	(84.103.057,70)	(12.488.783,41)
<i>(Increase)/Decrease in exchange receivables and non-exchange</i>	(3.047.116,18)	23.010.126,87
<i>(Increase)/Decrease in payables</i>	15.816.172,09	958.974,89
<i>(Increase)/Decrease in accrued charges &amp; deferred income</i>	15.535.343,25	(5.557.206,06)
<i>(Increase)/Decrease in cash contributions</i>	136.408.434,86	96.024.106,58
<i>(Increase)/Decrease in in-kind contributions</i>	12.309.890,22	25.959.237,28
<i>(Increase)/Decrease in short term provision</i>		-
<i>Other non-cash movements</i>	0,06	-
<b>Investing activities</b>		
<i>(Increase)/Decrease in intangible assets and property, plant, equipment</i>	(204.061,31)	(131.857,70)
<b>NET CASHFLOW</b>	-	-
<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>	-	-

<sup>1</sup> The treasury of Circular Bio-based Europe JU is integrated into the Commission's treasury system. Because of this Circular Bio-based Europe JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading non-exchange recoverables.

## STATEMENT OF CHANGES IN NET ASSETS

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
<b>BALANCE AS AT 31.12.2022</b>	<b>857.243.481,92</b>	<b>(656.755.282,24)</b>	<b>(103.749.955,24)</b>	<b>96.738.244,44</b>
<i>Allocation 2022 economic result</i>	-	(103.749.955,24)	103.749.955,24	-
<i>Cash contribution</i>	96.024.106,58	-	-	96.024.106,58
<i>Contribution in-kind</i>	25.959.237,28	-	-	25.959.237,28
<i>Economic result of the year</i>	-	-	(127.802.082,70)	(127.802.082,70)
<b>BALANCE AS AT 31.12.2023</b>	<b>979.226.825,78</b>	<b>(760.505.237,48)</b>	<b>(127.802.082,70)</b>	<b>90.919.505,60</b>
<i>Allocation 2023 economic result</i>	-	(127.802.082,70)	127.802.082,70	-
<i>Cash contribution</i>	136.408.434,86	-	-	136.408.434,86
<i>Contribution in-kind</i>	12.309.890,22	-	-	12.309.890,22
<i>Economic result of the year</i>	-	-	(92.741.296,15)	(92.741.296,15)
<b>BALANCE AS AT 31.12.2024</b>	<b>1.127.945.150,86</b>	<b>(888.307.320,18)</b>	<b>(92.741.296,15)</b>	<b>146.896.534,53</b>



## **NOTES TO THE FINANCIAL STATEMENTS**

# 1. SIGNIFICANT ACCOUNTING POLICIES

## 1.1. ACCOUNTING PRINCIPLES

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

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

## 1.2. BASIS OF PREPARATION

### 1.2.1. Reporting period

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

### 1.2.2. Currency and basis for conversion

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

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

#### Euro exchange rates

Currency	31.12.2024	31.12.2023	Currency	31.12.2024	31.12.2023
<b>BGN</b>	<b>1,9558</b>	1,956	<b>PLN</b>	<b>4,275</b>	4,34
<b>CZK</b>	<b>25,185</b>	24,724	<b>RON</b>	<b>4,9743</b>	4,976
<b>DKK</b>	<b>7,4578</b>	7,453	<b>SEK</b>	<b>11,459</b>	11,096
<b>GBP</b>	<b>0,8218</b>	0,887	<b>CHF</b>	<b>0,9412</b>	0,926
<b>NOK</b>	<b>11,795</b>	11,241	<b>JPY</b>	<b>163,06</b>	156,33
<b>HUF</b>	<b>411,35</b>	382,80	<b>USD</b>	<b>1,0389</b>	1,105

### 1.2.3. Use of estimates

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

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

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

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

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

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

- **IPSAS 49 Retirement Benefits:** IPSAS 49 prescribes the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.

- **IPSAS 47 Revenue:** IPSAS 47 is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the existing three revenue standards and presents accounting models which will improve financial reporting and support effective public sector financial management. IPSAS 47 will be effective for periods beginning on or after January 1, 2026.
- **IPSAS 48 Transfer Expenses:** IPSAS 48 provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap which had previously led to ambiguity and inconsistency of accounting policies in the public sector. IPSAS 48 will be effective for periods beginning on or after January 1, 2026.
- **Amendment to IPSAS 1, Presentation of Financial Statements:** The amendments clarify the principles related to the right to defer settlement for at least twelve months (with or without covenants); and the meaning of 'settlement' when a liability is rolled over under and existing loan facility. These amendments will be effective for periods beginning on or after January 1, 2026.
- **Amendment to IPSAS 43 Leases:** Amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any gain or loss that relates to the right-of-use it retains. This amendment will be effective for periods beginning on or after January 1, 2026.

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

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

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

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

## 1.3. BALANCE SHEET

### 1.3.1. Intangible assets

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

### 1.3.2. Property, plant and equipment

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

Type of asset	Straight line depreciation rate
<i>Buildings</i>	<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 cash flows from the investments have expired or are waived, or and when the entity has transferred substantially all risks and rewards of ownership to another party.

#### 1.3.5. Pre-financing amounts

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

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

### 1.3.6. Receivables and recoverables

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

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

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

### 1.3.7. Cash and cash equivalents

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

### 1.3.8. Payables

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

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

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

### 1.3.9. Accrued and deferred revenue and charges

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

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

### 1.3.10. Provisions

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

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

### 1.3.11. Net assets

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

## 1.4. STATEMENT OF FINANCIAL PERFORMANCE

### 1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from 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 Undertaking (JU) form the funding of the JU and are treated as contributions from owners. An owner in this context does not mean an owner in the sense of owning shares of the JU (no shares are issued) but rather in the sense of political interest and governance of the JU by exercising the voting rights linked to these contributions.

### 1.6.1. Financial contributions

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

#### Horizon 2020 Programme:

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

#### Horizon Europe Programme:

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

### 1.6.2. In-kind contributions

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

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

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

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

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

The EU makes available cash contributions to the CBE projects in advance of the project start date (until the total of this pre-financing payment and other periodic cost reimbursements reach 90% of the agreed maximum grant amount for the project), providing the beneficiaries with a sufficient "frontloading" of funds to implement the programme activities. On the other hand, the in-kind contributions provided by the private Members can be verified and recognised only after the activities are concluded, reported and certified.

The EU cash contributions are validated and recognised in the accounts of the JU when paid to the JU (or based on the payments processed by the JU, in the case of HE, see point **2.9**) at the beginning of the project implementation, while Members' in-kind contributions are only recognised after validation of the costs incurred and declared. Consequently, due to this time gap, during the programme implementation the amounts of contributions recognised per member category (EU and Private Members) differ significantly from each other. This gap between the recognised amount of EU cash contributions on the one hand and in-kind contributions on the other will be closed as the programme approaches the finalisation stage.

Due to major simplifications introduced in the H2020 Programme (which continue to be applied also for Horizon Europe), the certification of IKOP is based on the CFS<sup>2</sup> certificate for the total eligible project costs. The certificates for IKOP are only due to be submitted to the JU after the end of the last project reporting period. This time frame causes a major delay between the date when the IKOP balances are committed (upon signature of the grant) and the moment they are finally validated and recognised in the net assets of the JU.

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

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

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

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<sup>2</sup> CFS: Certificate on Financial Statements

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

## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. INTANGIBLE ASSETS

Intangible assets under construction	TOTAL
<i>Gross carrying amount at 31.12.2023</i>	112.436,10
<i>Additions</i>	167.582,65
<b>Gross carrying amount at 31.12.2024</b>	<b>280.018,75</b>
<i>Accumulated depreciation at 31.12.2023</i>	-
<i>Depreciation charge for the year</i>	-
<b>Accumulated depreciation at 31.12.2024</b>	<b>-</b>
<b>NET CARRYING AMOUNT AT 31.12.2024</b>	<b>280.018,75</b>
<i>NET CARRYING AMOUNT AT 31.12.2023</i>	112.436,10

All intangible assets held by CBE are under construction. In 2023, IT development costs were booked under "intangible assets under construction". This related to the development of a KPI tool for project reporting, with a total end value of EUR 280 thousand. The second phase of the development, for EUR 167 thousand, was contracted in 2024, but deliverables are only expected in 2025. The tool was still considered under development at the end of 2024. Once operational it will be transferred to the intangible assets account and depreciated over the useful life of 5 years.

## 2.2. PROPERTY, PLANT AND EQUIPMENT

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

	Plant and equipment	Furniture and vehicles	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2023</i>	-	40.623,37	109.205,06	70.557,54	220.385,97
<i>Additions</i>	-	8.274,18	28.204,48	-	36.478,66
<i>Transfers to other categories</i>	-	27.107,02	-	(27.107,02)	-
<b>Gross carrying amount at 31.12.2024</b>	-	<b>76.004,57</b>	<b>137.409,54</b>	<b>43.450,52</b>	<b>256.864,63</b>
<i>Accumulated depreciation at 31.12.2023</i>	-	(27.216,37)	(83.750,06)	(41.831,28)	(152.797,71)
<i>Depreciation charge for the year</i>	-	(6.866,44)	(13.040,48)	(5.784,00)	(25.690,92)
<i>Transfers to other categories</i>	-	(6.776,76)	-	6.776,76	-
<b>Accumulated depreciation at 31.12.2024</b>	-	<b>(40.859,57)</b>	<b>(96.790,54)</b>	<b>(40.838,52)</b>	<b>(178.488,63)</b>
<b>NET CARRYING AMOUNT AT 31.12.2024</b>	-	<b>35.145,00</b>	<b>40.619,00</b>	<b>2.612,00</b>	<b>78.376,00</b>
<i>NET CARRYING AMOUNT AT 31.12.2023</i>	-	13.407,00	25.455,00	28.726,26	67.588,26

The transfer of EUR 27 thousand relates to a large number of standing desks, which were presented under "Other" in previous years and have now been more accurately reflected under "Furniture and Vehicles". The additions are related to additional desks and new laptops.

## 2.3. PRE-FINANCING

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

	31.12.2024	31.12.2023
<i>Long term pre-financing</i>	149.143.106,98	75.056.897,80
<i>Short term pre-financing</i>	75.327.635,62	65.310.787,10
<b>Total</b>	<b>224.470.742,60</b>	<b>140.367.684,90</b>

For all pre-financing amounts open at 31 December 2024 a case-by-case assessment was performed and all pre-financing that was considered unlikely to be cleared in the course of 2025 was classified as non-current pre-financing. The outstanding pre-financing presented under this heading is net of estimated (cut-off) expenses for ongoing projects without validated cost claims as at 31 December 2024.

The clearing of pre-financing against year-end (cut-off) adjustments amounted to EUR 79.354 thousand (2023: EUR 96.185 thousand) for ongoing projects without validated cost claims as at 31 December 2024. The remaining portion of the cut-off expenses is recorded in accrued charges (see note **2.8**).

In 2024 the 4<sup>th</sup> call for proposals under the Horizon Europe Programme was launched (there was one in 2022 and two in 2023) and the pre-financing will only be paid in 2025. For ongoing CBE JU and BBI JU projects - with the finalisation of several projects and the clearing of the pre-financing against incurred expenses, there was an overall increase of pre-financing from EUR 140.368 thousand in 2023 to EUR 224.471 thousand in 2024 (of which EUR 194.685 thousand for H Europe and EUR 29.786 thousand for H 2020).

## 2.4. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

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

	31.12.2024	31.12.2023
<b>Recoverables from non-exchange transactions</b>		
<i>Accrued Income Non exchange</i>	-	293.597,50
<i>Central treasury liaison accounts</i>	61.101.406,46	58.147.155,63
	<b>61.101.406,46</b>	<b>58.440.753,13</b>
<b>Receivables from exchange transactions</b>		
<i>Customers</i>	3.265.589,47	2.846.539,36
<i>Amounts written down (-)</i>	(2.968.577,34)	(2.842.169,01)
<i>Accrued income and deferred charges</i>	108.502,61	-
<i>Other</i>	(11.708,38)	2.973,16
	<b>393.806,36</b>	<b>7.343,51</b>
<b>Total</b>	<b>61.495.212,82</b>	<b>58.448.096,64</b>

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

The amount written down for 2023 loss relates to a provision against a doubtful debt which arose in 2022 following the early termination of a large Flagship project, BIOSKOH. In addition, in 2024 the write-down includes a recoverable from two project beneficiaries, one of which has declared bankruptcy, while the other entity is disputing the recoverable amount, rendering the recovery uncertain.

A write-down down for doubtful debts was also raised for beneficiary Upfront Chromatography in project Prominent, because the beneficiary contested the recoverable amount, following implementation of an ex-post audit result, and this is being resolved in 2025.

## 2.5. CASH AND CASH EQUIVALENTS

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



## LIABILITIES

### 2.6. PROVISIONS

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

As of 31 December 2024, the Joint Undertaking did not have any provisions (2023: none).

### 2.7. PAYABLES AND OTHER LIABILITIES

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

	31.12.2024	31.12.2023
<b>Contributions to be validated</b>		
<i>Contributions in kind from Members to be validated</i>	56.042.125,68	62.343.926,59
<i>Cash contribution from EC to be validated</i>	31.919.907,56	7.418.646,92
	<b>87.962.033,24</b>	<b>69.762.573,51</b>
<b>Payables to entities</b>		
<i>Suppliers</i>	3.883.145,10	7.819.172,35
<i>Others</i>	2.613.411,30	1.060.671,69
<i>Members States</i>	-	-
<i>Consolidated entities</i>	-	-
	<b>6.496.556,40</b>	<b>8.879.844,04</b>
<b>Total</b>	<b>94.458.589,64</b>	<b>78.642.417,55</b>

Included under the heading 'Contributions in-kind from Members to be validated' are the in-kind contributions from Members related to on-going projects without a validated certification (in the form of a recognised audit certificate of total declared costs) at 31 December. The amount for 2024 is recognised based on a calculation of IKOP in reporting period costs claims, complemented with a pro rata calculation for periods not covered by cost claims and based on total IKOP allocated to Member beneficiaries in the project grant agreements. The total estimate split per programme BBI EUR 44.170 thousand, CBE EUR 11.872 thousand.

In 2025 EUR 12.310 thousand BBI programme related IKOP was certified. This amount has been validated by the Authorising Officer (Executive Director), booked to net assets and is presented as "Contributions received from Members" (note 2.9).

The increase of the cash to be validated is related to unexecuted pre-financing payments for the prior year call. The remaining funds will be used in 2025.

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

## 2.8. ACCRUED CHARGES

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

	31.12.2024	31.12.2023
<i>Accrued charges</i>	44.962.744,90	29.429.669,61
<i>Other passive accruals and deferrals</i>	6.481,10	4.213,14
<b>Total</b>	<b>44.969.226,00</b>	<b>29.433.882,75</b>

The heading comprises estimated operational costs of EUR 44.603 thousand, accrued administrative expenses of EUR 305 thousand and accrued staff expense for untaken leave of EUR 54 thousand. Accrued operating charges relate to on-going projects without a validated cost statement where the 2024 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2024.

The portion of the estimated accrued charges which relates to pre-financing paid has been recorded as a reduction of the pre-financing amounts in line with the H2020 and HE rules (see note **2.3**). Following the validation of a large number of final and interim cost claims, the estimated expenses were replaced by actual costs hence the increase in the accrued charges. Of the total operational accrual of EUR 44.604 thousand, EUR 42.401 thousand relates to H Europe projects and EUR 2.203 thousand relates to H2020 projects.

## NET ASSETS

### 2.9. CONTRIBUTIONS FROM MEMBERS

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

In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the CBE JU received from the European Union a pre-financing payment of EUR 159.159 thousand for the implementation of the Horizon Europe Framework Programme (see note **1.6.1**). According to the Specific Guidance for the accounting of the EU cash contributions received by the joint undertakings under FFPA related to MFF 2021-2027, the contributions payments made by the EU for the Horizon Europe Programme are accounted for as 'Contributions in cash to be validated'. They will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – AAR (Art. 19.2 FFPA).

Programming period	2024			2023		
	Cash	in-Kind	Total	Cash	in-Kind	Total
<i>Horizon 2020</i>	805.525.227,74	104.167.472,18	909.692.699,92	805.525.277,74	91.857.581,96	897.382.809,70
<i>Horizon Europe</i>	218.252.450,94	-	218.252.450,94	81.844.016,08	-	81.844.016,08
<b>Total</b>	<b>1.023.777.678,68</b>	<b>104.167.472,18</b>	<b>1.127.945.150,86</b>	<b>887.369.243,82</b>	<b>91.857.581,96</b>	<b>979.226.825,78</b>

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

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

Member	Commission Cash	Industry Grouping			Total	
		Cash	In kind	Total	Cash	In kind
<i>Running costs contributions at 31.12.2023</i>	18.673.090,28	18.731.401,00	-	18.731.401,00	37.404.491,28	-
<i>Current year contributions</i>	-	-	-	-	-	-
<b>Running costs contributions at 31.12.2024</b>	<b>18.673.090,28</b>	<b>18.731.401,00</b>	<b>-</b>	<b>18.731.401,00</b>	<b>37.404.491,28</b>	<b>-</b>
<i>Operating costs contributions at 31.12.2023</i>	764.870.736,46	3.250.000,00	91.857.581,96	95.107.581,96	768.120.736,46	91.857.581,96
<i>Current year contributions</i>	-	-	12.309.890,22	12.309.890,22	-	12.309.890,22
<b>Operating costs contributions at 31.12.2024</b>	<b>764.870.736,46</b>	<b>3.250.000,00</b>	<b>104.167.472,18</b>	<b>107.417.472,18</b>	<b>768.120.736,46</b>	<b>104.167.472,18</b>
<i>TOTAL contributions at 31.12.2023</i>	783.543.826,74	21.981.401,00	91.857.581,96	113.838.982,96	805.525.227,74	91.857.581,96
<b>TOTAL contributions at 31.12.2024</b>	<b>783.543.826,74</b>	<b>21.981.401,00</b>	<b>104.167.472,18</b>	<b>126.148.873,18</b>	<b>805.525.227,74</b>	<b>104.167.472,18</b>

The rules relating to distribution of voting rights are defined in Article 54 of Council Regulation (EU) 2021/2085 of 19 November 2021. Based on this article, the number of votes of the Members other than the Union shall collectively hold 50% of the voting rights. For what concerns the total level of the contribution by BIC Members at the end of 2024, the IKOP target was set at the closure of the BBI JU calls, and it will contribute to achieving the overall legal target alongside the finalisation of BBI JU projects (18% of which are still ongoing).

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

In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, in 2024 the CBE JU received from the European Union a pre-financing payment for the amount of EUR 159.159 thousand for the implementation of the Horizon Europe Framework Programme (see note **1.6.1**). According to the Specific Guidance for the accounting of the EU cash contributions received by the Joint Undertakings under FFPA related to MFF 2021- 2027, the contributions payments made by the EU for the Horizon Europe Programme are accounted for as 'Contributions in cash to be validated'. They will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – AAR (Art. 19.2 FFPA). Under the new SBA (Horizon Europe Programme) the in-kind contributions to operational activities should be accounted for solely on the basis of eligible costs and should be reported and audited in accordance with the mechanism applicable to the specific grant agreement. These legal requirements do not change the substance of the operation. Also, under Horizon Europe, only contributions validated and accepted by the Executive Director can be recognised under net assets. Therefore, the same accounting treatment as used under the previous regulations should be applied to IKOP under Horizon Europe.

Member	Commission Cash	Industry Grouping			Total Cash
		Cash	In kind	Total	
<i>Running costs contributions at 31.12.2023</i>	72.616,08	1.655.223,00	-	1.655.223,00	1.727.839,08
<i>Current year contributions</i>	1.789.683,48	1.750.991,50	-	-	3.540.674,98
<b>Running costs contributions at 31.12.2024</b>	<b>1.862.299,56</b>	<b>3.406.214,50</b>	<b>-</b>	<b>1.655.223,00</b>	<b>5.268.514,06</b>
<i>Operating costs contributions at 31.12.2023</i>	80.116.177,00	-	-	-	80.116.177,00
<i>Current year contributions</i>	132.867.759,88	-	-	-	132.867.759,88
<b>Operating costs contributions at 31.12.2024</b>	<b>212.983.936,88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>212.983.936,88</b>
<i>TOTAL contributions at 31.12.2023</i>	80.188.793,08	1.655.223,00	-	1.655.223,00	81.844.016,08
<b>TOTAL contributions at 31.12.2024</b>	<b>214.846.236,44</b>	<b>3.406.214,50</b>	<b>-</b>	<b>1.655.223,00</b>	<b>218.252.450,94</b>

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

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### REVENUE

##### NON-EXCHANGE REVENUE

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

##### 3.1. RECOVERY OF EXPENSES

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

	2024	2023
<i>Recovery of expenses</i>	880.283,22	116.279,90

The revenue resulting from recovery of expenses refers to operational expenses recovered from beneficiaries during the year and adjustments coming from audits that will be collected in the following year. In 2024 the JU made substantial efforts to finalise the outstanding audit implementation files.

##### 3.2. OTHER NON-EXCHANGE REVENUE

The Joint Undertaking did not have any other non-exchange revenue in 2024 or in 2023.

#### EXCHANGE REVENUE

##### 3.1. REVENUE FROM EXCHANGE TRANSACTIONS

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

	2024	2023
<i>Recovery of administrative expenses</i>	71.455,70	17.679,00
<i>Miscellaneous income exchange</i>	-	509,69
<i>Financial revenue</i>	8,90	-
<b>Total</b>	<b>71.464,60</b>	<b>18.188,69</b>

In 2024 there was a large increase in recharges to other JUs for common JU administrative costs (such as the Systel HR tool implementation), for which CBE was the lead contracting JU during the year.

## EXPENSES

### 3.3. 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 ongoing projects without any validated cost claims (or equivalent) available on 31 December was estimated using the best information available at the time of preparation of the annual accounts. The estimation is based on the case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates are based on costs incurred to date as a proportion of the estimated total costs of the projects ("pro-rata temporis"). The break-down of the operational costs between operational costs incurred on the basis of validated cost claims (or equivalent) and estimated operational costs is given in the table below:

	2024	2023
<i>Operational costs: validated in-kind contributions</i>	12.309.890,22	25.959.237,38
<i>Operational costs: estimated in-kind contributions</i>	(6.301.800,91)	(5.300.430,56)
<b>Total operational costs from in-kind contributions</b>	<b>6.008.089,31</b>	<b>20.658.806,72</b>
<i>Operational costs: validated EU contributions</i>	87.548.016,43	117.460.850,03
<i>Operational costs: estimated EU contributions</i>	(4.914.706,96)	(17.939.321,56)
<b>Total operational costs from EU contributions</b>	<b>82.634.024,01</b>	<b>99.521.528,97</b>
<b>Total</b>	<b>88.642.113,32</b>	<b>120.180.335,69</b>

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

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

The operational cost from EU contributions shows an overall decrease, mainly due to the reduction in validated in-kind contributions. The overall decrease in validated operational costs is in line with the phasing out of the H 2020 projects and the gradual start-up of projects for the first calls of H Europe (for which very few cost claims have been received as at end 2024).

### 3.4. STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment-related benefits. Based on the service level agreement between the JU and the Commission, the calculation of staff-related costs is carried out by the Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office - PMO). The pensions of the JU staff members are covered by the Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement depends on several factors, the most important of which is years of service. Both the JU staff, the JU and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme. The cost to the EU Budget is not reflected in the JU accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the JU, as the obligation falls to the Commission. As per Article 83a (2) of the Staff Regulations, the part paid by the JU shall correspond to the percentage share between a) the JU's revenues without the subsidy from the general budget, and b) its total revenues. To avoid disruptive variations over time, the JU's employer's pension contribution is calculated with a single percentage share for the whole duration of the JU. This single percentage was established on the basis of the EU and non-EU Members' respective contributions, as foreseen in the JU's legal basis, with a correction and regularisation to be foreseen in the last year of existence of the JU. The contribution of the Circular Bio-based Europe Joint Undertaking was set as 2,3% of the total pension scheme contributions. This contribution is accounted for within staff costs.

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

	2024	2023
<i>Staff costs</i>	3.105.891,08	2.757.139,48

The increase in 2024 is related to the indexation of salaries and the reclassification exercise, as well as recruitments during the year such as the new Head of Administration and Finance.

### 3.5. FINANCE EXPENSES

	2024	2023
<i>Interest expense on late payment of charges</i>	5,20	-
<i>Other financial expenses</i>	-	-
<i>Amounts written down Recoverables</i>	126.408,33	2.842.169,01
<b>Total</b>	<b>126.413,53</b>	<b>2.842.169,01</b>

The net impairment loss for 2023 was related to a provision against a doubtful debt which arose in 2022 following the early termination of a large Flagship project, BIOSKOH. In 2024, the write-down is related to a recoverable from a project beneficiary, which has declared bankruptcy, rendering the recovery uncertain.

A write-down was raised for beneficiary Upfront Chromatography in project Prominent, because the beneficiary contested the recoverable amount, following implementation of an ex-post audit result, and this is being resolved in 2025



### 3.6. OTHER EXPENSES

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

	2024	2023
<i>Property, plant and equipment related expenses</i>	25.690,86	27.534,25
<i>External non-IT services</i>	408.882,57	191.912,23
<i>Legal Expenses</i>	8.065,00	-
<i>Maintenance and security expenses</i>	3.355,00	2.811,41
<i>Office Supplies &amp; maintenance</i>	21.597,62	8.574,04
<i>External IT services</i>	538.019,16	444.805,53
<i>Experts' expenses</i>	124.721,02	211.521,85
<i>Car &amp; transport expenditures</i>	254,45	-
<i>Training costs</i>	54.676,86	45.733,08
<i>Recruitment costs</i>	14.590,28	723,71
<i>Missions</i>	73.415,45	55.059,81
<i>Communications &amp; publications</i>	197.789,00	818.797,28
<i>Rent expenses</i>	346.830,73	349.957,63
<i>Losses on realisation of trade debtors</i>	568,78	(0,01)
<i>Insurances</i>	169,26	476,30
<b>Total</b>	<b>1.818.626,04</b>	<b>2.156.907,11</b>

The increase in External non-IT costs (EUR 217 thousand) is mainly due to increases in interim staff costs and in audit and accounting fees. The rise in the cost for missions (EUR 18 thousand) is explained by the continued increase in "in-person" activities and business travel following the "freeze" during the Covid lockdown period up to 2022. Communication expenses decreased in 2024 to more "normal" levels because JU incurred in 2023 the large costs of the Stakeholder Forum which is a biannual event. The recruitment costs increased as a result of the recruitment process to hire of a new Head of Administration and Finance. External IT services were higher in 2024 (EUR 93 thousand), which is mainly related to the purchase of an online recruitment tool which was subsequently recharged to other JUs.

Rent expenses concern the CBE JU office in the 'White Atrium' building. The previous contract ended in 2024, an award decision was made at the beginning of 2025 to extend the lease to 31/12/2031.

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

	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	232.332,31	976.734,34	518.157,55	1.727.224,20

## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. CONTINGENT ASSETS

	31.12.2024	31.12.2023
<i>Ex-post audit results</i>	942.690	-

In mid-2023 an exercise was launched to assess and take action on a backlog of project-related audit implementation files, including a revision and increased automation of the related procedures. There are negative audit adjustments raised for several of the projects during the year, but the estimated remaining total amount is still under evaluation. Several recovery orders were already issued in 2024.

### 4.2. CONTINGENT LIABILITIES

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

### 4.3. OUTSTANDING COMMITMENTS NOT YET EXPENSED

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

	31.12.2024	31.12.2023
<i>Outstanding commitments not yet expensed</i>	308.737.427	267.449.777

The outstanding commitments not yet expensed are the result of the correction of the budgetary RAL with the estimated costs, determined by using the accrual-based principle, which is not reflected in the budgetary result, where the cash-based principle is used. The increase between the years is due to the high increase of EUR 51.829 thousand in the budgetary RAL, a decrease of EUR 4,9 million in the open vendor balance and an increase of EUR 15.534 thousand in the accruals, which is shown in the budget implementation reports (see chapter 6).

## 4.4. IN-KIND CONTRIBUTIONS

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

Under the H 2020 Programme, in-kind contributions by Private Member beneficiaries and their affiliated entities consist of the costs incurred by them in implementing indirect actions less the contribution of the Joint Undertaking and any other Union contribution to those costs. For the purpose of valuing these in-kind contributions, the costs are determined in accordance with the usual cost accounting practices of the entities concerned, the applicable accounting standards of the country where the entity is established, and also the applicable International Accounting Standards and International Financial Reporting Standards. The costs shall be certified by an independent external auditor appointed by the entity concerned. The valuation method may be verified by the Joint Undertaking, should there be any uncertainty arising from the certification.

Further simplification was introduced under the Horizon Europe Programme. In that context, a simplified reporting mechanism was put in place for the Members, who are no longer required to report on non-eligible costs for in-kind contributions to operational activities. According to Art.2. (8) of the SBA: "in-kind contributions to operational activities means contributions by private members, constituent entities or the affiliated entities of either, by international organisations and by contributing partners, consisting of the eligible costs incurred by them in implementing indirect actions less the contribution of that joint undertaking and of the participating states of that joint undertaking to those costs". Consequently, in-kind contributions to operational activities are accounted for solely on the basis of eligible costs and reported and audited in accordance with the mechanism applicable to the specific grant agreement. Such accounting based on eligible costs allows for the automated calculation of in-kind contributions to operational activities via the Horizon Europe IT tools.

## 4.5. IN-KIND IN ADDITIONAL ACTIVITIES (IKAA)

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

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

In-kind contributions to additional activities are contributions by the Private Members, constituent entities or the affiliated entities of either, and by international organisations, consisting of the costs incurred by them in implementing additional activities less any contribution to those costs from the Union and from the participating states of that joint undertaking.

Art. 49 of the SBA defines the scope of CBE's additional activities:

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

## 4.6. CONTRIBUTIONS PER PROGRAMME

	EU cash (a)	Third country contribution (UK) (b)	Private members' cash (c)	Private members' IKOP (d)	Private members' IKAA (e)	Total (f)=(a)+(b)+(c)+(d)+(e)
H2020	835.000.000,00	-	22.195.488,31	263.293.995,00	2.444.510.516,69	<b>3.565.000.000,00</b>
Horizon Europe	976.000.000,00	50.000.000,00	23.500.000,00	976.500.000,00		<b>2.026.000.000,00</b>

Members contributions as of 31.12.2024									
Programme	EU Validated cash	EU not validated cash (PF)	Other members cash	Other members IKOP validated	Other members IKOP reported but not validated	IKAA certified	IKAA reported but not certified	Total	Achievement rate
H2020	783.543.826,74	-	21.981.401,00	104.167.472,18	44.170.235,74	2.247.640.172,00	106.000.000,00	<b>3.307.503.107,66</b>	<b>93%</b>
Horizon Europe	214.846.236,44	31.919.907,56	3.406.214,50	-	11.871.889,94	-	108.759.230,08	<b>370.803.478,52</b>	<b>18%</b>

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

H2020 contributions are in line with expectations. For what concerns the EU cash contributions validated at the end of 2024, it should be noted that EUR 92,2 million (12% of EUR 783,5 million) represent open pre-financing (based on paid cost claims and before accounting adjustments). As such they are not EU cash contributions validated by CBE JU as being spent in the projects, but they constitute a cash advance which remains a receivable until clearing.

Regarding the contributions by other Members at the end of 2024, the IKOP target was set at the closure of all the BBI JU calls in signed grants. It is not a legal target set in the founding regulation of the BBI JU initiative and the IKOP will contribute to achieving the overall legal target alongside the finalisation of BBI JU projects (18% of which are still ongoing). The specific legal target for IKAA contributions was already achieved in 2022 at the planning stage, and the planning cycle for these contributions will continue until the end of 2024. Therefore, IKAA will play a pivotal role in the achievement of the EUR 2,73 billion overall target of BIC contributions to the BBI initiative. In order to achieve this result, the IKAA planning process aims at around EUR 2,5 billion to be contributed by the end of the initiative.

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

For the EU cash contributions validated at the end of 2024 under Horizon Europe, it shall be noted that three calls out of the seven planned (including the small NEBA call for 2023) have been implemented by the closure and EUR 211,6 million (98% of EUR 214,8 million) represent open pre-financing, and its accounting treatment follows the same steps described above for H2020 contributions. Regarding the contributions by other Members at the end of 2024 under Horizon Europe, there is a mainly pro rata estimation of EUR 16,5 million IKOP for the first CBE JU projects that started in 2023 and 2024, as few claims were received by year end. The EUR 106,5 million IKAA value for 2024 was communicated by other Members in the first multi-annual planning cycle done at the closure of the first call of CBE JU. The total value of this plan up to 2031 amounts to EUR 388 million.

## 4.7. RELATED PARTIES

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

## 4.8. KEY MANAGEMENT ENTITLEMENTS

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

	31.12.2024	31.12.2023
<i>Executive Director</i>	<i>AD 14</i>	<i>AD 14</i>

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

## 4.9. OTHER EVENTS

### RUSSIA-UKRAINE WAR

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

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

## 4.10. OTHER INFORMATION

### BREXIT - United Kingdom joins Horizon Europe Programme

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

## 4.11. EVENTS AFTER REPORTING DATE

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

## 4.12. OBSERVATIONS ON MANAGEMENT AND CONTROL SYSTEMS

Not applicable.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1. TYPES OF RISK

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

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

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

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

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

### 5.2. CURRENCY RISKS

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

### 5.3. CREDIT RISK

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

### 5.4. LIQUIDITY RISK

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



CIRCULAR BIO-BASED EUROPE JOINT UNDERTAKING

FINANCIAL YEAR 2024

# **THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES**

# 1. BUDGETARY PRINCIPLES AND STRUCTURE

## 1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of Circular Bio-based Europe is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of the Joint Undertaking:

### **Principles of unity and budget accuracy**

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

### **Principle of annuality**

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

### **Principle of equilibrium**

Revenue and payment appropriations shall be in balance.

### **Principle of unit of account**

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

### **Principle of universality**

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

### **Principle of specification**

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

### **Principle of sound financial management**

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

### **Principle of economy**

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

### **Principle of efficiency**

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

### **Principle of effectiveness**

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

### **Principle of internal control**

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

### **Principle of transparency**

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

## **1.2. STRUCTURE AND PRESENTATION OF THE BUDGET**

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

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

### **Title 1**

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

### **Title 2**

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

### **Title 3**

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

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		EUR '000	
	Title	2024	2023
<b>Revenue</b>		<b>161.209</b>	<b>103.647</b>
of which:			
<i>European Commission (incl. EFTA) contribution to administrative expenditure BBI</i>	1	-	1.953
<i>European Commission (incl. EFTA) contribution to operational expenditure BBI</i>	1	-	96.424
<i>Bio-based Industries Consortium contribution to administrative expenditure BBI</i>	1	-	2.776
<i>Joint Undertaking revenues BBI</i>	1	1	18
<i>Other income BBI</i>	1	235	1.009
<i>European Commission (incl. EFTA) contribution to administrative expenditure CBE</i>	1	1.751	823
<i>European Commission (incl. EFTA) contribution to operational expenditure CBE</i>	1	157.408	644
<i>Bio-based Industries Consortium contribution to administrative expenditure CBE</i>	1	1.751	-
<i>CBE Other income</i>	1	63	-
<b>Expenditure</b>		<b>(158.181)</b>	<b>(123.710)</b>
of which:			
<i>Staff expenditure</i>	1	(3.185)	(2.938)
<i>Administrative expenditure</i>	2	(2.642)	(1.643)
<i>Operational expenditure</i>	3	(152.347)	(119.129)
<b>Exchange rate differences</b>		<b>(1)</b>	<b>-</b>
<b>Budget result</b>		<b>3.027</b>	<b>(20.063)</b>

### 3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2024	2023
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(92.741)</b>	<b>(127.802)</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	<b>67.208</b>	<b>5.789</b>
<i>Adjustments for accrual cut-off (net)</i>	(75)	5.855
<i>Unpaid invoices at year end but booked in charges (class 6)</i>	2.508	-
<i>Depreciation, amortisation and impairment of intangible and tangible assets</i>	26	28
<i>Recovery Orders issued in the year in class 7 and not yet cashed</i>	(423)	-
<i>Pre-financing paid in previous year and cleared in the year</i>	65.050	-
<i>Write-off receivables</i>	126	-
<i>Other income adjustment</i>	-	(94)
<i>Other individually immaterial items</i>	4	-
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	<b>28.561</b>	<b>101.950</b>
<i>Members' cash contributions collected in the year</i>	160.910	102.619
<i>Other income</i>	-	1.009
<i>Asset acquisitions (less unpaid amounts)</i>	(204)	(132)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(132.149)	(1.539)
<i>Entitlements established in previous year and cashed in the year</i>	4	-
<i>Other individually immaterial</i>	-	(8)
<b>BUDGET RESULT OF THE YEAR</b>	<b>3.027</b>	<b>(20.063)</b>

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1. Implementation of budget revenue

EUR '000

	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
1005	BBI Joint Undertaking revenues	-	-	-	1	1	-	1	1	-	-
1006	Other income BBI	-	-	883	2.846	3.729	232	4	235	-	3.494
1007	CBE European Commission (incl. EFTA) contribution	1.751	1.751	1.751	-	1.751	1.751	-	1.751	100%	-
1008	CBE European Commission (incl. EFTA) contribution	157.408	157.408	157.408	-	157.408	157.408	-	157.408	100%	-
1009	CBE Biobased Industries Consortium contribution t	1.751	1.751	1.751	-	1.751	1.751	-	1.751	100%	-
1012	CBE Other income	-	-	63	-	63	63	-	63	-	-
Total Chapter 10		160.910	160.910	161.856	2.847	164.703	161.204	4	161.209	100%	3.494
<b>Total Title 1</b>		<b>160.910</b>	<b>160.910</b>	<b>161.856</b>	<b>2.847</b>	<b>164.703</b>	<b>161.204</b>	<b>4</b>	<b>161.209</b>	<b>100%</b>	<b>3.494</b>
2021	BBI C2 reactivation of appropriations for administrative expenditure (2024)	2.465	2.465	-	-	-	-	-	-	-	-
2022	BBI C2 reactivation of appropriations for operational expenditure (2024)	26.590	26.590	-	-	-	-	-	-	-	-
2032	CBE C2 reactivation of appropriations for administrative expenditure (2024)	382	382	-	-	-	-	-	-	-	-
2033	CBE C2 reactivation of appropriations for operational expenditure (2024)	929	929	-	-	-	-	-	-	-	-
Total Chapter 20		30.365	30.365	-	-	-	-	-	-	-	-
<b>Total Title 2</b>		<b>30.365</b>	<b>30.365</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>		<b>191.275</b>	<b>191.275</b>	<b>161.856</b>	<b>2.847</b>	<b>164.703</b>	<b>161.204</b>	<b>4</b>	<b>161.209</b>	<b>84%</b>	<b>3.494</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1. Breakdown & changes in commitment appropriations

#### 5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropri. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100	BBI Staff costs	-	-	-	-	1.005	-	1.005	1.005
1101	CBE Staff costs	1.130	-	(16)	1.114	923	-	923	2.037
1111	CBE Trainees	-	-	25	25	-	-	-	25
Total Chapter 11		1.130	-	9	1.139	1.927	-	1.927	3.066
1202	CBE Sundry recruitment expenses	75	-	(62)	13	-	-	-	13
Total Chapter 12		75	-	(62)	13	-	-	-	13
1301	CBE Mission expenses, duty travel expenses and other expenses	60	-	58	118	-	-	-	118
Total Chapter 13		60	-	58	118	-	-	-	118
1404	CBE Medical service	265	-	(243)	22	-	-	-	22
1405	CBE Mobility costs and other social expenses for service	-	-	165	165	-	-	-	165
1406	CBE Training	-	-	75	75	-	-	-	75
Total Chapter 14		265	-	(3)	262	-	1	1	263
1501	CBE Staff teambuilding and related events	10	-	(2)	8	-	3	3	11
Total Chapter 15		10	-	(2)	8	-	3	3	11
<b>Total Title 1</b>		<b>1.539</b>	<b>-</b>	<b>-</b>	<b>1.539</b>	<b>1.927</b>	<b>4</b>	<b>1.931</b>	<b>3.471</b>



## 5.1.2. Breakdown &amp; changes in commitment appropriations – Title 2

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000	BBI Rentals	-	-	-	-	170	-	170	170
2001	CBE Rentals	365	-	413	778	-	-	-	778
Total Chapter 20		365	-	413	778	170	-	170	948
2101	BBI Other IT costs	-	-	-	-	71	-	71	71
2102	CBE IT equipment & software purchase/development c	323	-	(78)	245	296	10	306	551
2103	CBE Other IT costs	127	-	45	172	12	35	47	218
Total Chapter 21		450	-	(33)	417	379	45	424	841
2200	CBE Movable property and associated office equipment	5	-	(5)	-	-	-	-	-
Total Chapter 22		5	-	(5)	-	-	-	-	-
2304	CBE Stationery and office supplies	35	-	(24)	11	-	-	-	11
2306	CBE Legal expenditure	-	-	-	-	2	-	2	2
2307	CBE Other current administrative expenditure	-	-	1	1	0	-	-	1
Total Chapter 23		35	-	(24)	11	2	-	2	13
2401	CBE Telecommunications and postal charges	26	-	(21)	5	-	4	4	9
Total Chapter 24		26	-	(21)	5	-	4	4	9
2501	CBE Expenditure on formal meetings	50	-	(1)	49	-	-	-	49
Total Chapter 25		50	-	(1)	49	-	-	-	49
2600	BBI Events and campaigns	-	-	-	-	44	-	44	44
2602	BBI Communications tools	-	-	-	-	90	-	90	90
2603	BBI Public relations	-	-	-	-	40	-	40	40
2604	CBE Events and campaigns	143	-	(27)	116	129	-	129	245
2605	CBE Materials	128	-	(103)	25	17	-	17	42
2606	CBE Communications tools	78	-	(58)	20	-	-	-	20
2607	CBE Public relations	75	-	(73)	2	-	-	-	2
Total Chapter 26		424	-	(262)	162	320	-	320	482
2700	BBI Studies, consultancy and other services	-	-	-	-	16	-	16	16

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
2703	<i>CBE Studies, consultancy and other services</i>	50	-	1	51	-	-	-	51
2704	<i>CBE Service contracts</i>	40	-	(40)	0	-	11	11	11
2705	<i>CBE Audit costs</i>	51	-	(2)	49	-	-	-	49
2706	<i>BBi External staff</i>	-	-	-	-	11	-	11	11
2707	<i>CBE External staff</i>	267	-	(27)	240	-	-	-	240
Total Chapter 27		408	-	(68)	340	27	11	38	379
2901	<i>CBE Expert reviewers</i>	200	-	-	200	-	-	-	200
Total Chapter 29		200	-	-	200	-	-	-	200
<b>Total Title 2</b>		<b>1.963</b>	-	-	<b>1.963</b>	<b>899</b>	<b>60</b>	<b>959</b>	<b>2.921</b>

## 5.1.3. Breakdown &amp; 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	<i>BBi Previous years' calls</i>	-	-	-	-	-	398	398	398
Total Chapter 30		-	-	-	-	-	398	398	398
3100	<i>BBi Current year call</i>	-	-	-	-	-	1	1	1
3101	<i>CBE Current year call</i>	146.526	-	-	146.526	68.154	-	68.154	214.680
Total Chapter 31		146.526	-	-	146.526	68.154	1	68.155	214.681
3200	<i>CBE Evaluators' contracts and meetings</i>	1.000	-	-	1.000	529	-	529	1.529
Total Chapter 32		1.000	-	-	1.000	529	-	529	1.529
<b>Total Title 3</b>		<b>147.526</b>	-	-	<b>147.526</b>	<b>68.683</b>	<b>399</b>	<b>69.082</b>	<b>216.608</b>
<b>GRAND TOTAL</b>		<b>151.028</b>	-	-	<b>151.028</b>	<b>71.509</b>	<b>462</b>	<b>71.972</b>	<b>223.000</b>

## 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 approp. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100	BBI Staff costs	-	-	-	-	1.049	-	1.049	1.049
1001	CBE Staff costs	1.599	-	9	1.608	312	-	312	1.920
1111	CBE Trainees	-	-	25	25	-	-	-	25
Total Chapter 11		1.599	-	34	1.632	1.361	-	1.361	2.994
1202	CBE Sundry recruitment expenses	75	-	(42)	33	-	-	-	33
Total Chapter 12		75	-	(42)	33	-	-	-	33
1300	BBI Mission expenses, duty travel expenses and other expenses	-	-	-	-	2	-	2	2
1301	CBE Mission expenses, duty travel expenses and other expenses	60	-	18	78	-	-	-	78
Total Chapter 13		60	-	18	78	2	-	2	80
1400	BBI Medical service	-	-	-	-	1	-	1	1
1401	BBI Mobility costs and other social expenses for service	-	-	-	-	22	-	22	22
1402	BBI Training	-	-	-	-	2	-	3	3
1404	CBE Medical service	265	-	(221)	44	-	-	-	44
1405	CBE Mobility costs and other social expenses for service	-	-	165	165	-	-	-	165
1406	CBE Training	-	-	50	50	-	-	-	50
Total Chapter 14		265	-	(6)	259	24	1	25	284
1500	BBI Staff teambuilding and related events	-	-	-	-	1	-	1	1
1501	CBE Staff teambuilding and related events	10	-	(4)	6	-	3	3	9
Total Chapter 15		10	-	(4)	6	1	3	4	10
<b>Total Title 1</b>		<b>2.009</b>	<b>-</b>	<b>-</b>	<b>2.009</b>	<b>1.389</b>	<b>4</b>	<b>1.392</b>	<b>3.401</b>

## 5.2.2. Breakdown &amp; changes in payment appropriations – Title 2

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
2000	BBI Rentals	-	-	-	-	397	-	397	397
2001	CBE Rentals	240	-	(77)	163	-	-	-	163
Total Chapter 20		240	-	(77)	163	397	-	397	560
2100	BBI IT equipment & software purchase/development costs	-	-	-	-	45	-	45	45
2101	BBI Other IT costs	-	-	12	12	100	-	100	112
2102	CBE IT equipment & software purchase/development costs	323	-	(14)	309	238	10	248	557
2103	CBE Other IT costs	127	-	43	170	10	35	45	214
Total Chapter 21		450	-	41	491	393	45	438	929
2201	CBE Movable property and associated office equipment	5	-	(5)	-	-	-	-	-
Total Chapter 22		5	-	(5)	-	-	-	-	-
2302	BBI Legal expenditure	-	-	-	-	2	-	2	2
2304	CBE Stationery and office supplies	35	-	-	35	-	-	-	35
2306	CBE Legal expenditure	-	-	-	-	2	-	2	2
2307	CBE Other current administrative expenditure	-	-	-	-	1	-	1	1
Total Chapter 23		35	-	-	35	5	-	5	40
2401	CBE Telecommunications and postal charges	26	-	(19)	7	9	4	13	20
Total Chapter 24		26	-	(19)	7	9	4	13	20
2501	CBE Expenditure on formal meetings	50	-	(10)	40	-	-	-	40
Total Chapter 25		50	-	(10)	40	-	-	-	40
2600	BBI Events and campaigns	-	-	-	-	506	-	506	506
2601	BBI Materials	-	-	-	-	53	-	53	53
2602	BBI Communications tools	-	-	-	-	90	-	90	90
2603	BBI Public relations	-	-	-	-	40	-	40	40
2604	CBE Events and campaigns	(56)	-	150	94	183	-	183	277
2605	CBE Materials	128	-	(33)	95	15	-	15	110
2606	CBE Communications tools	78	-	(62)	16	-	-	-	16
2607	CBE Public relations	75	-	(58)	17	-	-	-	17
Total Chapter 26		225	-	(4)	222	888	-	888	1 109
2700	BBI Studies, consultancy and other services	-	-	-	-	21	-	21	21
2702	BBI Audit costs	-	-	-	-	21	-	21	21

EUR '000

	Item	Budget appropriations				Additional appropriations			Total apppr. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2703	CBE Studies, consultancy and other services	(96)	-	127	31	-	-	-	31
2704	CBE Service contracts	40	-	(20)	20	-	11	11	31
2705	CBE Audit costs	51	-	-	51	-	-	-	51
2706	BBi External staff	-	-	-	-	57	-	57	57
2707	CBE External staff	267	-	16	283	-	-	-	283
Total Chapter 27		262	-	123	385	99	11	110	496
2900	BBi Expert reviewers	-	-	-	-	67	-	67	67
2901	CBE Expert reviewers	200	-	(50)	150	-	-	-	150
Total Chapter 29		200	-	(50)	150	67	-	67	217
<b>Total Title 2</b>		<b>1.493</b>	<b>-</b>	<b>-</b>	<b>1.493</b>	<b>1.858</b>	<b>60</b>	<b>1.918</b>	<b>3.411</b>

## 5.2.3. Breakdown &amp; changes in payment appropriations – Title 3

EUR '000

	Item	Budget appropriations				Additional appropriations			Total apppr. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3000	BBi Previous years' calls	-	-	-	-	10.590	398	10.987	10.987
3001	CBE Previous years' calls	156.408	-	(156.408)	-	-	-	-	-
Total Chapter 30		156.408	-	(156.408)	-	10.590	398	10.987	10.987
3100	BBi Current year call	-	-	-	-	16.000	1	16.001	16.001
3101	CBE Current year call	-	-	156.408	156.408	529	-	529	156.937
Total Chapter 31		-	-	156.408	156.408	16.529	1	16.530	172.938
3200	CBE Evaluators' contracts and meetings	1.000	-	-	1.000	-	-	-	1.000
Total Chapter 32		1.000	-	-	1.000	-	-	-	1.000
<b>Total Title 3</b>		<b>157.408</b>	<b>-</b>	<b>-</b>	<b>157.408</b>	<b>27.119</b>	<b>399</b>	<b>27.517</b>	<b>184.925</b>
<b>GRAND TOTAL</b>		<b>160.910</b>	<b>-</b>	<b>-</b>	<b>160.910</b>	<b>30.365</b>	<b>462</b>	<b>30.828</b>	<b>191.737</b>

## 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	BBI Staff costs	1.005	-	1.005	-	1.005	100%	-	-	-	-
1101	CBE Staff costs	2.037	969	923	-	1.892	93%	145	-	-	145
1111	CBE Trainees	25	23	-	-	23	94%	1	-	-	1
Total Chapter 11		3.066	993	1.927	-	2.920	95%	146	-	-	146
1202	CBE Sundry recruitment expenses	13	4	-	-	4	31%	9	-	-	9
Total Chapter 12		13	4	-	-	4	31%	9	-	-	9
1301	CBE Mission expenses, duty travel expenses and other expenses	118	118	-	-	118	100%	-	-	-	-
Total Chapter 13		118	118	-	-	118	100%	-	-	-	-
1404	CBE Medical service	22	22	-	-	22	100%	-	-	-	-
1405	CBE Mobility costs and other social expenses for service	165	165	-	-	165	100%	-	-	-	-
1406	CBE Training	75	75	-	-	75	100%	-	-	-	-
Total Chapter 14		263	262	-	-	262	100%	-	-	1	1
1501	CBE Staff teambuilding and related events	11	8	-	-	8	71%	-	-	3	3
Total Chapter 15		11	8	-	-	8	71%	-	-	3	3
<b>Total Title 1</b>		<b>3.471</b>	<b>1.384</b>	<b>1.927</b>	<b>-</b>	<b>3.312</b>	<b>95%</b>	<b>155</b>	<b>-</b>	<b>4</b>	<b>159</b>

## 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	BBI Rentals	170	0	170	-	170	100%	-	-	-	-
2001	CBE Rentals	778	163	-	-	163	21%	614	-	-	614
2011	CBE Charges and works	-	-	-	-	0	100%	-	-	-	-
Total Chapter 20		948	164	170	-	334	35%	614	-	-	614
2101	BBI Other IT costs	71	-	71	-	71	100%	-	-	-	-
2102	CBE IT equipment & software purchase/development costs	551	245	165	3	413	75%	-	131	7	139
2103	CBE Other IT costs	218	172	12	-	183	84%	-	-	35	35
2104	CBE Stationery and office supplies	11	11	-	-	11	100%	-	-	-	-
2106	CBE Legal expenditure	2	-	-	-	-	-%	-	2	-	2
2107	CBE Other current administrative expenditure	1	1	-	-	1	100%	-	-	-	-
Total Chapter 21		854	428	248	3	678	79%	-	133	42	176
2401	CBE Telecommunications and postal charges	9	5	-	4	9	100%	-	-	-	-
Total Chapter 24		9	5	-	4	9	100%	-	-	-	-
2501	CBE Expenditure on formal meetings	49	34	-	-	34	69%	15	-	-	15
Total Chapter 25		49	34	-	-	34	69%	15	-	-	15
2600	BBI Events and campaigns	44	-	36	-	36	83%	-	8	-	8
2602	BBI Communications tools	90	-	90	-	90	100%	-	-	-	-
2603	BBI Public relations	40	-	40	-	40	100%	-	-	-	-
2604	CBE Events and campaigns	245	116	129	-	245	100%	-	-	-	-
2605	CBE Materials	42	25	17	-	42	100%	-	-	-	-
2606	CBE Communications tools	20	19	-	-	19	97%	1	-	-	1
2607	CBE Public relations	2	2	-	-	2	100%	-	-	-	-
Total Chapter 26		482	161	313	-	474	98%	1	8	-	8
2700	BBI Studies, consultancy and other services	16	-	16	-	16	100%	-	-	-	-
2703	CBE Studies, consultancy and other services	51	39	-	-	39	75%	13	-	-	13
2704	CBE Service contracts	11	-	-	11	11	100%	-	-	-	-
2705	CBE Audit costs	49	49	-	-	49	100%	-	-	-	-
2706	BBI External staff	11	-	11	-	11	100%	-	-	-	-

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
2707	<i>CBE External staff</i>	240	240	-	-	240	100%	-	-	-	-
Total Chapter 27		379	328	27	11	366	97%	13	-	-	13
2901	<i>CBE Expert reviewers</i>	200	200	-	-	200	100%	-	-	-	-
Total Chapter 29		200	200	-	-	200	100%	-	-	-	-
<b>Total Title 2</b>		<b>2.921</b>	<b>1.320</b>	<b>758</b>	<b>18</b>	<b>2.095</b>	<b>72%</b>	<b>643</b>	<b>141</b>	<b>42</b>	<b>826</b>



## 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	7	8	9	10=7+8+9
3000	BBI Previous years' calls	398	-	-	-	-	-%	-	-	398	398
Total Chapter 30		398	-	-	-	-	-%	-	-	398	398
3100	BBI Current year call	1	-	-	-	-	-%	-	-	1	1
3101 <sup>3</sup>	CBE Current year call	214.680	139.526	68.154	-	207.680 <sup>4</sup>	97%	7.000	-	-	7.000
Total Chapter 31		214.681	139.526	68.154	-	207.680	97%	7.000	-	1	7.001
3200	CBE Evaluators' contracts and meetings	1.529	719	-	-	719	47%	281	529	-	811
Total Chapter 32		1.529	719	-	-	719	47%	281	529	-	811
<b>Total Title 3</b>		<b>216.608</b>	<b>140.245</b>	<b>68.154</b>	<b>-</b>	<b>208.399</b>	<b>96%<sup>5</sup></b>	<b>7.281</b>	<b>529</b>	<b>399</b>	<b>8.209</b>
<b>GRAND TOTAL</b>		<b>223.000</b>	<b>142.949</b>	<b>70.839</b>	<b>18</b>	<b>213.806</b>	<b>96%<sup>6</sup></b>	<b>8.079</b>	<b>670</b>	<b>445</b>	<b>9.194</b>

<sup>3</sup> For item 3101 – CBE current year call, an additional EUR 7,5 million of CA which will not be used for the 2024 call, will be decommitted and reactivated in the 2026 budget. This reduces the % execution to 93%

<sup>4</sup> The real execution after the 2025 GAP is EUR 197.539 thousand. So the % execution is 92%

<sup>5</sup> See footnote 4. Total execution following Call 2024 GAP is 91%.

<sup>6</sup> See footnotes 4 and 5. Total execution is 92.5%.

## 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	BBI Staff costs	1.049	-	1.008	-	1.008	96%	-	41	-	41
1101	CBE Staff costs	1.920	1.569	312	-	1.881	98%	39	-	-	39
1111	CBE Trainees	25	22	-	-	22	90%	2	-	-	2
Total Chapter 11		2.994	1.591	1.320	-	2.912	97%	41	41	-	82
1202	CBE Sundry recruitment expenses	33	1	-	-	1	3%	32	-	-	32
Total Chapter 12		33	1	-	-	1	3%	32	-	-	32
1300	BBI Mission expenses, duty travel expenses and other expenses	2	-	2	-	2	100%	-	-	-	-
1301	CBE Mission expenses, duty travel expenses and other expenses	78	62	-	-	62	80%	15	-	-	15
Total Chapter 13		80	62	2	-	65	81%	15	-	-	15
1400	BBI Medical service	1	-	1	-	1	100%	-	-	-	-
1401	BBI Mobility costs and other social expenses for service	22	-	22	-	22	100%	-	-	-	-
1402	BBI Training	3	-	2	-	2	82%	-	-	-	-
1404	CBE Medical service	44	19	-	-	19	43%	25	-	-	25
1405	CBE Mobility costs and other social expenses for service	165	129	-	-	129	78%	36	-	-	36
1406	CBE Training	50	27	-	-	27	54%	23	-	-	23
Total Chapter 14		284	176	24	-	200	70%	83	-	-	84
1500	BBI Staff teambuilding and related events	1	-	1	-	1	100%	-	-	-	-
1501	CBE Staff teambuilding and related events	9	6	-	1	7	73%	-	-	2	3
Total Chapter 15		10	6	1	1	8	75%	-	-	2	3
<b>Total Title 1</b>		<b>3.401</b>	<b>1.836</b>	<b>1.348</b>	<b>1</b>	<b>3.185</b>	<b>94%</b>	<b>172</b>	<b>41</b>	<b>3</b>	<b>216</b>

## 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	BBI Rentals	397	-	170	-	170	43%	-	227	-	227
2001	CBE Rentals	163	163	-	-	163	100%	-	-	-	-
Total Chapter 20		560	163	170	-	333	59%	-	227	-	227
2100	BBI IT equipment & software purchase/development costs	45	-	45	-	45	100%	-	-	-	-
2101	BBI Other IT costs	112	12	96	-	108	96%	-	5	-	5
2102	CBE IT equipment & software purchase/development costs	557	180	238	4	422	76%	129	-	6	135
2103	CBE Other IT costs	214	167	1	35	203	95%	3	9	-	12
Total Chapter 21		929	359	379	39	777	84%	132	14	6	152
2302	BBI Legal expenditure	2	-	2	-	2	100%	-	-	-	0
2304	CBE Stationery and office supplies	35	11	-	-	11	30%	25	-	-	25
2306	CBE Legal expenditure	2	-	-	-	-	-%	-	2	-	2
2307	CBE Other current administrative expenditure	1	-	1	-	1	100%	-	-	-	-
Total Chapter 23		40	11	3	-	14	34%	25	2	-	27
2401	CBE Telecommunications and postal charges	20	1	1	-	3	13%	6	7	4	17
Total Chapter 24		20	1	2	-	3	15%	6	7	4	17
2501	CBE Expenditure on formal meetings	40	33	-	-	33	83%	7	-	-	7
Total Chapter 25		40	33	-	-	33	83%	7	-	-	7
2600	BBI Events and campaigns	506	-	506	-	506	100%	-	-	-	-
2601	BBI Materials	53	-	53	-	53	100%	-	-	-	-
2602	BBI Communications tools	90	-	90	-	90	100%	-	-	-	-
2603	BBI Public relations	40	-	40	-	40	100%	-	-	-	-
2604	CBE Events and campaigns	277	94	183	-	277	100%	-	-	-	-
2605	CBE Materials	110	22	8	-	30	27%	74	7	-	80
2606	CBE Communications tools	16	11	-	-	11	70%	5	-	-	5

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
2607	<i>CBE Public relations</i>	17	2	-	-	2	11%	15	-	-	15
Total Chapter 26		1.109	128	881	-	1.009	91%	93	7	-	100
2700	<i>BBi Studies, consultancy and other services</i>	21	-	21	-	21	100%	-	-	-	-
2702	<i>BBi Audit costs</i>	21	-	21	-	21	100%	-	-	-	-
2703	<i>CBE Studies, consultancy and other services</i>	31	10	-	-	10	33%	21	-	-	21
2704	<i>CBE Service contracts</i>	31	-	-	-	-	-%	20	-	11	31
2705	<i>CBE Audit costs</i>	51	1	-	-	1	3%	50	-	-	50
2706	<i>BBi External staff</i>	57	-	55	-	55	96%	0	2	-	2
2707	<i>CBE External staff</i>	283	223	-	-	223	79%	60	-	-	60
Total Chapter 27		496	235	97	-	332	67%	150	2	11	164
2900	<i>BBi Expert reviewers</i>	67	-	67	-	67	100%	-	-	-	-
2901	<i>CBE Expert reviewers</i>	150	80	-	-	80	53%	70	-	-	70
Total Chapter 29		217	80	67	-	147	68%	70	-	-	70
<b>Total Title 2</b>		<b>3.411</b>	<b>1.011</b>	<b>1.599</b>	<b>39</b>	<b>2.649</b>	<b>78%</b>	<b>482</b>	<b>260</b>	<b>21</b>	<b>763</b>

## 5.4.3. Implementation of payment appropriations – Title 3

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
3000	BBI Previous years' calls	10.987	-	3.985	379	4.364	40%	-	6.605	19	6.624
Total Chapter 30		10.987	-	3.985	379	4.364	40%	-	6.605	19	6.624
3100	BBI Current year call	16.001	-	15.115	1	15.115	94%	-	885	-	885
3101	CBE Current year call	156.937	131.620	529	-	132.149	84%	24.788	-	-	24.788
Total Chapter 31		172.938	131.620	15.644	1	147.265	85%	24.788	885	0	25.673
3200	CBE Evaluators' contracts and meetings	1.000	719	-	-	719	72%	281	-	-	281
Total Chapter 32		1.000	719	-	-	719	72%	281	-	-	281
<b>Total Title 3</b>		<b>184.925</b>	<b>132.339</b>	<b>19.629</b>	<b>379</b>	<b>152.347</b>	<b>82%</b>	<b>25.069</b>	<b>7.490</b>	<b>19</b>	<b>32.578</b>
<b>GRAND TOTAL</b>		<b>191.737</b>	<b>135.186</b>	<b>22.576</b>	<b>419</b>	<b>158.181</b>	<b>82%</b>	<b>25.724</b>	<b>7.790</b>	<b>43</b>	<b>33.557</b>

## 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	Payments	Total	Commitments made during the year	Payments	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7=5-6	8=4+7
1100	BBI Staff costs	6	(3)	3	-	1.005	1.005	-	-
1101	CBE Staff costs	20	(20)	-	-	1.892	1.881	11	11
1110	BBI Trainees	5	(5)	-	-	-	-	-	-
1111	CBE Trainees	-	-	-	-	23	22	1	1
Total Chapter 11		31	(27)	3	-	2.920	2.909	12	12
1200	BBI Sundry recruitment expenses	15	(15)	-	-	-	-	-	-
1202	CBE Sundry recruitment expenses	-	-	-	-	4	1	3	3
Total Chapter 12		15	(15)	-	-	4	1	3	3
1300	BBI Mission, duty travel and other expenses	5	(3)	2	-	-	-	-	-
1301	CBE Mission, duty travel and other expenses	-	-	-	-	118	62	55	55
Total Chapter 13		5	(3)	2	-	118	62	55	55
1400	BBI Medical service	1	-	1	-	-	-	-	-
1401	BBI Mobility costs and other social expenses for service	33	(6)	22	5	-	-	-	5
1402	BBI Training	2	-	2	-	-	-	-	-
1404	CBE Medical service	-	-	-	-	22	19	3	3
1405	CBE Mobility costs and other social expenses for service	-	-	-	-	165	129	36	36
1406	CBE Training	-	-	-	-	75	27	48	48
Total Chapter 14		36	(6)	25	5	262	176	87	92
1500	BBI Staff teambuilding and related events	4	(3)	1	-	-	-	-	-
1501	CBE Staff teambuilding and related events	-	-	-	-	8	7	1	1
Total Chapter 1501		4	(3)	1	-	8	7	1	1
<b>Total Title 1</b>		<b>91</b>	<b>(55)</b>	<b>31</b>	<b>5</b>	<b>3.312</b>	<b>3.154</b>	<b>157</b>	<b>162</b>

## 6.2. Outstanding commitments – Title 2

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year			Total commitm. outstanding at year-end
	Item	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commit. made during the year	Payments	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7=5-6	
2000	BBI Rentals	-	-	-	-	170	170	-	-
2001	CBE Rentals	-	-	-	-	163	163	-	-
Total Chapter 20		-	-	-	-	334	333	1	1
2100	BBI IT equipment & software purchase/development costs	52	(7)	45	-	-	-	-	-
2101	BBI Other IT costs	199	(126)	55	18	71	52	19	37
2102	CBE IT equipment & software purchase / development costs	314	-	314	-	413	108	304	304
2103	CBE Other IT costs	30	(10)	20	-	183	182	1	1
Total Chapter 21		595	(143)	434	18	667	343	324	342
2300	BBI Stationery and office supplies	3	(2)	-	-	-	-	-	-
2302	BBI Legal expenditure	2	-	2	-	-	-	-	-
2304	CBE Stationery and office supplies	-	-	-	-	11	11	-	-
2307	CBE Other current administrative expenditure	-	-	-	-	1	1	-	-
Total Chapter 23		5	(2)	2	-	11	11	-	-
2400	BBI Telecommunications and postal charges	2	(2)	-	-	-	-	-	-
2401	CBE Telecommunications and postal charges	-	-	-	-	9	3	7	7
Total Chapter 24		2	(2)	-	-	9	3	7	7
2500	BBI Expenditure on formal meetings	18	(18)	-	-	-	-	-	-
2501	CBE Expenditure on formal meetings	-	-	-	-	34	33	1	1
Total Chapter 25		18	(18)	-	-	34	33	1	1
2600	BBI Events and campaigns	472	(3)	469	-	36	36	-	-
2601	BBI Materials	80	(26)	53	-	-	-	-	-
2602	BBI Communications tools	7	(6)	-	-	90	90	-	-
2603	BBI Public relations	-	-	-	-	40	40	-	-

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year			Total commitm. outstanding at year-end  8=4+7
	Item	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commit. made during the year	Payments	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7=5-6	
2604	CBE Events and campaigns	152	(64)	88	-	245	189	56	56
2605	CBE Materials	5	-	5	-	42	26	16	16
2606	CBE Communications tools	-	-	-	-	19	11	8	8
2607	CBE Public relations	-	-	-	-	2	2	-	-
Total Chapter 26		715	(100)	615	-	474	394	80	80
2700	BBI Studies, consultancy and other services	5	-	5	-	16	16	-	-
2702	BBI Audit costs	23	(3)	21	-	-	-	-	-
2703	CBE Studies, consultancy and other services	-	-	-	-	39	10	28	28
2704	CBE Service contracts	-	-	-	-	11	-	11	11
2705	CBE Audit costs	-	-	-	-	49	1	48	48
2706	BBI External staff	50	(6)	44	-	11	11	-	-
2707	CBE External staff	-	-	-	-	240	223	17	17
Total Chapter 27		78	(9)	69	-	366	263	103	103
2900	BBI Expert reviewers	96	(30)	67	-	-	-	-	-
2901	CBE Expert reviewers	-	-	-	-	200	80	120	120
Total Chapter 29		96	(30)	67	-	200	80	120	120
Total Title 2		1.510	(303)	1.189	18	2.095	1.460	635	653



### 6.3. Outstanding commitments – Title 3

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year			Total commitm. outstanding at year-end
Item		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commit. made during the year	Payments	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7=5-6	
3000	BBI Previous years' calls	12.181	(546)	4.364	7.271	-	-	-	7.271
Total Chapter 30		12.181	(546)	4.364	7.271	-	-	-	7.271
3100	BBI Current year call	39.705	(1.070)	15.115	23.519	-	-	-	23.519
3101	CBE Current year call	251.684	(1.821)	131.349	118.514	207.680	800	206.880	325.394
Total Chapter 31		291.389	(2.892)	146.465	142.033	207.680	800	206.880	348.913
3200	CBE Evaluators' contracts and meetings	529	-	-	529	719	719	-	529
Total Chapter 32		529	-	-	529	719	719	-	529
<b>Total Title 3</b>		<b>304.099</b>	<b>(3.438)</b>	<b>150.828</b>	<b>149.833</b>	<b>208.399</b>	<b>1.519</b>	<b>206.880</b>	<b>356.713</b>
<b>GRAND TOTAL</b>		<b>305.699</b>	<b>(3.795)</b>	<b>152.048</b>	<b>149.856</b>	<b>213.806</b>	<b>6.133</b>	<b>207.673</b>	<b>357.529</b>

## 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.