RIPE NCC
RIPE NETWORK COORDINATION CENTRE

Financial Report 2024

Table of Contents

RAYMOND JETTEN
TREASURER

EXECUTIVE BOARD REPORT

Introduction

Despite recording an operational deficit, 2024 was a solid financial year for the RIPE NCC. We generated a positive surplus thanks to a healthy financial result. Our lower-than-budgeted income was primarily due to our inability to collect revenue from "Ultra High-Risk" Countries and the impact of sanctions. We are actively working to find a solution to these issues. However, this has not compromised our ability to offer our members the best-in-class quality of service.

In 2024, our income budget was 38.0M EUR with a realised income of 35.7M EUR. This represents 2.3M EUR under budget. This result is explained by our inability to collect 1.3M EUR due to strict compliance rules on transactions with Ultra High-Risk Countries. The high volume of small transactions and sanctions-related limitations further complicated the search for a viable solution. Although we are legally entitled to collect funds from members who are not subject to sanctions, banking restrictions present us with many operational difficulties, which we have to handle carefully. Our proactive engagement with the banks has led to progress, and efforts to find solutions continue.

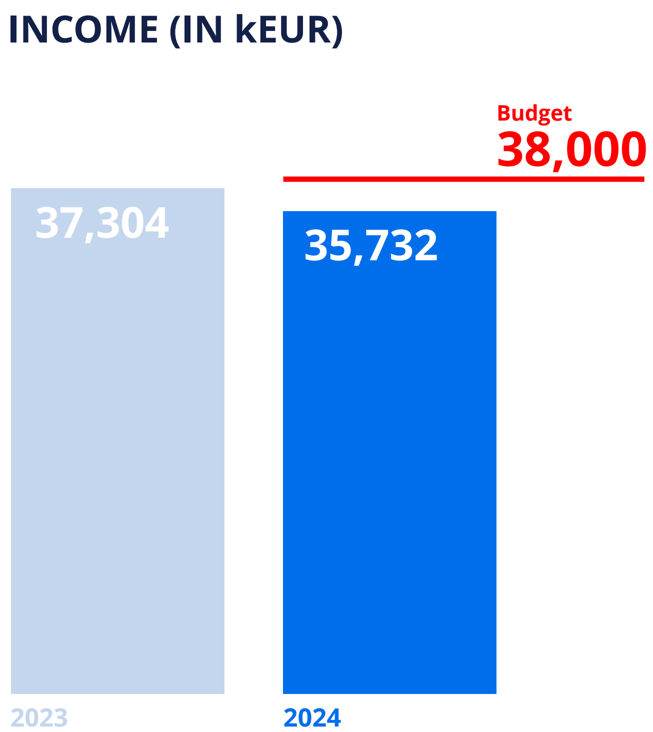
Starting the year with 21,570 LIR accounts, we closed 1,536 LIR accounts and welcomed 957 new LIR accounts, with 88 of those coming from Ultra High-Risk Countries. The New LIR income was under the 1.6M EUR budget (for 1,600 new LIR accounts) at 921 kEUR. This decrease was taken into account in the 2025 Activity Plan and Budget, where we only budgeted for 600 new LIR accounts. Our number of members remained stable at 19,993 at the end of 2024, representing a decrease of only 0.5% from the previous year. Income from the RIPE Meetings amounted to 250 kEUR and came in under budget, while total sponsorship and other income amounted to 497 kEUR, just under 3 kEUR shy of the budgeted target of 500 kEUR. Overall, our income is well below budget, mainly due to a decline in the number of new LIR accounts and our inability to collect income from Ultra High-Risk Countries. If and when we are able to collect income from the Ultra High-Risk Countries, this income will be accounted for in the financial year in question.

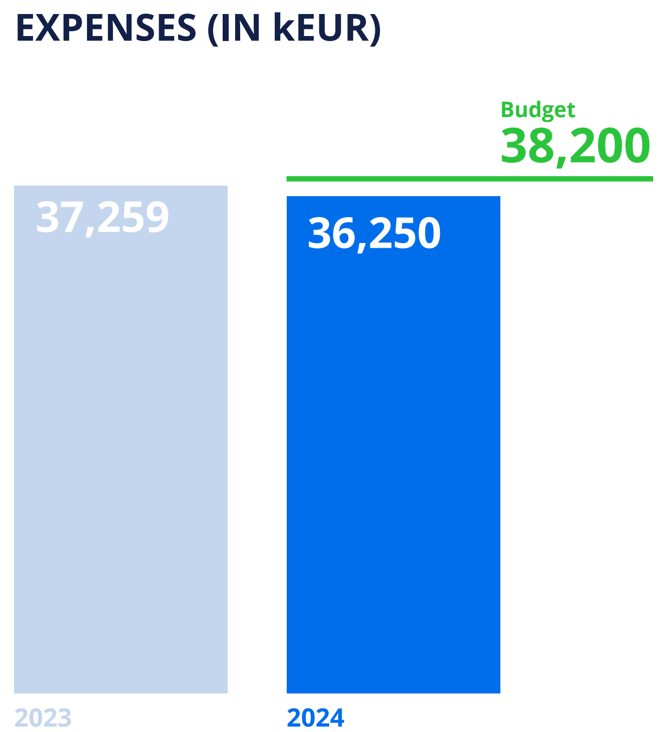
To reassess our Charging Scheme and address member concerns, the RIPE NCC Executive Board established a member-driven task force in August 2024. Its mandate is to define the principles for a future Charging Scheme and to propose a more effective process for discussing and adopting the annual Charging Scheme. Its initial findings will be presented at the General Meeting in May 2025.

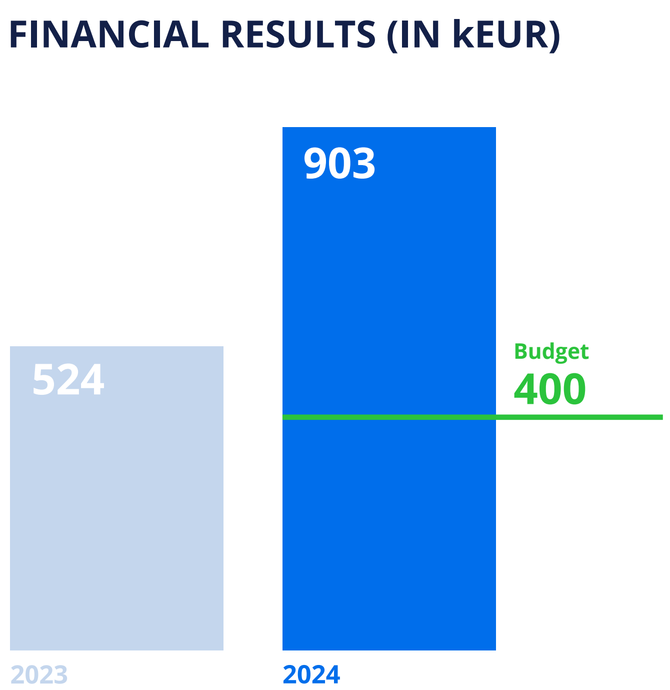
Continuing our cost consciousness efforts accelerated in 2023, we strived to do more with less wherever possible and managed to keep the expenses 5% below budget. The categories that came in over budget were Housing and Insurance (+10%; these costs related to office rent, utilities and insurances) due to energy costs; Information Technology (+2%) due to delays in the move and downsizing of the data centre; Travel (+2%) due to certain travel expenses that were initially budgeted under Outreach & PR but were ultimately recorded under Travel; and Bad Debt (+2%) due to payment extensions granted to areas in distress. A combination of a high budget, specifically for RIPE Meetings, and very conservative spending relating to other Outreach & PR activities resulted in being 47% under budget for this cost category.

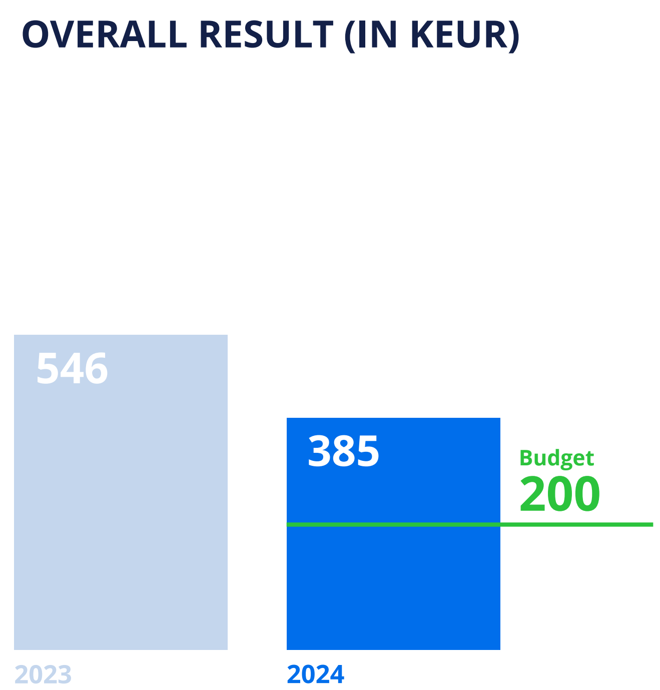
In 2024, we faced an operational deficit of 518 kEUR, primarily due to fewer new LIR accounts, sanctions, and the Ultra High-Risk Countries classification, resulting in an EBITDA of 459 kEUR against a budgeted 900 kEUR (EBITDA is defined as Total Income minus Total Expenditure plus Depreciation and Bad Debt). As a result of this operational deficit, there will be no redistribution in 2025 due to a contribution deficit (a shortage of member fees). However, our financial result was solid, at 903 kEUR, thanks to a well-managed investment portfolio and the rise in interest rates, which resulted in a 2.8% (903 kEUR) return on our Clearing House reserves. We hope for and expect a similar result for 2025, but this is not a guarantee. This result fully offset the operational deficit and allowed an overall surplus of 385 kEUR to be added to our reserves. It has also offset some of the impact of inflation on our Clearing House reserves. Although operational income fell short, the overall result is significantly better than the previously forecasted 700 kEUR deficit as shared at the General Meeting, which makes us confident about the organisation's financial stability in the future. Additionally, we do not have a Corporate Income Tax liability as we recorded an operational deficit.

As announced in 2023, we formally established the RIPE NCC Middle East FZ-LLC entity in Dubai in 2024. This entity builds on our existing office in the region, making it easier for us to support members locally and interact with governments and regulators in the Middle East region. Although no financial transactions have taken place in 2024, this entity will be audited separately.









About the RIPE NCC

The RIPE NCC is an independent, not-for-profit membership association that supports the infrastructure of the Internet through technical coordination in Europe, the Middle East and parts of Central Asia. Our main activity is to act as the Regional Internet Registry (RIR) providing global Internet resources and related services (IPv4, IPv6 and AS Number resources) to our members. In 2024, our team was composed of 186.7 FTEs (182.9 FTEs and 3.8 EoR, 180.7 in 2023) located in Amsterdam and Dubai. Additionally, we have consultants in other parts of our service region.

Objectives:

1. Support an open, inclusive and engaged RIPE community
2. Operate a trusted, efficient, accurate and resilient Registry
3. Enable our members and community to operate one secure, stable and resilient global Internet
4. Maintain a stable organisation with a robust governance structure
5. Attract engaged, competent and diverse staff

The RIPE NCC Executive Board

The RIPE NCC Executive Board is elected by members to represent them and provide guidance to the RIPE NCC's Executive Team. The Board does not receive a fixed remuneration, but members are reimbursed for expenses incurred in the performance of their duties as Board members. In 2024, the RIPE NCC Executive Board consisted of six men and one woman.

- Ondřej Filip, Chair
- Piotr Strzyżewski, Secretary
- Raymond Jetten, Treasurer
- Remco van Mook, Member
- Maria Häll, Member
- Sander Steffann, Member
- Harald A. Summa, Member

RIPE NCC Management

The RIPE NCC Executive Team oversees the general operation of the organisation. The remuneration of the RIPE NCC Executive Team amounted to 2.1M EUR. At the end of 2024, the RIPE NCC's Executive Team consisted of four men and four women. The Chief Registry Officer left the organisation during the year.
The breakdown of this remuneration is available on page 37.

- Hans Petter Holen, Managing Director
- Daniella Coutinho, Senior Executive Assistant to the Managing Director
- Athina Fragkouli, Chief Legal Officer
- Simon-Jan Haytink, Chief Financial Officer
- Hisham Ibrahim, Chief Community Officer
- Felipe Victolla Silveira, Chief Technology Officer
- Carolien Vos, Chief Human Resources Officer
- Eleonora Petridou, Chief Information Security Officer

Membership trends and financial sustainability

In 2024, our total income was 35.7M EUR, which is 2.3M EUR below budget (38.0M EUR). A significant portion (1.3M EUR) is not included in our 2024 income due to our inability to collect income from members in countries classified as “Ultra High-Risk” by our banks. The high volume of transactions requires extensive compliance work, making it more challenging to find a partner willing to facilitate payments, as Ultra High-Risk Countries are not part of the SWIFT system. We are actively engaging with the relevant stakeholders to find a viable solution to this issue.

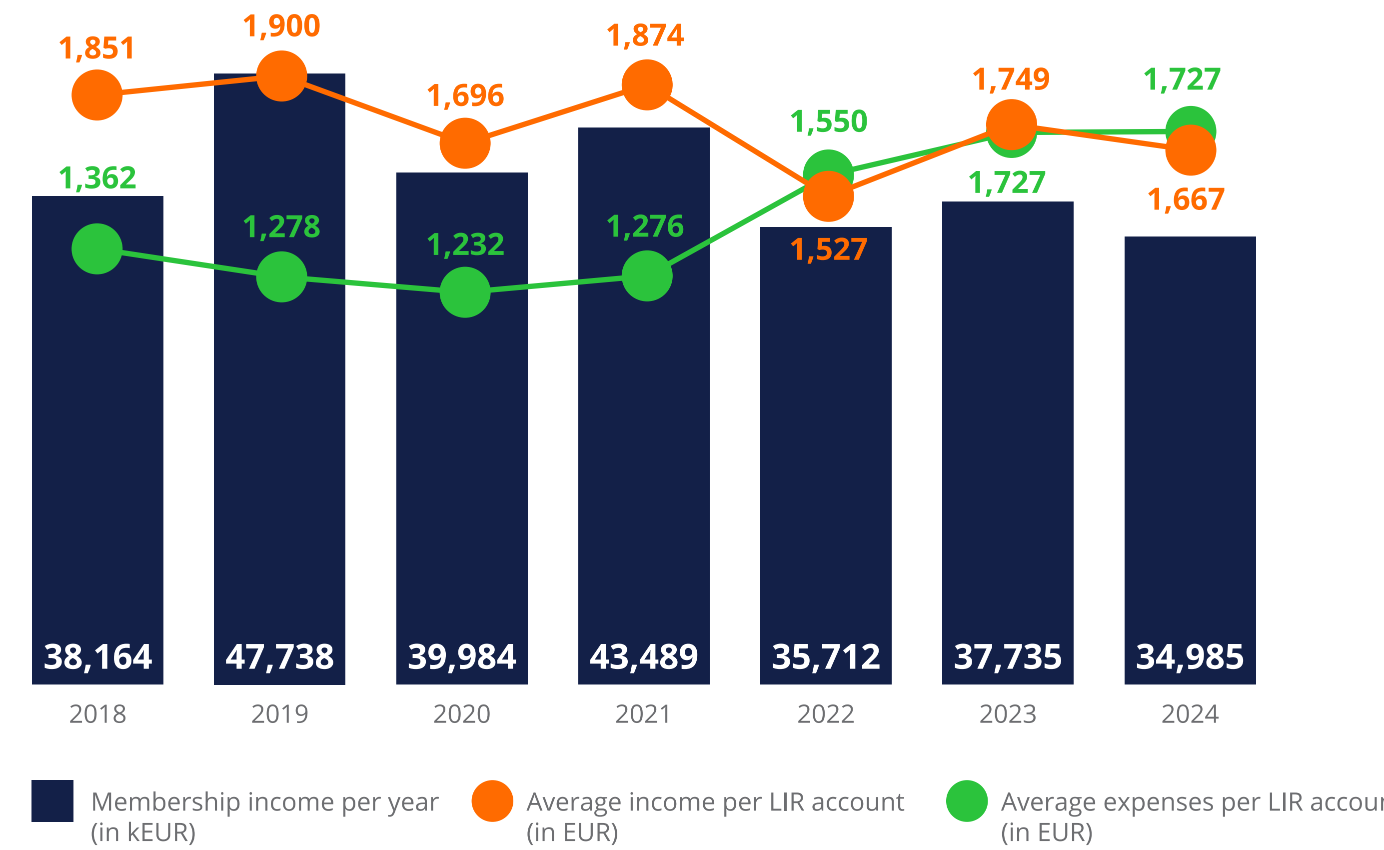
The remainder of the 2.3M below budget, 962 kEUR, is attributed to fewer new LIR accounts than anticipated. While the budget projected 1,600 new LIR accounts, we welcomed only 957, including 88 from Ultra High-Risk Countries. This was corrected in our 2025 Activity Plan and Budget where we only budgeted for 600 new LIR accounts.

We started 2024 with 21,570 LIR accounts and ended it with 20,991 LIR accounts, representing a 3% reduction in the number of active LIR accounts. The number of members remained stable, with a 0.5% decrease from 20,077 to 19,993.

Membership fee redistribution over 2024

The RIPE NCC has offered its members the opportunity to redistribute excess contributions through voting since 2015. With this redistribution, we refund the excess contribution from one financial year to members in the form of a discount on the following year’s membership invoice.

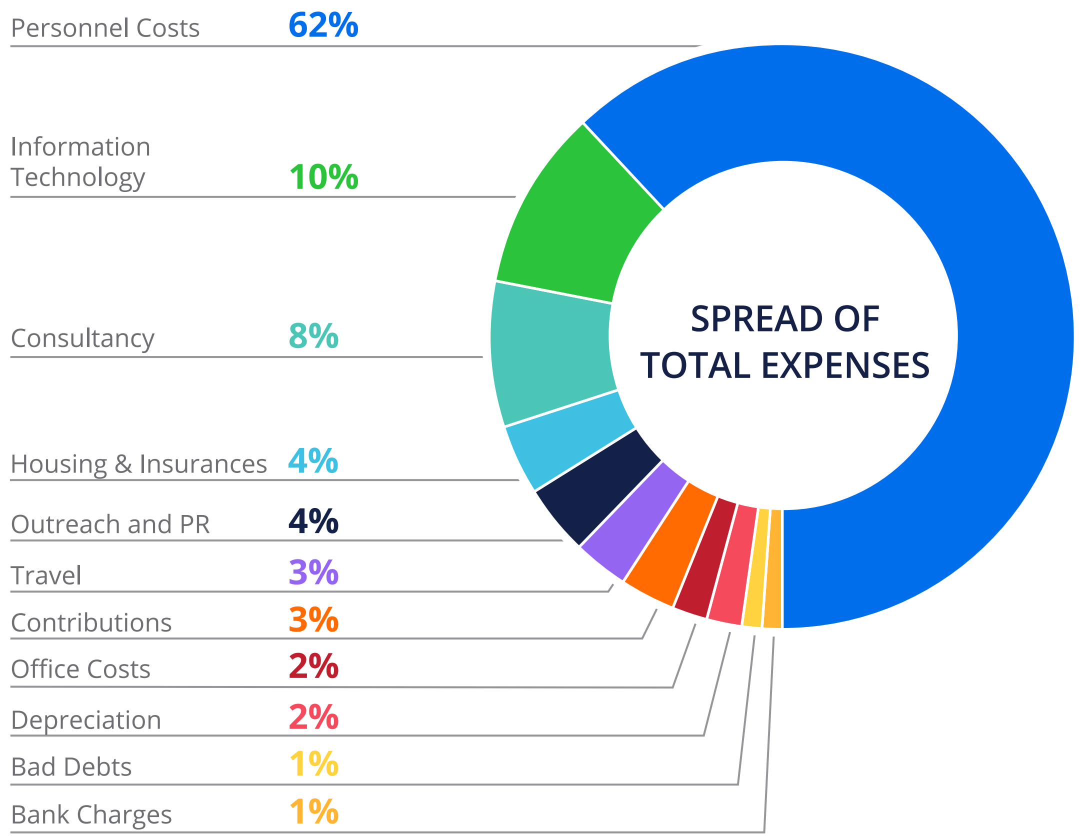
Members voted in favour of a redistribution of annual fees at the RIPE NCC General Meeting November 2024. However, there were no excess membership funds to be redistributed from 2024 on the 2025 invoices, as there was an operational deficit.



Costs under budget

In 2024, we continued our efforts to improve cost efficiency wherever possible, while keeping service quality in mind, given that the number of LIR accounts is in decline.

Our main cost category, Personnel Costs, was under budget by 149 kEUR (-1%) on a 22.9M EUR budget. This decrease is due to a lower-than-budgeted number of FTEs (186.8 vs. 192.3 budgeted), which also lowered our pension contributions. Additionally, the average age of staff decreased from 44 in 2023 to 43 in 2024, highlighting a focus on maintaining a healthy age balance within the organisation. We have also seen an increased use of annual leave, which has reduced the total number of outstanding vacation days. This is the result of actively encouraging staff to take the leave they

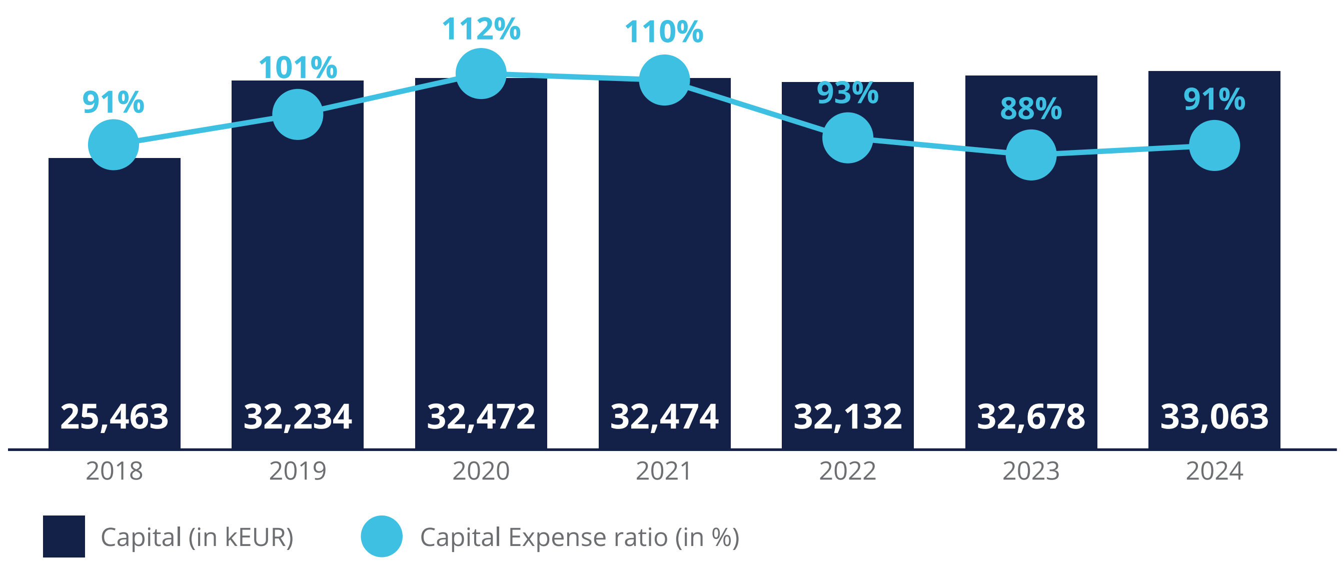


deserve. Miscellaneous personnel costs were also under budget by 210 kEUR, primarily due to the underutilisation of the generous staff development budget and an unbudgeted sick leave and parental leave government compensation of 172 kEUR. Costs over budget include social security charges (110 kEUR over budget) as they were underestimated in the 2024 budget. Finally, we had severance cases, which we never budget for, as we prioritise fostering a healthy working environment.

This year, we spent 1.2M EUR (-47%) less than budgeted for Outreach & PR. This was primarily driven by a conscious effort to minimise expenses wherever possible, along with lower-than-budgeted FTEs in External Engagement & Community, which further reduced spending capacity. Additionally, the two RIPE Meetings cost significantly less than expected, and a mid-year reallocation of travel expenses from the Outreach & PR category to Travel contributed to this result. Overall, the 2024 budget for Outreach & PR was higher than actuals, leading to a neutral budget increase for this cost budget in 2025, with adjustments only for salary increases and inflation.

In addition, we spent 153 kEUR (-19%) less than budgeted on Office Expenses and 315 kEUR (-10%) less on Consultancy, which is the result of a culture shift towards a closer scrutiny of spending. Our Bank Charges also went down by 61 kEUR (-16%) and our Depreciation by 129 kEUR (-17%) due to lower capital expenditures in 2024, especially regarding IT hardware and office investments.

Housing & Insurances was over budget by 143 kEUR (+10%) mainly due to a delayed and higher-than-accrued 2023 utility cost settlement invoice. And we expect the 2024 final settlement invoice to be of a similar cost level. Travel was over budget by 77 kEUR (+8%) due to a mid-year reallocation of RIPE Meeting and Training travel costs for clearer budget tracking. Information Technology was slightly over budget by 86 kEUR (+2%) due to delays in reducing our data centre footprint, but savings on software licenses helped offset additional expenses. Finally, Bad Debt and Unforeseen Costs was over budget by 6 kEUR (+2%) due to outstanding membership invoices linked to the continued uncertainty and conflicts in our service region. However, our Bad Debt remains well under 1% of the total revenue.



Sound capital and liquidity management

The RIPE NCC maintains a conservative investment strategy to minimise risk on our Clearing House reserve. Our Treasury Statute describes how we minimise risk, including the asset mix spread, and is monitored by the Executive Team and reviewed annually by the Executive Board.

In 2023, we finalised the treasury project, onboarding an external investment firm to manage part of our Clearing House reserves. In December 2023, we transferred 10.0M EUR to our new account, and in May 2024, in consultation with the Executive Board, we sold our 3.5M EUR Exchange-Traded Fund (ETF) position due to its volatility. The 3.5M EUR, along with 2.2M EUR from our deposit account (earning only 0.5% interest), was transferred to our account for external management. This shift reflects our strategy to obtain the best possible return within the boundaries of risk minimisation and capital preservation.

In 2024, we recorded a financial result of 903 kEUR (2.8% on our 32,678 kEUR 2023 Clearing House reserve), which is partly realised (interest income) and partly un-realised (investment results). This result consists of a realised 400 kEUR interest income from our deposit accounts and includes the management fee of our external investment partner (69 kEUR). This interest result also includes interest from our current account (242 kEUR). This is not formally part of our Clearing House reserve, but it shows the good relationship we have with our main bank, since it is a custom arrangement.
In addition, we recorded an unrealised result on our investments of 547 kEUR. This includes a result of 621 kEUR on our investment portfolio managed by our external investment partner, but also a negative realised result of 74 kEUR due to the sale of our ETF position. Finally, we also had a negative foreign exchange result of 44 kEUR.

Despite challenges in collecting membership fees, our liquidity remained robust. With a capital expense ratio of 91%, our reserves could cover nearly a full year’s expenses with zero income. Combined with our updated 2025 Charging Scheme and the member-driven Charging Scheme Task Force, our financial outlook remains stable.

In December 2024, we published the RIPE NCC Billing Procedure 2025, and every year the RIPE NCC produces a detailed Financial Report and Activity Plan and Budget. We also follow the principles as described in our Tax Governance Paper and Treasury Statute.

Risk Management

Risk management is an integral part of our organisational strategy. Having an understanding of risk exposure is crucial to ensure sound strategic decision-making. The RIPE NCC has implemented an Enterprise Risk Management (ERM) framework to identify, monitor and manage risk exposure.

This approach enables us to make informed strategic decisions, prioritise our risk mitigation efforts according to risk exposure, and exercise adequate controls throughout the organisation. We aim to support a stable, resilient and healthy organisation.

Internal Risk and Compliance Function

An internal Risk and Compliance function has been established at the RIPE NCC to unify and align the RIPE NCC's approach towards risk management and compliance, proactively manage risk and demonstrate continuous compliance with laws, regulations and industry compliance standards.

The Risk and Compliance function within the RIPE NCC has been structured based on a three-lines-of-defence model, with the first line of defence being the departments. The Risk and Compliance function acts as the second line of defence. If and when needed, an external third line of defence will be engaged on demand.

A Governance Committee has also been established to oversee risk management activities and to facilitate risk reporting towards the Executive Board.

Risk Management Policy

RIPE NCC members and the RIPE community are central to everything we do. The needs and expectations of our members and the sensitivity and importance of our operations and the services we provide are duly taken into account when developing our risk appetite, as we balance the fulfilment of our objectives against the risks inherent to the environment in which we provide services.

A risk management policy has been developed that reflects directions from the RIPE NCC Executive Team, which sets the "tone at the top" with respect to the risk management approach for the RIPE NCC. Risk appetite statements have been included within the policy document and have been approved by the Executive Board in order to be used as a reference while deciding on risk treatment options.

The RIPE NCC has a very low risk appetite for compliance and health and safety risks and a low risk appetite for financial and information security risks. We operate with a medium risk appetite for strategic and technology risks.

Risk Management Framework

The ERM framework helps the RIPE NCC understand, prioritise and act on key risks. Further, it helps to drive a consistent risk management culture, where the chance of risks "slipping through the cracks" is minimised. The objective of this Risk Management Framework is to provide structure and consistency around risk management activities as well as the assurance that all necessary areas are covered that are required to develop and execute a successful risk management programme at the RIPE NCC.

The RIPE NCC risk universe has been defined by identifying and classifying the different types of risk that are or could be relevant to the RIPE NCC. This categorisation of risks provides a clearer picture of their impact on the RIPE NCC and a more holistic view of the significance of risk and the identification of alternative strategies to address it. The risk universe, including financial and fraud-related risk, is taken as a reference during the risk identification process to identify the risks associated with these risk categories (if any) and is updated and reviewed after each risk assessment.

An enterprise risk assessment takes place at least annually, resulting in a risk register per team. Previously identified risks are re-evaluated to take account of any changes in impacts and probabilities, and newly identified risks are entered into the risk register and evaluated.

Risks deviating from the risk appetite are managed through risk treatment plans. Progress against the risk treatment plan execution is reported to the Executive Board bi-annually and monitored by the internal Governance Committee on a regular basis. The ERM framework is reviewed at least once a year, and any necessary changes are incorporated into the framework.

Risk Culture

Our reputation is built on trust, and we find it extremely important that our internal and external stakeholders comprehend our organisational purpose, direction and operating model. We operate according to relevant laws and regulations, the RIPE Policies as set out by the RIPE community, the Executive Board-approved procedures, as well as the internal RIPE NCC policies, procedures and the RIPE NCC Code of Conduct approved by the RIPE NCC Governance Committee.

Our members review our activities through a yearly Activity Plan and Budget cycle. The Activity Plan and Budget are approved by the Executive Board. At the RIPE NCC, a positive risk culture has been developed through the development and implementation of a risk management policy, a Governance Committee, an ERM framework, the definition of roles and responsibilities for risk management, transparent risk communication across departments, and risk awareness training for RIPE NCC staff.

Enterprise Risk Assessment 2024

As mentioned above, at least annually, a risk assessment takes place to evaluate the impact and likelihood of identified risks across the whole organisation, and the results are detailed in the corresponding risk registers.

Risk rating approach

The risk rating matrix developed as a part of the ERM framework allows for a more objective and uniform approach to risk assessment. Five levels of impacts and likelihoods ranging from Very Low to Very High have been predefined for each risk type.

Key risks identified during 2024

The key risks identified during the 2024 annual assessment are summarised below.

1. STRATEGIC RISKS

The RIPE NCC has developed a five-year strategy from 2022-2026. When developing this strategy, internal and external factors that may influence the definition and implementation of the strategy and objectives were taken into consideration.

Our strategic objectives are to:

1. Support an open, inclusive and engaged RIPE community.
2. Operate a trusted, efficient, accurate and resilient Registry.
3. Enable our members and community to operate one secure, stable and resilient global Internet.
4. Maintain a stable organisation with a robust governance structure.
5. Attract engaged, competent and diverse staff.

For 2024, we gave special attention to the following elements from our five-year strategy:

- Be a centre of excellence for data, measurements and tools that provide insight on the Internet and its operations.
- Ensure the organisation's stability and financial strength.
- Be resilient in the face of political, legislative and regulatory changes that have the potential to affect our operations.
- Maintain necessary levels of security and compliance with best practices and applicable regulations.

Political, legislative, and regulatory developments, along with broader global factors, may influence our operations as part of the Joint Internet Number Registry. To address these potential impacts, we actively engage with key stakeholders, including the technical community, national authorities, governments, and international organisations. Furthermore, we maintain close collaboration with the other Regional Internet Registries (RIRs), recognising our shared responsibility for the effective management of the Joint Internet Number Registry.

To reinforce transparency and accountability for the execution of our strategy, we are enhancing our existing processes to improve visibility, ensure effective follow-through, and strengthen trust in our execution efforts.

2. FINANCIAL RISKS

Decrease in income

The decrease in income we have experienced over the past few years can be attributed to various factors. Firstly, we have witnessed a considerable number of members consolidating their multiple LIR accounts after the 24-month restriction on resource transfers applied by RIPE Policy has ended. The majority of these consolidations have already been executed, but we still have 20,991 LIR accounts and 19,993 individual members, meaning 998 LIR accounts are or will be eligible in 2025 and beyond. With the 2025 Charging Scheme, this risk has been addressed by using 20,000 members as the basis for the income budget calculations, essentially using the number of members instead of the number of LIR accounts to offer certainty. The updated Charging Scheme also included an approved membership fee increase and the addition of a new charge for ASN resources. Additionally, the Executive Board has formed a task force of RIPE NCC members to define new Charging Scheme principles, ensuring that feedback from members is taken into account.

Additionally, we continue to face challenges in collecting funds from LIR accounts from countries classified as “Ultra High-Risk” by our banks. Currently, we have an uninvoiced position on our balance sheet for income from Ultra High-Risk Countries of 3.6M EUR; this position covers a small part of 2021 and the full years of 2022, 2023 and 2024. In the 2025 membership income budget, we have 20,000 contributing LIR accounts, while we end 2024 with 20,991 active LIR accounts, which partly mitigates this risk in relation to the 2025 income budget. For 2025, we have over 768 LIR accounts from the Ultra High-Risk Countries that have been included in this budget, representing 1.4M EUR.

Although significant effort has been invested to solve these issues, the complexity of the situation did not allow us, as the RIPE NCC, to offer a solution. So this specific risk continues to be marked as high likelihood and high impact. Our mitigation of this risk is to not issue invoices for our members in Ultra High-Risk Countries. We will continue to invest time to find a workable solution, but due to the complexity of the situation and the limits imposed by anti-money laundering requirements, there are no straightforward solutions.

In 2024, the risk of decreased income materialised again, also due to a lower number of new LIR accounts than budgeted. This has also been taken into account in the 2025 income budget, lowering the budgeted new LIR account number from 1,600 to 600, which is more realistic. Furthermore, our financial governance, supported by our monthly financial forecasting and reports, has enabled us to more effectively monitor our costs, enabling us to stop spending where possible, as shown by the 2024 expenses being 1.95M EUR under budget. The financial situation of the RIPE NCC remains sound, with a Clearing House reserve of 32.7M EUR as of 31 December 2024.

3. COMPLIANCE RISKS

Compliance with laws and regulations

The RIPE NCC is obligated to comply with all applicable legislation, including, but not limited to, EU sanctions and GDPR. Non-compliance can expose us to liability, which may be translated to financial damages and a negative impact on the RIPE NCC’s reputation.

Sanctions remain a complex topic for the RIPE NCC, and the geopolitical situation in our service region has not helped our efforts to investigate the possibility of a blanket exemption from all EU sanctions for Internet number resources. Operationally, we have incorporated controls and established processes to improve our extensive and continuous due diligence process for all our members and suppliers, which includes automated sanctions screening using third-party tools.

We are continuously improving our ways of working and our tooling for processing and storing the personal data we process as part of providing RIPE NCC services. We have identified that some of our Authoritative DNS services directly fall under the Network and Information Security Directive (NIS2) and have already begun preparations to ensure full alignment with its requirements by implementing industry best practices and standards.

As an organisation, we also recognize our role in the supply chain and the importance of maintaining robust cybersecurity and operational resilience. We acknowledge that several of our members are required to comply with NIS2 and the Digital Operational Resilience Act (DORA), and we are committed to implementing an adequate level of security and providing external attestation hereof.

4. OPERATIONAL RISKS

We are committed to providing world-class services to our members, utilising modern technology. A complex technology ecosystem, outdated software and legacy systems can induce delays and process inefficiencies and could lead to security risks. We are aligning our processes and ways of working to comply with the ISO 27001:2022 security standard. Through this initiative, we are formalising our security policies and procedures and dedicating resources to keeping our technology ecosystem current, controlled and safeguarded against critical vulnerabilities.

In 2024, we focused on improving the security of our member accounts and reducing the risk of account takeovers by enforcing the mandatory use of two-factor authentication and making our login process and account verification stronger. We also identified opportunities to enhance the resilience of our infrastructure and are actively working to strengthen business continuity measures to ensure uninterrupted service in the event of disruptions.

To demonstrate our commitment to the security and integrity of our RPKI service, we have successfully obtained a Service Organisation Control 2 (SOC 2) Type 1 attestation, ensuring alignment with the SOC 2 Trust Services Criteria: Security, Availability, Confidentiality, and Processing Integrity. Acquiring the SOC 2 Type 2 attestation for RPKI is planned for 2025. The assurance engagement was conducted in accordance with ISAE 3000, an international standard for assurance engagements, assessing the effectiveness of non-financial controls.

The rising requirements and expenses associated with data storage have strained our budget, leading to a shift in our infrastructure strategy. In 2024, our primary objective was to optimise the cost of storing historical data for the RIPE Atlas service. Through a re-architecture of the RIPE Atlas service, we successfully enhanced the efficiency of our infrastructure investments, achieving a substantial reduction in storage costs.

The ability to communicate important updates to our members is essential to the operation of our services and engagement with the RIPE community. Email industry standards introduced in 2024 posed challenges for our outreach activities. We have implemented best practices for email communication, ensuring compliance with industry standards, and we will continue to actively monitor email deliverability. This will help to maintain reliable communication with our members and prevent disruptions in critical updates and engagement.

Signed by Raymond Jetten
RIPE NCC Executive Board Treasurer
7 March 2025
RIPE NCC
Amsterdam, the Netherlands

Financial Statements 2024

BALANCE SHEET AS OF 31 DECEMBER 2024 (in kEUR)

Before Allocation of Surplus/Deficit (in kEUR)

		31/12/2024		31/12/2023	
FIXED ASSETS					
Tangible Fixed Assets	[1]				
Hardware		1,223		1,707	
Infrastructure		42		48	
Office Equipment		11		19	
			1,276		1,774
Financial Fixed Assets	[2]				
Long-Term Investments at Fair Value		2,549		7,028	
Investments in Subsidiaries		13		-	
			2,562		7,028
CURRENT ASSETS					
Receivables					
Accounts Receivable	[3]	126		238	
Taxes and Social Security Contributions	[4]	548		489	
Miscellaneous Receivables	[5]	5,615		4,114	
Short-Term Investments at Fair Value	[6]	16,294		6,599	
			22,583		11,440
Cash at Banks and in Hand	[7]		16,139		21,689
TOTAL ASSETS			**42,560**		**41,932**
CAPITAL AND LIABILITIES					
Capital	[8]				
Clearing House		32,678		32,132	
Surplus/Deficit after Taxation		385		546	
			33,063		32,678
Current Liabilities	[9]				
Trade Creditors		718		729	
Taxes and Social Security Contributions		978		934	
Other Liabilities, Accruals and Deferred Income		7,801		7,591	
			9,497		9,254
TOTAL CAPITAL AND LIABILITIES			**42,560**		**41,932**

STATEMENT OF INCOME AND EXPENDITURES 2024 (in kEUR)

Before Allocation of Deficit/Surplus (in kEUR)

		Actuals 2024		Budget 2024		Actuals 2023	
Income	[10]						
Member Fees		34,064		35,600		36,926	
Member Sign-up Fees		921		1,600		809	
RIPE Meetings		250		300		250	
Other Income		497		500		419	
Redistribution of Member Fees		-		-		(1,100)	
TOTAL INCOME			**35,732**		**38,000**		**37,304**
Expenditures							
Payroll and Personnel Expenditures	[11]	22,801		22,950		22,142	
Other Operating Expenditures	[12]	12,828		14,500		14,385	
Depreciations and Amortisations	[13]	621		750		732	
TOTAL EXPENDITURES			**36,250**		**38,200**		**37,259**
Financial Income and Expenditures	[14]						
Interest Income		470		-		268	
Interest Expenditures		(70)		-		-	
Result Exchange Differences		(44)		-		(67)	
Revaluation of Investments at Fair Value		547		400		323	
TOTAL FINANCIAL INCOME AND EXPENDITURES			**903**		**400**		**524**
SURPLUS/DEFICIT BEFORE TAXATION			**385**		**200**		**568**
Corporate Income Taxes	[15]		-		-		23
SURPLUS/DEFICIT AFTER TAXATION			**385**		**200**		**546**

CASH FLOW STATEMENT 2024 (in kEUR)

The cash flow has been drawn up using the indirect method.

		2024		2023
Operating Result		**(518)**		**45**
Adjustments for				
Depreciations and Impairments	621		732	
Movement in Provisions	23		-	
		644		732
Changes in Working Capital:				
Receivables	(1,383)		(867)	
Short-Term Liabilities	159		1,783	
		(1,224)		916
Cash Flow from Business Operations		**(1,098)**		**1,693**
Interest Received		408		171
Interest Paid		-		(37)
Corporate Income Tax Paid		(25)		(469)
CASH FLOW FROM OPERATING ACTIVITIES		**(715)**		**1,358**
Cash flow from Investing Activities				
Additions to Tangible Fixed Assets		(131)		(476)
Disposals of Tangible Fixed Assets		8		2
Additions to Financial Fixed Assets		(19,727)		(6,600)
Disposals of Financial Fixed Assets		15,034		900
CASH FLOW FROM FINANCING ACTIVITIES		**(4,816)**		**(6,174)**
Cash Flow from Financing Activities		-		-
CASH FLOW FROM FINANCING ACTIVITIES		**-**		**-**
Currency Differences		(19)		(40)
NET CASH FLOW		**(5,550)**		**(4,856)**
MOVEMENT CASH		**(5,550)**		**(4,856)**

ACCOUNTING POLICIES

1. General Notes

1.1 Activities

The Réseaux IP Européens Network Coordination Centre (RIPE NCC) administers Internet number resources for its members. The RIPE NCC maintains several technical elements vital to the Internet infrastructure, including the public RIPE Database and K-root service. As secretariat to the RIPE community, the RIPE NCC carries out a number of support functions, such as running RIPE Meetings and facilitating the RIPE Policy Development Process.

1.2 Registered office, legal form and registration number at the Chamber of Commerce

The RIPE NCC is a not-for-profit membership association under Dutch law, registered with the Netherlands Chamber of Commerce under number 40539632, located at Stationsplein 11, 1012 AB Amsterdam, the Netherlands.

1.3 Going concern

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the association. Our assumption is based on our Clearing House reserves, stability in member numbers, positive results over the past few years and the positive outlook for 2025 and 2026.

1.4 Judgments and estimates

The RIPE NCC's management makes various judgments and estimates when applying the accounting policies and rules for preparing financial statements. The principal judgments and estimates, including underlying assumptions, are the provision of bad debts. The provision of bad debts is an assumption based on the experience from past years that approximately 1% of existing members will not pay their membership fee. This amount may be increased or decreased due to external circumstances. Assets and liabilities are only offset in the financial statements if and to the extent that:

- An enforceable legal right exists to offset the assets and liabilities and settle them simultaneously; and
- The firm intention is to settle the assets and liabilities on a net basis or simultaneously.

Furthermore, we have identified uncertainty regarding the collectability of membership income from Ultra High-Risk Countries. Therefore, based on the RJ 270 guideline, we did not record any revenue relating to these members.

1.5 Accounting policies for the Cash Flow Statement

The Cash Flow Statement has been prepared using the indirect method. The cash items disclosed in the Cash Flow Statement comprise cash at banks and in hand except for deposits with a maturity longer than 12 months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the Cash Flow Statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the Cash Flow Statement. The value of the related asset and lease liability are disclosed in the notes to the Balance Sheet items. Payments of finance lease installments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

2 General accounting policies

2.1 General
The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards (RJ640 non-profit organisations), as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). Assets and liabilities are generally valued at historical cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the Balance Sheet, Statement of Income and Expenditure and the Cash Flow Statement, references are made to the notes.

2.2 Comparison with previous years
The valuation principles and method of determining the result are the same as those used in the previous year. We made a reclassification in the comparison figures for the financial fixed assets and current assets for comparability reasons. Our externally managed investment portfolio for both 2023 and 2024 is classified under current assets. In the 2023 financial statements, the externally managed investments were classified under financial fixed assets. The reclassifications do not have any effect on the results or equity.

2.3 Foreign currency
2.3.1 Functional currency
The financial statements are presented in euros, which is the functional and presentation currency of the RIPE NCC.

2.3.2 Transactions, receivables and liabilities
Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the Balance Sheet date. The translation differences resulting from settlement and conversion are credited or charged to the Statement of Income and Expenditure, unless hedge accounting is applied. Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date. Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

2.4 Leasing
2.4.1 Operational leasing
The association may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit nor incurred by the association. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the Statement of Income and Expenditure for the duration of the contract.

2.5 Consolidation Principles
The legal entity 'RIPE NCC Middle East FZ-LLC' in Dubai, United Arab Emirates, is included in the RIPE NCC's 2024 financial statements. A legal entity is included in the financial statements of the RIPE NCC if the RIPE NCC has the ability to exercise control or can otherwise govern its financial and operational activities.

Since the RIPE NCC has control due to ownership and board members over the resources of RIPE NCC Middle East FZ-LLC, it is valued individually using the equity method. Due to its immaterial significance relative to the total of the RIPE NCC, consolidated financial statements have not been prepared.

3. Accounting Policies Applied to the Valuation of Assets and Liabilities

3.1 Tangible fixed assets

Tangible fixed assets are depreciated for the period of economic use. If the depreciation method, useful economic life and/or residual value are subject to changes over time, they are treated as a change in accounting estimates. A tangible fixed asset is derecognised upon sale or when no further economic benefits are expected from its continued use or sale. The gain or loss arising from the disposal is booked to the Statement of Income and Expenditure. Tangible fixed assets in use by the organisation are carried at the cost of acquisition, net of accumulated depreciation and, where applicable, accumulated impairment losses. Tangible fixed assets carried at cost do not include capitalised interest charges. Hardware, infrastructure and office equipment are written off after five years and depreciated on a straight-line basis. The threshold for capitalising fixed assets is EUR 500. Tangible fixed assets are depreciated on a straight-line basis over their estimated useful economic lives, taking the residual value into account.

3.2 Financial fixed assets

Financial fixed assets consist of Long-Term investments at fair value and Investments in subsidiaries. Our Index Fund position was sold in May 2024. The fair values of these quoted securities are based on price quotations at the reporting date. Changes in the fair value are directly recognised in the Statement of Income and Expenditure.

3.2.1 Long-Term investments at fair value

Long-term investments classified under financial fixed assets consist of government bonds. These investments are measured at fair value based on quoted market prices at the balance sheet date. Changes in fair value are recognised directly in the Statement of Income and Expenditure in the period in which they occur.

3.2.2 Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the separate financial statements. The carrying amount of the investment is adjusted based on the net asset value of the subsidiary, and any changes in the carrying amount are reflected in the Statement of Income and Expenditure. The result from the subsidiary is recognised directly in the Statement of Income and Expenditure, reflecting the share of the subsidiary's income or loss.

For subsidiaries with a functional currency other than the reporting currency of the parent, the investment is translated at the exchange rate as of the Balance Sheet date (i.e., the closing rate on 31 December). Any exchange rate differences arising from the translation of the investment are recognised in the Statement of Income and Expenditure.

3.3 Current receivables

Current receivables, excluding short-term investments, are initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a current receivable is uncollectible, it is written off against the provision account for trade receivables.

3.3.1 Short-Term investments at fair value

Short-term investments classified under current assets consist of investments managed by an external investment partner. These investments are measured at fair value, which is determined based on quoted market prices at the reporting date. Unrealised gains and losses resulting from changes in fair value are recognised in the income statement in the period in which they occur.

3.4 Cash at banks and in hand

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than 12 months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

3.5 Current liabilities

On initial recognition, current liabilities are recognised at fair value. After initial recognition, current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

4. Principles for the Statement of Income and Expenditure

4.1 General

The surplus/deficit is the difference between the realisable value of the services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised. The surplus/deficit is determined taking into account the recognition of unrealised changes in fair value of the securities as included in the fixed assets.

4.2 Revenue recognition

The net income of the RIPE NCC consists of membership income, RIPE Meeting income and other income after deducting VAT on sales and potentially under a deduction of membership redistribution.

The membership income is based on the Charging Scheme model that is published on our website. The Charging Scheme model is based on the principle that members pay an annual contribution per Local Internet Registry (LIR) account. Members also pay additional fees for independent resources and legacy Internet resources through a sponsoring LIR account. New members or additional LIR account registrations also pay an additional one-time sign-up fee of EUR 1,000 alongside their annual contribution. In 2024, the annual contribution per LIR account was EUR 1,550, and we charged EUR 50 per independent Internet number resource assignment. Members can hold multiple LIR accounts.

The membership income relating to the annual contribution and the additional fees for independent and legacy Internet number resources are recognised over time. The sign-up fees, which are part of the membership income, and all other revenues are recognised at a point in time.

RIPE NCC members approve the Charging Scheme for the next financial year annually via a vote in the first General Meeting of the year. During the second General Meeting of the year, the members vote for a possible redistribution of the surplus (positive or negative) of the current financial year.

4.3 Expenditures

4.3.1. General

Expenditures are determined with due observance of the accounting policies mentioned in this report and are allocated to the financial year to which they relate. Obligations (foreseeable and otherwise) and potential losses arising before the end of the financial year are recognised if they are known before the financial statements are prepared, provided that all other conditions for forming provisions are met. Project funding expenditures are recognised in the year in which the agreements with the funding recipient were signed and announced.

4.3.2 Employee costs

Wages, salaries and social security charges are recognised in the Statement of Income and Expenditure according to the terms of employment to the extent that they are due to either employees or the tax authorities.

4.3.3 Pensions

Pension contributions payable to the pension scheme administrator are recognised as an expenditure in the Statement of Income and Expenditure. Contributions payable or prepaid contributions at year-end are recognised under accruals and prepayments respectively.

4.4 Financial income and expenditure

4.4.1. Interest income and interest expenditures

Interest income and expenditures are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenditures, the recognised transaction expenditures for loans received are taken into consideration.

4.4.2. Currency translation differences

Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised.

4.5 Corporate Income Tax

Tax on the result is calculated based on the result before tax in the Statement of Income and Expenditure, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs.

5. Financial instruments and risk management

5.1 Market risk

5.1.1. Currency risk

The RIPE NCC mainly operates in Europe, Central Asia and the Middle East. From an income perspective, currency risks are low because invoices are sent to members in EUR only. However, outstanding payable positions are held in several foreign currencies, and bank accounts are also held in USD and AED. Government bonds and securities are held in three different currencies. Based on the RIPE NCC's Treasury Statute, which is reviewed annually by the Executive Board, it was decided that none of these currencies needs to be hedged.

5.1.2. Price risk

The RIPE NCC incurs risk regarding the valuation of Securities and Government Bonds disclosed under financial assets within fixed assets. Market value risk is managed by stratifying the portfolio and imposing limits as described in the RIPE NCC's Treasury Statute.

5.1.3 Interest rate and cash flow risk

Interest rate risk is incurred on interest-bearing receivables (in particular those included in financial assets, securities and cash). No financial derivatives for hedging of the interest rate risk are contracted with regard to the receivables.

5.2 Credit risk

The RIPE NCC does not have any significant concentrations of credit risk.

5.3 Liquidity risk

The RIPE NCC uses several banks in order to avail itself of a range of overdraft facilities. Where necessary, further securities will be furnished to the bank for available overdraft facilities.

BREAKDOWNS OF ITEMS IN THE BALANCE SHEET

Tangible Fixed Assets [1]

	31/12/2024	31/12/2023
Hardware	1,223	1,707
Infrastructure	42	48
Office Equipment	11	19
	1,276	**1,774**

	Hardware	Infra-structure	Office equipment	Total
Carrying amount as of 1 January 2024	1,707	48	19	1,774
Addition	123	7	1	131
Disposals/Retirements	919	-	1	920
Depreciation Disposals	912	-	-	912
Depreciation	600	13	8	621
CARRYING AMOUNT AS OF 31 DECEMBER 2024	**1,223**	**42**	**11**	**1,276**

Cost	7,486	1,434	509	9,429
Depreciation	(6,263)	(1,392)	(498)	(8,153)
CARRYING AMOUNT AS OF 31 DECEMBER 2024	**1,223**	**42**	**11**	**1,276**

In 2024, the net book value of tangible fixed assets decreased from 1.8M EUR to 1.3M EUR. This reduction is mainly due to depreciation charges of 621 kEUR, disposals of 8 kEUR and new investments amounting to 131 kEUR.

We had budgeted 760 kEUR in CAPEX for 2024, with 460 kEUR allocated to Hardware and 300 kEUR to Office Infrastructure. Within Hardware, 100 kEUR was planned for DNS and K-Root, 60 kEUR for RIS, and 300 kEUR for IT Support. Actual spending was significantly lower, with no investments made in DNS and K-Root, 3 kEUR spent on RIS, and 118 kEUR on IT Support.

The 118 KEUR invested in IT Support consisted of 70 kEUR for MacBooks, 60 kEUR for flash storage, and 16 kEUR for VxRail disks for our data centre. Additionally, 7 kEUR was invested in Office Infrastructure, specifically for upgrading our meeting rooms.

Financial Fixed Assets [2]

	31/12/2024	31/12/2023
Long-Term Investments at Fair Value	2,549	7,028
Investments in Subsidiaries	13	-
	2,562	**7,028**

Long-Term Investments at Fair Value

	Government Bonds	Securities	Total
Carrying amount as of 1 January 2024	3,400	3,628	7,028
Addition	-	-	-
Disposals	(859)	(3,516)	(4,375)
Currency Translation Effect	(30)	-	(30)
Unrealised Revaluation/Gain	38	(112)	(74)
CARRYING AMOUNT AS OF 31 DECEMBER 2024	**2,549**	**-**	**2,549**

In the 2024 financial statements, we have revised the classification of our investments. Our in-house managed investment portfolio is now presented under financial fixed assets, while the externally managed investment portfolio is classified under current assets. In the 2023 financial statements, both the in-house and externally managed investments were classified together under financial fixed assets.

As of the end of 2023, our in-house managed portfolio consisted of four government bonds and two Index Funds. During 2024, the Canadian government bond reached its maturity, and the proceeds were transferred back to our bank account.

Additionally, during the year, we decided to sell our Index Funds due to significant volatility in these investments. The proceeds from the sale were reinvested through our external investment manager, marking a shift to a more active investment strategy.

The reason for classifying the externally managed investments under current assets is that they are managed with a much more dynamic approach, involving frequent buying and selling of positions. This contrasts with our in-house managed investments, which were passively held with the intent to hold them until maturity.

Regarding the performance of our in-house managed investments, we realised a negative result of 105 kEUR. Part of this loss was realised due to the sale and maturity of the government bonds, while the remaining portion is unrealised.

Investment in Subsidiaries

	RIPE NCC Middle East FZ-LLC	Total
Carrying amount as of 1 January 2024	**-**	**-**
Addition	13	13
Disposal	-	-
Result (Profit/Loss)	-	-
Exchange Rate Adjustment	-	-
CARRYING AMOUNT AS OF 31 DECEMBER 2024	**13**	**13**

In February 2024, we established a new subsidiary in Dubai. The investment in this subsidiary is valued based on the net asset value method. At present, the subsidiary is not yet operational, but we are actively working on getting it up and running.

Currently, the value of the investment reflects the share capital of 50,000 AED. This amount has not yet been paid by RIPE NCC to the Dubai subsidiary, as we are in the process of opening a bank account for the subsidiary. As a result, alongside the 13 kEUR investment value, you will also find a corresponding 13 kEUR intercompany payable under current liabilities.

Current Receivables

	31/12/2024	Remaining Term > 1 year	31/12/2023	Remaining Term > 1 year
Account Receivable	126	-	238	-
Taxes and Social Security Contributions	548	-	489	-
Miscellaneous Receivables	5,615	106	4,114	115
Short-Term Investments at Fair Value	16,294	-	6,599	-
	22,583	**106**	**11,440**	**115**

The fair value of the receivables approximates the carrying amount due to their short-term character.

Accounts Receivable [3]

	31/12/2024	31/12/2023
Debtors	357	446
Provision for Doubtful Debts	(231)	(208)
	126	**238**

In terms of accounts receivable, it is important to note that outstanding receivables, relative to total income, remain consistently low. However, a significant portion of the outstanding receivables relates to amounts due from Ukraine. These include receivables from 2022, 2023, and the bulk invoicing for early 2024. A smaller portion consists of new LIR accounts invoiced in recent months.

In light of ongoing conflicts, we have provided the possibility to extend the payment term upon request. The majority of these extension requests came from Ukraine. Given the uncertain situation, we have fully provided for 100% of these amounts, as there is a risk that these debts may never be collected. Additionally, in accordance with Dutch accounting standards, unpaid invoices relating to the following year are not recognised in the current year's financial statements, ensuring a clear representation of outstanding annual service fees for 2024 or earlier.

Taxes and Social Security Contributions [4]

	31/12/2024	31/12/2023
VAT Receivable	407	373
Corporate Income Tax Receivable	141	116
	548	**489**

As of 31 December 2024, the total short-term tax receivable amounts to 548 kEUR compared to 489 kEUR at the end of 2023. This balance consists of two main components: a receivable related to VAT (Value Added Tax) and a receivable related to Corporate Income Tax. Similar to the previous year, the breakdown of the tax receivables remains consistent.

VAT Receivables

The VAT receivable has increased from 373 kEUR in 2023 to 407 kEUR in 2024. Of this amount, 304 kEUR relates to Dutch VAT, primarily arising from VAT returns for November and December. The increase in the receivable is due to the RIPE NCC's typical bulk invoicing process in January, which leads to significant VAT payable amounts at the beginning of the year. During the remaining months of the year, we generally have a VAT receivable due to higher purchases than sales during these periods.

Foreign VAT Receivables

In addition to the Dutch VAT, the RIPE NCC had foreign VAT receivables totaling 102 kEUR. This amount relates to VAT registrations in foreign jurisdictions in connection with the RIPE Meetings the RIPE NCC organises.
Specifically:

- **73 kEUR** pertains to Czech VAT for RIPE 89, which is related to VAT on purchase invoices for organising the event.
- **29 kEUR** is Portuguese VAT for the organisation of RIPE 90 in Lisbon.

Corporate Income Tax (CIT) Receivables

The Corporate Income Tax receivable consists of the pre-paid provisional CIT assessment for 2024. Due to the operational loss incurred by the RIPE NCC in the current financial year, no CIT liability is due. As a result, the amount paid under the provisional tax assessment will be refunded. This receivable reflects the expected tax refund based on the provisional assessment for 2024. As per our tax ruling with Dutch Tax authorities, we are not allowed to carry forward any fiscal losses.

Miscellaneous Receivables [5]

	31/12/2024	31/12/2023
Interest Receivable	183	121
Prepayments	1,810	1,589
Other Receivables	3,622	2,404
	5,615	**4,114**

The balance for Miscellaneous Receivables has increased from 4.1M EUR as of 31 December 2023 to 5.6M EUR as of 31 December 2024.

Firstly, the interest receivable has grown from 121 kEUR at the end of 2023 to 183 kEUR at the end of 2024. This increase is primarily due to improved interest rates, but also as a result of the strategic management of funds. The RIPE NCC has optimised its cash management by actively shifting funds across various bank accounts to maximise interest earnings.

Secondly, the prepayments at year-end 2024 amounted to 1.8M EUR, compared to 1.6M EUR at the end of 2023. These prepayments primarily relate to subscriptions, licences, service contracts and event-related costs, which are paid in advance for the upcoming periods.

Finally, the most significant change is in the category of other receivables, which increased from 2.4M EUR at the end of 2023 to 3.6M EUR at the end of 2024. This rise is mainly due to postponed invoicing for members in Ultra High-Risk Countries. Specifically, it includes postponed billing for a small portion of the 2021 financial year, as well as for the full years 2022, 2023, and now also 2024. The increase in this category is largely explained by the 2024 portion of postponed invoices for these members.

In summary, the overall increase in Other Receivables is primarily driven by the postponed invoicing for members in Ultra High-Risk Countries, alongside the changes in interest receivable and prepayments.

Short-Term Investments at Fair Value [6]

	Total
Carrying amount as of 1 January 2024	**6,599**
Addition	19,727
Disposal	(10,659)
Currency Translation Effect	-
Revaluation	627
CARRYING AMOUNT AS OF 31 DECEMBER 2024	**16,294**

Short-Term Investments

The short-term investments consist of investments managed by an external partner, with whom we began collaborating at the end of 2023. In the 2023 financial statements, these investments were classified under financial fixed assets. However, in 2024, we decided to reclassify these investments under current assets due to their more dynamic nature, characterised by frequent buying and selling, which gives them a shorter-term investment profile.

At the end of 2023, we had transferred 10.0M EUR to the external investment manager. Of this amount, 6.4M EUR had been invested by year-end, while 3.4M EUR remained in cash and cash equivalents on the investment account. In early 2024, most of this 3.4M EUR had been invested.

Additionally, in light of the strong performance of our externally managed portfolio and the volatility of our in-house managed Index Funds, we decided to invest a further 5.7M EUR through the external manager. This investment was funded by the sale of the Index Funds that were part of our in-house managed portfolio for 3.5M, which is reflected in our total sales of securities. An additional 2.2M EUR was invested, sourced from our deposits recorded under cash and cash equivalents.

It is important to note that while the movement schedule shows a substantial amount in total purchases and sales of securities, this reflects the more dynamic nature of external portfolio management. Positions are actively bought and sold, with proceeds reinvested into new positions.

Overall, the externally managed investment portfolio has contributed positively to our financial performance. We achieved a strong financial result of 627K EUR on these investments, while our in-house managed portfolio reported a loss of 113K EUR. This shift to external investment management has led to a more active investment approach, increased transaction activity, and improved overall portfolio performance.

Cash at Banks and in Hand [7]

	31/12/2024	31/12/2023
ABN AMRO Bank N.V.	5,214	5,752
Rabobank	5,339	10,204
ING Bank N.V.	5,560	2,316
UBS Europe SE	10	3,401
National Bank of Abu Dhabi	15	16
Cash in Hand	1	-
	16,139	**21,689**

As of 31 December 2024, the total balance of cash and cash equivalents has decreased from 21.7M EUR at the end of 2023 to 16.1M EUR. The primary reason for this decrease is the significant investment of a portion of our cash reserves through our external investment manager, resulting in a shift from cash and cash equivalents to financial fixed assets.

At the end of 2023, we decided to invest an initial 10.0M EUR via the external investment party. By the end of 2023, approximately 6.6M EUR of this amount had already been invested, with 3.4M EUR remaining in the investor account as part of cash and cash equivalents. The remaining 3.4M EUR was invested early in 2024.

During the course of 2024, we decided to make an additional investment of approximately 5.8M EUR through the external investment manager. Of this, around 3.5M EUR was financed through the sale of Index Funds held in-house, while the remaining 2.2M EUR was invested using our cash reserves at the bank.

Furthermore, there were several shifts between bank accounts throughout the year, aimed at optimising interest income. For instance, interest on cash deposits at one bank was only received up to a balance of 5.0M EUR, making it unnecessary to maintain balances exceeding this amount.

It is also important to note that, as in previous years, cash and cash equivalents still include a bank guarantee of 205 kEUR related to the lease of our Amsterdam office.

All other cash at banks and in hand remains at the disposal of the RIPE NCC.

CAPITAL AND LIABILITIES

Capital [8]

	31/12/2024	31/12/2023
CAPITAL	**33,063**	**32,678**

As of 31 December 2024, the total equity, referred to as "Capital," amounted to 33.1M EUR, which represents approximately 75% of the total balance sheet value of 42.5M EUR. The equity is composed of two primary components: the Clearing House balance and the Surplus for the current financial year.

During the financial year, the equity remained relatively stable. The surplus from the previous year, after redistribution to our members, was added to the Clearing House, totaling 546 kEUR. This reflects the positive performance from the prior year, adjusted after redistribution.

For the current year, we reported a negative operational result, as we experienced an operational loss. However, due to positive financial results - primarily from income earned on investments and interest on bank balances - we achieved a small overall surplus. While operationally we recorded a loss, the non-operational components (such as returns from investments and interest income) offset this, leading to a modest net surplus for the year.

It is important to note that, due to the negative tax result (as the financial returns from investments are not accepted for tax purposes), we have reported a fiscal loss. As a result, no redistribution of surplus to our members occurred this year, as redistributions are based on the fiscal result, which in this case was negative.

A decision was made by the membership to ensure that, in the event of a membership fee deficit, this would not result in additional costs being passed on to the members. Therefore, the fiscal loss will not be reflected as an extra cost item on members' invoices.

Therefore, the RIPE NCC's equity at year-end consists of the Clearing House balance and the Surplus for the current year, which, after redistribution adjustments, reflects the overall positive result despite the operational loss.

The Capital, remains robust at 33.1M EUR, in relation to a total balance sheet of 42.5M EUR. Our Capital divided by our total expenses results in a Capital Expense Ratio of 91% for the year, meaning that, in the event of zero revenue, the company could cover 91% of its 2024 operational expenses using its reserves. In comparison, the Capital Expense Ratio for the previous year was 88%, showing a slight improvement in the company's ability to cover its costs from its equity.

This high ratio illustrates the company's strong financial position, ensuring that the organisation can sustain its operations even in the absence of revenue, and further underscores the solid financial foundation going forward.

	Clearing House	Surplus/ Deficit after Taxation	Total
Carrying amount as of 1 January 2024	**32,132**	**546**	**32,678**
Addition of the Surplus 2023	546	(546)	-
Surplus after Taxation 2024	-	385	385
CARRYING AMOUNT AS OF 31 DECEMBER 2024	**32,678**	**385**	**33,063**

Current Liabilities [9]

	31/12/2024	31/12/2023
Trade Creditors and Suppliers	718	729
Taxes and Social Security Contributions	978	934
Other Liabilities, Accruals and Deferred Income	7,801	7,591
	9,497	**9,254**

All current liabilities fall due within one year. The fair value of current liabilities approximates the book value due to their short-term nature.

Trade Creditors

	31/12/2024	31/12/2023
Trade Creditors	718	729
	718	**729**

The creditors position remains in line with the previous year, reflecting consistent payment practices and stable purchasing activities. The slight decrease compared to last year is mainly due to timing differences in the settlement of liabilities.

Taxes and Social Security Contributions

	31/12/2024	31/12/2023
Wage Tax Payable	978	934
Corporate Income Tax	-	-
	978	**934**

The wage tax payable has increased in line with the growth in full-time equivalents (FTEs) and staff costs.

Other Liabilities, Accruals and Deferred Income

	31/12/2024	31/12/2023
Deferred Income	3,711	2,561
Accruals	917	789
Payable Employee Expenses	2,856	2,809
Redistribution of Members' Fees	304	1,432
Intercompany Payable	13	-
	7,801	**7,591**

The total balance of other liabilities, accruals and deferred income has increased from 7.6M EUR as of 31 December 2023 to 7.8M EUR as of 31 December 2024. This increase is attributed to changes in the following four subcategories:

Deferred Income:
Deferred income has increased from 2.6M EUR to 3.6M EUR. This balance consists of amounts that were postponed for invoicing to members in Ultra High-Risk Countries since 2022. The invoicing has been postponed due to banking restrictions, as we are currently unable to receive payments from or transfer funds to these countries. As a result, 3.6M EUR remains as deferred income, representing the amounts that still need to be invoiced to these members in the future when the situation allows.

Accruals:
Accruals have increased from 0.8M EUR to 0.9M EUR. This increase reflects various

types of provisions for expenses that have been incurred but not yet invoiced or paid. These include accrued costs for services that we have received but that have not yet been invoiced to us by third parties as of 31 December 2024. Additionally, the increase is due to other provisions, such as the ICANN contribution, shared costs on behalf of the Number Resource Organization (NRO), and the Community Projects Fund (CPF) for 2024.

Payable Employee Expenses:
The payable employee expenses liability has increased slightly from 2,809 kEUR to 2,856 kEUR. This minor increase aligns with a modest rise in the number of full-time employees (FTEs) and higher average salaries per FTE, in line with the broader trend of rising wages in the Netherlands. The liability includes provisions for vacation pay (8%, payable in May), unused vacation days, performance bonuses (which have decreased by 50 kEUR to 460 kEUR compared to the previous year), and secondary benefits.

Redistribution to Members:
Redistribution to members has decreased from 1.4M EUR to 0.3M EUR. This reduction is due to the absence of a positive operational result in 2024. In the previous year, the redistribution was higher due to a positive operational result. However, in 2024, we experienced a negative operational result, which led to a reduction in the redistribution amount. The remaining 0.3M EUR relates to unprocessed redistribution for the 2022 fiscal year for members in Ultra High-Risk Countries, which has not been executed due to the fact that invoicing has not occurred for these members, and financial transactions with these countries are currently not possible.

Intercompany Payable:
The intercompany payable of 13 kEUR relates to the outstanding share capital of the newly established subsidiary in Dubai, which has not yet been transferred. As the process of opening the subsidiary's bank account is still ongoing, the payment of the 50,000 AED share capital is currently pending. This payable reflects the amount owed by RIPE NCC to the Dubai subsidiary once the bank account is opened and the payment can be processed.

ARRANGEMENTS AND COMMITMENTS NOT SHOWN IN THE BALANCE SHEET

Office Lease

	Total
Obligations to pay:	
Within one year	670
Between one and five years	558
After five years	-
	1,228

The office lease commitments relate to our offices in Amsterdam and Dubai. For Amsterdam, a bank guarantee of 204 kEUR is issued.

Other Lease Agreements

	Total
Obligations to pay:	
Within one year	-
Between one and five years	-
After five years	-
	-

Other Commitments Not Shown in the Balance Sheet

	Total
Obligations to pay:	
Within one year	3,350
Between one and five years	598
After five years	-
	3,948

BREAKDOWN OF ITEMS IN THE STATEMENT OF INCOME AND EXPENDITURE

Income [10]

Member Fees

	2024	Budget 2024	2023
Service Fees Existing Members	32,027	33,325	34,929
Independent Resource Fees	1,047	1,010	1,095
Service Fees New Members	957	1,240	858
Re-opening Fees	33	25	44
Other	-	-	-
	34,064	**35,600**	**36,925**

In 2024, the RIPE NCC realised 34,064 kEUR in member fees, slightly below the budgeted amount of 35,600 kEUR. The variance of 1.5M EUR is primarily due to two factors.

First, a significant part of the variance is due to the fact that a solution for collecting income from members in Ultra High-Risk Countries (UHRC) has not yet been found. Although this was expected, the UHRC income was included in the 2024 income budget, and the inability to fully address this issue means that these members have still not been invoiced, impacting the actual income for the year.

Second, the lower-than-expected number of new LIR accounts also contributed to the shortfall. In 2024, RIPE NCC welcomed 957 new LIR accounts, compared to the budgeted 1,600 new LIR accounts. The reduced number of new LIR accounts is largely due to market conditions and delays in the registration process, which has affected the expected sign-up fee income.

Member Sign-Up Fees

	2024	Budget 2024	2023
Member Sign-Up Fees	921	1,600	809
	921	**1,600**	**809**

In 2024, we welcomed 957 new LIR accounts, compared to the budgeted 1,600. Of these 957 new LIR accounts, 88 were from Ultra High-Risk Countries. As a result, we postponed invoicing for these 88 LIR accounts, and no income has been recorded for them. The difference of variance between the recorded sign-up fees and the total number of new LIR accounts (excluding Ultra High-Risk Countries) can be attributed to the timing of income recognition. We record the sign-up fee when it is paid, while the total number of new LIR accounts is calculated based on the activation date according to our internal systems. There is a gap between the activation date in our internal systems and when we recognise the sign-up fee income.

RIPE Meetings

	2024	Budget 2024	2023
RIPE Meetings	250	300	250
	250	**300**	**250**

In 2024, the RIPE NCC generated 250 kEUR in revenue from ticket sales for the RIPE Meetings, which is consistent with the result from 2023. The originally budgeted amount for this income was 300 kEUR. The actual result has been 50 kEUR below budget, which is mainly due to lower ticket sales than anticipated, influenced by market conditions and event participation.

We held two RIPE Meetings in 2024: one in Kraków, Poland (May 2024) and another in Prague, Czech Republic (October 2024). The RIPE Meetings income consists primarily of entrance fees from ticket sales for the RIPE Meetings and the RIPE Dinner. These tickets include day passes, weekend passes, student tickets, as well as fees for attending the RIPE Dinner. It is important to note that the ticket prices only make a small contribution toward covering the actual costs of organising the event.

It is not the RIPE NCC's (primary) goal to generate a profit from RIPE Meetings. As a not-for-profit association, our aim is to foster collaboration, share knowledge, and bring the community together within the field of Internet infrastructure. In line with previous years, the events generate a financial loss, but this loss is offset by the membership fees.

We also receive sponsorship income specific to the RIPE Meetings. However, this sponsorship income is accounted separately under Other Income and is not included in the RIPE Meetings income.

We remain committed to organising accessible and effective RIPE Meetings that support the broader goals of our not-for-profit association, its members and the RIPE community.

Other Income

	2024	Budget 2024	2023
Sponsorship Income	478	500	387
Other Income	19	-	32
	497	**500**	**419**

In 2024, the RIPE NCC generated 497 kEUR in Other Income, compared to 419 kEUR in 2023 and a budgeted amount of 500 kEUR. Other Income primarily consists of sponsorship income. Of the 497 kEUR total for 2024, 478 kEUR represents sponsorship income (2023: 387 kEUR). The remaining portion of Other Income includes various other sources, such as income from the sale of hardware (e.g. laptops and phones) to (former) employees.

Sponsorship income can be divided into two categories: sponsorship for the RIPE Meetings and sponsorship income through regional meetings and measurements initiatives. In 2024, 309 kEUR of the sponsorship income related to the RIPE Meetings (2023: 176 kEUR), while 170 kEUR came from other sponsorships (2023: 211 kEUR). The increase in sponsorship income is primarily driven by higher sponsorship income for the RIPE Meetings.

A significant portion of the increase in RIPE Meeting sponsorship income can be attributed to a large sponsorship contribution from a related party. This related party, which is led by one of our Executive Board members, played a key role in facilitating the organisation of the RIPE Dinner at the National Museum in Prague. This sponsorship is further explained under the section transactions with related parties.

Although sponsorship income represents a relatively small portion of the RIPE NCC's total income, we are very pleased with this result. It highlights the valuable and ongoing support we receive from our sponsors, and we continue to be grateful for their contributions.

Redistribution of Member Fees

	2024	Budget 2024	2023
Redistribution of Member Fees	-	-	(1,100)
	-	**-**	**(1,100)**

There was no redistribution of member fees from 2024. This is due to the operational deficit incurred during the year. However, when reviewing the Profit and Loss statement, a small surplus appears. This surplus is primarily driven by financial results that fall outside of normal operations, such as unrealised gains on government bonds and Index Funds, as well as interest income from our bank balances. These items are not included in the calculation for redistribution.

During the General Meeting in November 2024, the members approved the following resolution regarding the redistribution of the excess contribution or deficit for the financial year 2024:

- In the case of an excess contribution, this will be redistributed to the membership in 2025 according to the RIPE NCC Clearing House procedure.
- In the case of a deficit, it will be covered by the RIPE NCC Reserves.

As there is no excess contribution arising from operational activities in 2024, no redistribution will take place.

Income per Region

	31/12/2024	31/12/2023
Western Europe	22,329	23,423
Eurasia	4,269	6,119
Middle East	3,183	2,613
Central Europe	2,637	2,770
South East Europe	1,648	1,922
Other	1,666	1,557
	35,732	**38,404**

Please note that the income per region does not include the redistribution of member fees.

Expenditures

Payroll and Personnel Expenditures [11]

	2024	Budget 2024	2023
Wages and Salaries	17,799	17,750	17,117
Social Security Charges	2,283	2,150	2,138
Pension Contributions	2,011	2,140	1,934
Miscellaneous Employee Expenditures	708	910	953
	22,801	**22,950**	**22,142**

Personnel costs increased from 22,142 kEUR in 2023 to 22,801 kEUR in 2024, which represents an increase of 659 kEUR. This growth is slightly below the budgeted amount of 22,950 kEUR for 2024.

The rise in personnel costs can primarily be explained by two factors. First, there was a moderate increase in the number of full-time equivalents (FTEs), from 180.7 in 2023 to 182.9 in 2024. Although the FTE count rose, it was still lower than the budgeted 187.3 for the year, reflecting a relatively stable workforce with low turnover.

Second, annual salary increases, driven by performance reviews and employee progression, contributed to the overall increase in personnel costs. As employees gain more experience and seniority, their salaries naturally increase. Additionally, the competitive labor market in the Netherlands continues to put upward pressure on wages, which has also influenced the overall rise in personnel costs.

Average Number of FTEs

In 2024 182.9 average FTE were employed compared to 180.7 in 2023. Four of these FTEs were employed outside of the Netherlands.

	2024	Budget 2024	2023
The Registry	71.4	70.2	70.0
Information Services	37.0	38.4	40.6
External Engagement & Community	42.0	43.4	38.8
Organisational Sustainability	32.5	35.3	31.3
TOTAL NUMBER OF FTE	**182.9**	**187.3**	**180.7**

Average Number of Employee of Record (EoR)

In 2023, the RIPE NCC began using a construction called Employee of Record (EoR). This facilitates any business need for the RIPE NCC to employ an FTE outside the Netherlands. In this solution, the employee has an employment contract with an external service provider, and work is performed on a consultancy basis for the RIPE NCC. In 2024, we had an average of 3.8 EoR for a total cost of 519 kEUR (2023: 164 kEUR). These costs are recorded under Consultancy.

	2024	Budget 2024	2023
The Registry	-	-	-
Information Services	-	-	-
External Engagement & Community	3.8	5.0	1.4
Organisational Sustainability	-	-	-
TOTAL NUMBER OF EoR	**3.8**	**5.0**	**1.4**

Remuneration of the Executive Board

The RIPE NCC Executive Board does not receive remuneration or a fixed expense reimbursement. Board members are reimbursed for travel expenses incurred while attending Board meetings and other Internet coordination meetings, as well as for educational expenses related to their function. These costs decreased from 152 kEUR in 2023 to 123 kEUR in 2024.

Executive Board Travel Expenses

To provide transparency on travel costs associated with the Executive Board we have provided an overview of costs per event for 2024 and 2023. Please note that travel may be combined, and that travel costs for Executive Board meetings vary greatly per Board member depending on their place of residence.

	2024			2023		
	Total Cost	Number of Trips	Average Cost per Trip	Total Cost	Number of Trips	Average Cost per Trip
RIPE NCC Events (incl. RIPE Meetings)	26.1	23	1.1	36.8	20	1.8
Board Meetings	29.8	27	1.1	44.9	28	1.6
Other RIR Events	18.4	5	3.7	28.3	6	4.7
Internet Governance Events and Technical Meetings	35.4	6	5.9	28.4	6	4.7
Miscellaneous Expenses	13.5			13.3		
TOTAL COSTS	**123.2**			**151.7**		

Remuneration of RIPE NCC Management

	2024	2023
Base Pay	1,733	1,535
Pension	212	194
Performance Bonus	95	131
Other	83	57
TOTAL REMUNERATION	**2,123**	**1,917**

In 2024, the RIPE NCC's Executive Team consisted of the Managing Director, Chief Registry Officer, Chief Technology Officer, Chief Community Officer, Chief Legal Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Information Security Officer and the Senior Executive Assistant to the Managing Director. The Chief Registry Officer started in Q4 2023 and left in Q3 2024.

The main principles of the RIPE NCC remuneration policy are based on a balanced approach between market competitive standards, the ratio between fixed and variable pay, and the economic and social contribution of the RIPE NCC.

Other Operating Expenditures [12]

	2024	Budget 2024	2023
Housing & Insurances	1,568	1,425	1,340
Office Expenses	647	800	617
Contributions	956	1,200	962
Information Technology	3,586	3,500	3,700
Travel	1,027	950	997
Consultancy	2,985	3,300	3,888
Outreach & PR	1,389	2,600	2,175
Bank Charges	314	375	321
Bad Debt	356	350	385
	12,829	**14,500**	**14,385**

Other operating expenditures decreased from 14.4M EUR in 2023 to 12.8M EUR in 2024, a reduction of 1.6M EUR. The actual expenses were also below the budgeted amount of 14.5M EUR for 2024, reflecting the success of our cost-saving efforts. Outreach & PR came in 1.2M EUR under budget. This cost reduction was mainly due to intentional efforts to reduce costs wherever possible. Notably, the two RIPE Meetings were much less costly than originally anticipated, combined with a mid-year adjustment to travel expenses and conservative 2024 budget projection.

Furthermore, Office Expenses came in at 153 kEUR (-19%) under budget, and Consultancy at 350 kEUR (-10%) under budget. These savings were driven by a shift in our organisational culture towards more careful management and review of spending. Bank Charges also decreased by 7 kEUR compared to 2023 and came in at 61 kEUR (-16%) under budget.

However, there were some areas where costs exceeded the budget. Housing & Insurances costs were 143 kEUR (+10%) over budget, primarily due to a high and delayed utility settlement invoice for 2023. Travel expenses were 77 kEUR (+8%) over budget, mainly due to a mid-year reallocation of costs associated with the RIPE Meetings and training travel for more accurate tracking. Information Technology costs were slightly over budget by 86 kEUR (+2%) due to delays in reducing our data centre footprint, although savings on software licences helped offset these additional expenses. Lastly, Bad Debt was 6 kEUR (+2%) over budget, due to outstanding membership invoices linked to ongoing uncertainty and conflicts in the service region. Despite this, Bad Debt remains well below 1% of total revenue.

Depreciations and Amortisations [13]

	2024	Budget 2024	2023
Hardware	600		707
Infrastructure	13		15
Office Equipment	8		10
	621	**830**	**732**

Depreciation expenses decreased from 732 kEUR in 2023 to 621 kEUR in 2024, which is 111 kEUR lower. The actual depreciation expenses were also below the budgeted amount of 830 kEUR for 2024.

This reduction can be primarily attributed to lower capital expenditures in 2024, particularly in relation to IT hardware and office investments. With fewer significant investments in depreciable assets during the year, the overall depreciation expense has naturally decreased. The CAPEX for IT in 2024 was lower than expected due to delays in the reduction of the data centre.

Financial Income and Expenditures [14]

	2024	Budget 2024	2023
Interest Income	470	-	268
Interest and Other Financial Expenditures	(70)	-	-
Result Exchange Differences	(44)	-	(67)
Revaluation of Investments at Fair Value	547	400	323
	903	**400**	**524**

We are pleased to report a positive financial result of 903 kEUR for 2024, an increase from 524 kEUR in 2023 and well above the budgeted 400 kEUR.

A key contributor to this result was the 470 kEUR in positive interest income, which represents a substantial increase compared to 268 kEUR in 2023. This growth was driven by both favourable interest rates and the proactive efforts of our Finance Department to optimise interest income. Throughout the year, the team actively moved funds between bank accounts to maximise returns. For example, interest on cash deposits at one bank was only received up to a balance of 5.0M EUR, allowing us to reduce balances exceeding this amount and avoid unnecessary costs.

In addition to the positive interest income, we also achieved favourable results from our investments. A significant factor in this was the transition to external portfolio management. At the end of 2023, we transferred 10.0M EUR to an external investment manager, of which 6.4M EUR had been invested by year-end, while 3.6M EUR remained in cash and cash equivalents on the investment account. In early 2024, the remaining 3.6M EUR was largely invested.

Given the strong performance of our externally managed portfolio and the volatility of our in-house managed investment portfolio – particularly as these caused notable losses at the start of 2024 – we made the decision to invest an additional 5.7M EUR through the external manager. This investment was funded by the sale of in-house-managed Index Funds, amounting to 3.5M EUR, which is reflected in our total securities sales.

Overall, we achieved a return of approximately 2.8% on our Clearing House reserves, which was the result of the combination of strategic fund management and rising interest rates. This strong financial result will allow us to offset our operational deficit and contribute 385 kEUR to our Clearing House reserves.

We remain optimistic about our future financial results. Continued positive results will help mitigate the impact of inflation on our Clearing House reserves, in line with the original objectives of the Treasury Project.

Corporate Income Taxes [15]

	2024	2023
Surplus Before Taxes	385	569
Deferred Corporate Income Tax	-	-
Corporate Income Tax Current Financial Year	-	23
Corporate Income Tax Previous Financial Years	-	-
TAXES ON SURPLUS	**-**	**23**

Since 1 January 2015, we have been subject to Corporate Income Tax (CIT). Any surplus will be subject to taxation following redistribution. We have a tax ruling with the Dutch tax authorities that exempts the Clearing House reserve and any capital gains within the reserve from corporate income taxation.

No deferred tax assets are recognised for temporary differences between tax and financial reporting valuations. As per our tax ruling with Dutch tax authorities, we are not allowed to carry forward any fiscal losses.

In 2024, we incurred a taxable loss of 450 kEUR (2023: taxable profit of 124 kEUR). A CIT receivable is recognised on the balance sheet, as we have already paid a preliminary amount of CIT for 2024. However, no tax charge has been recorded for the year due to the taxable loss. A CIT receivable is recognised for the prepaid amount of 141 kEUR.

Subsequent Events

No significant events occurred after the Balance Sheet date.

Related Parties

The RIPE NCC is an independent, not-for-profit membership association and has no parent company or group company. As a result, there are no entities that exercise control or joint control over the RIPE NCC and therefore it has no direct related parties.

However, certain parties are indirectly related to the RIPE NCC. Our Executive Board members are also key senior management personnel for some of our LIR accounts and for certain vendors.

Below are the total transactions with these companies. Please note that all transactions were conducted in the normal course of business. Also, every purchase must be made in accordance with the internal financial governance.

The total incoming transactions from our related parties amount to 211 kEUR, consisting of 57 kEUR received from service fees for LIR accounts and 154 kEUR in sponsorship income for sponsoring the RIPE Meeting. Of the 154 kEUR, 145 kEUR is from CZ.NIC z.s.p.o for sponsoring the RIPE Dinner at RIPE 89.

The total outgoing transactions with suppliers related to our Board members amounts to 56 kEUR:

- CZ.NIC z.s.p.o.
  - 10 kEUR: Annual service fee according to DNS SW KNOT support
  - 1 kEUR: CSNOG sponsoring
- ISOC Organisational (Internet Society)
  - 45 kEUR: Sponsoring

Auditors Fees

Expenditures for services provided by the RIPE NCC independent auditor, EY, in 2024 and in 2023, are specified as follows:

	2024	2023
Audit Fees	71	68
Other Assurance Fees	97	33
Tax Fees	-	-
Other Non-assurance Fees	7	14
	175	**115**

The audit fees listed above relate to the procedures applied to the Association by accounting firms and external independent auditors, including their tax services and advisory groups. These audit fees relate to the audit of the financial statements, regardless of whether the work was performed during the financial year. The other assurance fees relate for the majority to ISAE 3000 project fees.

Signed by Raymond Jetten
RIPE NCC Executive Board Treasurer
7 March 2025
RIPE NCC
Amsterdam, the Netherlands

OTHER INFORMATION

Subsidiaries

In 2023, our office in Dubai was a branch of the main RIPE NCC legal entity established in the Netherlands. In February 2024, we finalised the set-up of a separate legal entity under the name 'RIPE NCC Middle East FZ-LLC' in Dubai, United Arab Emirates. The RIPE NCC Middle East FZ-LLC is fully owned by the RIPE NCC. In 2024, there were zero financial transactions within this entity.

INDEPENDENT AUDITOR'S REPORT

To: the members and directors of Réseaux IP Européens Network Coordination Centre

Report on the audit of the financial statements 2024 included in the Financial report

Our opinion

We have audited the accompanying financial statements for the financial year ended 31 December 2024 of Réseaux IP Européens Network Coordination Centre based in Amsterdam, the Netherlands.

In our opinion, the financial statements give a true and fair view of the financial position of Réseaux IP Européens Network Coordination Centre as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2024
- The profit and loss account for 2024
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Réseaux IP Européens Network Coordination Centre (the organization) in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance- opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics for professional accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other information included in the financial report

The financial report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information.

Description of responsibilities regarding the financial statements

Responsibilities of management and the executive board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the organization's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the organization's ability to continue as a going concern in the financial statements.

The executive board is responsible for overseeing the organization's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an organization to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 7 March 2025

EY Accountants B.V.

signed by B.J.P. Langedijk

SIGNED BY THE RIPE NCC EXECUTIVE BOARD

ONDŘEJ FILIP

MARIA HÄLL

RAYMOND JETTEN

HARALD A. SUMMA

SANDER STEFFANN

PIOTR STRZYŻEWSKI

REMCO VAN MOOK

RIPE NCC
RIPE NETWORK COORDINATION CENTRE

WWW.RIPE.NET