

Explanatory note. For purely informative purposes, without prejudice to possible modifications that may be made to the definitions, the following table summarizes the definitions applicable to the type of project and size of the company.

Concept	Legal Basis	Definition
Industrial Research	Article 2.85) of Regulation (EU) 651/2014.	<i>“industrial research” means planned research or critical studies aimed at acquiring new knowledge and skills that may be useful in developing new products, processes or services, or allow for significant improvement of existing ones; it includes the creation of components of complex systems and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces with existing systems, as well as pilot lines, when necessary for industrial research and, in particular, for the validation of generic technology;</i>
Experimental Development	Articles 2.86), Regulation (EU) 651/2014.	<i>“experimental development”: the acquisition, combination, configuration and use of existing scientific, technological, business or other knowledge and skills for the development of new or improved products, processes or services; it may also include, for example, conceptual definition, planning and documentation of new products, processes or services; experimental development may include prototyping, demonstration, piloting, testing and validation of new or improved products, processes or services in environments representative of actual operating conditions, provided that the primary objective is to bring about new technical improvements to products, processes or services that are not substantially mature; may include the development of prototypes or pilot projects that can be used commercially when they are necessarily the final commercial product and their manufacture would be too costly for their exclusive use for demonstration and validation purposes; experimental development does not include routine or periodic modifications made to products, production lines, manufacturing processes, existing services and other ongoing operations, even though such modifications may represent improvements thereto;</i>
PYME	Article 2.1 of Annex I of Regulation (EU) 651/2014.	<i>The category of micro, small and medium-sized enterprises (SMEs) consists of companies that employ fewer than 250 people and whose annual turnover does not exceed EUR 50 million or whose annual balance sheet total does not exceed EUR 43 million.</i>
Small Business	Article 2.2 of Annex I of Regulation (EU) 651/2014.	<i>In the SME category, a small enterprise is defined as an enterprise that employs fewer than 50 people and whose annual turnover or annual balance sheet total does not exceed EUR 10 million.</i>
Medium Business	It is not expressly defined in the Regulation, but has to be identified by exclusion: “SME” which is not “small enterprise”.	
Small mid-cap company	Article 2. 103. sexies) of Regulation (EU) 2015/1017. Article 2.103. sexies) was introduced by Commission Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) 651/2014.	<i>“Small mid-capitalization enterprise” means an enterprise which is not an SME and the number of employees of which does not exceed 499, calculated in accordance with Articles 3 to 6 of Annex I, the annual turnover of which does not exceed EUR 100 million or the annual balance sheet of which does not exceed EUR 86 million; several entities shall be considered to constitute one enterprise if any of the conditions listed in Article 3(3) of Annex I are met.</i>