

RESEARCH AGENCY

State Aid Scheme for Supporting Business Development and Innovation as amended by Addendum No. 2

Source of funding:	Norway Financial Mechanism 2014-2021 EEA Financial Mechanism 2014-2021
Programme:	Business Development, Innovation and Small and Medium Sized Enterprises
Programme Areas:	a) Green Industry Innovation b) Welfare Technology and Ambient Assisted Living

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A) PREAMBLE

The subject of the State Aid Scheme for Supporting Business Development and Innovation as amended by Addendum No. 2 (hereinafter referred to as the "scheme") is the provision of state aid (hereinafter referred to as the "aid") to increase the competitiveness of Slovak enterprises within two key areas:

- a) Green Industry Innovation,
- b) Welfare Technology and Ambient Assisted Living.

The support will be provided as **Regional Investment Aid under Art. 14** and as **Aid for Research and Development Projects under Art. Article 25** of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty on the Functioning of the European Union, as amended.

The aid under this scheme will be provided in the form of a project grant from the Norwegian Financial Mechanism (NFM) for the programming period 2014-2021, resp. from the Financial Mechanism of the European Economic Area (EEA FM) of the programming period 2014-2021 and the state budget of the Slovak Republic within the program Business Innovation Development and SMEs (hereinafter referred to as the "Programme").

B) LEGAL BASIS

The legal basis for the provision of the aid are the following legal standards:

- Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty¹, as amended (hereinafter referred to as "Commission Regulation No 651/2014"),
- Act No 358/2015 Coll. on the regulation of certain relations in the field of state aid and minimum aid and on amendments to certain acts (State Aid Act) (hereinafter referred to as „State Aid Act“),
- Act No 290/2016 Coll. on the Support of Small and Medium-sized Enterprises and on amendment of Act No 71/2013 Coll. on the provision of subsidies within the competence of the Ministry of Economy of the Slovak Republic, as amended (hereinafter referred to as „Act No 290/2016 Coll.“),
- Act No 523/2004 Coll. on Budgetary Rules of Public Administration and on amendments to certain acts, as amended (hereinafter referred to as "Act No 523/2004 Coll."),
- Act No 343/2015 Coll. on Public Procurement and on amendments to certain acts, as amended (hereinafter the "Public Procurement Act"),
- Act No 575/2001 Coll. on the Organization of Government Activities and Organizations of the Central State Administration, as amended (hereinafter the "Act No 575/2001"),

¹ O. J. EU L 187 of 26 June 2014

- Act No 431/2002 Coll. on Accounting as amended (hereinafter referred to as the "Act on Accounting"),
- Act No 357/2015 Coll. on Financial Control and Audit and on amendments to certain acts, as amended (hereinafter referred to as "Act No 357/2015 Coll."),
- Act No 122/2013 Coll. on the Protection of Personal Data and on amendments to certain acts, as amended (hereinafter referred to as "Act No 122/2013 Coll."),
- Act No 211/2000 Coll. on Free Access to Information and on amendments to certain acts as amended (hereinafter referred to as "Freedom of Information Act"),
- Act No 324/2014 amending and supplementing Act of the National Council of the Slovak Republic No 278/1993 Coll. on the Administration of State Property as amended, and amending and supplementing certain laws.

The provision of aid must comply with the regulations of the relevant legislation governing the provision of assistance from the NFM 2014-2021 and EEA FM 2014- 2021, in particular:

- Agreement on the Norwegian Financial Mechanism for the period 2014-2021 between the Kingdom of Norway and the European Union (hereinafter referred to as "the Agreement"),
- Agreement on the EEA Financial Mechanism for the period 2014-2021 between European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway, annexed to Protocol 38c to the EEA Agreement,
- Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "NFM Memorandum"),
- Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2014-2021 (hereinafter referred to as the "EEA FM Memorandum"),
- Regulation on the Implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "NFM Regulation") issued by the Kingdom of Norway in accordance with Article 10.5 of the Agreement,
- Regulation on the Implementation of the European Economic Area Financial Mechanism 2014-2021 (hereinafter referred to as the "EEA FM Regulation") issued by the Financial Mechanism Committee in accordance with Article 10.5 of Protocol 38c of the EEA Agreement,
- Program Agreement between the Ministry of Foreign Affairs of the Kingdom of Norway and the Office of the Government of the Slovak Republic on the financing of the Business Development, Innovation and Small and Medium Enterprises Programme (hereinafter referred to as the "Programme Agreement").

Non-legislative documents:

- Small Business Act, European Union's initiative to support small and medium-sized enterprises (COM (2008) 394).

C) DEFINITION OF TERMS

Experimental development – acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aimed at the conceptual definition, planning and documentation of new products, processes or services.

Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce it to be used only for demonstration and validation purposes.

Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes represent improvements.

Economic activity – an activity consisting in offering goods and/or services on the market.

SME – micro, small or medium-sized enterprise according to Annex I to Commission Regulation No 651/2014 (Annex 1 to this scheme).

National Focal Point (NFP) – is a national public authority designated by the Beneficiary State having overall responsibility for achieving the objectives of the European Economic Area Financial Mechanism and Norwegian Financial Mechanism and implementing Memoranda of Understandings for both financial mechanisms. The role of the NFP in the Slovak Republic is performed by the Ministry of Investments, Regional Development and Informatization of the Slovak Republic.

Partner – a company selected by the beneficiary (applicant) prior to the submission of the project application, with which the beneficiary concludes a partnership agreement after the approval of the project application (submitted by the applicant). The partner is actively involved in the implementation of the project, shares with the beneficiary a common economic or social goal to be realized by the implementation of the project.

Initial investment – for the purposes of this scheme it is the initial investment under Art. 2 par. 49 letter a) of Commission Regulation No 651/2014, e.g. an investment in tangible and intangible assets related to the setting-up of a new establishment (operation), extension of the capacity of an existing establishment, diversification of the output of the establishment into products not previously produced in the establishment or a fundamental change in the overall production process of an existing establishment.

Enterprise – every entity engaged in an economic activity regardless its legal form or the form of financing.

Enterprise will less than 25% of public ownership – an enterprise whose less than 25% of the capital and voting rights are individually or jointly owned by one or more public law entities (defined in § 261, para. 3-5 of the Commercial Code). At the same time, the following cumulative conditions must be met:

- a. the right to appoint or remove a majority of the members of the administrative, management or supervisory body of that undertaking does not belong to the body or bodies governed by public law;
- b. the body or bodies governed by public law do not have the right to exercise a dominant influence over that undertaking based on a contract concluded with that undertaking or based on a provision in its memorandum or articles;
- c. the body or bodies governed by public law which are shareholders of that undertaking do not control, under a contract with other shareholders of that undertaking or members of that undertaking, a majority of the voting rights of the shareholders or members in that undertaking.

Industrial research – the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing of new products, processes or services or for bringing about a significant improvement in existing products, processes or services.

It comprises the creation of components parts of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as pilot lines, when necessary for the industrial research and notably for generic technology validation.

Recipient – an applicant who has met the conditions set out in the relevant call and in this scheme and the aid provider has concluded a Project Contract with him. The Beneficiary is responsible for the project implementation. The Beneficiary may only be a legal entity registered in the Commercial Register pursuant to § 2 para. 2 letter a) of the Commercial Code² with less than 25% public ownership.

Large enterprise – an enterprise which does not meet the definition of a SME in Annex I to Commission Regulation No 651/2014.

Start of works – the earlier of either the start of construction works relating to the investment, or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible. Buying land and preparatory works such as obtaining permits and conducting feasibility studies, are not considered start of works.

Applicant – an enterprise that submitted a project application; the applicant is responsible for initiating and preparing of the project.

² Act No 513/1991 Coll. Commercial Code as amended

D) AID PURPOSE

The purpose of the aid provided under this scheme is to increase the competitiveness of Slovak companies in two key areas:

- Green Industry Innovation and
- Welfare Technologies and Ambient Assisted Living

Investments will be supported within the two key areas, focusing on:

1. the **application** of innovative technologies/solutions/processes that are already developed, available on the market and adapted by the Beneficiary to its own needs, through **regional investment aid** under Art. 14 of Commission Regulation No 651/2014
2. the **development** of innovative technologies/solutions/processes in which the main activities are user-oriented industrial research and experimental research through **aid for research and development projects** under Art. 25 of Commission Regulation No 651/2014.

The main objective of the EEA FM and the NFM support is to eliminate regional disparities within the European Economic Area (EEA) and to strengthen bilateral cooperation between the Slovak Republic, the Kingdom of Norway, the Icelandic Republic and/or the Principality of Liechtenstein.

E) AID PROVIDER AND IMPLEMENTATOR OF THE SCHEME

Aid provider and implementator of this scheme (hereinafter referred to as the "Provider") is the Programme Operator, i.e. the Research Agency.

Provider:

Research Agency

Unit of Other Supporting Programmes

Department of Cross-sectoral Activities

Sliačska 1

831 02 Bratislava

Slovak Republic

Phone: +421 2 2101 3810

E-mail: norskegranty@vyskumnagentura.sk

Website: www.vyskumnaagentura.sk

F) AID BENEFICIARY

1. The Beneficiary of aid granted under this scheme can only be an enterprise pursuant to Articles 107 of the Treaty on EU and the Treaty on the Functioning of the EU (regardless of their size, i.e. SMEs as well as large enterprises).
2. The Beneficiary of aid granted under this scheme is Recipient and the Partner (if the Partner takes active part in implementation of the project and fulfils terms and conditions of this scheme) according to definition under Article C) of this scheme,
3. Beneficiary of aid granted under this scheme cannot be:
 - an undertaking which is subject of a recovery order pursuant to a previous Commission decision declaring such aid granted by the Slovak Republic to be an unlawful and incompatible with the internal market³, or
 - an undertaking in difficulty under Article 2 (18) of Commission Regulation No. 651/2014 with the exception of enterprises that were not in difficulty as of 31.12.2019, but became undertakings in difficulty from 1.1.2020 to 30.6.2021.
4. Several separate legal entities with controlling interests and other functional, economic and organizational links may be considered as forming one economic unit for the purposes of applying this scheme. This economic unit is then considered to be the relevant undertaking, i.e. Beneficiary of the aid.
5. The Beneficiary must meet the condition that no bankruptcy or restructuring proceedings have been initiated against its assets, bankruptcy proceedings have not been stopped for lack of assets, bankruptcy has not been declared, restructuring has not been authorized and bankruptcy has not been canceled due to lack of assets.
6. The eligibility conditions for the Recipient and the Partner are described in detail in the relevant call for proposals, which is in line with this aid scheme.

G) SCOPE

1. Under this scheme, aid can be granted to all sectors of the economy except for:
 - a) aid to undertakings active in the fisheries and aquaculture sector, covered by the Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organization of the markets in fishery and aquaculture products, amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000;
 - b) aid provided to undertakings active in the primary production of agricultural products;
 - c) aid provided to undertakings active in the processing and marketing of agricultural products, in these cases:

³ Judgement ESD C-188/92 in case „Deggendorf“.

- where the amount of aid is determined on the basis of the price or quantity of such products purchased from primary producers or products placed on the market by the undertakings concerned,
 - if the aid is conditional on being partially or totally transferred to primary producers,
- d) aid provided for closure of coal mines unable to compete on the market as defined in Council Regulation 2010/787/EÚ,
2. If an undertaking operates in one of the sectors referred to in point (a), (b) or (c), while operating in one or more other sectors or engaging in other activities falling within the scope of this scheme, this scheme shall apply to aid provided in respect of those other sectors or to such other activities, under the condition that the Beneficiary shall ensure, by appropriate means, such as segregation of activities or cost differentiation, that activities carried out in the sectors excluded from the scope of this Regulation are not supported by aid granted under this scheme.
3. Under this scheme, aid is not granted for export-related activities to third countries or Member States, namely aid directly related to the quantities exported, for the establishment and operation of a distribution network or other current expenditures relating to the export activity.
4. Under this scheme, aid is not granted for state aid measures whose very content or the conditions attached to them or their financing methods represent an inseparable infringement of laws and regulations of the EU, particular:
- a) aid measures in which the provision of aid is conditional on the Beneficiary having main seat of business or, in particular, was mainly based in the Slovak Republic;
 - b) aid measures in which the granting of aid is conditional on the Beneficiary having to use domestic products and services,
 - c) aid measures restricting Beneficiaries' ability to benefit from research, development and innovation results in other EU Member States.
5. Aid provided under Art. 14 of Commission Regulation No. 651/2014, may not be provided for:
- a) initiatives within steel and coal industry, marine construction or industry of synthetic fabrics,
 - b) initiatives within transportation industry as well interconnected infrastructure and for energy production, its distribution and interconnected infrastructure.
6. In order to provide aid in accordance with this scheme, pursuant to Art. 14 of Commission Regulation No. 651/2014, the NUTS II regions Eastern, Central and Western Slovakia⁴ are

⁴ With the exception of the Bratislava Self-governing Region

eligible. The place of implementation of the eligible project is decisive for the determination of eligibility, not the seat of Beneficiary.

7. In order to provide aid in accordance with this scheme under the Art. 25 of Commission Regulation No. 651/2014, the whole territory of the Slovak Republic is eligible.
8. When providing aid under this scheme, the provision of Art. 1, par. 2, letter (a) of Commission Regulation No. 651/2014 will be respected, which means that this scheme will not apply if the average annual budget for state aid under this scheme exceeds EUR 150 million.

H) ELIGIBLE PROJECTS

1. Aid under this scheme can be provided for:
 - a) a project of an initial investment by the Beneficiary in the application of technologies, processes and solutions in the area of Green Industry Innovation and Welfare Technologies and Ambient Assisted Living in accordance with Art. 14 of Commission Regulation No 651/2014 or
 - b) a research and/or development project in the area of Green Industry Innovation and Welfare Technology and Ambient Assisted Living in accordance with Art. 25 of Commission Regulation No 651/2014.
2. Eligible project according to letter (a) of the preceding paragraph may be aimed at:
 - a) establishment of a new operation,
 - b) expansion of the capacity of existing operation,
 - c) diversification of the production of the operation into products which were not previously produced in the operation; or
 - d) a significant change in the overall production process of an existing operation.
3. Eligible project according to letter (b) par. 1 of this Article may fall into one or more of the following categories:
 - a) industrial research,
 - b) experimental development.

I) ELIGIBLE EXPENSES WITHIN INITIAL INVESTMENT

Eligible expenses in the case of projects under par. 1 letter (a) of the preceding Article are:

- Investment costs incurred in connection with the acquisition of tangible⁵ and intangible⁶ assets,

⁵ Tangible assets are assets consisting of buildings, land and plants, machinery and equipment.

⁶ Intangible assets are assets that do not have a physical or financial form, such as patents, licenses, know-how and other intellectual property.

- Estimated salary costs for jobs created as a result of the initial investment, calculated over a period of two years,
- A combination of the above points not exceeding the sum of one of the above points, whichever is the higher.

Acquisition of tangible and intangible assets:

Acquisition of **tangible fixed assets** represents costs for the initial investment or for the acquisition of tangible assets as the acquisition price of land, buildings, machinery and equipment, while the valuation of tangible assets is carried out according to § 25 par. 6 letter a) of the Act on Accounting.

Acquisition of long-term **intangible assets** represents the costs of patent rights, licenses, know-how or other intellectual property and the acquisition price is determined in accordance with § 25 par. 6 letter a) of the Act on Accounting. In the case of large enterprises, the cost of intangible assets may not exceed 50% of the total eligible investment costs of the initial investment.

Intangible assets are eligible for investment costs if they meet the following conditions:

- a) they must be used exclusively in the establishment which is the Beneficiary of the aid;
- b) they must be depreciable;
- c) they must be purchased on market terms from third parties that have no relationship with the acquirer; and
- d) they must be included in the assets of the Beneficiary undertaking and must remain linked to the aided project for at least five years after the end of the project⁷

In the case of aid granted to large enterprises for a **major change in the production process**, the eligible costs must exceed the depreciation of the assets related to the activity to be modernized during the previous three fiscal years. In the case of aid for **the diversification of an existing operations**, the eligible costs must be at least 200% higher than the book value of the re-used assets recorded in the fiscal year preceding the start of work.

Acquired assets must be new, with the exception of SMEs. In the case of real estate, the Recipient must be the new owner.

Staff costs for jobs:

If the eligible costs calculated using the estimated salary costs for the jobs created as a result of the initial investment are calculated over a period of two years, the following conditions must be met:

- a) the investment project leads to a net increase in the number of employees in the operation concerned compared with the average over the previous 12 months, which

⁷ The condition of using the property in the region shall not prevent the replacement of equipment or facilities which have become obsolete or defective during this five-year period, provided that economic activity in the region is maintained for the relevant minimum period.

means that the jobs canceled during that period are deducted from the jobs apparently created;

- b) every post is filled within three years of the completion of the work; and
- c) every job created by the investment is maintained in the area concerned for at least five years from its first filling.

J) ELIGIBLE EXPENSES IN RESEARCH AND DEVELOPMENT INITIATIVES

The applicant shall indicate in the application whether the project submitted by him falls into the category of industrial research and/or experimental development.

Eligible costs shall be assigned to a specific category of research and development, the following eligible costs being:

- a) staff costs: researchers, technicians and other support staff to the extent that they participate in the project;
- b) the cost of tools and equipment to the extent and during the period of their use in the project. If such tools and equipment are not used in the project throughout its lifetime, only depreciation corresponding to the duration of the initiative, calculated on the basis of generally accepted accounting principles, shall be considered eligible;
- c) the cost of buildings and land to the extent and for the duration of their use in the project. In relation to buildings, only depreciation corresponding to the length of the project, calculated on the basis of generally accepted accounting principles, is considered as eligible costs. In the case of land, the eligible costs are the costs of the commercial transfer or the capital costs actually incurred;
- d) costs of contract research, knowledge and patents purchased or licensed from external sources on the basis of the arm's length principle, as well as costs of consultancy services and equivalent services used exclusively for the project;
- e) other overheads and other operating costs, including costs of materials, supplies and similar products, incurred directly as a result of the project.

K) COMMON PROVISIONS FOR ELIGIBLE COSTS

For the purposes of this scheme, figures before deduction of taxes and other charges shall be used to calculate eligible costs.

Costs are eligible if they were incurred during the implementation of the project, i. e. at the earliest on the day of beginning of work on the project specified in the Project Contract, or from the date of entry into force of the Project Contract.

Where eligible costs are incurred over several years, they are discounted to their discounted amount and the discount rate applicable at the time the investment aid is granted shall be used as the interest rate for discount purposes. The basis for the calculation of the discounted rate is the basic rate for the calculation of the reference and discount rate, the current value of

which is stated on the website www.statnapomoc.sk. The methodology for calculating the discounted amount of investment aid and eligible costs is Annex no. 2 of this scheme.

Costs are eligible if they can be proved by original documents at the Recipient (accounting documents, account statements, etc.) and accompanying documentation (price offers, etc.) incurred in accordance with the principles of:

- economy (minimization of expenses while respecting the project objectives);
- effectiveness (direct link to the project and necessity for project implementation);
- efficiency (maximizing the ratio between project outputs and inputs).

Detailed conditions for the eligibility of costs are set out in the relevant call, which is in line with this scheme and Art. 8 EEA FM Regulation and NFM Regulation published on the Provider's website.

L) AID FORM

1. Aid under this scheme is implemented in the form of a grant, which is preceded by the conclusion of a Project Contract between the Provider and the Recipient.
2. The grant is provided in the form of an advance payment and interim payments to the Recipient. If the Beneficiary of the aid is also a project Partner, the Recipient is obliged under the Project Contract to transfer part of the advanced payment and part of the interim payments to the Partner in the amount and within the period specified in the Project Contract.

M) AID AMOUNT AND INTENSITY

1. The total amount of aid is the sum of the individual payments provided to the Beneficiary.
2. The minimum amount of aid for one project is **EUR 200,000** and the maximum amount of aid per project may not exceed **EUR 2,000,000**, provided that the aid intensities referred to in point 4 of this Article are respected. If this amount is exceeded, the difference in costs shall be paid by the applicant from own resources or from sources other than public resources (own resources are understood, for example, resources of the state budget of the Slovak Republic, or other regional and local resources).

Any initial investment initiated by the same aid Beneficiary (at group level) within three years from the start of work on another investment for which aid has been granted in the same region of level 3 of the Nomenclature of Territorial Units for statistical purposes⁸ shall be considered as participation of a single investment project. In such a case, it is possible to support a project under the scheme as part of a single investment project,

⁸ Within the Slovak Republic, NUTS III regions are self-governing regions.

provided that all the relevant conditions of Commission Regulation No. 651/2014 are met. The applicant shall demonstrate whether he has started work on another initial investment within a specified period in a declaration that is a part of the application form of the relevant call⁹.

3. Aid intensity is the gross aid amount expressed as a percentage of the project's eligible costs before deduction of tax or other charges.
4. Aid intensity, i. e. the rate of contribution (provided in the form of a grant) to finance eligible expenditure may not exceed the values given in the tables below:

Projects of initial investment¹⁰

Place of project implementation at NUTS II level	Aid intensity according to the size of the aid Beneficiary		
	small enterprise	medium enterprise	large enterprise
Western Slovakia ¹¹	50%	40%	30%
Central Slovakia	60%	50%	40%
Eastern Slovakia	70%	60%	50%

Research and development projects

Project type	Aid intensity according to the size of the aid Beneficiary		
	small enterprise	medium enterprise	large enterprise
Industrial research	70%	60%	50%
Experimental development	45%	35%	25%

In the case of industrial research and experimental development, the aid intensities may be increased by an additional 15 percentage points if one of the following conditions is met:

a) project involves effective cooperation:

- between undertakings, at least one of which is an SME, or takes place in at least two EU Member States, or in one Member State and in a Contracting Party to the EEA Agreement, no undertaking individually bearing more than 70% of the eligible costs, or

⁹ This condition applies to projects for which the state aid is to be granted under the Art. 14 of Commission Regulation No 651/2014.

¹⁰ State aid SA.64151 (2021/N) – Slovakia, Regional aid map for Slovakia (1 January 2022 - 31 December 2027)

¹¹ With the exception of the Bratislava self-governing region.

- between an undertaking and one or more research and dissemination organizations, which bear at least 10% of the eligible costs and have the right to publish the results of their own research

b) the results of the project will be widely disseminated through conferences, publication in open data repositories or free or open source software.

5. Aid payable in the future, including aid payable in several installments, shall be discounted to its value at the time it is granted. Eligible expenditures are discounted to its value at the time the aid is granted. The interest rate to be used for discounting purposes shall be the discount rate applicable of the time the aid was granted. The basis for the calculation of the discount rate is the basic rate for the calculation of the reference rate and the discount rate, the value of which is published on the website www.statnapomoc.sk. The exact procedure for calculating the discounted amount of state aid and eligible expenses is in Annex no. 2 of this scheme.

6. The scheme does not apply to aid exceeding the aid ceiling per undertaking and per project in accordance with Art. 4, par. 1, letter (a) or letter (i) points (ii) and (iii) of Commission Regulation No 651/2014.

7. In determining compliance with the aid ceilings referred to in the previous paragraph and the maximum amount and intensity of aid, the total amount per undertaking and per project shall be taken into account.

8. The ceilings referred to in this Article may not be circumvented by the artificial division of projects.

N) STIMULATING EFFECT OF THE AID

Aid under this scheme may be granted to a Beneficiary if its stimulating effect is demonstrated.

According to Art. 6 par. 2 Commission Regulation No. 651/2014, the aid is considered to have a stimulating effect if the applicant has submitted a project application to the Provider before the start of work on the project by any of the entities involved in the implementation of the project. If the project did not start before the application was submitted, the stimulating effect of the aid granted is demonstrated. The content of the application, in compliance with the minimum requirements arising from Art. 6 par. 2 letter a) to e) of Commission Regulation No. 651/2014, will be set out in the relevant call.

O) CONDITIONS FOR AID PROVISION

The Provider will provide aid in the form of a grant only if all the criteria and conditions set out in this scheme and in the call for proposals, related legislation and the eligibility of the applicant under Article F) of this scheme are met.

Aid may be granted under this scheme if the following conditions are met:

- 1) the applicant submits the project application, including the mandatory annexes, before the start of work on the project in the form, deadline and to the address specified in the call,
- 2) the applicant demonstrates the provision of financial resources for co-financing:
 - the eligible expenditure of the project in the amount of the difference between the grant and the total eligible expenditures in a form which does not involve any state or de minimis aid, either from own resources or through external financing,
 - ineligible project expenditure.
- 3) the applicant, and partner (if relevant) submits a declaration that he has not been lawfully convicted pursuant to Act no. 9/2016 Coll. on Criminal Liability of Legal Entities and on Amendments to Certain Acts, as amended,
- 4) the applicant, and partner (if relevant) as well as the partner (if relevant), does not meet the definition of an undertaking in difficulty in line with the article F) of this scheme. The fulfillment of this condition is verified by the Provider through a declaration of the applicant and the partner (if relevant) (the form of the declaration is specified in the call), which forms a mandatory annex to the application and on the basis of data from the Beneficiary's financial statements.
- 5) the applicant submits a declaration (including a partner declaration if relevant) that:
 - has no outstanding tax levies,
 - has no registered arrears of health insurance premiums,
 - has no registered arrears of social insurance premiums and contributions to old-age pension savings,
 - he is not the subject of insolvency proceedings, is not in bankruptcy, in liquidation, is not being restructured and has not been rejected for bankruptcy on grounds of lack of assets,
 - he is not enforced and, at the same time
 - has not infringed the prohibition on illegal work and illegal employment in the previous three years,
 - the recovery of state aid is not claimed against him on the basis of a previous EC decision declaring this aid granted by the Slovak Republic to be unjustified and incompatible with the internal market,
 - is an SME or a large enterprise. The fulfillment of this condition is verified by the Provider through the Declaration on the size of the applicant, resp. partner, which forms a mandatory annex to the relevant call,
 - during the two years prior to the submission of the aid application, has not been transferred to the establishment where the initial investment for which the aid is requested is to be made, and undertakes not to do so within two years of the completion of the initial investment for which the aid is requested. For commitments entered into before 31 December 2019, no loss of employment in the same or a similar activity in one of the Beneficiary's original establishments in the EEA which took place between 1 January 2020 and 30 June 2021 shall be considered as a transfer in within the meaning of Article 2 (1) 61a of Commission Regulation No. 651/2014.

- 6) proceeds in the procurement of goods, works and services in accordance with the Public Procurement Act,
- 7) the aid will not be provided to an applicant who illegally uses or retains state budget funds or state funds,
- 8) assistance under this scheme may be granted only if its need to achieve the objectives set out in the project concerned is demonstrated, i. e. there must be a clear link between the aid provided and the eligible expenditure of the project,
- 9) in case that it is shown that the information provided in the declaration does not correspond to the facts, the Provider will request financial compensation from the Recipient in the amount of the aid granted to which the declaration was linked,
- 10) there is no legal entitlement to the aid under this scheme. The Provider decides on the provision of the aid and its amount in accordance with the conditions of the scheme.
- 11) The initial investment in the support of the Green Industry Innovation and the Welfare Technology and Ambient Assisted Living shall be maintained in the area in which it was granted, after the investment has been completed for at least five years. This condition shall not prevent the replacement of equipment or installations which have become obsolete or defective during that period, provided that the economic activity in the area concerned is maintained for the relevant minimum period.

P) AID CUMULATION

1. Aid granted under this scheme is financed from the Norwegian Financial Mechanism, the EEA Financial Mechanism and co-financed from the state budget of the Slovak Republic.
2. The financing of two or more projects with the same focus or same eligible expenses by one Beneficiary is not allowed under this scheme. The degree of common features of the specific projects will be assessed by the Provider.
3. Aid cumulation is linked to a specific eligible project and a specific aid Beneficiary.
4. Aid granted under this scheme shall not be cumulated with other aid in relation to the same eligible costs.
5. Following the par. 4 of this article, this fact is confirmed by the applicant by a declaration in a sense that he does not request or has not requested, resp. will not apply for other public aid in connection with the same eligible costs.

Q) AID PROVISION MECHANISM

1. At least two months before the deadline for the submission of project applications the Provider shall publish the call for proposals (hereinafter referred to as the "call"), stating in particular the sources of funding and the Programme, reference to this scheme, nature of activities, geographical scope, maximum project implementation period, call allocation, maximum and minimum amount of aid, conditions for submitting a project application,

- selection criteria and mechanisms and criteria of evaluation and selection of projects, mechanism for providing information.
2. The call, including mandatory annexes, will be published on the website of the Provider (www.vyskumnaagentura.sk).
 3. The applicant will prepare and submits a project application in accordance with the instructions stated in the call. The applicant shall choose one of the two key areas referred to in Art. D) of this scheme. If the project is to be implemented in a partnership, the project partner is indicated in the application form.
 4. The application is assessed by the Provider, independent experts and the selection committee based on the formal and content related selection criteria published in respective call.
 5. The compliance of the project application with this scheme will be assessed by the Provider before the aid is granted.
 6. The project application is approved on the day of entry into force of the Provider's decision on approval of the project application, unless a later date is specified in the Project Contract. This decision will be notified by the Provider to the Recipient in the grant offer letter. The offer specifies the basic conditions that will be a part of the Project Contract.
 7. The Recipient shall submit to the Provider, within a specified period, a statement as to whether he accepts the grant offer. If the statement is not received within the deadline, the Provider will send a grant offer to the applicant whose application is placed first on the reserve list. Depending on the available allocation, the Provider can also send an offer to several entities from the reserve system.
 8. On the day of sending the offer, the applicant becomes the Recipient, while this status is confirmed by concluding the Project Contract.
 9. A Project Contract is a legal act under which aid is considered to have been granted, the date of its entry into force being considered to be the day on which the aid is granted. The Project Contract can be concluded after the approval of the application so that it enters into force until the expiration and effectiveness of this scheme.
 10. The Project Contract is a mandatory published contract and it is publicly available in the Central Register of Contracts on the website www.crz.gov.sk.

R) BUDGET

The indicative amount of funding earmarked for implementation of this scheme is:

- EUR 11,578,235 (sources from the NFM and the state budget of the Slovak republic) and
- EUR 5,415,883 (sources from the EEA FM and the state budget of the Slovak republic)

for the whole programming period of the EEA FM and NFM.

When announcing the call, the Provider will publish on its website the amount allocated to the relevant call.

S) TRANSPARENCY AND MONITORING

1. After the entry into force of the scheme, resp. its amendment, the Provider shall ensure its publication and availability of the full text of the scheme on its website for at least the duration of its validity.
2. The transparency of the scheme and ensuring the publication of all concluded contracts shall be implemented by the Provider in accordance with the Freedom of Information Act.
3. Within six months from the date of the aid provision, the Provider is obliged in accordance with § 12 par. 1, of the State Aid Act, to record data on the aid Beneficiary and state aid granted under this scheme in an electronic form in the central register at least to the extent defined in Art. 9 of Commission Regulation No. 651/2014.
4. The Provider shall keep records of the aid granted, which shall include full information on any aid granted under this scheme.
5. The Provider is obliged in accordance with § 16 par. 4 of the State Aid Act to provide the Antimonopoly Office of the Slovak Republic, as the aid coordinator, with a report on the aid granted to it for the previous calendar year by the end of February of the calendar year.
6. The Provider shall monitor compliance with all the conditions laid down in this scheme and compliance with the ceiling on maximum aid amount and aid intensity laid down in Article M) of the scheme. The Provider informs the Recipient and the Partner (if relevant) that it is providing the state aid.
7. The Provider shall keep the documents relating to each aid provided for 10 years from the date on which it was granted and records relating to the scheme for 10 years from the date on which the last individual aid was granted under the scheme.
8. The European Commission is based on Art. 12 of Commission Regulation No. 651/2014 authorized to monitor the provision of assistance under this scheme.

T) CONTROL AND AUDIT

1. The grant, and any of its part, is a financial resource paid from the state budget of the Slovak Republic.
2. The Provider and other state administration bodies are entitled to carry out a control of the spent public funds in accordance with Act no. 357/2015 Coll about Financial control and Audit and on Amendments to Certain Acts and Act no. 523/2004 Coll. The regime regulated by the EU and Slovak legislation applies to the control, government audit and internal audit of the use of these funds, the imposition, enforcement of the sanctions for misconduct of the financial discipline.
3. The persons entitled to carry out financial control and audit are in particular:
 - a. Provider and/or persons authorized by it;

- b. National Focal Point and/or person authorized by it;
 - c. Government Audit Office and/or person authorized by it;
 - d. National Audit Office of the Slovak Republic, Certification Authority and/or persons authorized by them;
 - e. Audit authority, its cooperating body and persons authorized by them;
 - f. Irregularities body and/or person authorized by it;
 - g. Tax Office of the Slovak Republic and/or person authorized by it;
 - h. Authorized representatives of the European Commission and the European Court of Auditors and/or person authorized by them;
 - i. Authorized representatives of the Ministry of Foreign Affairs of the Kingdom of Norway, the Financial Mechanism Office and the Financial Mechanism Committee and/or persons authorized by them;
 - j. Persons invited by the above mentioned bodies in accordance with the relevant legislation of the Slovak Republic and the EU.
4. The Beneficiary shall enable the performance of financial control/audit by authorized persons in accordance with the relevant Slovak legislation and EU legal acts.
 5. The Beneficiary shall create adequate conditions for the staff of the bodies carrying out control/audit to carry out the financial control/audit properly and in a timely manner and shall provide them with the necessary cooperation and all requested information and documents relating in particular to the project implementation.
 6. The Beneficiary shall ensure the presence of persons responsible for implementation of the project activities and shall refrain from any action which could jeopardize the initiation and proper conduct of the control/audit.
 7. The Beneficiary shall take immediate action to remedy the identified deficiencies identified in the control/audit report within the time limit set by the persons authorized to carry out the control/audit. The Beneficiary shall send a written report to the persons authorized to carry out the control/audit on the fulfillment of the measures taken to remedy the identified deficiencies immediately after their fulfillment as well as measures of the causes of their occurrence.

U. VALIDITY AND EFFECTIVENESS OF THE SCHEME

1. The scheme shall enter into force and effect on the date of its publication in the Commercial Journal. The scheme shall be published by the Provider in the Commercial Journal. Subsequently, the Provider shall ensure its publication on its website within 10 working days of its publication in the Commercial Journal.
2. Changes to the scheme may be made in the form of written amendments to the scheme; whereby the validity and effectiveness of each amendment shall take effect on the date of publication of the scheme as amended in the Commercial Journal, unless otherwise stated in the scheme as amended by addendum or in the addendum.

3. Changes in European legislation according to Art. B) or any related legislation concerning the provision of the scheme shall be reflected in the scheme within 6 months of their entry into force.
4. The validity and effectiveness of the scheme shall expire on 30 June 2024.

V. TRANSITIONAL PROVISION

1. The scheme as amended by Addendum No. 2 shall enter in the force and effect on the day of publication of the scheme as amended by Addendum No. 2 in the Commercial Journal but not earlier than 1.1.2022.
2. For applications received within the framework of the calls announced and closed by 31.12.2021, i. e. still during the validity and effectiveness of the State Aid Scheme for Supporting Business Development and Innovation, as amended by Addendum No. 1, but the aid will be granted only during the period of validity and effectiveness of the State Aid Scheme for Supporting Business Development and Innovation, as amended by Addendum No. 2, the conditions set out in the State Aid Scheme for Supporting Business Development and Innovation, as amended by Addendum No. 1 registered under number SA.63743, provided that all the conditions of the scheme, as amended by Addendum No 1. will be met.

W. ANNEXES

The following annexes are an integral part of the scheme:

- | | |
|---------|---|
| Annex 1 | Definition of SMEs according to Annex 1 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty, as amended) |
| Annex 2 | Methodology for calculating the discounted amount of aid and the discounted amount of eligible costs. |

Annex 1

Definition of SMEs according to Annex 1 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty, as amended*Article 1***Enterprise**

An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity.

*Article 2***Staff headcount and financial thresholds determining enterprise categories**

1. The category of micro, small and medium-sized enterprises ('SMEs') is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.
2. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.
3. Within the SME category, a micro-enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

*Article 3***Types of enterprise taken into consideration in calculating staff numbers and financial amounts**

1. An 'autonomous enterprise' is any enterprise which is not classified as a partner enterprise within the meaning of paragraph 2 or as a linked enterprise within the meaning of paragraph 3.
2. 'Partner enterprises' are all enterprises which are not classified as linked enterprises within the meaning of paragraph 3 and between which there is the following relationship: an enterprise (upstream enterprise) holds, either solely or jointly with one or more linked enterprises within the meaning of paragraph 3, 25 % or more of the capital or voting rights of another enterprise (downstream enterprise).

However, an enterprise may be ranked as autonomous, and thus as not having any partner enterprises, even if this 25 % threshold is reached or exceeded by the following investors, provided that those investors are not linked, within the meaning of paragraph 3, either individually or jointly to the enterprise in question:

- (a) (business angels), provided that the total investment of these business angels in the same enterprise is less than EUR 1 250 000;
- (b) universities or non-profit research centers;
- (c) institutional investors, including regional development funds;
- (d) autonomous local authorities with an annual budget of less than EUR 10 million and less than 5 000 inhabitants.

3. 'Linked enterprises' are enterprises which have any of the following relationships with each other:

- (a) an enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
- (b) an enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- (c) an enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
- (d) an enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise.

There is a presumption that no dominant influence exists if the investors listed in the second subparagraph of paragraph 2 are not involving themselves directly or indirectly in the management of the enterprise in question, without prejudice to their rights as shareholders.

Enterprises having any of the relationships described in the first subparagraph through one or more other enterprises, or any one of the investors mentioned in paragraph 2, are also considered to be linked.

Enterprises which have one or other of such relationships through a natural person or group of natural persons acting jointly are also considered linked enterprises if they engage in their activity or in part of their activity in the same relevant market or in adjacent markets.

An 'adjacent market' is considered to be the market for a product or service situated directly upstream or downstream of the relevant market.

4. Except in the cases set out in paragraph 2, second subparagraph, an enterprise cannot be considered an SME if 25 % or more of the capital or voting rights are directly or indirectly controlled, jointly or individually, by one or more public bodies.

5. Enterprises may make a declaration of status as an autonomous enterprise, partner enterprise or linked enterprise, including the data regarding the thresholds set out in Article 2. The declaration may be made even if the capital is spread in such a way that it is not possible to determine exactly by whom it is held, in which case the enterprise may declare in good faith that it can legitimately presume that it is not owned as to 25 % or more by one enterprise or jointly by enterprises linked to one another. Such declarations are made without prejudice to the checks and investigations provided for by national or Union rules.

Article 4

Data used for the staff headcount and the financial amounts and reference period

1. The data to apply to the headcount of staff and the financial amounts are those relating to the latest approved accounting period and calculated on an annual basis. They are taken into account from the date of closure of the accounts. The amount selected for the turnover is calculated excluding value added tax (VAT) and other indirect taxes.
2. Where, at the date of closure of the accounts, an enterprise finds that, on an annual basis, it has exceeded or fallen below the headcount or financial thresholds stated in Article 2, this will not result in the loss or acquisition of the status of medium-sized, small or micro-enterprise unless those thresholds are exceeded over two consecutive accounting periods.
3. In the case of newly-established enterprises whose accounts have not yet been approved, the data to apply is to be derived from a bona fide estimate made in the course of the financial year.

Article 5

Staff headcount

The headcount corresponds to the number of annual work units (AWU), i.e. the number of persons who worked full-time within the enterprise in question or on its behalf during the entire reference year under consideration. The work of persons who have not worked the full year, the work of those who have worked part-time, regardless of duration, and the work of seasonal workers are counted as fractions of AWU. The staff consists of:

- (a) employees;
- (b) persons working for the enterprise being subordinated to it and deemed to be employees under national law;
- (c) owner-managers;
- (d) partners engaging in a regular activity in the enterprise and benefiting from financial advantages from the enterprise.

Apprentices or students engaged in vocational training with an apprenticeship or vocational training contract are not included as staff. The duration of maternity or parental leaves is not counted.

Article 6

Establishing the data of an enterprise

1. In the case of an autonomous enterprise, the data, including the number of staff, are determined exclusively on the basis of the accounts of that enterprise.
2. The data, including the headcount, of an enterprise having partner enterprises or linked enterprises are determined on the basis of the accounts and other data of the enterprise or, where they exist, the consolidated accounts of the enterprise, or the consolidated accounts in which the enterprise is included through consolidation.

To the data referred to in the first subparagraph are added the data of any partner enterprise of the enterprise in question situated immediately upstream or downstream from it. Aggregation is proportional to the percentage interest in the capital or voting rights (whichever is greater). In the case of cross-holdings, the greater percentage applies.

To the data referred to in the first and second subparagraph are added 100 % of the data of any enterprise, which is linked directly or indirectly to the enterprise in question, where the data were not already included through consolidation in the accounts.

3. For the application of paragraph 2, the data of the partner enterprises of the enterprise in question are derived from their accounts and their other data, consolidated if they exist. To these are added 100 % of the data of enterprises which are linked to these partner enterprises, unless their accounts data are already included through consolidation.

For the application of the same paragraph 2, the data of the enterprises which are linked to the enterprise in question are to be derived from their accounts and their other data, consolidated if they exist. To these are added, pro rata, the data of any possible partner enterprise of that linked enterprise, situated immediately upstream or downstream from it, unless it has already been included in the consolidated accounts with a percentage at least proportional to the percentage identified under the second subparagraph of paragraph 2.

Where in the consolidated accounts no staff data appear for a given enterprise, staff figures are calculated by aggregating proportionally the data from its partner enterprises and by adding the data from the enterprises to which the enterprise in question is linked.

Annex 2

Methodology for calculating the discounted amount of aid and the discounted amount of eligible costs

Calculation of the present value of eligible costs

1. Present value of eligible costs:

When calculating the amount of aid and its share of the total eligible costs of the project, it is necessary to take into account whether the investment for which the aid is to be granted will be implemented within one or more years. If the investment (project) is implemented over

several years, the eligible costs must be discounted and their present value calculated. Present value is the total amount that represents the present value of future payments.

The applicable basic rates for the calculation of the reference and discount rates of the Member States concerned shall be published by the European Commission on its website: http://ec.europa.eu/competition/state_aid/legislation/reference_rates.html

Eligible costs are discounted to their present value at the time the aid is granted.

The discount rate for calculating the present value shall be the basic rate for calculating the reference and discount rates applicable on the date on which the aid is granted, increased by 100 basis points.

The following facts are important in the calculation:

- a. the amount of eligible costs
- b. discount rate

2. Calculation of the present value of eligible costs

If the investment is made over several years, the eligible costs must be converted to present value using a discount rate according to the following formula:

$$ON / (1 + \text{discount rate})^n$$

ON = the amount of eligible costs in a given year of implementation expressed in nominal value

Discount rate is given in decimal terms (e.g. if the base rate is - 0.11% then the discount rate is calculated as $-0.11 + 1 = 0.89\%$ and reported as (0.0089)

n = 0, 1, 2, 3 ... represent the numerical designation of the relevant year of investment. The zero year is considered to be the year in which the aid measure was granted.

Example No.1

The case is assessed in 2017. The applicant plans to implement the investment in the years 2017-2018 in the following volumes of eligible costs:

in 2017100 000 EUR

in 2018 50 000 EUR

To calculate the present value of ON, we use the formula:

$$ON / (1 + \text{discount rate})^n$$

n	Year	Amount of ON (EUR)	Conversion formula	Present value ON (discounted ON) (EUR)
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0	2017	100 000	$\frac{100\,000}{(1+0,0089)^0}$	100 000
1	2018	50 000	$\frac{50\,000}{(1+0,0089)^1}$	49 558,93
				149 558,93

The discounted amount of eligible costs represents the amount 149 558,93 EUR.

Example No. 2

The case is assessed in 2017. The applicant plans to implement the investment in the years 2018, 2019, 2020 in the following volumes of eligible costs:

in 2018 50 000 EUR

in 2019 50 000 EUR

in 2020 75 000 EUR

To calculate the present value of ON, we use the formula:

$$\text{ON} / (1 + \text{discount rate})^n$$

n	Year	Amount of ON (EUR)	Conversion formula	Present value ON (discounted ON) (EUR)
0	2017	-	-	-
1	2018	50 000	$\frac{50\,000}{(1+0,0089)^1}$	49 558,93
2	2019	50 000	$\frac{50\,000}{(1+0,0089)^2}$	49 121,70
3	2020	75 000	$\frac{75\,000}{(1+0,0092)^3}$	73 032,50
				171 713,13

The discounted amount of eligible costs represents the amount 171 713,13 EUR.

Discounting the amount of aid granted in several installments (Grant)

1. Present value of amount of aid:

When calculating the amount of aid and its share in the total eligible costs of the project, it is necessary to take into account whether the aid will be granted over one or more years. In the case of providing aid in installments over several years, the amount of aid must be discounted, i. e. to calculate its present value. The present value of the aid is the total amount that expresses the present value of future payments. The discount rate for calculating the present value shall

be the basic rate for calculating the reference and discount rates applicable on the date on which the aid is granted, increased by 100 basis points.

The applicable basic rates for the calculation of the reference and discount rates of the Member States concerned shall be published by the European Commission on its website:

http://ec.europa.eu/competition/state_aid/legislation/reference_rates.html

Aid payable in several installments shall be discounted to its present value at the time it is granted.

The following facts are important when calculating the present value of the aid amount:

- c. amount of aid,
- d. discount rate

The gross cash grant equivalent is the aid amount before income tax is paid. For each aid purpose, the aid amount is expressed in gross cash grant equivalent.

2. Method for calculating the present value of the aid amount

If the aid is paid in a single installment or in several installments over a period of one year, the amount of aid does not need to be discounted, this is equal to the relevant form of aid.

If the aid is granted in several installments over a period of more than one year, the aid amount must be converted to the present value using a discount rate according to the following formula:

$$VP / (1 + \text{discount rate})^n$$

VP = the aid amount

Discount rate is given in decimal terms (e.g. if the base rate is - 0.11% then the discount rate is calculated as $-0,11 + 1 = 0.89\%$ and reported as (0.0089)

n = 0, 1, 2, 3 ... represent the numerical designation of the relevant year of investment. The zero year is considered to be the year in which the aid measure was granted.

Example No. 1

The case is being assessed in 2017. The aid is provided in the form of a grant totaling EUR 200 000, in two installments.

in 2017 100 000 EUR

in 2018 100 000 EUR

To calculate the present value of VP, we use the formula:

$$VP / (1 + \text{discount rate})^n$$

n	Year	Amount of ON (EUR)	Conversion formula	Present value ON (discounted ON) (EUR)
0	2017	100 000	$\frac{100\,000}{(1+0,0089)^0}$	100 000
1	2018	100 000	$\frac{100\,000}{(1+0,0089)^1}$	99 117,85
				199 117,85

Of the EUR 200 000 grant awarded, the aid amounts to EUR 199 117,85.

Example No. 2

The case is being assessed in 2017. The aid is provided in the form of a grant totaling EUR 200 000, in two installments.

in 2018 100 000 EUR

in 2019 100 000 EUR

To calculate the present value of VP, we use the formula:

$$VP / (1 + \text{discount rate})^n$$

n	Year	Amount of ON (EUR)	Conversion formula	Present value ON (discounted ON) (EUR)
0	2017	-	-	-
1	2018	100 000	$\frac{100\,000}{(1+0,0089)^1}$	99 117,85
2	2019	100 000	$\frac{100\,000}{(1+0,0089)^2}$	98 243,41
				197 361,26

Of the EUR 200 000 grant awarded, the aid amounts to EUR 197 361,26.