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Presentation of the 2016 Annual Report The Fraunhofer-Gesellschaft continues its course as an innovative pioneer in applied research

In 2016, the Fraunhofer-Gesellschaft and its institutes were again able to build on the successful development of the previous years. The target role as a leading technology partner for the economy was further expanded. Together with its customers and project partners, the Fraunhofer institutes also developed and optimized efficient processes, new products and innovative systems in the past year with a research volume of around 2.1 billion euros. With projects such as the "Industrial Data Space", Fraunhofer emphasizes the main points in the growing demands of the economy in the age of digitization.

In the meantime, in 69 Fraunhofer institutes and institutions, the non-profit research organization headquartered in Munich is conducting application-oriented research and development in fields of natural sciences and engineering which are relevant to German competitiveness. The scientific portfolio includes the research fields of resource-efficient production, transport and mobility, energy and housing, information and communication, protection and safety as well as health, nutrition and the environment. In 2016, researchers of the Fraunhofer-Gesellschaft reported 798 inventions, so far the largest number of new inventions in a year. Of these, 608 were filed at the patent offices as patent applications giving rise to a right of priority, averaging more than two patent applications per working day.

With a financial volume of around 2.1 billion euros, Fraunhofer is a global pioneer of applied research. Our 24,500 staff members, predominantly with training in natural or engineering science, have achieved this outstanding result. Nearly 1.9 billion euros are attributable to the contract research division: 44 million euros more than in the previous year. Fraunhofer has generated more than 70 percent of this performance range through contract research for the private sector, as well as through publicly financed research projects.

Future orientation in research funding and strategic guidelines

A great success has been achieved concerning the important issue of basic funding: with a plus of around 67 million euros from the federal and state governments, the 30-percent mark targeted in financing under the established Fraunhofer model will now be reached again. Fraunhofer traditionally uses the budget share for practice-



oriented preliminary research. "An adequate basic funding is a substantial part of the successful Fraunhofer model. This is how we ultimately secure the future viability of our research," explains Prof. Reimund Neugebauer, President of the Fraunhofer-Gesell-schaft. "The goal is to develop new technologies and bring them to the point of operation and marketability. This is also the case regarding the new Forschungsfabrik Mikroelektronik Deutschland – with 280 million euros the largest investment in the history of the Fraunhofer-Gesellschaft."

The environment of applied research is changing rapidly: politics, markets and technologies are in constant flux. Fraunhofer adapts proactively to growing social and economic demands. In a comprehensive participatory process, the Fraunhofer-Gesell-schaft developed and adopted a new mission statement in 2016. The mission, vision and six guiding principles describe Fraunhofer's self-image and strategic perspectives, as well as which principles guide the research organization. With the "Agenda Fraunhofer 2022", the Fraunhofer-Gesellschaft will also consolidate the ongoing dynamic development and expand it into a roadmap. Neugebauer: "In the Agenda Fraunhofer 2022, our most important strategic and significant projects are summarized. These projects include the further development of the Fraunhofer research portfolio, the international strategy and the development of new financing sources."

Opportunities of digitalization

The Fraunhofer-Gesellschaft is also increasingly involved in the digitalization of companies and the related requirements for security, networking and infrastructure. "With the 'Industrial Data Space' we are setting new standards in data security and data management. This initiative is the key foundation for new digital business models, "explains Neugebauer. "Meanwhile over 70 companies from 12 countries are involved in this initiative - this high participation rate speaks for itself." Other industry-specific aspects, such as the Materials Data Space and the Medical Data Space, have also been integrated. As a result, this initiative is a broad basis for the further digitalization of the economic processes in the era of Industry 4.0. This is precisely the mission of Fraunhofer: innovation-oriented research for the immediate benefit of the economy and society.

Promotion of Germany as a research location

Fraunhofer is contributing to the further sustainable development of German research sites through its total of 17 service centers. "A transfer infrastructure is needed, in which universities, businesses and science work together even more effectively. These regional performance centers should be promoted as a nationwide network by means of the federal and state governments – thus we do not leave the transfer in our country to chance, "says Neugebauer. These centers optimize the application of scientific results in all sectors of the economy and are intended to become national infrastructures for

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technology transfer in Germany. Fraunhofer also regards spin-off companies as an important part of its application activities. In addition to the generation of returns from technology transfer, spin-off companies promote entrepreneurial thinking and cooperative networks in the economic environment of the Fraunhofer-Gesellschaft. They are also of great economic benefit, since they create new jobs and strengthen the competitiveness of Germany through innovative products. In 2016, Fraunhofer supported 41 new spin-off projects, and 22 spin-offs emerged from the Fraunhofer-Gesellschaft. In the international sector, subsidiaries in Europe, North America and South America as well as representative offices in Asia and the Middle East form a bridge for Fraunhofer to the most important present and future scientific and economic areas. Numerous strategic collaborations with excellent partners worldwide add to Fraunhofer's global portfolio.

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Further information:

The full Fraunhofer Annual Report and other Fraunhofer-Gesellschaft publications can be found at:

> www.fraunhofer.de/de/mediathek.html