

PRESS RELEASE

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Spin-off report for 2021

Number of Fraunhofer spin-offs continues to grow despite pandemic

2021 saw continued growth with regard to spin-offs from the Fraunhofer-Gesellschaft despite restrictions relating to the pandemic. 30 teams founded spin-offs on the basis of Fraunhofer technology and expertise last year — around 15 percent more than in the year before.

Fraunhofer spin-offs use technology and expertise from the field of research to develop new applications and make them ready for the market. The focus is on forward-looking fields such as sensors, artificial intelligence and platform-based ecosystems as well as other areas including imaging, additive manufacturing and sustainable materials. Even in 2021, Fraunhofer Venture — the spin-off department of the Fraunhofer-Gesellschaft, Europe's largest institution for applied research — was able to build on the spin-off figures from pre-pandemic times and continue the long-term positive trend. Fraunhofer Venture is currently supporting around 60 shareholdings on the way to market maturity. Last year it sold its shares in four companies, including Fraunhofer spin-off Multiphoton Optics which completed a merger with Heidelberg Instruments Mikrotechnik GmbH.

At the same time, spin-offs from research are also becoming increasingly attractive to investors: On average, Fraunhofer spin-offs were able to complete their funding rounds significantly earlier in 2021 than in previous years, with shareholdings being able to acquire approx. 10 percent more venture capital per investment. Increasing numbers of international investors are targeting spin-offs from German research as new investments. Last year, for example, Reliance New Energy Solar Ltd. became a strategic investor in NexWafe GmbH, a spin-off of the Fraunhofer Institute for Solar Energy Systems ISE, while Ampeers Energy GmbH — a spin-off of the Fraunhofer Institute for Optronics, System Technologies and Image Exploitation IOSB — welcomed the Austrian Bundesimmobiliengesellschaft (BIG) real estate company as an investor.

“For the Fraunhofer-Gesellschaft, whose fundamental mission is to bring technological innovations to industry and society, this development is extremely welcome in the second year of the coronavirus pandemic. Alongside contract research, licensing and other central transfer paths, IP-based high-tech spin-offs are an important part of the ongoing technology transfer that Fraunhofer is engaged in. Innovations are increasingly being developed on an interdisciplinary basis. With world-class high-tech solutions and

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researchers of an entrepreneurial mindset, Fraunhofer brings successful spin-offs with a high technology readiness level to the markets — more than 500 since 2000,” explains Fraunhofer President Prof. Reimund Neugebauer. “When it comes to successfully transferring research findings into business applications, the key prerequisites are entrepreneurial spirit and a business mindset — combined with scientific excellence. This is the only way for us to effectively tackle the key challenges facing society now and in the future, such as digitalization or sustainability and climate issues,” adds Prof. Neugebauer.

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High-tech as a factor for success: spin-offs in a market comparison

Every day, the Fraunhofer Institutes are generating valuable technological knowledge and expertise which is then transferred successfully to industry and society by the Fraunhofer-Gesellschaft via a broad and varied range of transfer paths, including spin-offs and shareholdings. When measured against important parameters used to gage the success of start-ups, spin-offs from the Fraunhofer Institutes fare better than the market average: By comparison to other new businesses surveyed by the KfW Entrepreneurship Monitor, Fraunhofer spin-offs often generate significant revenue and secure more external capital for ongoing business development in a faster time. Fraunhofer spin-offs are also characterized by a high level of stability, durability and longevity: Almost 96 percent are still active on the market after three years, just under 92 percent are still active after five years and 82.5 percent are still active after ten years.

“We are also particularly pleased to see the ongoing qualitative progress, such as the time to market for technologies from the field of research and the growing interest from stakeholders in the international high-tech ecosystem,” explains Prof. Alexander Kurz, Executive Vice President for Innovation, Transfer and IP Management. “For more and more young scientists, the idea of founding a spin-off based on Fraunhofer technology is an attractive career step — one that combines proximity to research with business success,” says Kurz.

The **Fraunhofer-Gesellschaft** based in Germany is the world’s leading applied research organization. Prioritizing key future-relevant technologies and commercializing its findings in business and industry, it plays a major role in the innovation process. A trailblazer and trendsetter in innovative developments and research excellence, it is helping shape our society and our future. Founded in 1949, the Fraunhofer-Gesellschaft currently operates 76 institutes and research units throughout Germany. Over 30,000 employees, predominantly scientists and engineers, work with an annual research budget of €2.9 billion. Fraunhofer generates €2.5 billion of this from contract research.

Fraunhofer Venture is the central department for spin-offs and technology transfer at the Fraunhofer-Gesellschaft. Fraunhofer Venture provides founders, start-ups, industry and investors with access to the cutting-edge technologies of the 76 Fraunhofer Institutes, the Fraunhofer infrastructure and Fraunhofer expertise with over 7600 patent families. The services offered by Fraunhofer Venture cover all aspects of support and consultation — from the initial idea to the founding of the company, from help with the search for funding to the possible sale of the company at a later date — and are accompanied by various funding programs and other offers.