

# INCENTIVES IN GERMANY

- Evidence Studies & Investment-

**MEDICA/ NOVEMBER 2023**

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[www.gtai.com](http://www.gtai.com)



# Funding to support a market entry of a medical technology innovation in Germany.

Simplified basic scenario for an enterprise (SME) intending to validate and commercialize a medical technology innovation in Germany and internationally.

## Status quo of the project:

- Medical technology innovation has been brought forth

## Enterprise commercialization strategy:

- Germany is a target market
- Clinical evidence study is necessary

## Enterprise financial need:

- Financial support for running a clinical evidence study
- Financial support for facility establishment in Germany

General introduction

# Germany offers funding instruments for multiple business activities.

## Incentives in Germany

Investment

Working  
Capital

R&D

Personnel

Specific  
Purposes

## Financing support by any of the following funding instruments

Grants

Loans

Guarantees

Equity  
Capital

Mezzanine  
Capital

The combination of funding instruments is basically possible.

Grants for clinical validation of medical technology solutions (1)

# Funding is offered to transfer medical technology innovation into medical care.

## Funding program “Transferring medical solutions into patient care” (Program term: 31.12.2026)

- Objective: Fast innovation implementation of medical technical industrial projects
- Support: Clinical validation projects of
  - Innovative medical products/ risk classes: IIa, IIb, III
  - In-vitro diagnostics/ risk classes: B, C, D
- Funding: Non repayable grants, up to 50% of the eligible costs for clinical evidence studies (effectiveness/performance)
- Focus: SMEs (EU-definition)
- Funding period: Appropriate project term adjusted

### Module 1:

Qualification phase/ Evidence study concept

### Module 2:

Implementation phase/ Study implementation

Grants for clinical validation of medical technology solutions (2)

# “Clinical Evidence” program is structured in modules to meet innovators’ needs.

## Module 1: Qualification phase/ Evidence study concept

Eligible costs:

- Costs for establishing of relevant clinical validation expertise
- Costs of qualification, personnel, advisory costs etc.
- Evaluation costs of existing clinical data, costs for feasibility studies etc.

## Module 2: Implementation phase/Study implementation

Eligible costs:

- Costs for clinical trials (mono-/multicenter studies)
- Process management and quality control, documentation/reports, data management, auditing

**Note: Commercialization plan of the results in Germany and European economic area (EEA) is required.**

Grants for clinical validation of medical technology solutions (3)

# “Clinical Evidence” program has a high quota of funding approval of 76%\*.

## Two-step approval process for any module

- 1. Step: Project outline (VDI Technology Center)
  - Content of a project outline is predefined
  - Project submission at any time
- 2. Step: Funding application after funding recommendation
  - Content of the formal application is specified

## Program promoter

VDI Technology Center GmbH,  
Berlin

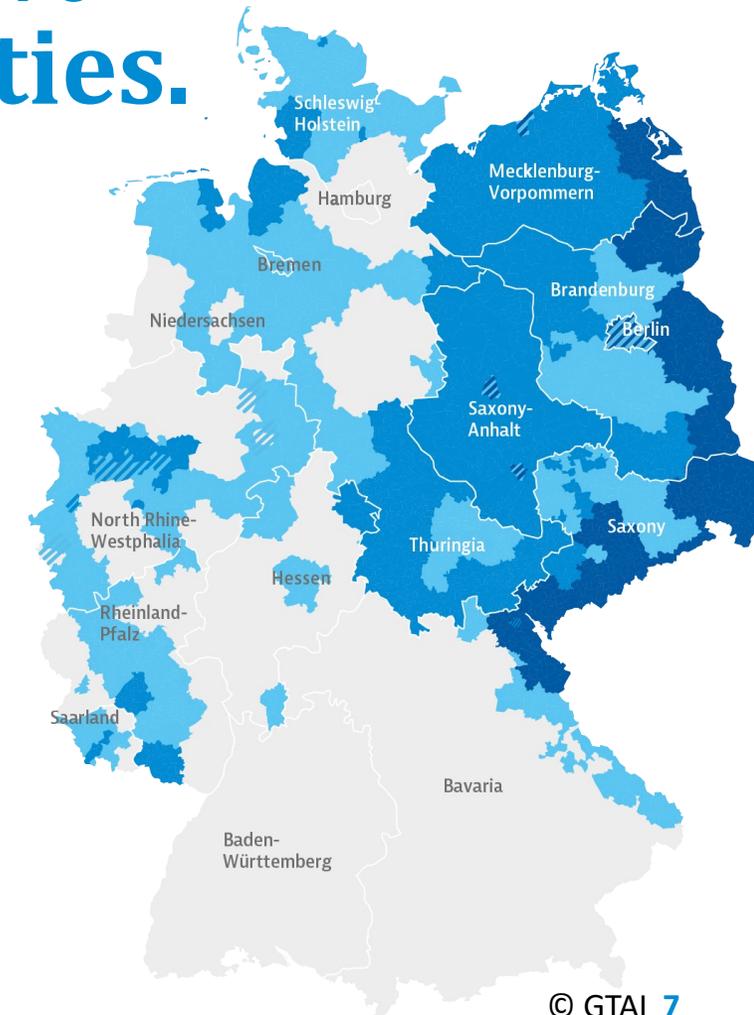
[www.vditz.de/en/](http://www.vditz.de/en/)

[pt\\_gesundheitswirtschaft@vdi.de](mailto:pt_gesundheitswirtschaft@vdi.de)

Investment grants/ Joint task: Improving the Regional Economic Structure

# Investment support of up to 45% for new manufacturing or service facilities.

Region/ Enterprise size	Small	Medium	Large
 Border areas	max. 45%	max. 35%	max. 25%
 C region (unemployment + population)*	max. 40%	max. 30%	max. 20%
 C region (population)*	max. 35%	max. 25%	max. 15%
 C region	max. 30%	max. 20%	max. 10%
 D region	max. 20%	max. 10%	max. 200k EUR



Note: \* In predefined areas in C regions an increased incentive level is confirmed by the EUC.

# Grants as a funding instrument lowering investment costs.

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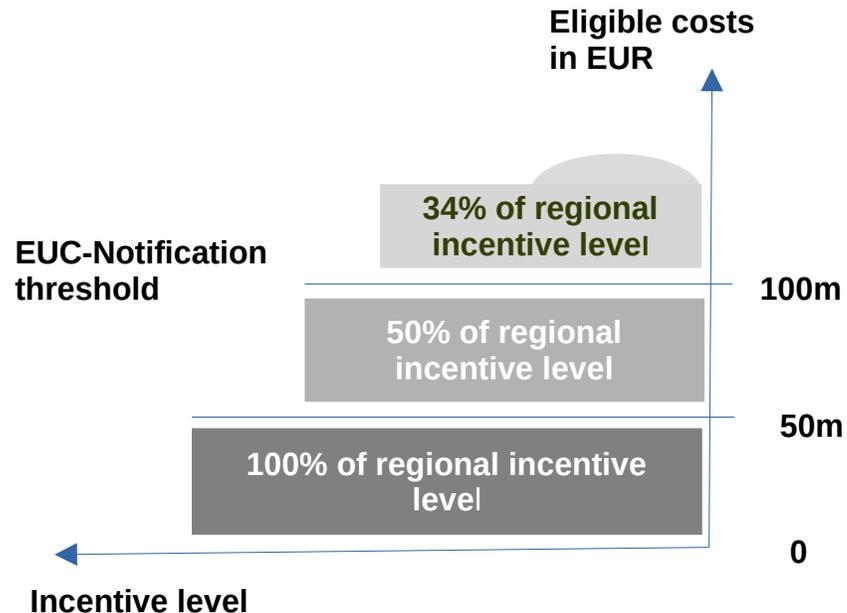
Objective	<ul style="list-style-type: none"><li>• Job creation by setting up new manufacturing or service facilities</li></ul>
Offered in/as	<ul style="list-style-type: none"><li>• Specific regions throughout Germany</li><li>• Non-repayable grants, covering up to 45% of the eligible costs</li></ul>
Eligible costs	<ul style="list-style-type: none"><li>• Purchase or production costs of new buildings, machinery, equipment, purchase costs of new intangible assets or wage costs for 2y</li><li>• Capped to 750k EUR/ created long-term job</li></ul>
Requirements	<ul style="list-style-type: none"><li>• Creation of long-term „quality“ jobs</li><li>• Subsidized equipment and workplaces remain on-site up to 5y (SMEs, 3y)</li><li>• 25% of eligible costs must be financed from non-subsidized sources</li><li>• Bank confirmation that the project financing is secured</li></ul>

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# Investment grants/ Joint task: Improving the Regional Economic Structure

## Grant calculation is based on EU regulations.

Eligible investment costs: 37,5m EUR (750k EUR x 50 jobs), incentive level 20%



Eligible costs > 100m EUR	34% x 20% =	6.8% x 0m EUR =	0,00m EUR
Eligible costs > 50m EUR and </= 100m EUR	50% x 20% =	10.0% x 0m EUR =	0.00m EUR
<b>Eligible costs &lt;/= 50m EUR</b>	<b>100% x 20% =</b>	<b>20.0% x 37,5m EUR =</b>	<b>7.50m EUR</b>
<b>Aid amount allowed by EU</b>			<b>7.50m EUR</b>

Public promotional loans

# Public loans offer attractive terms and conditions.

**Regional level:  
Business  
development banks**

**National level:  
KfW Group**

**European level:  
European investment  
Bank**

- Different loan amounts depending on loan program and loan institutions
- Financing of investment costs, working capital, R&D, specific purposes

## Public guarantees

# Public guarantees are full-fledge collateral.

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### Objective

- Easing of loans in case of insufficient collateral

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### Aid amount

- Cover up to 80% of the respective loan amount

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### Availability

- Offered through different programs and institutions
- Dependent on the loan amount and the investment location

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### Requirements

- Reasonable project from a macroeconomic point of view
  - Sound business concept
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Comprehensive example

# Combination of public financing instruments.

New medical technical manufacturing facility:

15m EUR investment (including 1.5m EUR costs for land), 20 new jobs, C-region (20%), equity (20% = 3m EUR)

**Equity: 3m EUR**

- Financing gap: 12m EUR

**Investment grants: 2.7m EUR**

(Investment grant program/  
Joint task)

- Financing gap: 9.3m EUR

**Public loan: 9.3m EUR**

(Public guarantee additionally)

- Financing gap: 0 EUR

## Grants for R&D

# Grants for R&D are available at regional, national and European level.

**Regional level:  
Programs of the  
federal states**

**National level:  
Future Strategy  
Research &  
Innovation**

**European level:  
Horizon Europe**

- Aid intensity depends on:
  - Company size
  - Research category: Fundamental research/ Industrial research/ Experimental development
  - Degree of cooperation with partners (SMEs, research instituts, universities)

**R&D results have to be commercialized in the region of the program's source.**

- **Federal state/ Germany/ Europe**

# Germany Trade & Invest Contact

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