Express Terms for Spin Outs

Our understanding of the question

Situation

- The Netherlands has top-tier research universities and a growing startup ecosystem, producing significant IP and companies.
- Spinning out is complicated, slow and expensive — both universities and Spin outs spend resources negotiating broadly similar terms each time.
- Without a trusted foundation, parties optimise their own positions, producing un-investable terms or terms that fail state-aid tests. Founders can also abandon the spin out if negotiations are too complex.
- Many EU universities use guidelines and Express Terms to simplify Spin outs
- Universities and start-up bodies have created the IP Deal Terms 2.0 principles to simplify spinning out.
- The IP Deal Terms 2.0 are guidelines, but not fully standardised terms, and the interpretation of the IP Deal Terms 2.0 can still vary considerably between and within Technology Transfer Offices (TTOs).
- Creating standardised terms (Express Terms) as an option within the IP Deal Terms 2.0 guidelines will create an even stronger trusted foundation for negotiations
- In discussions with TechChampions Dutch government has expressed interest in creating standardised terms to supplement the IP Deal Terms 2.0.

Question

What should the content of terms be, given:

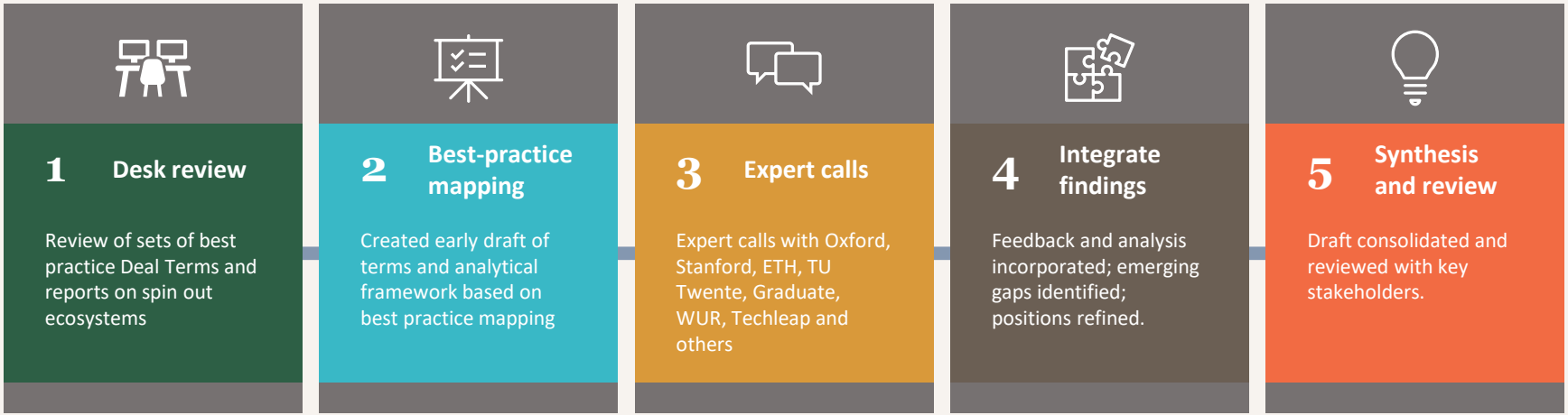
- European and US best practice
- Dutch market and ecosystem characteristics

What kind of steps can be taken to facilitate adoption of the terms?

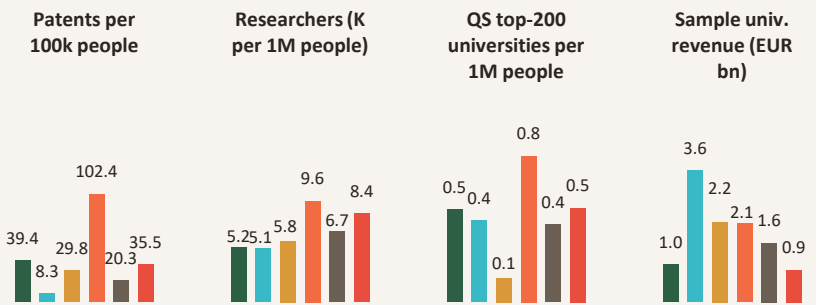
NL should add express terms to IP Deal Terms 2.0 based on ETH with minor alterations, gating criteria, and refine over time

1. We have run a multi-step process to understand international best practice on Deal Terms, including the relevant country context
2. NL matches European peers on inputs but trails on spinout outcomes — adopting a model similar to European peers makes sense
3. Express terms for spin outs mitigate a misalignment problem that is common across countries
4. We have benchmarked terms on dimensions tracking important university and startup interests
5. Most universities have a set of express terms with pre-set commercial terms with at market legal terms and sectoral variation
6. As opposed to IP and governance terms, commercial terms vary significantly in benchmarked jurisdictions
7. The Netherlands should adopt one existing, coherent set of express terms with clear gating criteria, and then refine
8. Holistic views of universities and terms show DTU and ETH as closest comparables to Dutch universities
9. ETH terms with capped anti-dilution protection are the best starting point for the Netherlands
10. Just creating terms is not enough: a light touch organisation to facilitate adoption and updates should be set up

We ran a multi-step process to understand international best practice on Deal Terms, including the relevant country context



NL matches EU peers on inputs but trails on spin out outcomes

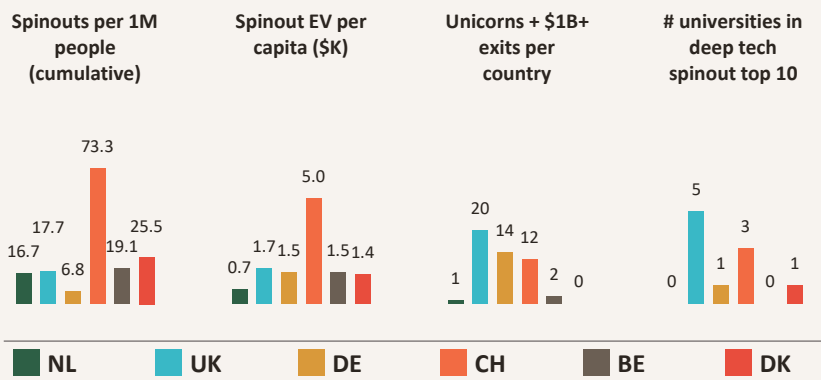


NL is overall quite similar to its EU peers on relevant per-capita metrics for spin out generation

Per capita, the Netherlands sits well within the EU range across patents, researchers, universities and university revenue (based on our benchmarked set of universities).

On most input metrics, NL is similar to BE/DE/DK, behind only CH.

Sources: EPO 2024; Eurostat / UNESCO 2023; QS World University Rankings 2026 (population: World Bank 2024); ANBI / annual reports of benchmark unis.



NL underperforms peers on outcomes

NL trails DE, CH, UK on most spin out outcomes per capita — count, large rounds, value, and EU top-10 representation.

Sources: Dealroom European Spin outs 2025

Standard Deal Terms for Spin outs mitigate a misalignment problem that is common across countries

Parties have different interests

- Spin outs are part of the mission
- Spinouts draw on university resources
- Privatising public research requires fair compensation
- Commercialisation can bias research toward particular technologies

- VCs answer to LPs: need IP certainty, sufficient return, and founder skin in the game
- Founders need cash-light terms and day-to-day operating control

Causing friction on terms

Uni seeks:

- Defensible compensation
- Retained rights for academic purposes;
- Market standard adequate IP protections;
- Appropriate, broad use of IP — no “lay-up”;
- Limit conflict-of-interest of staff — protect integrity;
- Acceptable limitations of liability

VCs and founders seek:

- Low cash-out and founder equity preserved;
- Exclusive rights ;
- Control over IP portfolio;
- Solid indemnified IP foundation and light governance and reporting;
- Incentivized involved founders.

Standard terms resolve tensions more effectively than a *guideline*

Published standard terms create trust

- Parties trust they are dealt with fairly
- Parties trust the model is sensible
- Knowing terms makes the first step easier to take

Standard terms lead to more Spin outs

- Long negotiations lead to abandonment of Spin outs
- TTOs and founders spend less time negotiating and more time building businesses

Standard terms compound over time

- A shared base lets TTOs refine terms with each new round of feedback
- Common terms allow universities to benchmark outcomes and share what works

We have benchmarked terms on dimensions tracking important university and startup interests

UNIVERSITY REQUIREMENTS SET TERM DIMENSIONS

Appropriate, broad use of IP
prevent shelving of IP

IP and governance protections
protect IP and university interests

Retained rights for academic purposes
protect ongoing R&D

Limited conflict of interest of staff
protect research integrity

Defensible compensation
fiduciary duty to taxpayers and preventing arbitrary advantage

Cost management and recovery for the TTO
sustain the TTO function

Liability
adequate liability protection

TERMS BY DIMENSION

IP
- KH license-back
- Improvements rights
- IP prosecution & control
- Anti-Shelving rights
- Enforcement

Liability
- Cap Licensor
- Licensor Indemnitee
- Cap Licensee
- Licensee Indemnity

Governance
- Voting rights
- Board
- Reporting
- University staff policy

Set-up
- Level of standardization

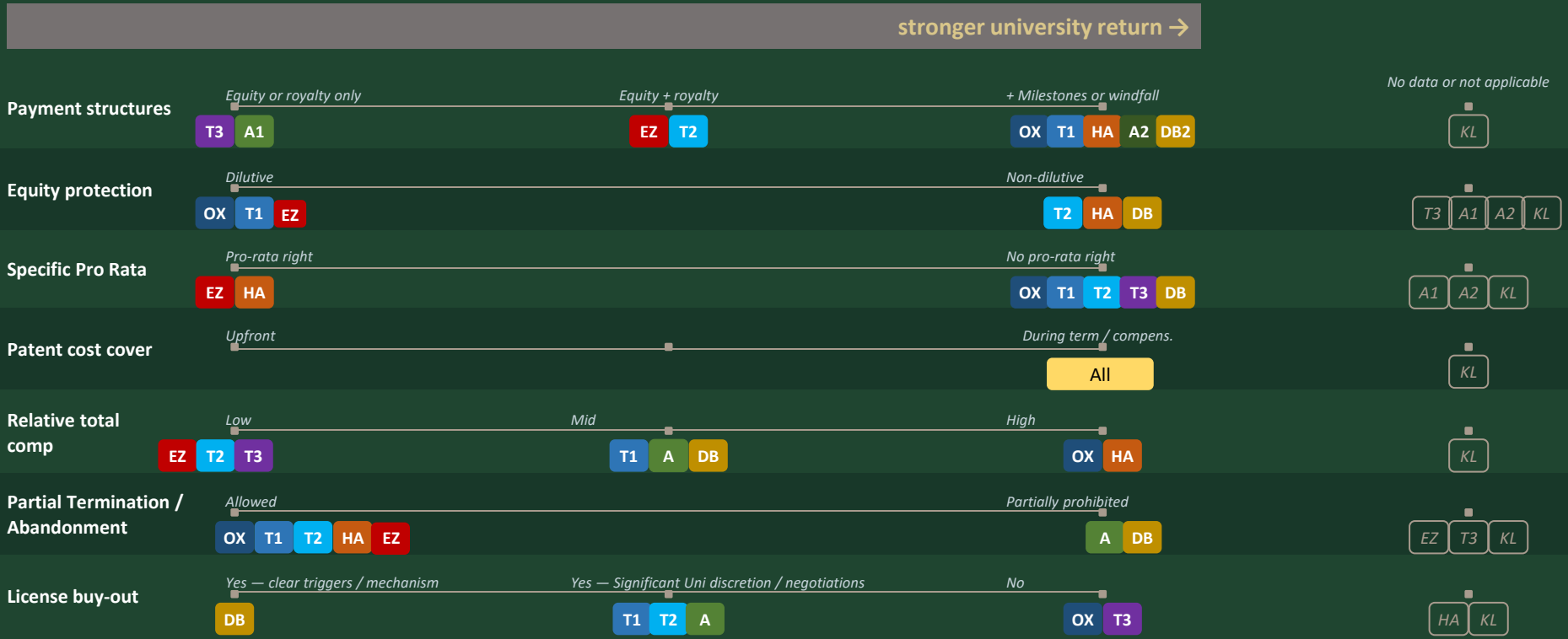
Commercial
- Payment structures
- Equity protection
- Specific Pro Rata
- Patent cost cover
- Relative total comp
- Partial Termination / Abandonment
- Royalty buy-out

Universities cluster on IP, liability and governance terms, providing a clear basis for a best practice

Universities cluster on IP, liability and governance terms, providing a clear basis for a best practice

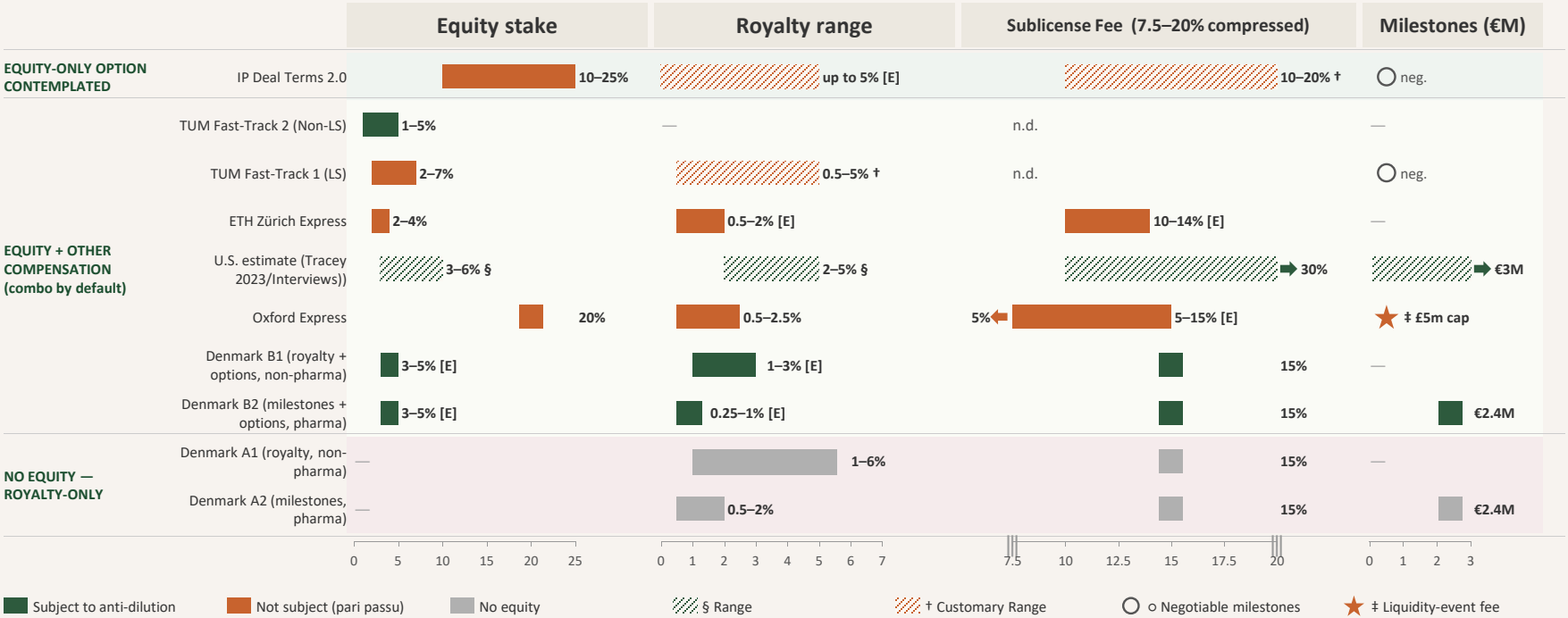
OX Oxford Express
EZ ETH Zürich Express
T1 TUM Fast-Track 1
T2 TUM Fast-Track 2
T3 TUM Fast-Track 3
HA Harvard
A1 DK Model A1
A2 DK Model A2
DB DK Model B
KL KU Leuven

Commercial terms are more dispersed – this is also a reflection of universities approach to create sectoral standard terms



Commercial terms vary more significantly between universities – but the range of difference is quite limited overall

Bar colour = anti-dilution status. Hatched = aggregated benchmark / customary range. ○ = template supports milestones, amounts negotiated. ‡ = liquidity-event fee in lieu of milestones (Oxford).



[E] depends on equity / option chosen, less than full range available if any equity taken, example in calculator shows 1.5% equity against 50% royalty · n.d. not specified · — not applicable · Sources: see ppt notes

Combined with interviews, we see a common Express Terms set-up with some variations in the EU

Optimize for volume

- **Express terms use pre-specified compensation** (US uses benchmark data)
- **Bespoke option often** still open as founder option
- **Overall low equity stakes,** though the lower stakes may be anti-dilution protected
- **Diversity** on use for low TRL only or broader

@market legal terms

- **Close-to-market legal terms** for prosecution, liability and governance are typical
- **Interviews teach that the market terms are not an issue**; the application is what matters
- **These terms don't hinder if TTOs are fast and fair**

Differentiate

- **Benchmarked universities often** have multiple options
- **Common is to separate patent-heavy, pharma and software/patent light** with differing commercial terms are typical
- Denmark uses calculator: configurable sectorally defined, TRL related, for royalties / equity

The Netherlands should add to IP Deal Terms 2.0 an existing set of express terms with clear gating criteria, and then refine

The Express Terms are explicitly a *starting point*, not a destination. The ecosystem needs to build experience by using them. By sharing learning and data they will improve over time.

Use gating criteria to limit to appropriate cases and prevent arbitrary application

Clear thresholds ensure appropriate deals go through the express terms. This makes the application less arbitrary and less open to criticism:

- TRL is =<4 and there is no existing commercial traction / clear path to commercialization
- Clean cap table with no advisors over 5%, or 10% in cases of significant but less than full time effort, and founders holding at least 80%

Founders may, if they prefer, choose to negotiate a bespoke license agreement.

Pick one existing set to ensure balance

A coherent existing set prevents cherry picking of favorable terms, ensuring balance between licensors and licensees. The set should be selected taking into account university comparability, with a preference for simplicity and standardization over complexity and flexibility to facilitate speed

Prefer learning over stasis

No set is perfect or final — terms and gating criteria should flex and grow based on input from Universities and Ecosystems. Data sharing, also for Spin outs that never make it out of University, is crucial to enable learning.

Holistic views of universities and terms show DTU and ETH best comparables to Dutch universities

Oxford

Spin outs: 15 in 2024
Attached Fund: Oxford Science Enterprises (~£1.1bn fund)
FUNDING: State block 7% • Research 26% • Other 67% (Total £3.0bn)
TTO OUTPUT 2024/25: 93 patent apps, 1,173 deals; OUI ~150–200 staff
BASE: ~6,400 HC (~2,000 statutory + ~4,400 research) + ~5,800 doctoral students = ~12,200 incl. PhDs

Standardisation: Single Express model, highly standardised
Compensation: Market-light: equity ~15–20%, royalty 0.5–2.5%, £5m exit fee. OSE often co-invests

Founder support: Extensive; OSE co-invests at scale; longer-term involvement if also funding

Governance: Light-touch on the express; no voting rights for equity; typical reporting

KU Leuven

Spin outs: 9 new in 2024
Attached Fund: Gemma Frisius Fund (~€18m, evergreen, since 1997)
FUNDING: State block ~40% • Research grants ~50% • Other ~10% (Total €1.6bn)
TTO OUTPUT 2024: 87 patent families, 132 granted; LRD 117 FTE
BASE: 6,763.9 FTE (1,350.4 ZAP + 87.7 OP3 + 558.2 AAP + 4,767.6 general scientific) + >7,400 PhDs enrolled = ~14,200 incl. PhDs

Standardisation: No published Express model (except software)

Compensation: Negotiated to approximate market; significant equity + royalty

Founder support: Very extensive: research expertise, lab personnel, follow-on investment

Governance: Calibrated to stake and involvement

TUM

Spin outs: n.s.
Attached Fund: UVPartners (~€600m AUM) + HTGF (federal); UnternehmerTUM #1 in Europe (FT)
FUNDING: State block 39% • Drittmittel 25% • Other 36% (Total €2.17bn)
TTO OUTPUT 2024: >50 patent apps p.a.; >€2bn since 2017; Tech transfer staff n.s.
BASE: 6,511 (583 profs + 5928 general scientific), PHDs n.s.

Standardisation: Fast-Track IP process; standard 5–10% virtual share model

Compensation: 5–10% virtual shares (financial participation only); founder-friendly

Founder support: Extensive via UnternehmerTUM (>5,000 mentored p.a., 8 Venture Labs)

Governance: Virtual participation only — no shareholding, no governance rights

TU Delft (NL Example)

Spin outs: 12 in 2024
Attached Fund: UNIIQ (€28m, regional)
FUNDING: State block 61% • Werk derden 28% • Tuition 9% (Total €1.02bn, 2024)
TTO OUTPUT 2024: 120 disclosures, 71 patent apps, 7 licences; I&IC IP team 8 staff, TTO team n.d.
BASE: 2,532 (1,378 HGL/UHD/UD + 1,154 wetenschappelijk overig) + 2,172 promovendi

Standardisation: 4TU model, or bespoke b/o IP Deal Terms 2.0 (Nov 2025, Delft Enterprises coordinating)

Compensation: Generally equity, tending towards ~10%-15% range

Founder support: Extensive — YES!Delft (200+ companies), Impact Studio, Delft Enterprises co-invests

Governance: Voting rights

Sources: Oxford OUI Impact Report 2024/25; KU Leuven Jaarverslag 2024; TUM in Zahlen 2024 + UnternehmerTUM; TU Delft Jaarverslag 2024 NL.

Holistic views of universities and terms show DTU and ETH best comparables to Dutch universities

ETH Zürich

Spin outs: 37 in 2024
Attached Fund: ecosystem VCs external
FUNDING: State block 70% • Research 30% (Total CHF 2.0bn)
TTO OUTPUT 2024: ETH transfer team 30.6 FTE
BASE: ~2,840 HC (567 profs + ~2,270 sci. staff) + 4,351 PhDs = ~7,190 HC incl. PhDs

Standardisation: Single Express, 3 comp varieties + software set-up
Compensation: Fair, not arbitrary; equity + royalty mix
Founder support: Extensive, at price of extra equity / round share
Governance: Voting rights; reserved matters to CHF 200k

DTU

Spin outs: 14 in 2024
Attached Fund: PSV Hafnium (DKK 600m / ~€80m deep-tech fund, 2024); DTU Skylab incubator
FUNDING: State block 46% • Research grants 39% • Other 15% (Total DKK 6.5bn)
TTO OUTPUT 2024: 60 patent apps, 318 in portfolio, 36 new deals; Tech Transfer team n.d.
BASE: 2,302 VIP FTE (all ranks incl. postdocs) + 1,175 PhD FTE = 3,477 FTE

Standardisation: Four published models (A1/A2/B1/B2) by sector and mix
Compensation: State-aid market floor; formula royalty/equity, pharma milestones
Founder support: PSV Hafnium support and various programmes
Governance: No voting rights; standard reporting; minimal post-deal role

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Compensation: Generally equity, tending towards ~10–15% range
Founder support: Extensive — YES!Delft (200+ co's), Impact Studio, DE co-invests
Governance: Voting rights

 Sources: ETH spin out Report 2024 + swiTT Report 2025; DTU Annual Report 2024 + UFM Kommercialiseringsstatistik; TU Delft Jaarverslag 2024 NL.

For early (TRL<4) tech without clear commercial pull, ETH terms with capped anti-dilution protection is a good starting point

ETH is the right target

ETH is a strong, proven comparable

- Majority state-funded; limited reliance on licensing and sponsored research
- Similar in size to many Dutch universities
- Small domestic market, constrained capital, no sizeable dedicated fund
- Europe's most successful spin out generator

Terms are simpler and easier to implement

- Limited set of options — faster to set up, easier to communicate,
- Equity + royalty mix de-risks the return profile
- Consistent with common IP and governance benchmarks
- Backed by Europe's most prolific spin out track record
- Can be further refined and specialized later to adapt to Dutch market

Minor tweaks to fit Dutch market

Keep ETH baseline: 2–4% equity, 0.5–2% royalty, sublicense 10%-14%

- Equity in line with IP Deal Terms 2.0 range; royalty acts as downside floor
- Lower headline stake than current NL practice — easier for investors and founders to accept

But Cap anti-dilution: €5M bio / €2M / €500K software

- Protects university stake through seed; releases it as the company scales
- Founders incentivised to raise high at seed to minimise residual dilution

Add Equity-options

- Allow University to take options, not shares — no governance footprint until exercised

Expand royalty buy-out

- Optional cap and pre-set valuation to remove ambiguity at exit

Lower levels of non-dilutive equity are a common tool to increase investment in Spin outs while protecting university interests

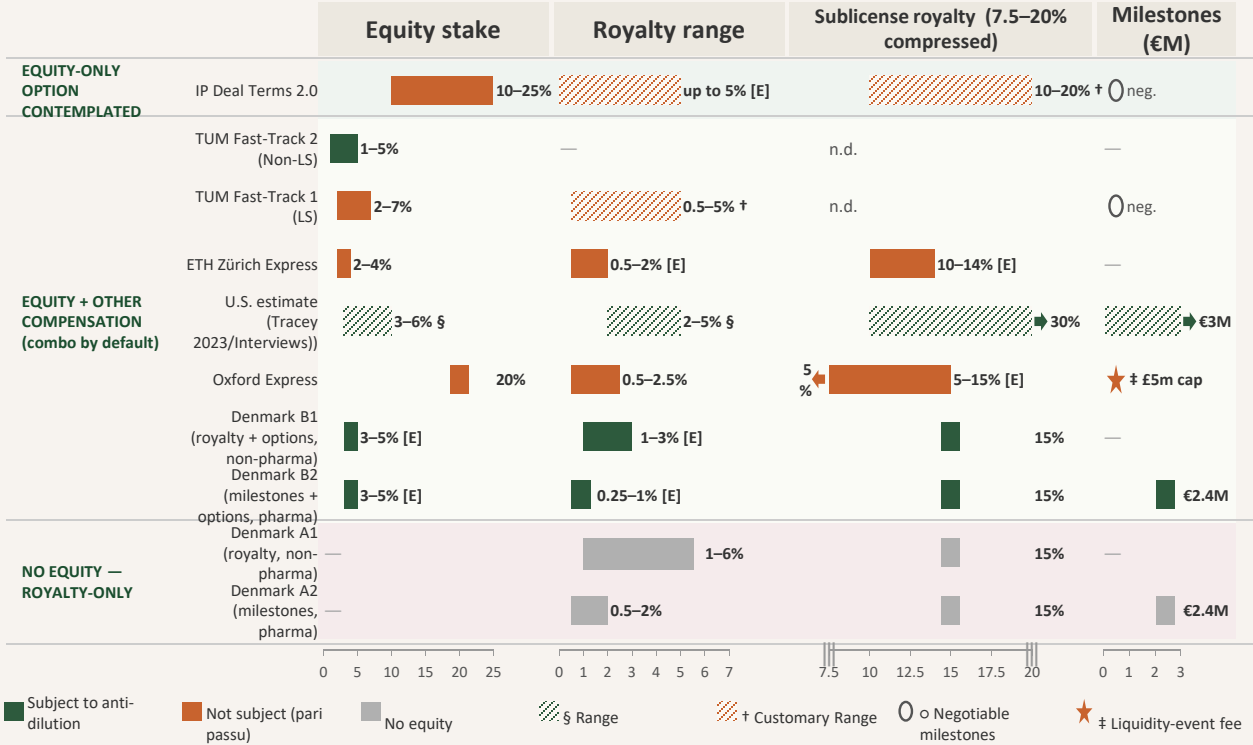
Using single-digit non-dilutive equity instead of higher levels of dilutive equity provides spin outs with:

- easier access to investment due to lower overall equity stakes

For universities, it provides:

- Protection through first rounds, meaning equity outcomes are not necessarily very different
- An incentive for spin-offs to raise money at higher valuations

While minimizing haggling and negotiation time



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Just terms is not enough: a light touch organisation to facilitate adoption and updates should be set-up to create coherence

UK government report (Tracey & Williamson) on Spin outs and Deal Terms and TenU guide (research university collaboration) suggest a small, multi-stakeholder body whose role is not enforcement but reducing friction, creating a shared knowledge base, and keeping momentum for improvement

Mandate

What it does

Bi-annual review
Update terms based on market evolution

Someone to talk to
Informal channel to unstick deals

Deal feedback
Collects feedback from TTOs and investors

Public reporting
Anonymised aggregate deal data

Mechanics

How it operates

Light secretariat
1–2 FTE at neutral body (NWO / RVO)

Quarterly meetings
Plus annual public refresh event

No statutory power
Persuasion via transparency and peer pressure

Sunset / review
5-year horizon; reviewed by Government

Membership

Who sits at the table

Universities
KTO heads (KEEN) + valorisation deans (or similar)

Market
VC reps + Incubator reps + founder representatives

Government/ Independent
EZ as observers Techleap

Independent chair
Rotating across membership

The Netherlands should use the adapted ETH terms as the IP Deal Terms 2.0 express terms

The ETH express terms are explicitly a *starting point*, not a destination. The ecosystem needs to build experience by using them. By sharing learning and data they will improve over time.

Pick one existing set to start fast, ensure balance and prevent special pleading

Use gating criteria to limit to appropriate cases and prevent arbitrary application

Learning over stasis: terms and criteria should grow based on input from Universities and Ecosystems. Data sharing is crucial

APPENDIX

Appendix

University tech transfer earns little direct income — its real payoff is societal impact

Licensing returns are limited and highly skewed — FY2015 AUTM U.S. survey, per Lita Nelsen MIT (2018)

4.1%

average licensing return on research spend (~3% net of inventors' shares)

12

institutions earn half of all U.S. licensing income — usually from a single patent

3.6M

jobs and 8,000+ new companies created from university IP since Bayh-Dole

The bargain works for society, not the balance sheet — run tech transfer for impact, not income.

DTU — flexible, standardised, formula-driven model

Four published models cover ~all cases; royalty calculators set numbers; founders see a near-take-it-or-leave-it term sheet

CONTEXT

VOLUME
14 IP-licensed Spin outs in 2024 (UFM strict count); broader DTU ecosystem ~120 start-ups annually

TTO OUTPUT 2024
60 patent applications filed; 318-family active portfolio; 36 new licence/sale/option deals; DKK 11.5m patent income

CAPITAL STRUCTURE
DTU Tech Transfer (academic-staffed TTO) + DTU Skylab innovation hub + PSV Hafnium (DKK 600m / ~€80m deep-tech fund, 2024, via DTU-subsidiary PSV Foundry)

FUNDING BASE
DKK 6.55bn total income. State 46% • Research 39% • Sales 12% • Other 3%. Industry-contract share smaller than peers expect

PEOPLE
Academic staff: 2,302 FTE (VIP, all ranks combined; DTU does not publish prof-only split). PhD: 1,175 FTE. Total DTU: 6,295 FTE. Tech Transfer Team size n.d.

TERM MECHANICS

Standardisation Four published Express models — A1 royalty-only non-pharma; A2 milestones + royalty pharma; B1 royalty + equity options non-pharma; B2 royalty + equity options + milestones pharma. Within each, parameters are negotiable but the template is fixed.

Equity B1/B2 only: ~15% equity stake, dilutive in line with founders. A1/A2: no equity, royalty-only structure.

Royalty Calculated through a published formula based on TRL, sector, and sublicensing potential. Typically 0.5–2.0% net sales for non-pharma A1; 0.5–2% with milestones for pharma A2.

Milestones A2/B2 only: pharma milestones up to DKK ~20m aggregate, structured around clinical phases.

Patent costs Reimbursable by licensee, with cap. Standard term.

Governance No voting rights attached to DTU equity; standard reporting; no board seat. Minimal post-deal university involvement.

Buy-out Royalty buy-out option with pre-published valuation formula. Important feature for clean exits.

WHAT MAKES THEM DISTINCTIVE

Detailed multi-version standard terms with formula based royalty calculations including sector benchmarks. Sophisticated but complex.

Sources: DTU Annual Report 2024; UFM Kommercialiseringsstatistik 2024; Tech Transfer office published model documents (DTU A1/A2/B1/B2 series).

Oxford — single express, market-light outcomes, capital-rich

OUI plus Oxford Science Enterprises (~£1.1bn fund) — terms reflect a 'value-capture-via-investment' model rather than royalty extraction

CONTEXT

VOLUME
15 IP-licensed Spin outs + 4 start-ups = 19 new enterprises 2024/25. Cumulative 338 since 1987/88. 179 active spinouts (FY2023/24; 169 / 171 / 180 / 179 across 2020/21–2023/24); University's share worth £208m. Portfolio raised £489.8m in past year

TTO OUTPUT 2024/25
93 new patent applications, 1,173 licensing deals concluded, 360+ patent families managed, 450+ licence agreements total

CAPITAL STRUCTURE
Oxford University Innovation Ltd (wholly-owned subsidiary, est. 1987) + Oxford Science Enterprises (~£1.1bn patient-capital fund)

FUNDING BASE
£3.05bn total income. State 7% • Research 26% • Publishing 25% • Tuition 18% • Donations 8% • Other 16%. Low state share is UK-distinctive

PEOPLE
Academic: ~2,000 statutory academic FTE + ~4,400 research staff FTE = ~6,400 academic FTE. Admin: 8,455 FTE. Students: 26,225 HC. Total employees: 16,905 (Jul 2024). OUI ~150–200 staff

TERM MECHANICS

Standardisation Single 'Oxford Express' model.

Equity Material equity stake on Express, typically 15–20% non-dilutive to the seed round (founders' equity is the residual after this and any investment).

Royalty 0.5–2.5% net sales, plus 15% decreasing to 5% sublicence income over three years.

Liquidity-event fee £5m cap on a liquidity-event payment, replacing milestones. Aligns with VC exit logic rather than pharma clinical milestones.

Patent costs Reimbursable by licensee; OUI funds prosecution upfront.

Governance Light-touch on the Express: no voting rights for the equity stake; typical reporting. Note: OSE separately takes board seats as an investor when it invests.

Co-investment Oxford Science Enterprises co-invests at scale across portfolio. This is the distinctive feature — the university is also a meaningful capital provider.

WHAT MAKES THEM DISTINCTIVE

Oxford's model is two-tracked. The Express is a clean, market-like licensing agreement. Often (not always) OSE invests, separately, at typical VC equity. The combined effect: Oxford captures substantial value, does so through the investment vehicle and royalty extraction. Tend to hold investments long; more important to revenue.

Sources: OUI Impact Report 2024/25 'Shaping the Future'; Oxford Annual Report and Financial Statements 2023/24; OUI public documentation on Express Terms.

ETH — single express, fair-not-arbitrary, high volume

37 Spin outs/year, 86% still active — the highest-volume European model with the lowest-end-of-range compensation

CONTEXT

VOLUME
37 new Spin outs in 2024; 615 cumulative since 1973 (530 still active, 86.2% survival). 5-year survival 93%, 10-year 81%. Pioneer Fellowships produced 94 of the 615 cumulative

TTO OUTPUT 2024
Spin outs raised CHF 425m in 42 financing rounds. 8 exits via acquisition. 25% of Spin outs are ICT, 11% biotech/pharma (ETH Spin-off Report)

CAPITAL STRUCTURE
ETH transfer (in-house TTO) + Pioneer Fellowships (deep-tech incubation, ~9 graduating Spin outs/year). Works closely with Innosuisse for early-stage non-dilutive funding. No internal VC fund; ecosystem VCs (Wingman, Redalpine etc.) are external

FUNDING BASE
CHF 2.0bn total income. State 70% (CHF 1.39bn federal global budget) • Third-party 30% (CHF 607m). No tuition at scale; no publishing arm

PEOPLE
Professors: 567 HC (525 FTE). Scientific staff: 6,622 FTE. Teaching/research assistants: 475 FTE. Total academic: ~7,189 HC. ETH transfer: 30.6 FTE (swiTT 2025)

TERM MECHANICS

Standardisation Single ETH Express model with three compensation varieties (equity-only, equity + royalty, royalty + milestone) + a dedicated software set-up. High clarity, low optionality

Compensation philosophy Explicitly 'fair, not arbitrary' — link to market less pronounced than Oxford. Predictable and standardised over maximal

Equity Typically 2–4% equity, dilutive in standard rounds (not anti-diluted)

Royalty 0.5–2% net sales (lower end of European benchmark range). Software variant uses a separate compensation structure tailored to lower IP-capture/higher volume software economics

Milestones Optional in the milestone variant; small relative to pharma standards

Governance Medium grip: voting rights for the equity stake, reserved matters until CHF 200k cumulatively invested by ETH, typical reporting. More grip than Oxford/DTU but defined and time-boxed

Founder services ETH transfer can invest for additional equity or % of round in exchange for services. Pioneer Fellowships provide up to CHF 180k + structured incubation for founders during PhD/post-doc

WHAT MAKES THEM DISTINCTIVE

ETH's model is the highest-volume European success: 37 Spin outs/year with 86% still active. Express Terms but also general approach is focused on minimising friction, spinning out fast, and generally also holding for short periods only.

Sources: ETH spin out Report 2024; ETH Zürich Sources and Use of Funds 2024; ETH Transfer published Express documentation.

KU Leuven — bespoke, integrated research and capital

LRD is more an industrial-research platform than a classic TTO; no published Express Terms (except software); compensation negotiated to market

CONTEXT

VOLUME
9 new Spin outs in 2024 (audited LRD count); 199 cumulative; LRD active shareholder in 60 Spin outs

TTO OUTPUT 2024
87 new patent families filed, 132 patents granted, 4,450 new valorisation contracts signed, €415m revenue flow through LRD (incl. licence income, contract research, +€23m YoY licence growth)

CAPITAL STRUCTURE
LRD (since 1972) + Gemma Frisius Fund (~€18m evergreen, in-house VC) + Capricorn / K&E ecosystem partners. VIB collaboration in life sciences

FUNDING BASE
€1.6bn total income. 1st stream ~40% (block grant) • 2nd–4th streams ~50% (BOF/FWO+EU+contract) • Tuition ~9%. #1 in Europe in Horizon Europe budget

PEOPLE
6,763.9 FTE (1,350.4 ZAP + 87.7 OP3 + 558.2 AAP + 4,767.6 general scientific) + >7,400 PhDs enrolled = ~14,200 incl. PhDs (Jaarverslag 2024)

TERM MECHANICS

Standardisation No published Express model (one exception: software). LRD uses TenU/USIT principles as a reference framework but deviates where commercial reasonable. Each deal negotiated

Equity Significant equity stake when applicable, typically negotiated together with co-investment by LRD/Gemma Frisius. Anti-dilution variable by deal

Royalty Negotiated to approximate market outcome; significant in deep-tech/life-sciences. Patent cost recovery standard

Co-investment Routine — Gemma Frisius typically participates in seed rounds alongside external VCs. This is the distinctive feature: KU Leuven is itself an investor

Governance Calibrated to stake and involvement. Heavier governance when LRD/Gemma Frisius are equity-and-debt; lighter on pure licence-only deals

Founder support Very extensive — research expertise (KU Leuven labs), personnel (PhDs/post-docs), facilities (VIB, IMEC), and follow-on investment. KU Leuven supplies more 'non-cash' resources than any peer here

Sectoral Strong life-sciences orientation through VIB partnership; deep-tech through IMEC. Software is the only domain with a standard term sheet

WHAT MAKES THEM DISTINCTIVE

KU Leuven's model is genuinely different — it's not really a 'TTO with terms' but an integrated research-and-capital partner. The university's 50%+ external research income share creates a contracts-heavy environment where bespoke deal-making is operationally normal. The trade-off: each deal takes longer to close and is less reproducible, but each deal can capture more value when KU Leuven's research contribution is genuinely material. Less appropriate as a Dutch baseline (volume), but instructive on the value of co-investment.

Sources: KU Leuven Jaarverslag 2024; LRD published valorisation data; Veto reporting on Flemish university funding structure.

TU Delft — 4TU terms aligned with IP Deal Terms 2.0

Innovation & Impact Centre + Delft Enterprises; new national standard launched November 2025

CONTEXT

VOLUME
12 Spin outs with TUD-IP in 2024 (audited valorisation indicators); 34 start-ups without TUD-IP; Delft Enterprises shareholdings in 72 spin out companies end-2024 (up from 67 end-2020)

TTO OUTPUT 2024
120 invention disclosures; 71 patent applications; 7 commercial licences; 2 commercial transfers; CWTS Leiden Industry Co-pub rank #36 (up from #44 in 2023)

CAPITAL STRUCTURE
Innovation & Impact Centre (I&IC) — IP team 8 staff managing ~300 patents; Delft Enterprises (university IP holding, ~€500m portfolio FMV, 72 shareholdings end-2024); UNIIQ (€50m regional fund)

FUNDING BASE
€1,019m total baten 2024 (+6.1% YoY). Rijksbijdrage €629m (61%); 2de geldstroom €87m (+46% YoY); 3de geldstroom €191m; College geld €92m

PEOPLE
Wetenschappelijke staf (HGL/UHD/UD): 1,378 FTE. Overig wetensch.: 1,154 FTE. Total academic: 2,532 FTE. Promovendi: 2,172 FTE. Total TU Delft: 7,600 FTE

TERM MECHANICS

Standardisation Use 4TU model based on IP Deal Terms 2.0

Equity Generally equity, tending towards ~10%-15% range

Royalty Negotiated case-by-case if applied

Patent costs Generally borne by university until licence; case-by-case allocation post-licence

Governance Standard for Dutch context; calibrated to stake. Delft Enterprises sits on cap table; voting/board rights case-by-case

Co-investment Delft Enterprises co-invests in Spin outs through portfolio; YES!Delft incubator + Impact Studio provide pre-formation support

Founder support Extensive — YES!Delft (200+ companies cumulative), Impact Studio, Ideation Labs (4TU consortium), entrepreneurship programmes (1,478 students / 15,427 ECTS in 2024)

WHAT MAKES THEM DISTINCTIVE

TU Delft is the highest-ranked Dutch university in the European University spin out Report 2025 (after Oxford, Cambridge, ETH). Material 2024 uplift: **+71% in IP-based Spin outs (7 → 12)**.

Sources: TU Delft Jaarverslag 2024 NL (Section 4.2, valorisation indicators); ANBI publicatie TU Delft 2024; Delta TU Delft (I&IC IP team size); European University spin out Report 2025.

TUM — Fast-Track IP and standardised virtual shares

TUM ForTe + UnternehmerTUM; >100 start-ups in 2024 (first time); #1 in Europe per FT 3 years running

CONTEXT

VOLUME
>100 start-ups in 2024 (first time over 100). UnternehmerTUM Accelerator portfolio raised >€2bn since 2017. UnternehmerTUM ranked #1 in Europe (FT Leading Start-up Hubs)

TTO OUTPUT 2024
>50 patent applications p.a.; >5,000 entrepreneurial talents mentored p.a. via UnternehmerTUM; 8 TUM Venture Labs; cumulative >200 ERC grants

CAPITAL STRUCTURE
TUM ForTe (Patents & Licences, ~2008, FTE n.d.) + 8 TUM Venture Labs + UnternehmerTUM (>500 staff, affiliated since 2002); UVC Partners (independent VC, ~€600m AUM across 3 funds); HTGF federal LP

FUNDING BASE
€2,171m total income 2024 (incl. Klinikum); €1,250m TUM only. Staatszuschuss €838m (39%); Drittmittel €544m (25%) of which €96m private; generated income €789m (36%)

PEOPLE
Professors: 583 HC. Wissenschaftler: 5,928 HC. Total academic (TUM only): 6,511 HC. Total TUM: 10,106 HC (excl. Klinikum), 12,616 HC incl. Klinikum. ForTe FTE n.d.; UnternehmerTUM ~340

TERM MECHANICS

Standardisation **Fast-Track IP process for start-ups** — TUM ForTe Patents & Licensing developed a structured 5-phase negotiation framework. Standardised 5–10% virtual share model per spin out (TUM IP Policy 03/22).

Equity Virtual shares only. Fast-Track models are FT1 2/5/7% (dilutive, with min company valuation), FT2 1-5% (non-dilutive), FT3 software no virtual share.

Royalty Market based levels where included

Patent costs Reimbursable by licensee under standard terms

Governance **No governance rights** — virtual participation only. TUM does not sit on cap table, no voting rights, no board seat. Most founder-friendly governance model in the benchmark set.

Co-investment UnternehmerTUM VC Partners (UVC) operates independently; HTGF (federal, not TUM-captive) co-invests at scale. TUM itself does not take direct equity

Founder support Extensive via UnternehmerTUM: >5,000 talents mentored p.a., 8 Venture Labs, Munich Urban Colab co-working, EIT Urban Mobility hub. Among the largest entrepreneurship ecosystems in Europe

WHAT MAKES THEM DISTINCTIVE

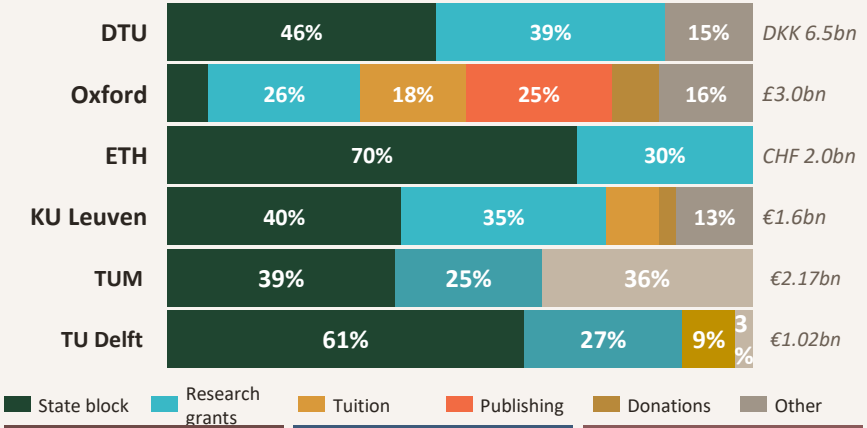
TUM has multiple Fast-Track models, with significant options still open in the published terms. Large scale with significant available capital.

Sources: TUM in Zahlen 2024 (Hochschulreferat 1); TUM ForTe Fast-Track documentation (forte.tum.de); UnternehmerTUM Annual Highlights 2024; TUM IP Policy 03/22.

Funding models differ fundamentally — driving very different commercialisation pressures

Apples-to-apples breakdown of FY2024 total operating income, by source.

FY2024 OPERATING INCOME BREAKDOWN



WHAT THE FUNDING MIX TELLS US

1. DTU and ETH look superficially similar (state-funded engineering universities), but DTU's industry-contract share is notably small — most non-block income is competitive research grants.

2. Oxford is a genuine outlier: ~7% state block grant, 25% publishing (OUP), 18% tuition, 26% research. This funding model creates pressure to commercialise.

3. KU Leuven's four-stream Flemish model bundles competitive Flemish funding (BOF/FWO) with EU/contract — together this 50%+ external share creates strong incentives to win Horizon Europe (which KU Leuven leads in Europe). KU Leuven's headline also bundles the hospital.

4. TUM's 36% "Other" is the Klinikum (university hospital, €789m). Excl. Klinikum, TUM is €1.25bn. KU Leuven's headline also bundles the hospital. ETH, DTU and TU Delft are university-only.

DTU	Oxford	ETH	KU Leuven	TUM	TU Delft
State block DKK 3.0bn (46%) + DKK 2.57bn public research grants (39%). Industry contracts only DKK 795m = 12%.	State only 7%. Research grants 26% (UKRI). OUP publishing 25%. Tuition 18%. Donations 8%. Most diversified.	Federal contribution CHF 1.39bn (70%). Third-party CHF 607m (30%). No tuition at scale; no publishing arm.	1st stream block grant ~€640m (40%). 2nd–4th (BOF/FWO + EU + contract): ~€550m (35%). Includes hospital.	State €838m (39%). Drittmittel €544m (25%). "Other" €789m (36%) is mostly Klinikum. TUM-only: €1.25bn.	1ste geldstroom €629m (61%). 2de + 3de combined €277m (27%) — NWO, EU, industry, non-profit. Tuition €92m (9%).

Sources: DTU Annual Report 2024 (Resultatopgørelse); Oxford Annual Report 2023/24 (Statement of Comprehensive Income); ETH Zürich Sources and Use of Funds 2024; KU Leuven Jaarverslag 2024 (begrotingsafdelingen). KU Leuven splits indicative from streams analysis.

TTO output and spin out pipelines reveal the operating intensity behind each model

Annual flow (FY2024) of inventions, deals, capital and companies.

METRIC	DTU	Oxford	ETH Zürich	KU Leuven	TUM	TU Delft
Patent applications filed (year)	60 (318 in portfolio)	93 (360+ families)	n.d.	87 new families (132 granted)	>50 p.a. (TUM F&F)	71 (120 disclosures)
Licence / options deals signed (year)	36	1,173	n.d.	4,450 valorisation contracts	n.d.	7 licences + 2 transfers
New Spin outs (year, strict IP definition)	14	15 (+4 startups)	37	9	>100 broad startups 2024	12 with TUD-IP + 34 broad
Active Spin outs (cumulative since founding)	n.d. (~1980s)	97 worth £3bn	530 (of 615 since 1973); 86%	60 (of 199 since 1972)	n.d. cumulative	72 (Delft Enterprises holdings end-2024)
Capital raised by spin out portfolio (year)	n.d.	£489.8m	CHF 425m (42 rounds)	n.d.	>€2bn since 2017 portfolio	n.d.
Industry research income (year)	DKK ~795m (≈12% of total)	£148m	CHF 607m third-party	€267m contract research + services	Drittmittel €544m (€96m private)	€280m werk derden 2024
TTO revenue (licences / valorisation)	DKK 11.5m patent income	n.d.	n.d.	€415m flow through LRD	n.d.	n.s.

Sources: same as Slide 12; KU Leuven LRD jaarverslag section; ETH spin out Report 2024; Oxford OUI Impact Report 2024/25.

State aid framework: what it requires, the risk if breached, and where exemptions sit

Backup slide: EU framework, Dutch interpretation and contractual implementation

Why Article 107 TFEU exists

The single market only works if companies compete on merit, not on which government's purse they can tap. Art. 107(1) prohibits any state resource — cash, tax breaks, below-market IP — that selectively favours one undertaking. For Spin outs, the risk is subsidised IP or equity becoming a hidden subsidy to private investors.

Three layers govern the analysis

- **EU — sets the rules:** R&D&I Framework (2022/C 414/01), GBER (block exemptions, no notification needed), de minimis Reg. 2023/2831.
- **Dutch — operationalises them:** RVO administers schemes; Kaderbesluit EZK/LNV-subsidies sets national rules; TTOs follow VSNU/UNL valuation practice.
- **Contractual — the proof:** the term sheet itself is the arm's-length evidence in any later review.

GBER — what it actually does

Reg. 651/2014 (extended to 2026) lets member states grant aid without Commission approval if fixed conditions are met. Key articles:

- **Art. 22:** start-up aid, up to €1.5m equity for innovative SMEs.
- **Art. 25:** R&D aid, 25–100% intensity by research category.
- **Art. 28:** innovation aid to SMEs — IP costs, advisory; up to €10m.

Different approaches in EU

- **Netherlands:** valuation-led; independent IP valuation + arm's-length negotiation; equity 5–15%.
- **Germany:** process-led; TTOs (Max Planck Innovation, Ascenion) use open licensing tenders and standard term sheets.
- **France & Belgium:** SATT / spin out offices apply stricter valuation gates; equity often 15–25%.

Lighter regimes outside EU

- **Switzerland (non-EU):** no EU state-aid regime — ETH/EPFL set terms commercially.
- **UK (Subsidy Control Act 2022):** lighter regime, no GBER; USIT/TenU norms trend founder-friendly (5–10% equity).

Risk to the university if breached is limited

- **Recovery of unlawful aid** from the spin out plus 10 years' compound interest — typically fatal to an early-stage company.
- **Collateral:** voided IP transfer, Rekenkamer / Commission audit, reputational damage, board-level exposure.

Suggest using process-led, non-arbitrary model for TRL<4

- Low TRL hard to value, if no indicators to contrary, standardizing terms across start-ups least arbitrary set-up