UNIVERSITY OF AMSTERDAM

UVA SPIN-OFFS REGULATION

The University's Conditions Regarding Equity Participation and the Licensing of Intellectual Property

This is a translation of the original Dutch text. In the event of any ambiguity, the Dutch original shall prevail.

Adopted by decision of the Executive Board dated 9 September 2025, no. 2025-132143.

This Regulation is followed by a Commentary.

1. Definitions

1. **Biotech life science spin-off:** a spin-off specialising in applications in biomedical technology, diagnostics, or drug development.
2. **Deal Terms:** the conditions set by the University upon the incorporation of a spin-off.
3. **Fair Market Value:** the price for which an asset (e.g., a company or a patent) would be sold under current market conditions between independent parties seeking an optimal price.
4. **Holding:** UvA Ventures Holding B.V.
5. **Intellectueel Eigendom (IE):** all rights and interests, registered or unregistered, arising from inventions and creations, including but not limited to patents, copyrights, trademarks, designs, database rights, know-how and other comparable rights as recognised and protected by law. In a university environment, this predominantly covers intangible assets arising from academic research and innovation. These assets include (patented) inventions, scientific discoveries, technical know-how, research data, software, teaching materials, and specialised expertise and methodologies developed within the University.
6. **IXA:** Innovation Exchange Amsterdam, UvA office – the University's Knowledge Transfer Office (KTO).
7. **Milestone payments:** payments due only upon the achievement of predefined results.
8. **NFU:** Nederlandse Federatie van Universitair Medische Centra.
9. **Net Sales:** Net Sales: the total gross revenue from the sale, lease, or transfer of licensed products or processes, minus specific deductions such as discounts, returns, taxes, and transport/insurance costs.
10. **PoC (Proof-of-Concept) Fund:** see Valorisation Fund.
11. **Regulation:** this UvA Spin-off Regulation.
12. **UvA Knowledge Exploitation Regulation:** the regulation for University employees describing procedures, rules, and rights relating to knowledge exploitation.
13. **Risk-reward profile:** the risk-return ratio.
14. **Stacked Royalties:** arising when a University spin-off owes multiple royalty obligations to the University because a product or service uses multiple licensed technologies or patents, potentially resulting in a cumulative royalty rate exceeding what is commercially desirable.
15. **Startup Friendly:** conditions enabling early-stage development and investment, including deferred payments (e.g., only upon revenue), low or no milestone fees, reasonable royalty rates, dilutable equity stakes, and sufficient room on the cap table for founders, staff, and investors.
16. **Future IP:** the definition of IP above, but relating to inventions created after the spin-off's incorporation.
17. **TRL:** Technology Readiness Levels, indicating the development stage of a new technology.
18. **TRL-niveau:** TRL level: the various phases in technology development, grouped into four overarching phases: Discovery, Development, Demonstration, and Deployment.
19. **Inventor:** a University employee who makes an invention.

20. **University spin-off:** a start-up originating from academic research that aims to translate scientific knowledge into market-oriented products or services. The University holds an equity stake in the company.
21. **University:** the University of Amsterdam.
22. **UNL:** Universities of the Netherlands, the association of Dutch universities.
23. **Valorisation Fund:** the University's fund consisting of two active sub-funds:
    A) the Patent Fund, for costs associated with patenting inventions; and
    B) the PoC (Proof-of-Concept) Fund, providing financing to employees to develop an invention into a "Proof of Concept" before a spin-off is founded.
24. **Dilutable:** the phenomenon whereby an existing shareholder's stake decreases due to the issuance of new shares.
25. **Right of First Refusal (IP):** the exclusive right of an existing contracting party to be the first to enter into an agreement with the University for the use or exploitation of new relevant IP created after the initial IP agreement.

2. General Principles

1. The University encourages employees to found University spin-offs and offers support such as access to IP, funding, infrastructure, and expertise.
2. The University decides, at its own discretion and judgment, whether it will establish a University spin-off itself or cooperate with an initiative by employees and/or third parties. The University may refuse formation or cooperation based on strategic, scientific, or societal considerations.
3. The University aims, through the creation of University spin-offs, to achieve:
    - Impact: contributing to societal impact and economic value creation;
    - Talent: providing an attractive entrepreneurial environment for scientific talent;
    - Fair return: generating revenue, under reasonable conditions, that can be reinvested in the University's research and innovation objectives (public tasks).
4. For University spin-offs, the University:
    - obtains an equity stake in the spin-off for its contribution to its creation in the form of knowledge, support, and facilities (financial and non-financial); and
    - enters into a royalty-bearing licence agreement for specific IP made available to the spin-off.
5. The Deal Terms are standardised with a small number of fixed variants. The University adheres to the following guiding principles:
    - The conditions set by the University are Startup Friendly;
    - The University acts efficiently, promptly, and transparently;
    - More or less comparable spin-offs receive the same Deal Terms;
    - The University aims, overall, to recover at least out-of-pocket costs associated with spin-offs;
    - The Deal Terms should not unnecessarily impede the spin-off's ability to attract follow-on investment.
6. The University adheres to the principles of Socially Responsible Licensing (as adopted in UNL/NFU context).
7. The University complies with (EU) competition law and all legal requirements applicable to publicly funded higher-education institutions.
8. This UvA Spin-offs Regulation is closely related to the UvA Regulations Governing Knowledge Utilisation. The UvA Spin-offs Regulation focuses on standardising the conditions that the University sets for the establishment of a spin-off with regard to the equity stake and the use of IP and university facilities. The Knowledge Utilisation Regulation focuses on how employees can utilise knowledge and research results they have developed at the University, and what their rights and obligations are.

3. The University's Equity Stake

1. The University determines a standard equity stake **("Standard")**. The Standard is not only based on the general principles as described in Article 2 of this Regulation, but also takes into account the specific provisions the University offers to University spin-offs (e.g., the Valorisation Fund), sectoral guidelines and benchmarks, common practices elsewhere, and experiences with investors. The Standard may be subject to an increase or decrease in specific cases.
2. The University's Standard equity stake at incorporation is 12.5%.
3. The following adjustments may apply to the Standard:
   - An increase to 22.5% of University equity stake for: Biotech life-science spin-offs or spin-offs starting at a relatively high TRL level (TRL ≥ 5).
   - A decrease to 7.5% of University equity stake for spin-offs meeting at least one of the following criteria:
     (i) Little or no use has been made of University facilities or the University knowledge ecosystem (including physical infrastructure, IXA services, and the open knowledge environment between colleagues);
     (ii) The Inventor(s) leave University employment entirely and there is no ongoing open knowledge pipeline between the University and the University spin-off..
4. There is no University spin-off, and therefore no University equity stake, if an employee establishes a company outside their University remit, without using University facilities and resources, in their own time. The employee remains bound by the Additional Activities Regulation.
5. The University's equity stake is dilutable in subsequent investment rounds.
6. If at incorporation not all shares can be allocated to the founding shareholders, the University holds the remainder. When new shareholders (inventors) enter, this remainder is first distributed – resulting in a de facto anti-dilution for all original shareholders.
7. Upon incorporation, the University's equity stake is transferred to the Holding. The Holding holds and manages all University-acquired spin-off equity. The University itself has no direct involvement after incorporation. The Holding provides services, has capital for (follow-on) investments, and operates under its own investment policy.

4. Intellectual Property (IP)

1. The University and the spin-off enter into a royalty-bearing licence agreement regarding IP.
2. The University retains ownership of the IP and always maintains non-exclusive, royalty-free access to the licensed IP for education and research purposes.
3. The University offers the spin-off a licence agreement with the following favourable conditions:
   - No or relatively low milestone payments. Royalties are typically only owed when the spin-off generates revenue (Net Sales).
   - A royalty rate on Net Sales based on standard percentages (Art. 4.5).
     A Right of First Refusal on Future IP generated by the Inventors who remain employed by the University. If exercised within two (2) years after incorporation, a licence will be granted consistent with this Regulation, unless compelling reasons (e.g., a major competing interest) dictate otherwise.
   - In cases with multiple licences, the University accounts for Stacked Royalties and ensures that total effective royalties remain reasonable to safeguard commercial viability. Terms are agreed upon in writing on a case-by-case basis.

- The University pays, insofar as the Valorisation Fund permits, patent (advice) costs during the PCT procedure for up to 2.5 years, provided it decides to patent and owns the relevant patent. From the national phase onward (the establishing and maintaining of the patent per jurisdiction), all costs are borne by the spin-off.
  As partial compensation for these favourable terms, the University also receives its equity stake.

4. A **“Field of use”** is defined in the licence, limiting use to a specific application area.
5. University-generated IP typically has a low TRL. For IP below TRL 5, standard royalty rates on Net Sales apply, based on:
   - High-value – low-value: **“High-value IP”** offers strong protection for an invention and its application. With **“Low-value IP”** there is little protection; realistic solutions or alternative approaches are conceivable.
   - Exclusive – non-exclusive: the University spin-off obtains either exclusive or non-exclusive IP rights.
   - The expected gross margin on the final product. A lower royalty applies to products with a low gross margin (<35%).

This leads to the following **“Standard Royalty”** on Net Sales:

		Low gross margin	High gross margin
Low IP	Non-exclusive	0,20%	0,50%
	Exclusive	0,50%	1,00%
High IP	Non-exclusive	0,50%	1,00%
	Exclusive	1,00%	2,00%

6. For IP at TRL ≥ 5, royalty terms are determined individually, based on Fair Market Value.
7. In the event of funding provided via the Valorisation Fund or patent costs paid by the University, once the spin-off generates revenue, the University can either demand early Milestone payments or set a higher royalty percentage until a certain threshold amount has been reached (up to a maximum of three times the contribution from the Valorisation Fund).
8. For Low-value IP, a maximum (a “Cap”) is set on the royalties payable, equal to three (3) times the contribution from the Valorisation Fund plus the out-of-pocket licensing costs incurred, with a minimum threshold of two hundred fifty thousand euros (€250,000).
9. The term of the licence agreement is as follows:
   - In the case of a patent licence, the term of the licence is at least the lifetime of the patent.
   - For products with a long development cycle, this may be extended to a term of ten (10) years after first commercial sales **(“Market Introduction”**).
   - If no patent is involved, or in the case of Low-value IP, the term is seven (7) years after Market Introduction or until the Cap is reached, whichever is more favourable to the University.

10. Sublicensing is permitted subject to the following royalty share on sublicence income:

Date of Sublicence Agreement	First € 0,5M (cumulative)	Remaining
Within 2 years of main licence	10%	30%
In year 3	5%	15%
From year 4 onward	5%	5%

11. The licence agreement will include defined development milestones. The agreement may be revoked if the University spin-off fails to achieve the agreed milestones. No payments or compensation shall be due in such cases.

5. Use of University Facilities

1. The University maintains a Valorisation Fund that, among other purposes, supports spin-off creation. Granted funding is reflected as value in the licence agreement.
2. The University may allow the University spin-off to continue using University facilities after incorporation, such as laboratories, offices, and IT infrastructure. These arrangements are set out in a separate agreement, subject to the following conditions:
   - The University spin-off must pay a cost-covering fee (based on the University's standard *full-cost model*).
   - In the first two (2) years after incorporation, the University may convert the fee for facility use into a loan at a market-conform interest rate. The loan and interest must be repaid within a maximum of five (5) years, according to a schedule to be determined.
   - After two (2) years, the University spin-off must pay for the use of University facilities in accordance with the University's general payment terms.

6. Miscellaneous

1. The Executive Board, and IXA on its behalf, may deviate from the standards in this Regulation for justified reasons. Such deviations will be exercised only with restraint.
2. IXA shall conduct an evaluation at least once every two (2) years, with the first evaluation taking place in 2026. If developments or new insights so require, this Regulation will be amended accordingly.
3. Agreements already made regarding equity and executed licence agreements shall not be revised following amendments to this Regulation.
4. All ongoing negotiations concerning University spin-offs shall be concluded under these new conditions from the date this Regulation enters into force, unless the University has already committed to more favourable terms for the spin-off.
5. This Regulation enters into force on 1 September 2025.

Commentary on the UvA Spin-offs Regulation

Introduction

The **UvA Spin-offs Regulation** has been drafted to simplify and standardise the process of establishing University spin-offs. By using standardised arrangements (Deal Terms) for matters such as the University's equity stake and licensing conditions, the University aims to ensure that spin-offs can be created smoothly, without lengthy or complex negotiations. The Regulation provides staff and investors with clarity in advance regarding the conditions set by the University. Transparency, an efficient process, and a balanced allocation of interests among stakeholders can all increase the likelihood of a successful spin-off.

The University regards this Regulation as one of the tools for fostering an environment in which spin-offs can be created more rapidly, in greater numbers, and with better prospects for scaling. This, in turn, contributes to a larger and more mature start-up ecosystem, with all its associated positive network effects.

This Commentary clarifies the provisions of the Regulation and explains how they support the success of spin-offs and the collaboration between the parties involved.

Context and Objectives

In addition to education and research, the University considers valorisation – the creation of societal value and impact – to be one of its core responsibilities. The University can help achieve societal impact in various ways, one of the most important being the creation of spin-offs.

A spin-off is a start-up company originating from academic research, aiming to translate scientific knowledge into market-oriented products or services. The University acquires an equity stake in the spin-off upon its incorporation.

The University pursues three main objectives in establishing spin-offs (Art. 2.3):

1. Societal impact: converting academic research into market-ready products and services that contribute to society.
2. Talent development: providing a stimulating and entrepreneurial environment in which scientific talent can further develop, particularly in the areas of innovation and entrepreneurship.
3. Fair return: generating income that can be reinvested in research and innovation, thereby creating a "virtuous circle", a positive spiral, of reinvestment in knowledge and innovation.

This Regulation is designed to streamline the process of forming spin-offs by means of standardised Deal Terms. This removes barriers: lengthy negotiations are avoided and there is no need to reinvent the wheel each time. At the same time, the Regulation ensures a fair balance between the interests of the University, researchers, and investors. Researchers also know in advance which arrangements apply, and comparable cases are treated consistently. The Regulation further ensures that the University complies with all relevant legislation, including competition law and state-aid rules (Art. 2.5, 2.7).

The University aims for a maximum processing time of eight (8) weeks, counted from the moment a complete spin-off proposal, approved by IXA, becomes available. Within this period, all arrangements concerning the equity stake and the licensing conditions (in the form of a completed standard licence agreement) will, in principle, be finalised. This is achievable thanks to the extensive standardisation provided by the Regulation.

In addition to the UvA Spin-off Regulation, the University also has the **Knowledge Utilisation Regulation**. This related regulation sets out the procedures that UvA employees must follow when they generate exploitable knowledge, as well as their rights - particularly with respect to sharing in potential revenues. The **Knowledge Utilisation Regulation** covers more than spin-offs alone; it applies to all knowledge generated at the University that may be eligible for exploitation. Finally, the Regulation on Ancillary Activities should be mentioned here. Its purpose is to safeguard transparency and integrity when employees undertake activities outside their University remit, and it applies without exception when an employee is active in a spin-off (Art. 2.8).

The University's Equity Stake

A spin-off originates within the University. The University acquires an equity stake in a spin-off because it may have contributed in numerous ways to both its creation and its early development. In addition, the University enters into a licence agreement with the spin-off under which University Intellectual Property is made available in exchange for royalties on future revenues. This combination of an equity stake and a royalty-bearing licence is referred to as a hybrid deal (Art. 2.4). The reasons for the University to obtain an equity stake extend far beyond the fact that the spin-off builds on knowledge generated by scientists employed by the University. The spin-off can also be viewed as the product of the broader and costly knowledge ecosystem that the University constitutes – an ecosystem characterised by open knowledge exchange. Spin-offs will often have used University facilities, such as laboratories or IXA advisory services (for example, on grants or patents). The University also maintains a Valorisation Fund through which employees can apply for funding to develop an invention into a Proof of Concept, thereby making it ready for spin-off formation (Art. 3.1).

University IP is licensed to the spin-off under favourable conditions tailored to a startup. Moreover, even after incorporation, the spin-off often continues to benefit from University networks, and in the early years there may be an open flow of knowledge between the spin-off and the University. The University also often offers the possibility to continue using facilities with deferred payment. Finally, the University may allow the spin-off to use its name in communications. All such matters can contribute to the success of the spin-off and collectively justify the University's equity stake.
The University's conditions for both the equity stake and the IP licence to the spin-off are highly standardised. Only a small number of variants exist. However, the possible combinations of equity stakes and royalty arrangements offer sufficient flexibility to address the circumstances of nearly all spin-offs. Where this demonstrably, to a significant extent, is not the case, the Regulation allows for exceptions (Art. 6.1).

How to determine the Equity Stake? There is no scientific formula for calculating the optimal equity stake of a university in a spin-off. Universities determine their stake themselves, which in practice can range from zero to 100%, depending on the university's vision on valorisation, the degree of involvement, and the investments made. If the University takes a stake that is too large, it could hinder the success of a spin-off, as it leaves less room for investors, founders, or others who need to get the young company off the ground. However, it is far from clear how and where the line should be drawn precisely. The success of a spin-off is equally dependent on many other factors: the unique idea or knowledge, the quality of the team, the startup ecosystem, the availability of early-stage funding, etc.

Although no universal method exists for determining a university's equity stake, certain practices can be regarded as best practices. These practices also evolve over time; universities today typically take smaller stakes than ten years ago. It is therefore important that the University regularly reviews this Regulation (Art. 6.2). In particular, practices at leading British and US research universities – situated within mature startup ecosystems – have served as inspiration for the standards laid down in this Regulation.

At the same time, the specific Dutch context, and even the University's own institutional context, must always be considered. Dutch universities and UMCs are currently working on national Deal Terms guidelines, and this Regulation must fit within that framework.

For the reasons briefly outlined above, the University has set its standard equity stake at 12.5% (Art. 3.1, 3.2). This is expected to apply to roughly 80% of spin-offs originating from the University. Two other commonly occurring variants justify different stakes (Art. 3.3):

- 7.5% for spin-offs in which the University's contribution has been limited. This applies, for example, if little or no use was made of University facilities or if the spin-off is only marginally related to the staff member's University duties. It also applies if inventors leave University employment entirely and no longer use any University facilities.
- 22.5% for Biotech life-science spin-offs or spin-offs with more advanced technologies (TRL ≥ 5[1]). Spin-offs in drug development or diagnostics face fundamentally different risk–reward profiles and typically require such substantial investment that the University's stake will quickly be diluted. Furthermore, the higher the TRL level, the more valuable the University's contribution and the smaller the risk that the product or service cannot be brought to market. The University receives additional shares for this. [1] TRL 5 – validation in a relevant environment: the technology works as a cohesive whole and has been tested in an environment similar to real-world conditions. This follows TRL 4, where separate components were tested in a controlled environment, and precedes TRL 6, where a working prototype is demonstrated in practice.

If an employee establishes a company independently – outside their University remit and without using University facilities or resources – this is not considered a University spin-off. In that case, this Regulation is not applicable (Art. 3.4).

The Dutch situation differs from the American on this aspect: in the US, it is common for universities to only allow their equity stake to be diluted after on to several million has been invested. Dutch investors are generally opposed to such an anti-dilution structure investment[2]. This means that the original stake decreases as new shares are issued in financing rounds (Art. 3.5).

The University may, in cooperation with the Holding, also act as the founding shareholder of a spin-off. In such cases, practical circumstances – such as the absence of a CEO or investor – may prevent all shares from being allocated immediately. The University will then hold a larger share than stipulated in this Regulation. This above-standard portion will be reduced first, before existing shareholders are diluted (Art. 3.6).

Upon incorporation of the spin-off, the University transfers its stake to the Holding. The University itself has no direct involvement in the spin-off. The Holding provides various services to spin-offs, has resources available for (follow-on) investments, and operates under its own investment policy (Art. 3.7).

---

[1] TRL 5 – validation in a relevant environment: the technology works as a cohesive whole and has been tested in an environment similar to real-world conditions. This follows TRL 4, where separate components were tested in a controlled environment, and precedes TRL 6, where a working prototype is demonstrated in practice.

[2] The Dutch situation differs from the American on this aspect: in the US, it is common for universities to only allow their equity stake to be diluted after one to several million has been invested. Dutch investors are generally opposed to such an anti-dilution structure.

Licensing Conditions for Intellectual Property (IP)

The University enters into a royalty-bearing licence agreement with the spin-off for the use of IP generated by the University and owned by it. The terms of this licence are favourable to the spin-off, including no or low milestone payments and deferred patent costs. This reduces the financial burden on the spin-off in its early years and supports growth. Royalties are generally payable only when revenue is generated (a back-end-loaded agreement). For the vast majority of University spin-offs, this occurs only after several years (Art. 4.1, 4.3).

If the spin-off has received funding from the University's Valorisation Fund, the University may impose additional conditions. This is intended to ensure the fund's revolving character so that future spin-offs can continue to benefit from this facility (Art. 4.7).

The University applies eight standard royalty rates. The applicable rate is determined using three relatively simple criteria. The underlying assumption is that University IP is almost always at an early stage, far removed from a fully functioning product or service with commercial potential. In the exceptional case that the IP is already relatively advanced (TRL ≥ 5), an individual valuation is carried out to determine the licensing terms (Art. 4.5).

To determine the standard royalty rate, the first distinction made is between exclusive and non-exclusive licences. In the vast majority of cases, the licence will be exclusive: exclusive access to a technology provides the spin-off with a crucial competitive advantage and is often fundamental to its business.

The second distinction relates to the level of protection offered by the licence. For IP that can be worked around relatively easily or for which realistic alternatives exist, not only is the royalty rate lower, but the term of the licence or the maximum payable amount (a "Cap") may also be more limited (Art. 4.8).

Royalty rates are often sector-specific. At a more abstract level, differences can largely be explained by whether a sector has a high or low gross margin. As the third distinguishing criterion, the University therefore considers the expected gross margin of the end product. For sectors or products with a low margin (<35%), a lower royalty applies.

Spin-offs are, in principle, permitted to grant sublicences to third parties. When sublicence royalties are received, the University receives a share. Standard terms apply to these arrangements as well. The share received by the University depends on the timing of the sublicence: the later the sublicence is granted, the smaller the University's share. The underlying assumption is that the spin-off gradually adds value to the original IP through its own R&D and should therefore retain a larger portion of sublicence income over time (Art. 4.10).

The University uses a standard licence agreement based on the national "Socially Responsible Licensing" template adopted by UNL and NFU. The agreement contains standard provisions such as an anti-shelving clause and guarantees the University free access to the IP for its own teaching and research purposes. The University's standard licence agreement is available from the UvA IXA office (Art. 2.6, Art. 4.11).

Use of University Facilities

UvA spin-offs may, with approval from the relevant research institute, continue to use University facilities in the early years following their incorporation, such as laboratories and specialised IT infrastructure. A cost-price-based fee is charged for these facilities, which may be converted into a loan during the first two years. After that period, the spin-off must pay the full cost for the facilities under the University's standard terms, just like any other company. This ensures compliance with European competition law and safeguards the proper use of public funds by the University (Art. 5).

Final Remarks

Startup ecosystems evolve continuously. The Regulation is therefore evaluated at least once every two years by IXA and updated where necessary to reflect the latest insights. Any amendments apply only to new cases and are not retroactive (Art. 6).