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Te Amorangi Mātauranga Matua

Tertiary Research Excellence Fund: Commercialisation component

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Commercialisation component Guidance

Commercialisation component

The Commercialisation component makes up 7.5 percent of total Tertiary Research Excellence Fund (TREF) funding, which currently equates to $23.6 million per annum. Funding is allocated based on data supplied by participating tertiary education organisations (TEOs) to the Ministry of Business, Innovation and Employment (MBIE) under its Commercialisation Outcomes Measurement Framework (COMF).

Why use a Commercialisation measure as a basis for allocating TREF funding?

The Commercialisation component measures and rewards activity leading to research commercialisation and recognises commercialisation activities within universities. It aims to incentivise both research that can be commercialised and activity leading to that commercialisation. The underlying assumption is that an increase in commercialised research will deliver positive economic outcomes for New Zealand. This aligns with the Government's Going for Growth Agenda and the broader reforms of the Science, Innovation and Technology sector.

How this component fits with MBIE's Intellectual Property (IP) Management Policy

MBIE's IP Management Policy is designed to encourage and enable greater commercialisation of various government supported IP. It aims to incentivise researchers by giving them more involvement in the commercialisation process, with potential for ownership and control of their IP. This includes ensuring researchers have the choice to commercialise their IP with or without the support of their university (or other research organisation), or for their university to take responsibility for the commercialisation activity by mutual agreement. The TREF operates alongside this policy by rewarding commercialisation outputs from universities, providing an incentive for universities to ensure they have the capacity and capability needed to work with researchers who choose to commercialise their IP with them.

What is and isn't covered

For the 2029 funding allocation, data relating to each university's own commercialisation activity will form the basis for calculating funding allocations within the Commercialisation component. The Tertiary Education Commission (TEC) will not use reported counts of research that led to commercialisation activity or outcomes at a different university to calculate funding.

The component is calculated using data reported by universities for four of the COMF measures, which are weighted by the TEC when calculating funding:

- **Measure 3: Number of intellectual property transaction deals** (weighted 40 percent)
  Data reported by universities for Measure 3 will include the number of intellectual property transaction deals entered in the last three years (up to the end of the reporting period)
- **Measure 4: Number of recent spinouts and start-ups** (weighted 40 percent)
  Data reported by universities for Measure Four will include the number of recent spinouts and start-ups with their first commercialisation transaction in the previous five years.
- **Measure 5: Gross revenue generated from intellectual property transaction deals, including 5 and 5A** (weighted 10 percent)
  Data reported by universities for Measure 5/5A will include the gross revenue generated in the reporting period from intellectual property transaction deals over the last three years.
- **Measure 6: Follow-on capital raised for recent spinouts and start-ups** (weighted 10 percent)
  Data reported by universities for Measure Six will include follow-on capital raised by spinouts and start-ups reported on in the previous five years up to the end of the most recent reporting period

The full list of COMF measures is appended. This includes definitions, counting rules and what is and isn't in scope.

Funding allocations

A funding allocation ratio calculated on a three-year rolling average determines the amount paid to each TEO annually. The rolling average acknowledges that higher value is placed on a university's most recent performance. It also acts as a smoothing mechanism to account for any irregularities in performance between years.

The rolling average is calculated using the following weightings:

- 50 percent for the Commercialisation component reported for the previous year
- 35 percent for the year before the previous year
- 15 percent for the year before that.

For example, the 2031 funding allocations will be based on the data supplied by TEOs for each of the calendar years 2027, 2028 and 2029.

From this, a performance score is generated which is used to calculate each TEO's funding allocation for each of the four COMF measures. The four allocations are then added together to determine each TEO's proportion of the total funding available under this component.

Funding formula

Step 1: Calculating the TEO's score for each measure

For each of Measures 3, 4, 5 and 6, TEC will calculate the TEO's score as follows:

TEO Measure score =

[(TEO Measure for 2027 × 0.15) + (TEO Measure for 2028 × 0.35) + (TEO Measure for 2029 × 0.50)]

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[(Total Measure for 2027 × 0.15) + (Total Measure for 2028 × 0.35) + (Total Measure for 2029 × 0.50)]

Step 2: Calculating the TEO's Commercialisation component allocation

The TEC will calculate each TEO's Commercialisation component allocation as follows:

[(TEO Measure 3 score × 40% of Component funding pool)

+

(TEO Measure 4 score × 40% of Component funding pool)

+

(TEO Measure 5 score × 10% of Component funding pool)

+

(TEO Measure 6 score × 10% of Component funding pool)]

Weightings

As a transitional step, for the 2029 funding allocation, only 2026 and 2027 data will be used. The rolling average will be calculated using the following weightings:

- 60 percent for the Commercialisation component reported for 2027
- 40 percent for 2026.

Data collection

MBIE will undertake data collection as part of a wider set of data collection for the COMF. Each participating TEO is expected to upload data for all COMF measures through MBIE's investment management system.

Universities contracted by MBIE will be required to report this data in February and August of each year via progress reports. Data relevant to the TREF will be provided to TEC annually by MBIE. Additionally, as part of initial reporting, MBIE requires the February progress

reporting to include pre-contract baseline data from 1 January 2026 to 30 June 2026, alongside data from 1 July 2026 to 30 December 2026.

Data reported to MBIE will show each university's performance against the COMF measures relevant to the three and five-year reporting periods specified in the definitions for Measures 3, 4, 5 and 6.

The TEC will periodically publish performance-based insights for the sector from the data provided under the Commercialisation component.

Assurance

It is important that data supplied for the purpose of allocating government funds is robust. As a first step, by submitting data to MBIE for reporting under the terms of MBIE contracts, recipients declare they are maintaining and submitting true and accurate records.

For funding purposes, each participating TEO is also required to have its COMF data relating to Measures 3, 4, 5 and 6 audited alongside other audits (such as the ERI audit) carried out as part of its annual reporting.

Annual timeline of key events

January:
1st payments are made for the relevant year's funding allocation

February:
Data for the reporting periods relevant to July-December of the previous year is reported to MBIE by universities*

August:
Data for the reporting periods relevant to January-June of the same year is reported to MBIE by universities

September:
TEC receives relevant COMF data from MBIE and runs calculations for the following year's funding allocation

October/November:
Indicative funding letters are sent by TEC to universities for the following year's funding allocation

* Except for February 2027 reporting, which must include data for the reporting periods from both 1 January 2026 to 30 June 2026 and 1 July 2026 to 31 December 2026.

Appendix: Commercialisation Outcomes Measurement Framework

Commercialisation Outcomes Measurement Framework

1.Number of recent invention disclosures processed.

Collection: 1. No. of recent invention disclosures processed in the last (six monthly) reporting period.

Definitions

- The total number of invention disclosures to the research organisation (RO) in the six-month reporting period where the creator(s) and the RO have reached the first agreement on the commercialisation approach for the invention.
- Invention: an innovation or solution (which may or may not be protected by an IP right, such as a patent).
- Disclosure is the point at which the RO is formally notified by a Creator, or where relevant, a business manager or other relevant person, of an invention that may have commercial potential.
- The first agreement is at the point at which:
    a) the ROs or Creators agree to commercialise the invention
    b) the ROs or Creators agree not to commercialise the invention at all
    c) if the Creators want to make the decisions without the RO, the point at which the Creator and RO agree to the invention being transferred to the Creator(s)
    d) If no decision or agreement can be made, where IP falls under the new IP Management Policy, this is at the end of the 90 days (or longer, if previously agreed by the creators and their ROs) after disclosure.
    e) where the ROs maintain IP rights and control, the date at which the RO first decides whether to commercialise the IP or not, and informs the Creator(s) of this (as relevant).

Counting rules

- The date the creator and their RO have reached the first agreement for the invention, or as relevant, the date where the ROs make a commercialisation decision and inform the Creator(s) of this, is the date to be used for data reporting purposes.
- A disclosure should only be counted under this measure once the first decision on the commercial approach for the invention is agreed.
- Where Creators from more than one RO are associated with an invention the first agreement can be counted by each of their ROs where the invention has been formally disclosed to the RO, and agreement reached with the Creator(s), or where the RO maintains rights and control, agreement with the other parties with direct IP rights and interests.

In scope

- Inventions developed by staff and PhD students, as part of their employment or funded research at the RO.
- Inventions involving or developed by students specifically under the auspice of the RO.
- Inventions involving or developed by students through projects or activities conducted under the auspices of the RO.
- Inventions formally disclosed as per the organisation's disclosure process.
- Invention disclosures where a first agreement (as per the definition) has been made with another entity, and the Creator(s)' RO(s) has/have been advised about this agreement.

Out of scope

- Inventions developed by the creator(s) which were not created as part of their employment, study or research agreement with their RO, or otherwise created without the RO's resources. For example, inventions created by the Creator prior to joining the RO where the RO has not supported or has no rights to improvements of such.
- Inventions by non-PhD students, except where the project is specifically commissioned by the RO.
- Inventions formally disclosed but where there is not (yet), any agreements between the creator(s) and the research organisation on the commercialisation approach.

2.Number of recent Intellectual Property rights granted or registered.

Collection: 2. Number of IP rights granted or registered in the last (six monthly) reporting period.

Definitions

- The total number of Intellectual Property (IP) rights formally granted or registered, in the previous six-month reporting period involving IP: created by the Creator(s) as part of their employment, research activities or study agreement with the RO, or for which the RO has provided support to help with the granting or registering of the IP.
- **An IP right** is one that has been formally applied for, examined and registered or granted by the Intellectual Property Office of New Zealand or an overseas IP office, excluding the types of protections noted as out of scope below.

Counting rules

- Only count when the IP rights have been recorded on an official IP register (or equivalent as needed to ensure statutory rights).
- The first date recorded on the official register is the date that should be used for data reporting purposes.
- Count each patent family only once.
- Where the same IP rights for the same IP is registered or granted in more than one jurisdiction, only one (the first) grant or registration for that IP can be counted. (Where IP has been granted or registered in a jurisdiction prior to reporting starting on this measure, do not count again where the same IP is granted or registered in another jurisdiction once reporting starts).
- Where registration precedes granting of IP rights, do not count both the registration and the granting, and only count once the IP rights which are first recorded on the official IP register.

In scope

- Granted or registered IP rights including patents, plant variety rights, and designs.

Out of scope

- IP rights formally applied for, or examined, but not formally registered or granted within any jurisdiction.
- Patents arising from contract research arrangements (eg with industry) where no further commercialisation activity was required before the patent was granted or registered, such as where the IP was industry-owned or purchased.
- Trademarks.
- Other types of IP rights where there may not be an official record, such as copyright, software, and confidential information such as trade secrets.

3.Number of recent Intellectual Property transaction deals.

Collection: 3. Number of Intellectual Property transaction deals entered in the last three years (up to the end of reporting period).

(eg if reporting for July-Dec 2026, the deals entered into from 1 Jan 2024 to 31 Dec 2026)

Definitions

- The total number of LOA (licence, options and assignment agreements) deals entered into (whether party to agreement or not) in the last three years on ***full commercial terms*** where the LOA is based on IP, technology or inventions:
  - disclosed to the RO and/or
  - arose from research undertaken by the RO's staff, students, or other individuals engaged by or appointed to the University in connection with their employment, study; and/or
  - arose from other research engagement or appointment; and/or
  - was funded or materially supported by the University through the provision of staff, facilities, equipment, or other research resources; and/or
  - the University supported the commercialisation of the IP, technology, or invention that is the subject of the LOA.
- **A deal** for the purposes of this measure is a new license, option and/or assignment agreement based on any inventions that meet the criteria above, and applicable definition/s below:
  - ***Licences:*** Grant another party (the licensee) the rights to make, sell or use the IP, technology or invention.
  - ***Options:*** Grant the potential licensee or purchaser time to evaluate the IP, technology or invention and negotiate the terms of a licence or assignment agreement –and for the purposes of this measure must also contain financial provisions enforceable by the licensor or assignor.
  - ***Assignments:*** Convey to the assignee all rights and title to, and interest in, the IP, technology or invention.
- ***Commercial Terms*** often include one or more economic benefits, such as
  - Upfront fees
  - Royalties
  - Milestone payments
  - Equity consideration.

Counting rules

- Include all in-scope deals (LOAs) entered within the last three years (up to the end of the six-month reporting period) (noting they may *be generating revenue currently).*
- Only count any form of LOA once for the same IP. For example, if an option leads to a licence or assignment, count only one of these transactions.

- Ensure consistency in counting such LOA, for example, always count the first or last transaction for the deal. For example, if counting options (as defined above) that lead to a license, count at the option stage for all such deals, or alternatively, count all of these only when at the license stage.
- Where an RO licenses or assigns their IP on commercial terms, for example, to another RO or start-up company, this should not be counted as a separate LOA for the same IP.
- Do not count an LOA if it has been counted in a previous reporting period.
- For non-exclusive licenses, count only the first licence.
- Count LOAs only once per technology or other invention, regardless of the number of IP rights per technology or other invention.
- Where a new 'stand-alone' technology is added to an existing LOA, or where 'stand-alone' technology is licensed separately under a multi-licence agreement, do not count the LOA more than once.
- Do not include research collaborations until a new invention has been created and an option with an enforceable financial provision has been created.
- Where more than one RO is party to a deal which is in scope, each RO can count this deal where they are legally party to this deal.
- Do not include agreements involving more than one RO where the IP rights are being managed by another party but no commercial deal has been done yet. Once the lead party informs that a deal, as in scope is above, has been completed, each RO can count where they are legally party to this deal.
- ROs should only count the deals to which they are legally party to.

Reporting rules

Record each LOA in scope within only one of the following three sub-categories, based on the nature of your University's contribution to the LOA:

i. <u>Research only:</u>

The IP, technology, or invention that is the subject of the LOA:

- arose from research undertaken by University staff, students, or other individuals engaged by or appointed to the University in connection with their employment, study; or
- arose from other research engagement or appointment; or
- was funded or materially supported by the University through the provision of staff, facilities, equipment, or other research resources.

but the University did not support the commercialisation of that IP, technology, or invention.

ii. <u>Commercialisation only:</u>

The University supported ***only the commercialisation*** of the IP, technology, or invention that is the subject of the LOA.

However***, none of the following applies:***

- the IP, technology, or invention:
  - arose from research undertaken by University staff, students, or other individuals engaged by or appointed to the University in connection with their employment, study; or
  - arose from other research engagement or appointment; or
  - was funded or materially supported by the University through the provision of staff, facilities, equipment, or other research resources.

iii. Both research and commercialisation:

The University supported the commercialisation of the IP, technology, or invention that is the subject of the LOA,

and at least one of the following applies:

- the IP, technology, or invention:
  - arose from research undertaken by University staff, students, or other individuals engaged by or appointed to the University in connection with their employment, study; or
  - arose from other research engagement or appointment; or
  - was funded or materially supported by the University through the provision of staff, facilities, equipment, or other research resources.

In scope

- LOAs relating to know-how, copyright, software and other non-patent IP that meet the LOA definitions, counting rules, and the other scope requirements.
- Licence agreements formalising technology transfer where the owner of the technology (licensor) authorises another party to use the invention (licensee).
- Option agreements granting the potential licensee time to evaluate the technology and negotiate the terms of a licence agreement, where the option includes on or more financial provisions. ***Note:*** *An option clause in a research agreement does* ***NOT*** *constitute an option agreement until the time the new IP covered by the option agreement is created.*
- Assignment agreements conveying all rights and title to, and interest in, the invention to the assignee.
- Include LOAs on commercial terms to:
  - Cooperative Research Centres (CRCs) (eg CoRES)
  - Competitive research grant partners eg RFNZ Grants, but only at the time new IP is created
  - Research partnerships or collaborations with one or more other parties (including but not limited to other ROs), but only at the time new IP is created.

- Background IP as the sole IP in the LOA – but only for commercial purposes on commercial terms.
- Material Transfer Agreements – for commercial purposes on commercial terms.
- LOAs managed/led by co-owner(s) of IP.
- Software involving multiple license use - but only count once (as per counting rules above).
- Copyright LOA agreements (as in scope above) specifically for commercial purposes.

Out of scope

- ROs licensing or assigning their IP directly to the Creator(s), or as instructed by the Creator(s) (eg to another RO or a startup company), as required under the new IP Management Policy, unless the RO receives a direct financial benefit from this transaction.
- Options that do not include any enforceable financial provisions.
- Material Transfer Agreements – except those explicitly noted as in scope (above).
- Licences to use the invention for research purposes only.
- Spinout/start-up companies created by the creator(s) or the RO.
- Commercial agreements, which do not involve one or more LOA deals (with deals as defined above).
- Consultancies.
- Contract research.
- Inter-institutional agreements/joint inventions, until a new invention is created, and the RO enters into a license, assignment, or benefit sharing agreement with the lead institution on commercial terms.'

4.Number of recent spinouts and start-ups.

Collection: 4. No. of recent spinouts and start-ups with their first commercialisation transaction in the previous five years.

(eg if reporting for July-Dec 2026, the spinouts incorporated from 1 July 2022 to 31 Dec 2026)

Definitions

- The total number of spinouts and start-ups with their first commercialisation transaction within the previous five years (up to the end of the reporting period) where:
  - the RO or creator(s) have licensed or assigned an IP or invention to the spinout/start-up,
  - and where the RO or creator(s) hold equity or equivalent, or a LOA with commercial provisions.
- Start-up: A company founded (or re-purposed specifically) by the RO and/or one or more other parties with the primary purpose to develop and commercialise inventions, IP and/or IP rights.
- Spin-out (or spin-off): a company founded (or re-purposed specifically) by the RO and/or one or more other parties to develop and commercialise inventions, IP and/or IP rights originated from one or more ROs.
- Commercialisation transaction: A licence or assignment of an IP, invention or technology to the startup/spinout, or an LOA with commercial provisions.

Counting rules

- Use the date of the first licence or assignment of a technology for determining whether to count the company in the reporting period.
- A company established can only be counted if the invention or IP has been created within the RO, from a project where the RO was directly involved (eg through contribution by an employee of the RO), or the RO directly supported the commercialisation of the technology.
- A company founded and/or acquired by a third party, which is otherwise in scope, can be counted within the reporting period. Only count this company once.

Reporting rules

Record each spinout or start-up in scope within **only one** of the following three sub-categories, based on the nature of your University's contribution to the spinout or start-up:

i. Research only:

The IP, technology, or invention on which the spinout or start-up is based:

- arose from research undertaken by University staff, students, or other individuals engaged by or appointed to the University in connection with their employment, study; or

- arose from other research engagement or appointment; or
- was funded or materially supported by the University through the provision of staff, facilities, equipment, or other research resources.

but the University did not support the commercialisation of that IP, technology, or invention.

ii. Commercialisation only:

The University supported ***only the commercialisation*** of the IP, technology, or invention on which the spinout or start-up is based and/or commercialisation of that company.

However***, none of the following applies:***

- the IP, technology, or invention:
  - arose from research undertaken by University staff, students, or other individuals engaged by or appointed to the University in connection with their employment, study; or
  - arose from other research engagement or appointment; or
  - was funded or materially supported by the University through the provision of staff, facilities, equipment, or other research resources.

iii. Both research and commercialisation:

The University supported the commercialisation of the IP, technology, or invention on which the spinout or start-up is based and/or commercialisation of that company,

and at least one of the following applies:

- the IP, technology, or invention:
  - arose from research undertaken by University staff, students, or other individuals engaged by or appointed to the University in connection with their employment, study; or
  - arose from other research engagement or appointment; or
  - was funded or materially supported by the University through the provision of staff, facilities, equipment, or other research resources.

In scope

- Spinouts and start-ups legally incorporated by the RO in New Zealand or some other jurisdiction where that entity was founded (or re-purposed specifically) to develop and commercialise inventions, IP and/or IP rights:
  - which the Creator has disclosed to their RO, and/or
  - for which the RO has provided support to help develop or commercialise before the first licence or assignment to the start-up or spinout, as per the definitions and counting rules above.
- Pre-existing companies, which otherwise meet the definition and scope, repurposed into a company for the sole / specific purpose of commercialising said invention or IP.

Out of scope

- Companies and other legal entities that have no active commercial activity and no formal, value-exchange transaction with the RO (eg no IP licence, assignment, or equity agreement), including early-stage, dormant, or asset-holding entities created prior to commercialisation.
- Subsidiary companies where the parent company is/has already been counted.
- Joint venture (JV) company involving or formed from a startup or spinout which has already been counted.
- Ex-established businesses and other companies that do not meet the definition of start-up.

5.Gross revenue generated from recent Intellectual Property transaction deals.

Collection. 5. **Gross (non-equity related) revenue generated in the reporting period from Intellectual Property transaction deals over the last three years.**

Definitions

- Gross amount of revenue from all recent IP transaction deals.
- **A transaction deal** is defined as measure 3.
- **Recent IP transaction deals** are those reported on for the last three years (up to the end of the reporting period).
- **Gross amount of revenue** is the total revenue in NZD before deduction of any fees or similar expenses (eg licence issue fees, option fees, annual minimum, running royalties, termination payments) against that revenue.

Counting rules

- Count revenue only when it has been realised from a deal that is in scope under measure 3.
- Include all gross revenue realised by the RO for all of these deals, excluding revenue noted as out of scope.
- Where revenue is realised from an in-scope deal involving one or more parties (including but not limited to another RO), each RO should only count that RO's share of revenue from this deal.
- **Financial values** should be expressed in whole-dollar format (eg $1,000,000) and in NZD.

In scope

- Revenue from all transaction deals reported under measure 3 during the last three years, excluding income out of scope below.

Out of scope

- Revenue received by startups and spinouts from the sale of products/services.
- Net cashed-in equity, ie equity holdings converted into cash; cash transferred to the institution or its commercialisation company in exchange for equity holdings, less the cost of acquiring the equity, if any. This is often calculated by subtracting any costs of acquiring the equity from the cash received.
- Any other revenue generated from ownership of equity in spinouts or start-ups, such as share of dividends or sale of equity.
- In-kind contributions.
- Consultancies.
- Donations.

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Collection. 5A. **Gross <u>equity-related</u> revenue generated in the reporting period from Intellectual Property transaction deals over the last three years.**

Definitions and **counting rules**: as for 'measure 5' above.

In scope

- Equity-related revenue from all transaction deals for the last three years (up the end of the reporting period), excluding revenue noted below as 'out of scope'.
- Net cashed-in equity, i.e. cash transferred to the institution or its commercialisation company in exchange for equity holdings, less the cost of acquiring the equity, if any.
- Financial returns from equity, such as selling shares in a spinout or start-up, as part of a deal in scope under measure 3.
- Any other revenue generated from ownership of equity in spinouts, such as share of dividends or sale of equity as part of a deal (in scope under measure 3).
- Any other revenue generated from ownership of equity in spinouts, such as share of dividends or sale of equity.

Out of scope

- Non-equity related income (reported under 'measure 5' above)
- Revenue received by startups and spinouts from the sale of products/services.
- In-kind contributions.
- Consultancies.
- Donations.

6.Follow-on capital raised for recent spinouts and start-ups

Collection 6: Follow-on capital raised by spinouts and start-ups reported on for the last five years.

Definitions

- The total amount in NZD of follow-on external capital raised from recent spinouts and start-ups (as defined under Measure 4) during the last five years (up to the end of the reporting period).
- **Capital** Financial resources raised from investors or founders to fund a company's development, operations, and growth, usually in return for equity or future financial returns (eg dividends).
- ***External capital*** is any capital that is not directly from within the spinout or startup (eg profit reinvestment, equipment sale).

Counting rules

- For each spinout or start-up reported under measure 4, each RO in scope under this measure should count an equal share of the total capital raised by the company in the last five years. Calculate this share by dividing the total capital raised by the number of ROs in scope for that company under this measure.
- Alternatively, all ROs in scope for a particular spinout or start-up under this measure may agree in writing to allocate its total capital raised according to their relative commercialisation contributions. Each RO may then count its agreed proportion of the total capital raised by the company in the last five years, up to the end of the reporting period. The agreed proportions must total 100%.
- For each spinout or start-up, all ROs in scope must use the same counting rule. If they do not all agree in writing to use contribution-based proportions, or if they choose equal allocations, the first counting rule (division by the total number of ROs in scope for that company) applies by default.
- ROs may use either of the two counting approaches above for any spinout or startup in scope under this measure, provided all ROs in scope for that company use the same approach.
- ***Financial values*** should be expressed in whole-dollar format (eg $1,000,000) and in NZD.

In scope

- Where a spinout or start-up is in scope under measure 4, all ROs that reported for that company as either:
  - measure 4ii for that spinout or start-up, that is, the RO(s) contributed 'Commercialisation only' (as defined in the measure 4 reporting rules) to that company, or

- measure 4iii for that spinout or start-up, that is, the RO(s) contributed 'Both Research and commercialisation' (as defined in the measure 4 reporting rules) to that company.

- All investment capital including founder, pre-seed, seed round, bridge, and Series A, B investment capital for the spinouts and start-ups reported under measure 4.
- Investment capital from one or more spinout or startup shareholders (which may include but are not limited to Creators who have founded or re-purposed the company).

Out of scope

- Where a spinout or startup is in scope for measure 4, all ROs that reported as measure 4i for that company, that is, the RO(s) contributed 'Research only' (as defined in the measure 4 reporting rules) to that company.
- Operational income, eg sales revenue, licensing income, or royalites earned.
- Retained earnings and profit reinvested.
- Funding from grants (repayable or non-repayable) provided by third parties such as the New Government or other institutions to support specific activities, including Government funding grants that require giving up equity or taking on debt.
- Capital raised from debt financing.
- In-kind investments (eg unpaid labour), even where these have a quantifiable financial value.