

# SPIN-OUTS

## Navigating the UK's evolving investment market

### Facilitator:

Marty Reid, Executive Director, SETsquared

### Panellists:

**Richard Haycock**, Co-Founder & CEO, QantX

**Aswin Doekhie**, Chief Technology Officer, Ensilitech

**Diana Galpin**, Director of Enterprise & Knowledge Exchange, University of Southampton

**The UK's research and innovation landscape is at a pivotal moment. Spin-out companies, born from world-class academic research, are not only attracting unprecedented levels of investment but are consistently outperforming the wider high-growth market. Across the SETsquared Partnership alone, more than £400 million has flowed into spin-outs in the last two years, demonstrating both investor confidence and the depth of opportunity emerging from our universities.**

Yet when we look beneath the surface of this success, a more nuanced picture emerges. Despite impressive headline figures, the people working closest to these companies, academic founders, early-stage investors, and technology transfer teams, see clear barriers that continue to limit how quickly and effectively research can translate into commercial and societal impact. Regional disparities, gaps in early-stage funding, challenges around scaling, and the need for deeper collaboration across the ecosystem all remain pressing issues.

To explore these opportunities and challenges in depth, SETsquared's Executive Director, **Marty Reid**, brought together a panel at the SETsquared Investment Futures event, representing the three essential pillars of the spin-out journey: an investor, a founder, and a university leader. **And not just any investor and founder.** QantX, represented here by Richard Haycock, has invested in Ensilitech, which brought a unique dynamic to the discussion.

Together, they shared their insights on how the UK can unlock the full value of its research base and build a stronger, more connected innovation pipeline.



## Q. Richard, could you give an investor's perspective on why there is so much excitement about spin-out companies? What makes them particularly attractive to the investment community?

**Richard Haycock:** “From an investor’s perspective, the excitement around spin-out companies stems from a convergence of national opportunity and untapped potential. As highlighted in the British Business Bank keynote, the UK is uniquely positioned: we invest vast resources in cultivating a world-class education system and funding cutting-edge research and development. Yet between that remarkable R&D engine and the point where ideas become commercial realities, a noticeable gap remains. For investors, that gap isn’t a problem; it’s an invitation.”

“When we first turned our attention to the South and South West, we approached cautiously. We believed the intellectual property emerging from universities in the region could rival anything produced in the Golden Triangle, but we wanted to validate that hypothesis. So, we started small. Very quickly, however, the quality of opportunities coming through not only confirmed our thesis but also exceeded our expectations.”

*“In regions like the South and South West, where the talent is rich and the market underserved, the opportunity feels even more compelling.”*

**Richard Haycock, Co-Founder & CEO, QantX**

*“What we encountered was a steady stream of exceptional IP, transformational ideas, and founders with the ambition to build globally significant companies. Inundated might be too strong a word, but the volume and calibre of opportunities were unmistakable. And because of that, we’ve been able to assemble a portfolio that stands shoulder-to-shoulder with the best in the country.”*

**Richard Haycock, Co-Founder & CEO, QantX**

“This is precisely why spin-outs generate such excitement. They sit at the intersection of world-leading research, substantial government investment, and the potential for immense commercial impact. Investors see not just companies, but the chance to unlock value from innovations that might otherwise never leave the lab. In regions like the South and South West, where the talent is rich and the market undeserved, the opportunity feels even more compelling.”



## Q. It would be great to get a founder perspective. Aswin, could you share a little bit about Ensilitech's journey, particularly as you've moved through different investment stages and how your company has evolved?

**Aswin Doekhie:** "From a founder's perspective, the journey from academic insight to an investable, scalable company is anything but linear and Ensilitech's story clearly captures that evolution. Commercialising academic research is daunting for any first-time founder. You begin with deep scientific expertise but very little understanding of how to bring an innovation to market. For us, that meant our first port of call was the university's technology transfer office, which helped translate our research into something with commercial potential."

"The real turning point came through Innovate UK's ICURe programme, which was delivered by SETSquared. That experience was fundamental. It pushed us out of the lab and into conversations with the people who ultimately matter most: potential customers, industry partners, and stakeholders across the market. ICURe forced us to confront the first major barrier - does anyone actually want this?"

*"Through rigorous market validation, we proved there was a real appetite for our technology. And with that evidence in hand, we were finally in a position to begin meaningful conversations with investors."*

**Aswin Doekhie, Chief Technology Officer, Ensilitech.**

"That validation underpinned our pre-seed round. It also unlocked a follow-on Innovate UK grant, which gave us additional momentum. With our first investment secured, the focus shifted to de-risking the technology, bridging the gap between academic promise and commercial readiness. We worked to iron out the technical challenges, demonstrate early traction, and craft a credible narrative about the problem we were solving and why our solution mattered."

"By the time we approached our seed round, which we've recently closed, the conversation had evolved dramatically. Pre-seed investors want to know what the technology can do. Seed investors want to know how quickly it can scale. Their questions focus on commercial translation: What's the market appetite? How rapidly can you convert interest into revenue? What does scaling look like in practice?"

"Each funding stage required a different mindset, a different story, and a different level of organisational maturity. Pre-seed was about proving potential. Seed was about proving commercial viability and charting a path to scale, expanding applications, exploring new opportunities, and putting in place the structures needed to grow."

*"For us, navigating these distinct milestones hasn't just shaped Ensilitech's evolution; it's helped us become clearer, more ambitious, and more confident in the company we're building."*

**Aswin Doekhie, Chief Technology Officer, Ensilitech**



## Q. Diana, how have you seen University investor relations change over this time? Have they been evolving or maturing, and have university capabilities changed?

**Diana Galpin:** “Over the past two decades, university investor relations have undergone a profound transformation, driven by shifting expectations, a maturing ecosystem, and an increasing appetite among investors to engage earlier and more collaboratively. When I first entered this space, technology transfer teams were largely focused on protecting intellectual property and negotiating a deal at the very end of the process. Their role was transactional, a final checkpoint before a spin-out was formed.”

“But the landscape has evolved significantly. The independent review of spin-outs has accelerated conversations around best practice, and importantly, investors themselves increasingly want a seat at the table earlier. They want to understand the technology in its infancy, help shape its development, and ensure it matures into something that is genuinely investor-ready. That shift alone has pushed universities to rethink how they support founders and structure their internal processes.”

“We’re now moving into a world where business accelerators are just one piece of the puzzle. The real progress comes from deep partnership, technology transfer offices, academic teams, and investors working together from the outset to refine the proposition, craft the right IP strategy, and lay the groundwork for a smoother, faster deal once the investment interest is secured.”

“And this evolution is happening at scale. In the 20 years I’ve been supporting spin-outs, the number of universities pursuing this path has grown dramatically. What was once the remit of a select few institutions is now a mainstream ambition across the sector. The challenge, of course, is that with so many universities seeking investment and such a diverse investor base, matching the right opportunity with the right funder has never been more complex.”

“That’s why collaboration has become critical. Through the SETSquared Partnership, we’ve been able to build stronger connectivity, share best practices, and work collectively with law firms like Penningtons and Osborne Clarke, as well as investors such as Future Planet Capital and Parkwalk, to create the **Deal Readiness Toolkit**, to standardise and streamline the spin-out process.

*“Our goal is simple: make dealmaking swifter, clearer, and easier once interest in a technology emerges.”*

**Diana Galpin, Director of Enterprise & Knowledge Exchange, University of Southampton**

“So yes, university capabilities have changed and continue to mature. We’re improving the operational experience, making it easier for investors to do business with us, and becoming more accessible so that conversations can start earlier, long before a pitch deck is finalised. Ultimately, this evolution is about ensuring that great ideas don’t just stay within the university; they have a clear, efficient, and collaborative path into the world.”



## Q. Richard, are there further opportunities to strengthen the link from investors to companies at earlier stage?

**Richard Haycock:** “When we talk about strengthening the link between investors and early-stage companies, what we really need is a more holistic view of the opportunity, one that bridges the scientific brilliance coming out of academia with the commercial clarity investors need to see. Working with founders like Aswin and the Ensilitech team has been a powerful reminder of how transformative that alignment can be. Many academic founders begin their journey with deep technical expertise but without an instinctive commercial mindset. That’s entirely understandable, but it means the earliest conversations with investors need to shift toward fundamentals: What does your market actually look like? Who will buy this first? How will you reach them?”

“I can’t tell you how many pitch decks land in my inbox claiming markets worth ‘many, many billions.’ That’s not the data point investors are looking for. What matters is the segment of that market a company can realistically address, and even more importantly, a credible route to capturing it. What is the pathway to market? What are the first footholds? And how is the founding team equipped to execute on that strategy?”

“At the earliest stages, most spin-outs have an exceptionally strong scientific foundation, but what they often need is commercial capability, built in early enough to shape the company’s

evolution. Bringing those two strengths together is one of the recurring challenges in this space, but it’s also where the greatest opportunity lies.”

“The promising news is that we are seeing real progress. More founders are becoming commercially aware earlier in their journey, and structured programmes, like those run by SETSquared, play a crucial role in accelerating that development. They expose founders to market realities, sharpen their propositions, and help ensure that by the time an investor steps in, the conversation is grounded not just in scientific excellence, but in a viable commercial pathway.”

## Q. Aswin, as a founder, is there anything more you would like to see from investors?

**Aswin Doekhie:** “From a founder’s perspective, one of the most valuable things investors can offer goes far beyond capital; it’s the power of their networks. When you’re spinning out research and trying to navigate the path to commercialisation, you often start with a very narrow view shaped by years of academic focus. The moment investment comes in; the value of an investor’s connections becomes immediately clear. Good investors don’t just write cheques, they open doors. They introduce you to industry leaders, key opinion shapers, and the people who can tell you honestly whether your product is something the market actually wants.”



“Because ultimately, if you’re building a product but no one is willing to buy it, the problem isn’t the technology; it’s that you haven’t spoken to the right people. Early exposure to those networks helps founders understand customer needs, refine their offering, and make sure the company is solving a real problem rather than an imagined one.”

“There’s also a broader cultural point that matters here. Across the UK, we have extraordinary PhD programmes producing world-class research. But many of those projects have genuine commercial potential that never sees daylight. Too often, the default path is a faculty post or a traditional industry role, rather than taking the bold step of turning research into a product.”

“This is where the ecosystem and investors could play an even greater role. Universities are starting to embed enterprise hubs, innovation centres, and entrepreneurship education, but there is room to go further. If investors engaged more visibly and more regularly with these environments, they could help shape early ideas, guide researchers toward commercially promising areas, and demystify what investment actually looks like.”

*“Investors also have a bird’s-eye view of which sectors are attracting capital at any given moment, knowledge that is enormously helpful for researchers deciding whether to take their ideas forward.”*

**Aswin Doekhie, Chief Technology Officer, Ensilitech**

“So from a founder’s point of view, the ask isn’t simply ‘more money.’ It’s a deeper partnership.”

**Diana Galpin adds:** “If there’s one thing we’d like to see more of from investors, it’s earlier and stronger connectivity, building productive relationships before a company is even formally out of the gate. That may sound simple, but in practice it’s a substantial challenge. Investors are looking across a landscape of more than 200 UK universities, all competing for attention, all pitching their spin-outs as the next big opportunity. For an investor, the question becomes: Where do I start? How do I know which ecosystems are truly investment-ready?”

“And that’s where universities and spin-outs need to demonstrate not just a compelling idea, but the credibility and infrastructure to support scale. Early-stage spin-outs rarely have a market-ready product; they’re still refining their technology, still working toward

*“The real gap we must continue to close is the one between universities, founders, and investors, ensuring these connections form earlier, grow deeper, and evolve continually.”*

**Diana Galpin, Director of Enterprise & Knowledge Exchange, University of Southampton.**

commercial traction, and often require access to costly equipment, especially in deep tech. That’s why the relationship between investors and universities is so critical. Investors need confidence that the environment surrounding the spin-out is robust enough to help it grow.”

“In regions like Southampton and the wider South East, the funding gap at the seed and start-up stages has been felt acutely for some time. It’s encouraging to see signs of movement from the British Business Bank, and partnerships like the QantX and SETsquared investment vehicle are beginning to help bridge that divide. But closing the early-stage funding gap is only part of the picture. As spin-outs grow, especially deep-tech, high-growth companies, their investment needs escalate rapidly. That raises broader questions about who is involved in the funding journey. Is it solely the role of VCs and angels? Or should we be doing more to bring corporate venture arms into the fold?”

“There’s a real opportunity here. If investors, universities, and corporate partners work together, corporates could become the first real market for these technologies, seeding early contracts, validating products, and accelerating commercial adoption.”

“That’s incredibly powerful for a young company trying to break into industry.”

## Q. Richard, if we want to see more connectivity and support for our innovative talent at an earlier stage, where are the opportunities to achieve this?

**Richard Haycock:** “If we truly want founders, talent, and innovators to be visible earlier in the journey, the single most important ingredient is patient capital, investment that understands the long arc of commercialising research and is willing to support companies long before they’re market-ready. Navigating the system becomes dramatically easier when the whole ecosystem is aligned around that principle.”



“It’s not enough to have great accelerators, strong university support, or enthusiastic mentors, though all of these matter. What founders need is a continuum of funding that matches each stage of their development. Early-stage seed investment from organisations like ours plays a crucial role, but it must be followed by the next rung of capital, and the next after that, in a way that doesn’t break the momentum of promising companies.”

“What many investors tell us is that they’re hungry for growth. But what’s often forgotten is that growth can only happen if there’s a sufficiently large and healthy pipeline feeding into it. To get scale, you need volume at the top of the funnel, a big hopper of early-stage ideas, talent, and technologies that can be nurtured over time. That’s the gap that needs the most attention.”

“So, if we want to engage entrepreneurs sooner and ensure they have the confidence and capability to step forward, we need more investors willing to back that early pipeline. Patient capital enables founders to explore, iterate, and validate before the commercial pressure sets in. It is what keeps the ecosystem vibrant.”

## Q. Could corporate investment play a greater role at earlier stages?

**Aswin Doekhie:** “From a regional perspective, one of the biggest opportunities is strengthening the UK ecosystem outside the Golden Triangle. In places like Cambridge, you’ve got GSK, AstraZeneca, and other major life sciences and pharma companies with local facilities. Their physical presence creates accessibility, collaboration opportunities, and a natural pull for spin-outs.”

“In the South West, Bristol and Bath, we haven’t historically seen the same level of industry presence, although that’s now beginning to change. The region is becoming more attractive for biotech and life sciences companies, and as more spin-outs establish themselves, the momentum is building. It would be transformative to have one of the large multinationals’ base operations there, because that would unlock opportunities for corporate partnerships, joint ventures, and deeper engagement. Even on a smaller scale, we’re already seeing encouraging signs, for example, with the new university campus being built alongside industry, which is helping drive growth and connectivity.”

“On the corporate venture side, many of the big corporates do have venture programmes, but they tend to be anchored in the US or mainland Europe. That makes it harder to secure consistent engagement regionally. Still, when those opportunities do arise, they’re incredibly valuable, it just takes more effort to facilitate that commitment from corporates who aren’t physically present in the area.”

*“Absolutely, there is significant room to make more progress with corporate investment, and it could be transformative for early-stage companies if we get it right.”*

**Diana Galpin, Director of Enterprise & Knowledge Exchange, University of Southampton.**

“Right now, too much of the weight falls on a single early investor or fund to carry a spin-out through the riskiest stages. Patient capital is essential, of course, but it becomes far more effective when it’s part of a co-investment model rather than a solo effort.”

“That’s where corporate venture teams could play a much bigger role. At the moment, we

tend to see corporates engaging around Series A, and more often, not until Series B, when much of the early risk has already been absorbed by others. But there’s a huge opportunity to bring that market voice into the journey earlier. Corporates understand the real demand signals. Their involvement validates market pull, sharpens product direction, and gives founders confidence that they’re building something the industry genuinely wants.”

**Richard Haycock:** “It’s worth mentioning that the approach to IP in the US is very different. I’m in California next week, and one of the events I’m attending is an ideation event. 5,000 companies will pitch their ideas. They just do it at a different scale. And actually, the investors there value the IP far more than the UK investment community. So, I think we can learn lessons from that. We need to do these things at scale, and then we won’t lose so many companies to the US at the later stages.”



## Q. If there were one area where you'd like to see the government or public sector do more to support this community, what would it be?

**Richard Haycock:** “If I could ask the government and public sector to focus on one thing, it would be this: speed. We don't lack ambition in this country; what we have is a serious problem with execution. The pace at which funding and decisions move through the system is, frankly, far too slow for the scale of the economic challenge we're facing. We heard a fantastic talk from the British Business Bank earlier, saying all the right things about backing innovation and supporting spin-outs. Now we need those words to translate into action and faster.”

**Diana Galpin:** “Once the money is allocated, it must actually reach the people building companies. And even when the funding is in place, there's another hurdle we must clear: getting deals done efficiently. That's where practical tools like the new **Deal Readiness Toolkit** come in, something many of us across the ecosystem have worked hard to develop. It's designed to streamline standard terms, create clarity for founders, universities, and investors, and remove unnecessary friction from the process.”

“If we can standardise, simplify, and speed up dealmaking, the capital will flow. Investors are ready. Founders are ready. Universities are increasingly ready. But deals get bogged down in lengthy due diligence, inconsistent terms, or slow internal processes. Every delay stalls a company's ability to hire, build, and bring new products and services to market.”

*“So the ask from the government is simple but powerful: help us accelerate”*

**Diana Galpin, Director of Enterprise & Knowledge Exchange, University of Southampton.**

“Accelerate the flow of capital. Accelerate the operational processes. Accelerate the transition from idea to investment to impact.”

“If we get the speed right, we can build more companies, scale them faster, and deliver real economic value much more quickly. The ambition is there; now we just need the system to move at the pace of the opportunity.”

**What emerged from this discussion was a clear and collective message: the UK has the ideas, the talent, and the ambition, what it needs now is alignment, scale, and speed.**

Investors are eager to back high-potential innovation, but they need earlier engagement, clearer pathways, and strong commercial signals. Founders are stepping forward with groundbreaking technologies, but they require access to networks, patient capital, and a system that supports them long before they reach the market. Universities are evolving rapidly, building stronger partnerships and more sophisticated spin-out processes, but they need the investment community and government to match that pace and ensure momentum is not lost.

There are real opportunities, strengthening regional ecosystems, bringing corporate venture into the journey earlier, embedding commercial awareness in research culture, and standardising the dealmaking process across institutions through the **Deal Readiness Toolkit**. If we can accelerate these efforts, the UK is uniquely positioned to scale world-leading companies from its academic base rather than see them migrate overseas.



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