

■ **INNOVATE UK**  
■ Turning Breakthrough Ideas  
■ into Industry Giants

This is the start of the next chapter for Innovate UK.

We are recalibrating.

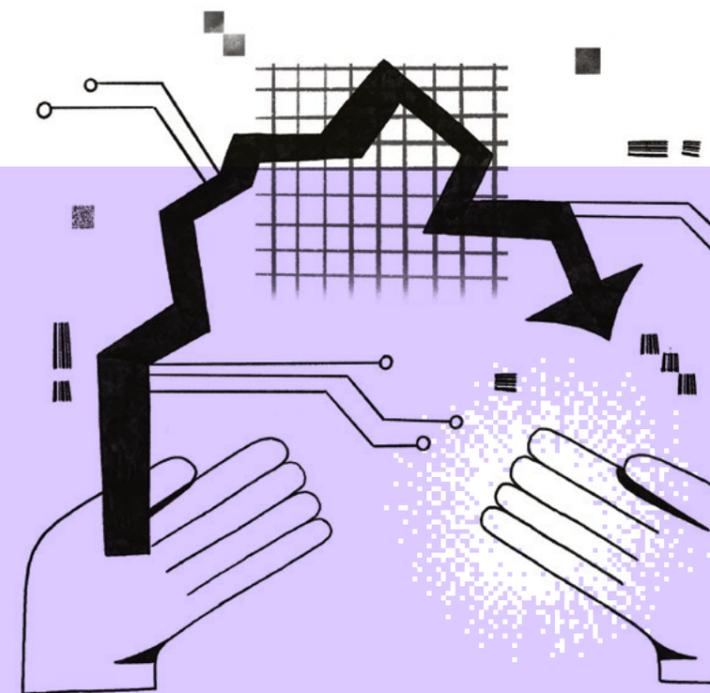
This is our prospectus for our new approach.

We invite you to join us.

## FOREWORD TOM ADEYOOLA | EXECUTIVE CHAIR

What is stopping our big ideas from becoming big businesses?

The UK has one of the strongest research bases in the world. But we do not have as many globally scaled companies as that strength should produce. Why?



The UK excels at making discoveries, generating IP, spinning out and starting up. Yet when it comes to scaling, too many innovative businesses fail, stall or move overseas. Innovation is in our blood. We must focus on industrialising that innovation, because fast-growing businesses are built on innovation and are what drive real economic value.

### That is the gap Innovate UK exists to close.

Our vision is a UK where breakthrough ideas – from research, from labs, from anywhere in this country – can become industry leaders. Industry giants. Where those with potential, realise the potential.

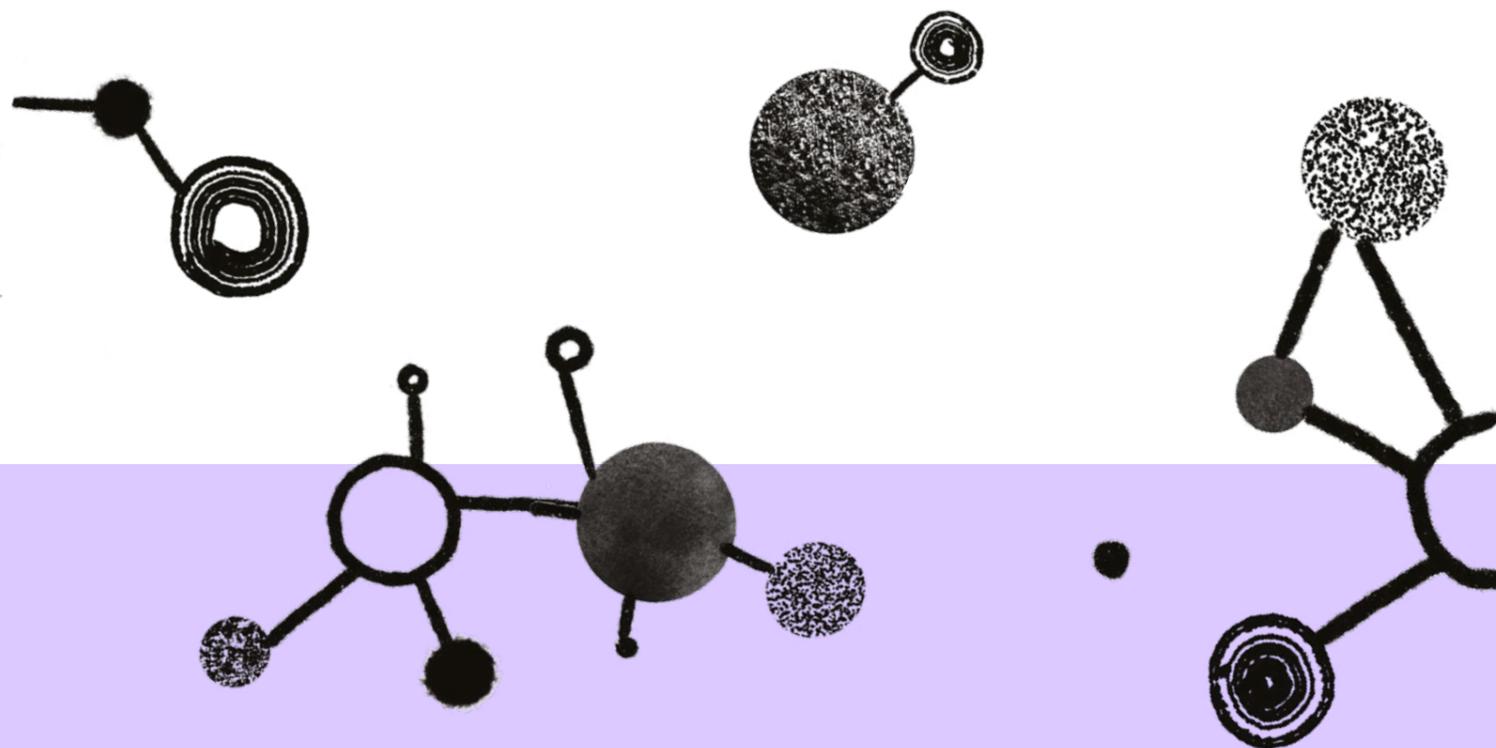
We are here to back the UK's most promising innovators: to give them the support, validation, connections and capital pathways that, together with others, help them to start, scale and stay in the UK.

The world is becoming more uncertain and more competitive. But it is also filled with opportunities. The UK must seize the opportunities of the transformational technologies coming through today – not only using them, but creating and shaping them. Innovation, done right, can be the UK's real strength.

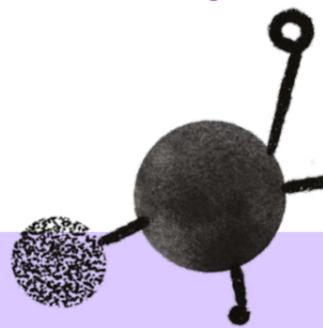
**That is what we are here to deliver.**

### THE OPPORTUNITY

The UK's discovery research base, spanning the public and private sectors, is world leading.



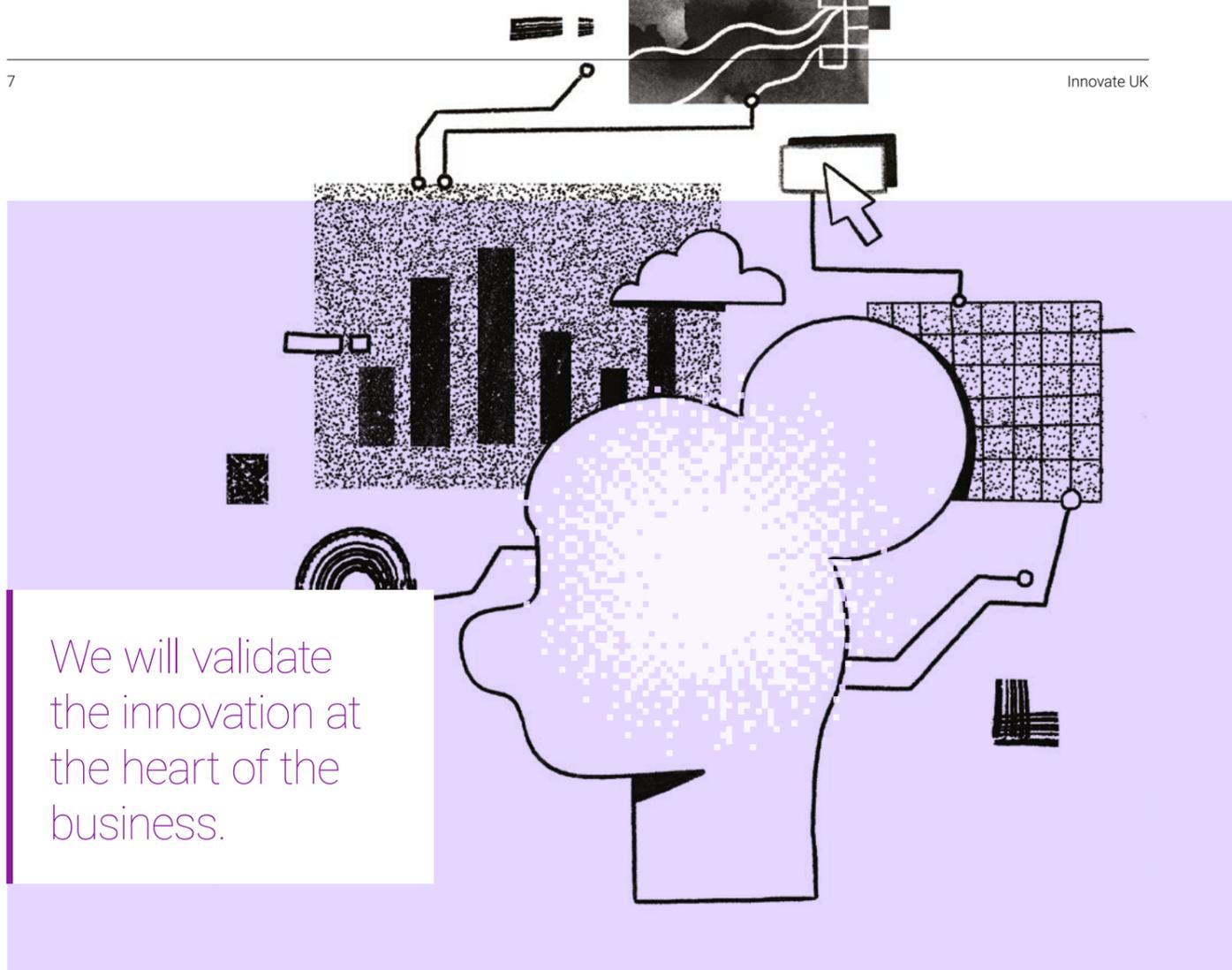
We will help  
breakthrough  
technologies  
become scalable  
businesses –  
turning innovation  
into commercial and  
economic growth.



Our universities, businesses and research institutes generate breakthrough science, technologies and ideas at a pace few countries can match. But too few of these breakthroughs become commercial successes at real scale.

We understand why. Deep and hard tech innovators must jump between two worlds: cracking the science, proving the technology and building the team – and then entering markets, securing investment and turning innovation into commercial success. That leap is where potential is too often lost.

Innovate UK is here to bridge that gap. We will help breakthrough technologies become scalable businesses – turning innovation into commercial and economic growth. We will pull the strongest ideas from across the UK through to commercialisation: acting where there is clear market pull or where technology push from the research base can create entirely new markets. We will prioritise the opportunities with the highest potential for transformation, scale and national benefit and back them all the way.



We will validate the innovation at the heart of the business.

## WHAT MAKES US DIFFERENT

As part of UKRI, we have sight of the UK's rich and broad research and innovation pipeline: the breakthroughs emerging from universities and institutions, the technologies being developed in labs that are years from market readiness, the founders who haven't yet met an investor. That early visibility – upstream of the investment community, upstream of the market – means we are well placed to identify, track and develop the UK's most promising companies from the moment of discovery, not just when they are already fundable.

That is what will make our validation different. We will validate the innovation at the heart of the business: when Innovate UK backs a company, we will not have simply reviewed a pitch deck. We will have assessed the underlying science, tracked the technology's development, stress-tested the team's capability and evaluated the market opportunity.

Our Growth Sector teams are committed to holding deep, working knowledge of every significant company in their portfolio and understand this in the context of the wider sector landscape. That longitudinal, expert-led assessment is what will give our backing its credibility as a market signal.

When we endorse a company, investors will be able to trust that the hard technical due diligence has been done. That is what will make us a 'tech due diligence engine' for the UK's deep tech ecosystem: we will help to de-risk investment decisions, crowd in private capital and change the trajectory of the UK's most promising innovative businesses in ways that the market alone cannot.

This combination – and the trust it can create – is what Innovate UK is uniquely placed to deliver.

## WHO WE BACK

We are becoming more deliberate about which technologies, sectors and businesses we support.

**Our focus will be on the UK's deep and hard tech innovators: businesses based on significant scientific or engineering breakthroughs that deliver step-changes in capability and value.**

These are the opportunities that are central to long-term competitiveness but face acute challenges and failures of the market, due to long development timelines, high capital intensity and elevated technical and market risk. That is where Innovate UK's intervention will deliver the highest additionality and the greatest long-term impact.

We are developing the Innovate UK High Potential Business Framework to review companies against factors including team capability, breakthrough nature, talent pipeline, market readiness

and alignment with Industrial Strategy priorities.

Our focus will be dynamic: we will track the UK's most promising deep tech companies as they scale, stepping in when our support can make the greatest difference and stepping back when private investment takes over.

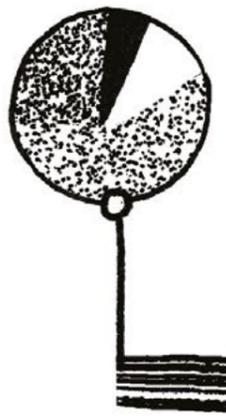
Innovation is inherently risky: we will back those that are showing potential, while recognising that not every innovation is destined to become an industry leader. What matters is that every breakthrough with promise has the chance to reach its full potential in the UK, whether that potential is to anchor critical capability, create high-value jobs or grow into a global giant. Our role is to provide the support, infrastructure and investment pathways that the market alone cannot.

When these companies grow here, the UK captures not only economic value but also the wider societal benefits that technologies make possible.

The Innovate UK High Potential Business Framework will identify businesses that:

- **Show signals of potential:** a novel idea, strong team, credible technology, clear market and the capability to move it forward.
- **Show signs of performance:** evidence that potential is being realised through growth and momentum.
- **Have a need that Innovate UK can meet,** which the market alone cannot.

When we endorse a company, investors will be able to trust that the hard technical due diligence has been done.





## WHERE WE FOCUS

Our priorities are shaped by the UK Government's Modern Industrial Strategy and its Plan for Change missions. Following an analysis of where Innovate UK can add the most value – based on market dynamics, our experience and expertise, and the UK's genuine right to win – we will focus on six of the eight Industrial Strategy priority sectors:

Advanced Manufacturing

Clean Energy Industries

Creative Industries

Defence

Life Sciences

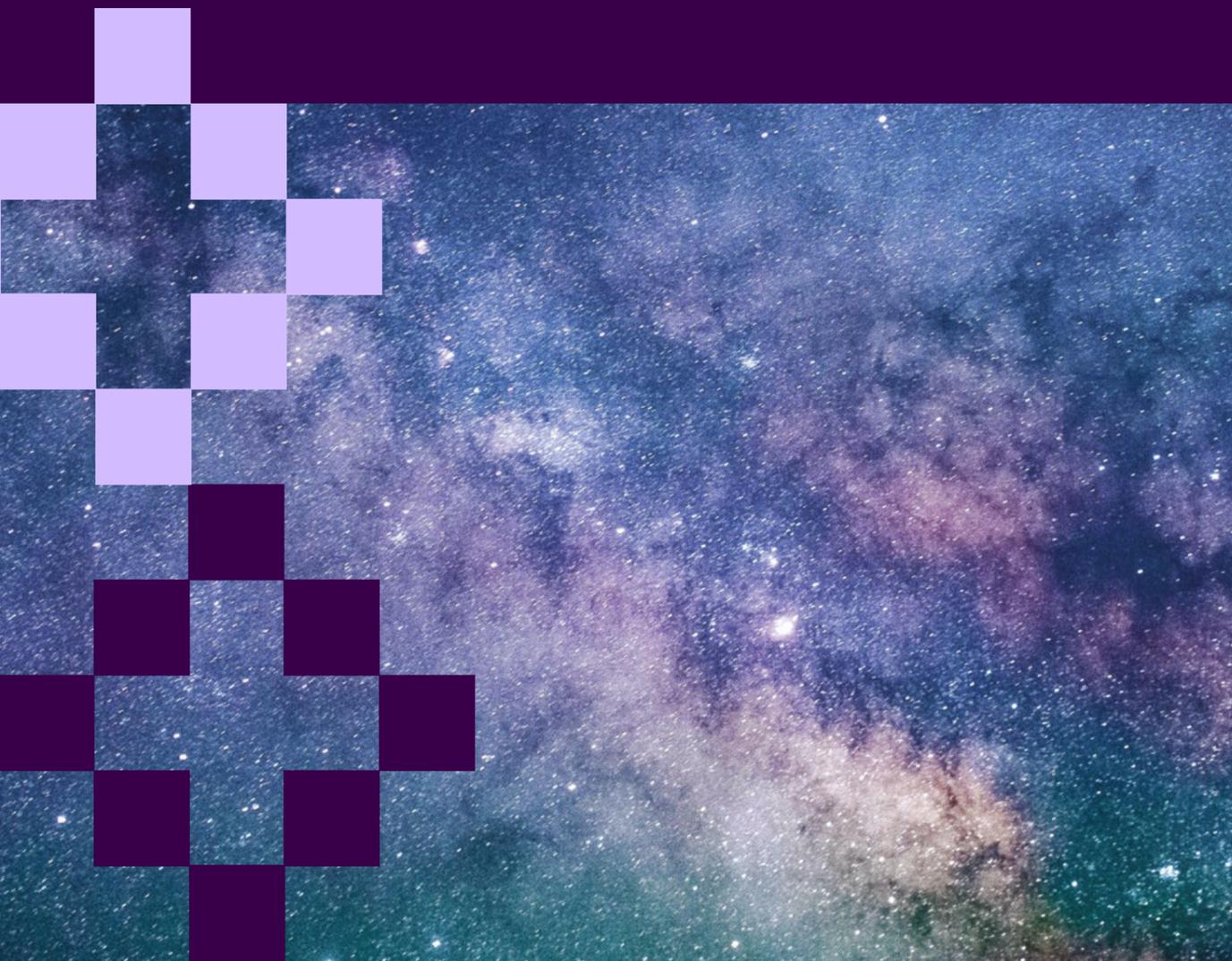
Digital and Technologies

including the six frontier technologies:  
Artificial Intelligence, Advanced  
Connectivity Technology, Cyber  
Security, Engineering Biology,  
Semiconductors, Quantum.

Within these sectors, we will prioritise deep tech businesses with the potential to transform markets, create high-value jobs and become globally competitive. Our focus on frontier technologies will also mean our work extends to Financial Services and Professional and Business Services where the technologies guide us there.

## WHAT WE OFFER

Innovate UK is being reshaped to provide an integrated, end-to-end offer built around the needs of each business: not a one-size-fits-all intervention. We will support the journey from innovation to growth.



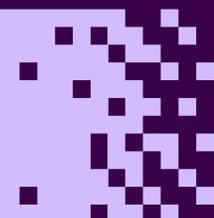
We will combine:

- Funding**  
 grants and loans calibrated to stage and risk, with smaller amounts at early stages and increasing support as innovative businesses prove performance.
  - Programmes**  
 sector specific innovation programmes designed to tackle the challenges unique to each industry, backed by deep expert knowledge.
  - Expert growth support**  
 mentoring, strategic advice and hands-on guidance from people who understand the technology and the market.
  - Connections**  
 to market demand, investors, policy makers, regulators, talent pipelines and international markets, through our unique position across the UK innovation system, including research and innovation institutes.
- World-class R&D infrastructure**  
 The Innovate UK Catapult Network is a national asset: critical infrastructure for testing, demonstrating and scaling breakthrough technologies in the real world.
  - The Catapults will also align to the Industrial Strategy priority sectors and prioritise support for high potential businesses.
  - The Catapults will continue to provide specialist facilities, capabilities and expertise that would be impossible to replicate independently – from advanced manufacturing and clean energy to quantum and engineering biology.
  - SMEs working with Catapults grow 50 per cent faster than those that don't – and that connection to physical UK infrastructure is one of the most powerful anchors for keeping innovative businesses in this country.

**We are streamlining our offer so it will be clear, straightforward and accessible, with a new advisory front door to help businesses find the right support at the right moment.**

# 50%

SMEs working with Catapults grow 50% faster than those that don't.



**HOW WE WORK:  
THE INNOVATE UK MODEL**

**1**

**IDENTIFYING INNOVATE UK'S HIGH POTENTIAL BUSINESSES:** SIGNALS OF POTENTIAL, SIGNS OF PERFORMANCE

**2**

**GROWTH SECTOR TEAMS:** DEEP SECTOR EXPERTISE AND ACTIVE PORTFOLIO MANAGEMENT

**3**

**VELOCITY:** A CONCIERGE APPROACH TO GROWING INNOVATIVE BUSINESSES

**BREAKTHROUGHS**

**POTENTIAL**

STAGE

STAGE

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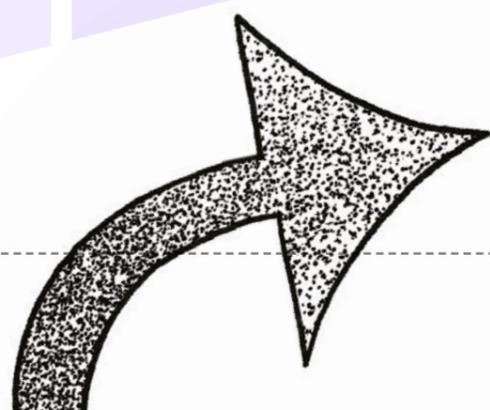
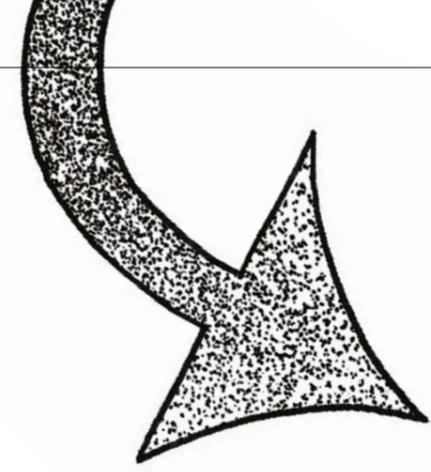
ONWARD INVESTMENT

**GROWTH SECTOR INTERVENTIONS**

**VELOCITY SUPPORT**

**PERFORMANCE**

**FUTURE GIANTS**



## 1 IDENTIFYING INNOVATE UK'S HIGH POTENTIAL BUSINESSES: SIGNALS OF POTENTIAL, SIGNS OF PERFORMANCE

We are developing a framework to identify Innovate UK's high potential businesses. The framework will identify innovative businesses showing signs of potential — a novel idea, strong team, credible technology, clear market and the resources to move it forward — and signals that potential is being realised by the business. Innovative high potential businesses are not confined to a single stage of development or a narrow definition of potential or success. We focus on businesses that require a catalyst to turn potential into performance: businesses with inherent capability, where our intervention meaningfully changes their trajectory.

It will enable us to target our support by:

- stage of the business
- where there is the strongest potential to drive growth, create high value jobs and compete globally
- where IUK is best placed to support and where we make the difference

The framework will adjust to sector-specific dynamics and evolving evidence and insights, allowing for unpredictable growth journeys. It will be the bedrock of everything: from our growth sector interventions to Velocity support for businesses.

## 2 GROWTH SECTOR TEAMS: DEEP SECTOR EXPERTISE AND ACTIVE PORTFOLIO MANAGEMENT

Our new Growth Sector teams will become the engines of our deep tech and hard tech offer. Growth Sector leaders will know their sectors inside out — the breakthroughs coming through the research base, the companies showing promise, the market conditions and the investment landscape. Each team will hold detailed, working knowledge of the most innovative companies in their sector portfolio, with:

- Active portfolio management: stepping in when others won't, stepping out when others do
- Evidence-based, iterative impact pathways for sectors and innovative businesses
- Ecosystem connectivity across Innovate UK, the innovation system and global markets

## 3 VELOCITY: A CONCIERGE APPROACH TO GROWING INNOVATIVE BUSINESSES

At the heart of our new model will be Velocity: an account management service designed to stay with high potential, innovative businesses throughout their innovation journey, from first engagement with Innovate UK to serious capital and beyond.

The Velocity approach will accelerate the commercialisation of innovation, helping companies turn promising technologies into scalable growth. It will not be a fixed programme with a fixed end. It will be a dynamic, ongoing relationship:

- We will provide timely, targeted support: stepping in at the moments that matter most and removing friction at every stage.

- We will regularly assess progress and potential, with an annual review; businesses will move in and out of the stream based on evidence.
- We will connect innovative businesses into Growth Sector expertise, the investment community and the wider ecosystem.
- We will track and monitor companies analytically, using data to continuously improve our approach.

Businesses will be able to apply directly to Velocity or be referred. This will be part of a 'no wrong door' commitment across the public sector innovation system.

## INNOVATION FUNDAMENTALS: BUILT IN, NOT BOLTED ON

We will hardwire a set of innovation fundamentals directly into our Growth Sector interventions and Velocity account management. These are the conditions and the mechanics of scaling, tailored to each business, sector and landscape.

Our ambition is for our offer to be inclusive by design; innovation thrives on inclusion and diversity. The UK's strength lies in the breadth of talent, perspectives and creativity across our nations — and unlocking that diversity will be essential to building globally competitive, innovation-led businesses.

Our Innovation Fundamentals:

### People and place

- Inclusive innovation and diversity of thought
- Talent, skills and leadership capability
- Place-based innovation
- Collaboration and partnerships

### Commercial and market readiness

- Investment readiness and investor engagement
- Market access and international expansion
- IP protection and development
- Standards and regulatory support

These fundamentals are designed to drive good decisions, better innovations and wider markets. They are designed to ensure that businesses are not just supported to grow: they will be prepared for what comes next.

## INNOVATION SERVICE: PROGRAMME DESIGN AND DELIVERY FOR THE PUBLIC SECTOR.

Our new Innovation Service will build on our existing managed programme portfolio, with a dedicated team to design and deliver innovation programmes for government departments.

The Innovation Service will provide:

- Managed programmes for commissioning partners
- Access to Innovate UK expertise
- Aligned to national priorities
- Measurable impact



## THE INVESTMENT PIPELINE

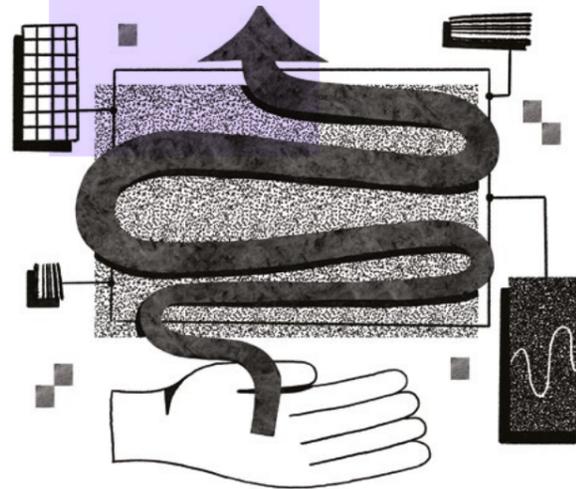
Most innovation support ends with a referral. Ours will begin one.

Innovate UK will refine its approach so we do not simply connect companies to investors and then step back. We will actively prepare both sides: building investment-ready, innovative businesses on one hand and briefing investors on what is coming through the pipeline on the other – so that when a company is ready to raise serious capital, the right investors already know who they are and why they matter.

This proactive, bi-directional approach will be built into formal partnerships with the UK's major public finance institutions. The Government's public finance institutions will work together to create a connected investment pipeline, linking our deal flow directly to the British Business Bank, the National Wealth Fund and the National Security Strategic Investment Fund. The approach is designed to simplify and accelerate the journey from innovation to capital at scale.

Deal flow will move in both directions: we will channel the UK's most promising businesses toward investment, and we will receive referrals from partners identifying companies that need innovation support before they are investor ready. The result will be a joined-up system, not a series of separate handoffs.

Our approach to risk reflects our role as a public funder committed to transformative, enduring



innovation. We will balance the portfolio between high-risk, early-stage investment – where many will fail but all will generate knowledge – and later-stage development, where proven concepts face scaling challenges. We will use stage-gated funding: smaller amounts at risky early stages, with increasing support as businesses prove performance.

Our own data shows that businesses supported across multiple Innovate UK interventions consistently outperform their peers. Our new stage-gated model is being designed on the basis of international examples that have outperformed VC benchmarks on firm survival, R&D investment and growth.

We will step back at the point that private investment steps in. But by that point, we will have done everything in our power to make sure that moment arrives – and that it arrives in the UK.

We will actively prepare both sides: building investment-ready, innovative businesses on one hand and briefing investors on what is coming through the pipeline on the other.

# WHERE WE SIT IN THE ECO- SYSTEM

Innovate UK sits at the heart of the UK innovation system, connecting the full pathway from discovery research to commercial success. This is a USP we are proud of and intend to make stronger than ever.

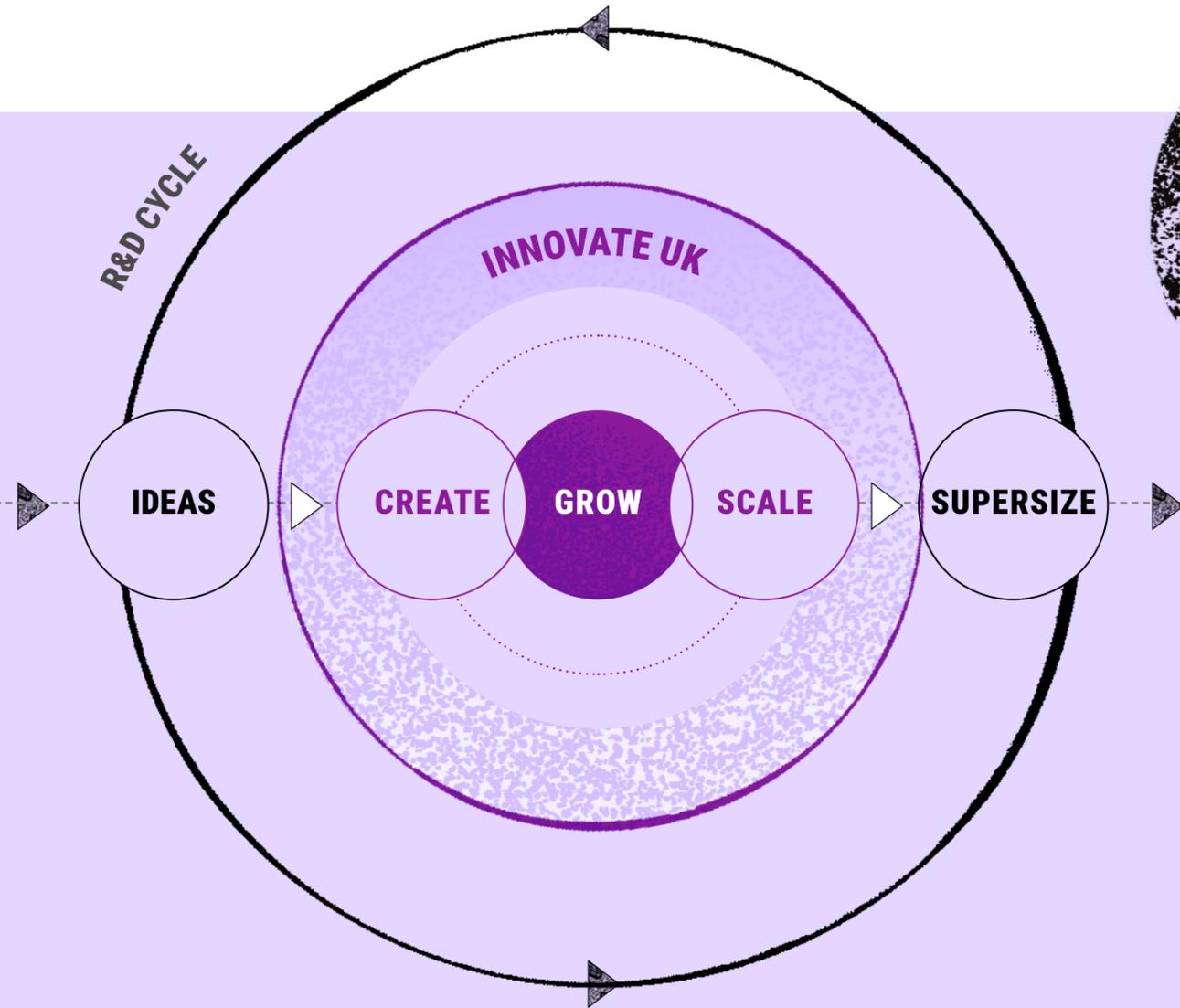
Upstream, we work closely with UKRI's research councils, ARIA, private sector innovators, universities, major research institutes and the Innovate UK Catapult Network to identify promising technologies and help companies commercialise innovations. Downstream, we strengthen how we connect businesses to the British Business Bank, National Wealth Fund, National Security Strategic Investment Fund and the private investment community.

We will continue to help businesses connect into the wider systems that shape demand. This includes innovation-friendly procurement routes, regulatory support through partners such as the Regulatory Innovation Office, and engagement with large corporates whose development and adoption of new technologies can be a major accelerator. The intention is to reduce barriers and open real world pathways to market.

Our new Innovation Service builds on our existing managed programme portfolio, with a dedicated team to design and deliver innovation programmes for other government departments.

Across the system, our Innovate UK Business Connect unit will build connections, collaborations and intelligence to accelerate growth, engaging with businesses, universities, investors and founders to unlock growth pathways. The Innovate UK Catapult Network will provide the physical infrastructure to test, demonstrate and scale.

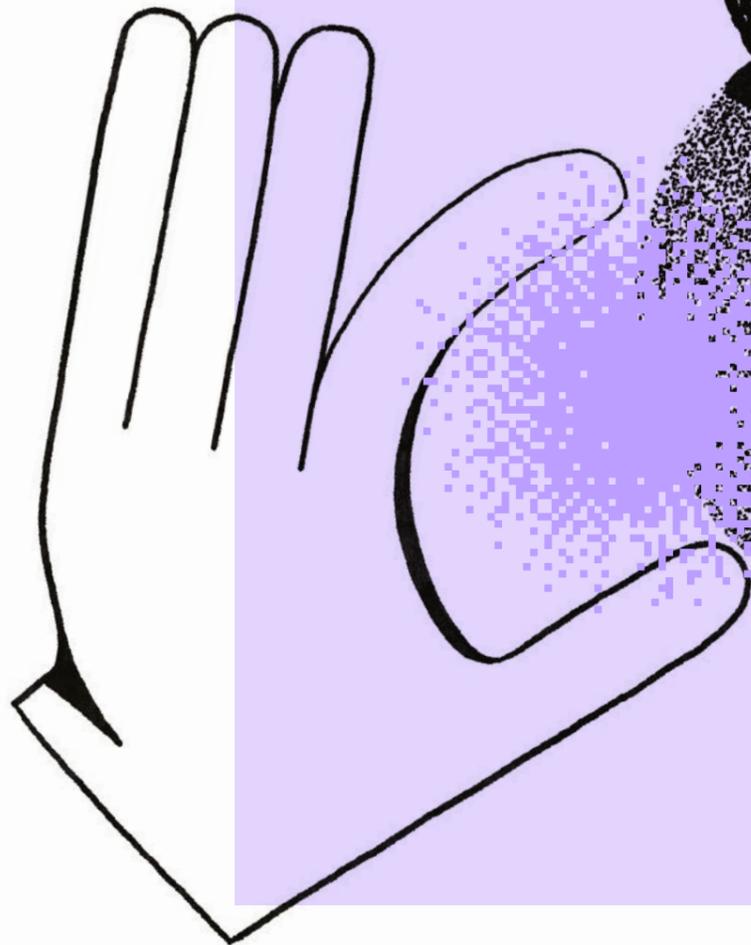
We will also work across the breadth of the UK – alongside devolved nations, Mayoral Combined Authorities and the Local Innovation Partnerships Fund – ensuring regional strengths are embedded in everything we do and that the benefits of innovation reach every part of the country.



Our position in the innovation system means we can convene the right people at the right time: from strategic partners with shared goals and joint deliverables, to broader ecosystem connections for intelligence sharing and referrals.

## WHY IT MATTERS

When Innovate UK backs an innovative business to flourish in the UK, that success will become a national success: creating jobs, prosperity and opportunity across the country.



**We believe the UK should capture the jobs, capabilities, supply chains and economic value created by the breakthrough technologies developed here – which is why helping innovative businesses scale and stay in the UK is central to our mission.**

By focusing on sectors and technologies where the UK has a genuine right to win, we will help create high-value employment, strengthen regional growth, crowd in private investment and support national competitiveness. Our ambition is to ensure the UK not only develops transformational technologies but captures the economic and societal value they create – securing national prosperity and long-term resilience.

In a more uncertain, more competitive world, this mission is urgent. The technologies coming through today – from clean energy to quantum, and AI to engineering biology – will shape the global economy for decades.

Accelerating innovation for our nation.  
That is what we are here to deliver.

## WORKING WITH US

Innovate UK is re-shaping to be accessible, straightforward and responsive. From April 2026, we will begin our transition to a new operating model, supporting a seamless, integrated offer and investment pipeline.

Further details will be published within the UKRI Strategy. New 2026/27 opportunities are now open, with a full calendar to be published in Spring/Summer 2026.

Sign up to the Innovate UK newsletter for the latest opportunities and news.

[ukri.org/councils/innovate-uk](https://ukri.org/councils/innovate-uk)

If you are an ambitious, innovative business with technology ready to commercialise, we are here for you.

If you're ready to scale, we're ready to back you.

