

Devolved R&D Funding

Condense

The UK's creative technology industries are at a critical juncture. Emerging fields such as volumetric video, cloud-based virtual production, and real-time rendering have the potential to transform entertainment, and sectors as diverse as education, sport, and health.

Many SMEs, despite having world-class expertise, often lack the financial runway to scale these breakthroughs into commercial products. With global markets for virtual live events projected to reach \$85 billion, international platforms are moving quickly to dominate. Without targeted support, there is a real risk of many UK businesses being outpaced by larger international players who can absorb these costs.

Devolved R&D funding is key to addressing this challenge. By placing resources and decision-making at a regional level, funding can be more agile and responsive in a fast-changing market. It enables creative businesses to improve their product capabilities, reassures stakeholders, and supports commercial growth. As a result, devolved R&D funding underpins a sustainable pipeline of innovation that safeguards regional economies, generating a competitive advantage for the UK on the global stage.

Founded in Bristol in 2019, Condense has developed the technology to capture and live-stream real-world content into virtual spaces. Volumetric video can be streamed into unique virtual venues, creating brand-new immersive experiences and revenue streams through ticketing, sponsorship and merchandise. Fans join events as live avatars, interacting with each other, and artists, offering global connection, community and engagement. Since 2019, they have become deeply embedded in the West of England's creative technology ecosystem.



Moving into Watershed in 2022 to establish the world's first studio for streaming live events into the metaverse, Condense offered the creatives of Bristol and beyond a unique opportunity to engage with fans across the globe, and new, younger audiences who are spending more and more time in these game-like environments. With these incredible capabilities, it's no surprise that Condense raised £5M of seed funding from a range of high-profile investors such as BBC, Skepta, and Rio Ferdinand.

Over the next few years, Condense formed massive partnerships with BBC, Glastonbury and Universal Music. However, when seeking a second round of funding in 2024, they found that the landscape had massively changed. Condense's partnerships with large organisations were inherently slow-moving, meaning income did not come in a consistent schedule. This made it difficult to secure further funding in an investment landscape which favours low risk, consistent, quick monetisation.

This new technology is hugely complex, without a clearly defined, immediately profitable market. For Condense's business to become sustainable, more time and money was essential for them to construct this new market segment for themselves.

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Working with MyWorld, Condense made several improvements to its technology and business.

Improved product capabilities

Through the MyWorld programme, Condense were awarded funding to run 2 R&D projects with the University of Bristol. These Collaborative R&D projects were each 12 months in length and supported by Digital Catapult. The first pioneered advancements in volumetric video technology, enabling a more seamless virtual performance broadcast. The second utilised machine learning to increase visual quality, scalability, and efficiency in the technology.

These projects gave Condense the time and money to conduct R&D, which was crucial to streamlining their capabilities, refining their offer to investors, and lowering the costs of delivering high-quality virtual performances, ensuring the best service offering on the market and extending their runway.

Following their first project, Condense secured their game changing partnership with BBC. This partnership included a regular series of immersive live events for BBC Radio 1's New Music Show, as well as Rave Lounge, where 3000 people attended virtually.

In new technology companies, conducting R&D is key to staying competitive. This funding, ringfenced for R&D, assures that these projects can remain a priority amid times of financial uncertainty.

Becoming investment ready

These R&D projects were conducted in collaboration with the cutting-edge expertise of University of Bristol's Visual Information Lab. Two academic papers were published as a result, boosting Condense's technological credibility with both investors and potential customers.

Additionally, as part of their second R&D project, Condense had developed IP, which they realised could be applied to generative AI. When Condense decided to refocus their work, to combat the changing market conditions, they used this IP to develop Layerhouse. This new app allows users to place real people in generative AI video, without the need for greenscreens or complex virtual production technologies.

“We realised that in some ways, our main product was too early to monetise sustainably, so until then, we needed to refocus on something we could monetise quickly.”

Andy Littleddale, Condense

Layerhouse is a game changer for Condense. As a product, it creates a clear pipeline to generate recurring income, which will be essential in keeping their business sustainable and securing further investment to grow their incredible live event offering. This development would not have been possible without MyWorld's support, both in developing IP which was applied to Layerhouse, and in providing Condense with the time and ring-fenced funding to continue innovating.



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“If we can make a success out of Layerhouse, MyWorld will have contributed enormously to that. Not just in the IP that we developed to make it possible, but in providing a financial bridge between investment rounds.”

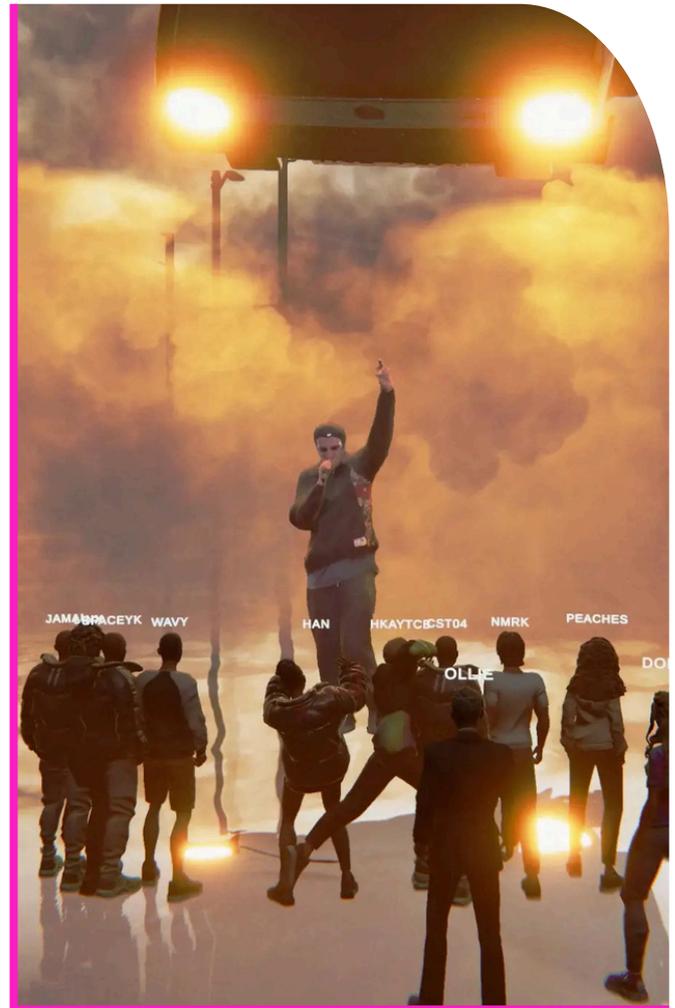
Andy Littledale, Condense

Brand opportunities

Condense utilised MyWorld’s Springboard fund which enables recipients of MyWorld support to apply for small amounts of additional funding (with a rapid application decision process) to capitalise on unforeseen opportunities for boosting the reach, impact, or investment potential of products.

Their successful Springboard fund application enabled them to attend South by Southwest Texas in 2024, where they spoke on a panel, showcased their technology in the Immersive Futures Lab and connected with likeminded companies. This allowed Condense to connect with a high quality audience of hundreds, including some of the worlds biggest media and entertainment brands, and resulted in a further opportunity to speak at South by Southwest London in 2025.

Additionally, MyWorld has worked in close collaboration with Condense to add a state-of-the-art volumetric capture system to The Sheds, and to share volumetric capture expertise between MyWorld and Condense’s technical teams. This volumetric capture system, developed by Condense through MyWorld’s innovation support, will form a key part of MyWorld’s integrated technology offering as part of its role as a globally unique facility, where art meets technology to drive innovation in the creative sector.



Through their work with MyWorld, Condense have improved their service capabilities, increased their technological credibility, and developed a new, instantly profitable product. This work was instrumental in supporting Condense’s R&D journey at a time when the investment landscape was particularly averse to new complex new technologies, to help them position themselves for investment and maintain their competitive advantage in the market.

