

# Pushing the potential of creativity in driving social change, a profile of Edge VC

In the ever-growing investment landscape, funds are multiplying and diversifying, and for startups there is more to raising investment than the money and the media moment. With #QVCS Maddyness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Simon Andrews, Chief Investment Officer at Edge VC.

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I joined the team at Edge VC in 2020, having worked in early-stage investing at both BGF and Octopus Ventures. The creative economy is one of the fastest growing sectors and is extremely broad, accounting for 11% of the UK economy, yet creative entrepreneurs are under-served by private investors, with the conventional tools of venture capital failing to appreciate their true value.

Edge was founded to create the bridge between creative entrepreneurs who are under-served by the world of finance and forward-thinking investors, accelerating investment in the booming creative economy. Since then, Edge

has gone from strength to strength: in 2015, we launched the Edge Creative Enterprise Fund backed by the British Business Bank and we are now raising our second fund.

## Which industries are you working in?

In simple terms, Edge is an investor in the *future of creativity*. We're looking for companies in the creative economy pushing the boundaries of creativity to enrich, educate and entertain. This includes sectors such as influencer marketing, adtech, edtech, virtual reality/augmented reality (VR/AR), content creation and production. This broader definition allows us to be flexible in determining what counts as creative.

Once defined more narrowly as the 'creative industries' – a term referring to sectors such as advertising, the arts, design, performing arts and designer fashion – the 'creative economy' now encompasses 'createch', where the creative industries meet technology.

## What do you look for in a founder?

We look for founders with talent and grit, building category defining businesses in the creative economy.

Edge's investment strategy is grounded in the belief that creativity has a positive impact on our society and economy. As a prime mover in social mobility, creativity will be a central plank of employment and wealth generation in the future economy. As such, we look to invest in founders that share our vision in the potential of creativity in driving social change.

## Can you talk about your current portfolio?

Our portfolio includes Audio advertising personalisation company A Million Ads, online video news community and marketplace *Newsflare* and global esports network BLAST. Our recent exits include deltaDNA, that recently sold to Unity Technologies, delivering a 13x return to investors and we have also recently completed a partial exit of our shareholding in Jungle Creations, which sold a majority stake in the business to LivingBridge.

# How has COVID-19 changed the way you operate?

COVID-19 has undoubtedly had a seismic impact on the creative industries. But that's not to say that aspects of the creative economy haven't thrived through the pandemic – where creativity and technology have come together, some truly incredible innovations have been realised.

Looking to the future, we want to invest in businesses that have adapted to the long-term impact of the pandemic on our habits and preferences, and that are able to thrive in a new normal. As one of the fastest growing sectors of the economy, the creative economy will be at the heart of job creation and economic regeneration.

## What does the future look like?

In this sector, I would be remiss not to address the impact that AI and Machine Learning will have and is having on creativity. There are two sides to this: on the one hand, as menial tasks in many industries are being automated, people have more opportunities and time to be creative and imaginative. On the other hand, AI tools can be used to enhance creativity itself – whether it be effectively matching content to audiences, or even AI producing instrumental sounds humans have never heard before.

## What makes EDGE different?

Edge's team brings deep knowledge, passion and sector expertise to bear when sourcing deals and working alongside management teams. In simple terms, this means 'we get it'. We understand our founders' businesses' and objectives from the offset and have the understanding to support them in a multitude of ways from our prior experience as investors, advisors, consultants and operators in the creative economy. Historically, creative entrepreneurs have been under-served by the investor community: deep expertise in creative businesses is lacking, and the conventional tools of venture capital fail to appreciate their true value.

Edge has also built an unparalleled Advisor Panel of creative, media and policy industry leaders who offer our portfolio access to an extensive network of investors, corporates, and advisers that can be deployed at the right time to help portfolio companies grow.

Edge does business in an ethical way; we care about our world and refuse to

invest in businesses which are inherently damaging, we support our companies adopting sensible ethical and sustainable practices.

## What one piece of advice would you give founders?

Always be hiring, all of the time. Hire the best people you possibly can for the stage of the business today and where you want to go. The strength of your team will help you achieve success.

*Simon Andrews is Chief Investment Officer at Edge VC.*

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