

Backing winners and moving the dial on inclusion and diversity, a profile of Ada Ventures

With #QVCs, Maddyness UK profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. This week, we speak to Matt Penneycard, Partner and cofounder of Ada Ventures.

Temps de lecture : minute

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I co-founded Ada in 2018 alongside [Check Warner](#). We set out to build a fund that could find and back game-changing startups, whilst also ensuring that a wider, more diverse cohort of founders could unlock the investment that many other firms weren't providing them.

Since then, we've raised over £100M across two funds - with backing from LPs including the British Business Bank, Atomico, The University of Edinburgh, Legal & General Capital, and The Export and Investment Fund of Denmark (EIFO) - and invested in the early-stage rounds of nearly 50 startups.

We apply an inclusive lens to every step of our investment process, an approach which has made our portfolio 14x more diverse in terms of gender and race/ethnicity than that of the average UK venture firm. This approach, which we call [Inclusive Alpha](#)[™], represents a commitment to backing winners whilst also moving the dial on inclusion and diversity.

Which industries are you working in?

We invest principally at pre-seed stage in companies with a focus on climate equity, healthy ageing and economic empowerment. The overarching motivation behind our investments in these three spaces is to find solutions for people who have previously been overlooked and underserved by startups and their investors.

- In climate tech, we're supporting founders with fresh ideas that stand to make a major impact of tackling climate change and preparing us for its inevitable consequences. Investments in this space to date include backing startups focusing on new material discovery and sustainable food production.
- In health, our focus is on startups creating a healthy society, with a particular focus on ageing (and ageing better). Investments have spanned women's health, mental health and weight loss.
- Finally, our economic empowerment thesis is all about supporting founders who are looking to shake up the worlds of money, work and skills; ensuring that nobody is left behind or excluded from financial products and services. This includes investments in key areas such as worker empowerment or green jobs.

What do you look for in a founder?

We're looking for founders on a personal trajectory, with breakthrough ideas that address the biggest questions of our age; combining social impact with huge commercial success. We love working with founders who have real expertise in their domain, with the technical talent to build out products quickly and test them on their consumers. Having something tangible to show us is key - which means building in feedback loops to track product efficacy or producing pilot study results is a big plus. It's also important to us that founders are able to sell their ideas convincingly to industry stakeholders, so having a strong commercial track record goes

a long way.

Can you talk about your current portfolio?

We're working with too many amazing people to mention them all, but three projects which encapsulate our investment thesis are Materials Nexus, Oxford Medical Products (OMP) and Tract.

Materials Nexus uses AI to discover sustainable replacements for the precious resources that currently go into our everyday items. OMP has developed a new pill, Sirona, which works in the same way as a gastric balloon, only with far less intrusion. And Tract is a prop-tech startup using AI to find new building sites and help developers acquire planning permission.

They are all characterised, just like the rest of our portfolio, by being led by extremely bright, driven founders who are passionate about the problem they are working to solve and motivated to build a commercially and socially impactful company.

What does the future look like?

The next 20 years will be defined by how well we can meet the immense challenges we're faced with as a society. With that in mind, I think the most valuable and exciting investments are going to be made in founders and businesses who are brave enough to confront these issues head on. As the problems we face continue to grow, so too will the market for those who can develop and harness the technology we need to solve them. Making these solutions as inclusive as possible is crucial. If the products we bring to market fail to address the needs of huge swathes of the population, we'll be missing out on huge commercial opportunities. That's why investment strategies need to put inclusivity at the forefront.

What makes Ada Ventures different?

Inclusive Alpha. It runs through the entire investment process and philosophy at Ada. We are huge believers in putting our money where our mouth is when it comes to diversity - 74% of our portfolio's founders are from underrepresented backgrounds - but it goes further than that. We apply a truly inclusive lens to every aspect of our work, from the structure of our investment team, to how we source, select and support those we invest in. For example, we offer financial support for childcare to all of the parent founders we work with.

People often assume that taking this approach means compromising on returns - they couldn't be more wrong. We don't just invest in diverse founders to make ourselves feel good, we do it because it drives better returns. Casting the net wider than our competitors allows us to find the 'Alpha' ideas that they miss, beating the market whilst staying true to our values.

What one piece of advice would you give founders?

Be sure that what you're doing is genuinely innovative, and that it will have a positive impact on society. Our planet is facing enormous challenges, and we don't yet have the solutions we need to deal with them. While this might sound scary, it represents a massive opportunity. If you can find an answer to one of these questions, great commercial success and huge social impact await.

Matt Penneycard is a Partner and cofounder of [Ada Ventures](#).



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