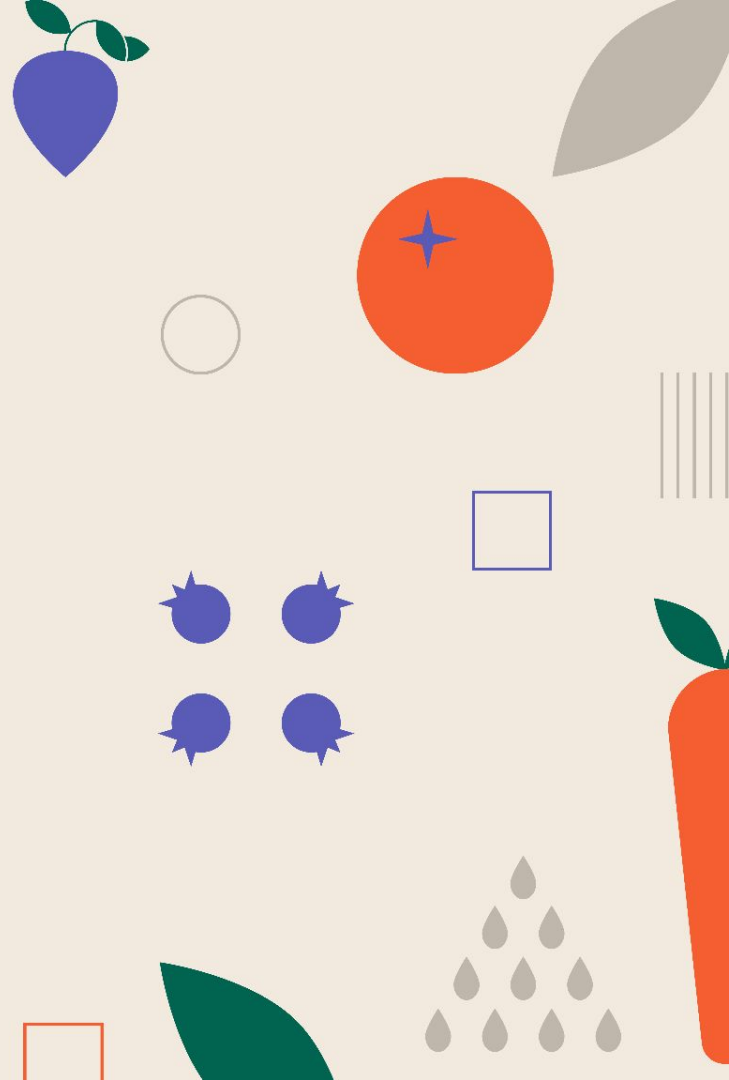




Foodtech startups and venture capital

Q2 2022

July 2022





FIVE SEASONS
VENTURES

The first VC in Europe focused on innovative consumer-facing food companies.

We back Food Tech entrepreneurs for a healthier, more sustainable and more efficient food system. Five Season Ventures is the first VC fund in Europe solely focused on investing in innovative consumer-facing food companies.

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Cortilia

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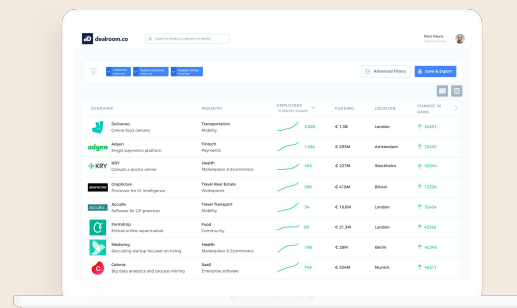


dealroom.co

Global startup & venture capital intelligence platform.

Dealroom.co is the foremost data provider on startup, early-stage and growth company ecosystems in Europe and around the globe.

Founded in Amsterdam in 2013, we now work with many of the world's most prominent investors, entrepreneurs and government organizations to provide transparency, analysis and insights on venture capital activity.





Previous reports:

Foodtech startups and
venture capital – Q1 2022

The State of European Foodtech 2021

Deliveroo: An incredible ride to IPO

The State of European Foodtech 2019

The State of European Foodtech 2018

Following a record 2021, foodtech VC has cooled in Q2 2022 amid supply chain volatility, war in Ukraine and an inflationary environment.

The combined enterprise value of foodtech companies is \$1.1 trillion.

Due to public market volatility at the start of 2022, foodtech companies declined in value by 3.5% since the end of Q1 2021. The cohort of companies launched between 2015-now declined the most, 9.6%. However foodtech value overall is still up +45% since the end of 2020.

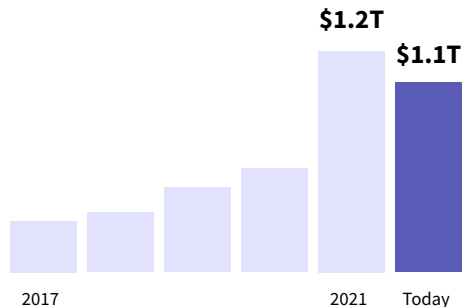
Q2 2022 foodtech investment reached \$5.7 billion, down 43% year on year.

The share of megarounds (\$100M+) decreased since last quarter, while the share of investment coming from early-stage rounds (\$4-15M) increased. Enterprise software foodtech startups raised the most capital in Q2 2022, overtaking capital-intensive Delivery startups.

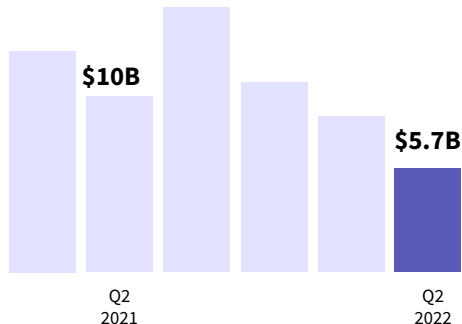
M&A activity has cooled, while IPOs have all frozen.

With only 74 exits, this quarter saw fewer exits than any quarter of 2021. With many companies putting their planning public debuts on hold, there were no traditional IPOs and only 3 SPACs in Q2 2022, the fewest of any quarter since Q2 2020.

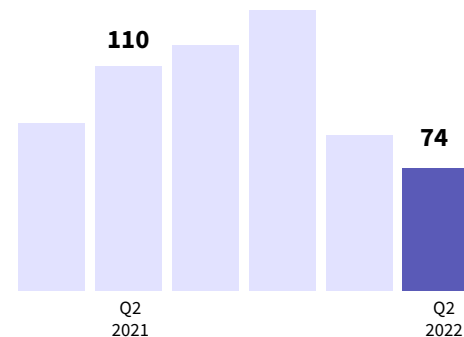
Combined enterprise value by year



Global VC investment by year



Number of exits by year



“ Early stage food-tech has proved to be a relatively attractive despite VC investment pullback.

With fears of recession looming, rising interest rates to battle, runaway inflation and the continued war in Ukraine and its negative impact on the overall global outlook, venture funding in food-tech has unsurprisingly cooled off in H1 2022 compared with the record levels of investment achieved in 2021. However, while not totally immune to macro-economic factors, early stage food-tech has proved to be a relatively attractive sector compared with late-stage and tech growth stage sectors, which have experienced much more severe pullbacks due to investors refocusing their efforts on less cash-intense businesses.

While it is very difficult to predict the future in such an uncertain environment, looking ahead, we expect consumer demand for food products to remain strong but maybe, as seen during previous recessions, demand will become fragmented and polarised driving sales of products at the bottom of the price range (retailers private label will do very well) and at the very top (premium and well known brands) creating ample revenue opportunities for start-ups driving innovation, convenience and quality or service.

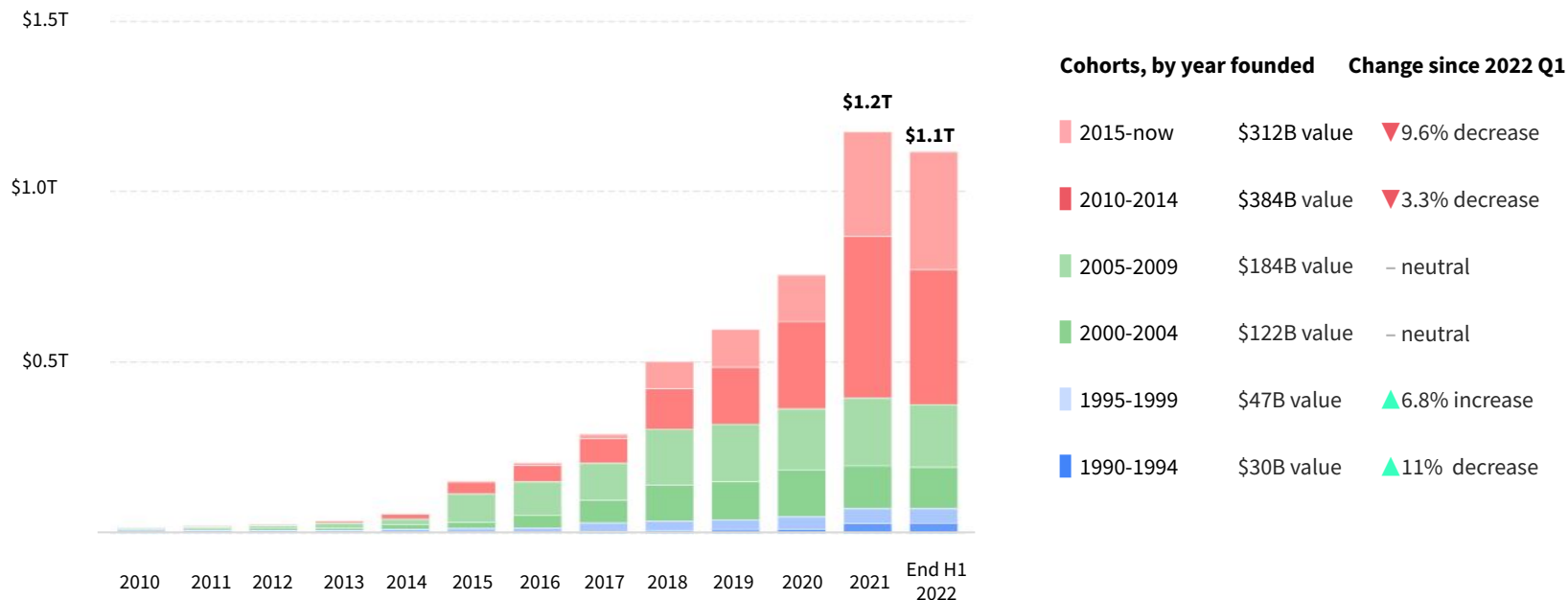
Ivan Farneti

General Partner & co-founder
at **Five Seasons Ventures**



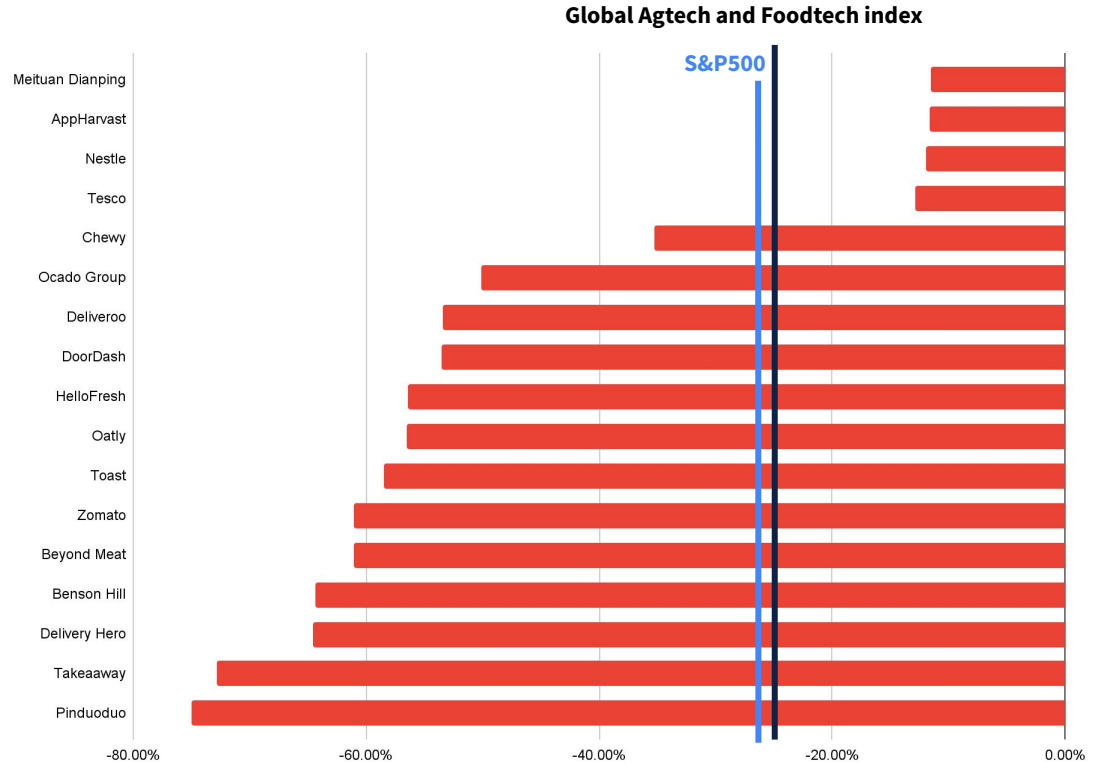
The combined enterprise value of the foodtech ecosystem is down 3.5% since the end of last quarter. Younger cohorts lost value, while older cohorts gained some.

Combined enterprise value of foodtech companies by launch year » [view online](#)



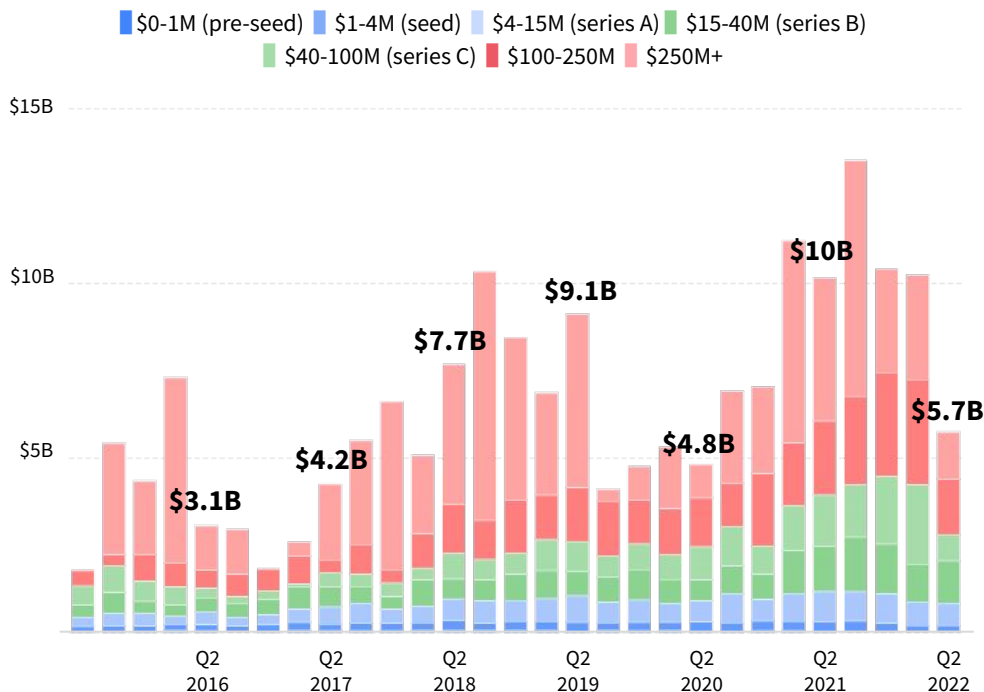
Globally, public food and agriculture companies are down 18% year-to-date putting downward pressure on valuations in the private market.

Year-to-date performance of selected VC-backed public companies



In 2022 Q2, global foodtech investment significantly cooled down. With \$5.7 billion raised, this quarter is down to levels last seen in 2019.

Global VC investment in foodtech by quarter [» view online](#)

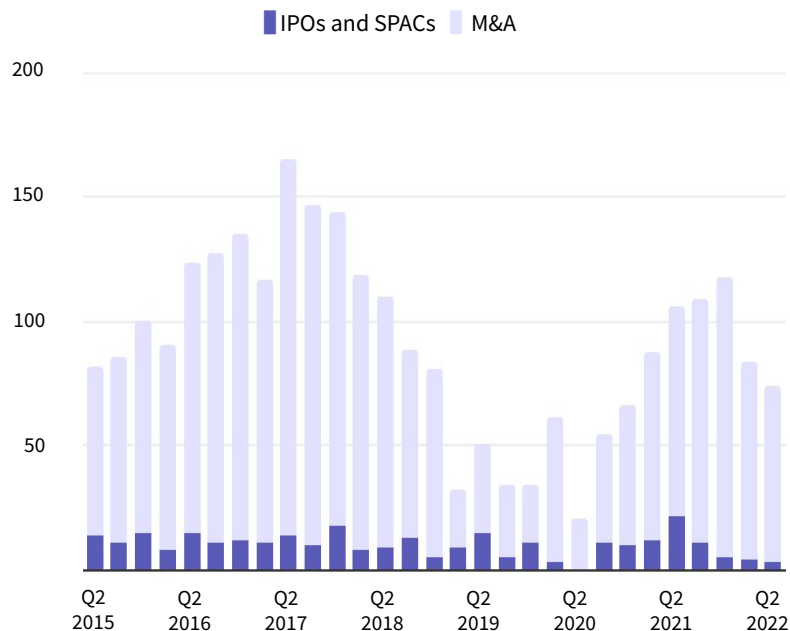


The biggest VC rounds of Q2 2022 [» view online](#)







ITOPI Virtual restaurants \$300M	SpotOn Point-of-sale \$300M	rohlik.cz Online grocery retailer \$231M
zepto Ultrafast grocery \$200M	FOODICS Point of sale \$170M	little leaf FARM Vertical farming \$150M
CHOCO B2B marketplace \$110M	SOLINFTEC Farm management \$60M	FarmWise Autonomous farm robots \$45M

While IPOs have frozen almost entirely, smaller cap M&As are still taking place amid market consolidation.

Number of foodtech exits



Biggest food tech exits in Q2 2022: [» view online](#)

NAME	BACKERS	ACQUIRORS	MARKET	ENTERPRISE VALUE
 Clif Bar Leading maker of nutritious and o...	-	Mondelez	food innovative food	\$2.9b
 Blinkit (formerly Grofers) A low-price online supermarket th...	Tiger Global Management Sequoia Capital Sequoia (PE & Advisory) SoftBank Cyriac Roeding	Zomato	food food logistics & delivery	\$568m
 Westrock Coffee Company Westrock Coffee believe in people ...	Stephens Group	Riverview Acquisition Corp.	food	\$1.1b
 Dippin' Dots Ice Cream Shop, Frozen Dessert Su...	-	J&J Snack Foods Corp	food kids in-store retail & restaurant te...	\$222m
 Nutraware Health and Beauty (Youtheory) Youtheory® Made for all of you.	-	Jamieson Wellness	wellness beauty food	\$210m
 BioPhero Provides low-cost bio-based pher...	Syddansk Teknologisk Innovation Novo Seeds Syngenta Ventures DCVC (Data Collective) Novo Holdings	FMC Corporation	food agritech	\$200m

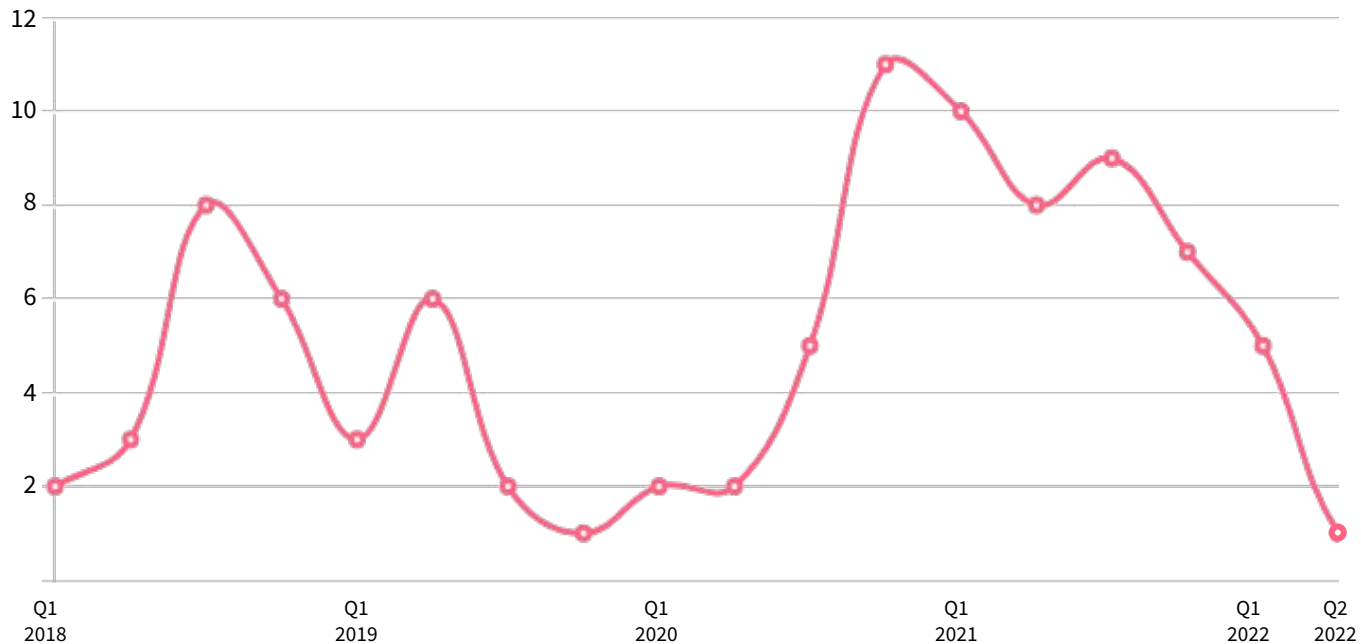
The share of megarounds (\$100M+) decreased since last quarter, while the share of investment coming from early-stage rounds (\$4-15M) increasing.

Global VC investment in foodtech by quarter [» view online](#)



Only 1 new unicorn was created in Q2 2022, down to 2019 levels.

Number of new foodtech unicorns [» view online](#)



Median round sizes across all stages have not yet decreased - and in Europe, median round sizes at the Series A/B and B+ stage are now on par with deals in the USA.

Median round size by stage and geography

■ Europe ■ USA

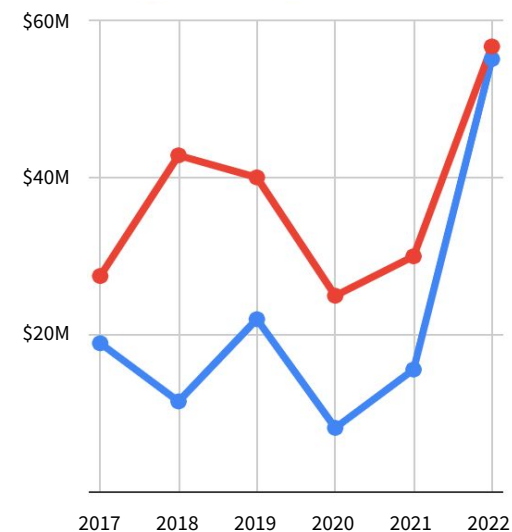
Seed



Series A / B

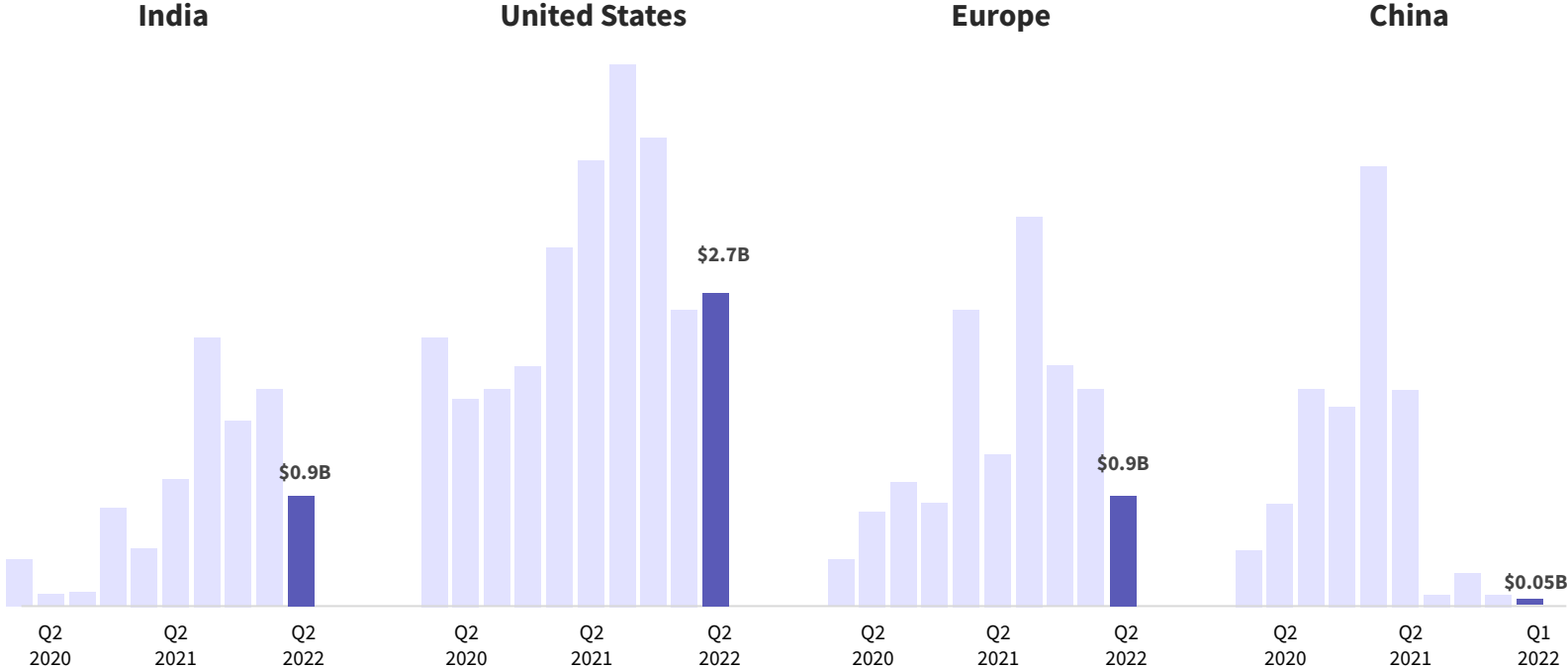


Series B+

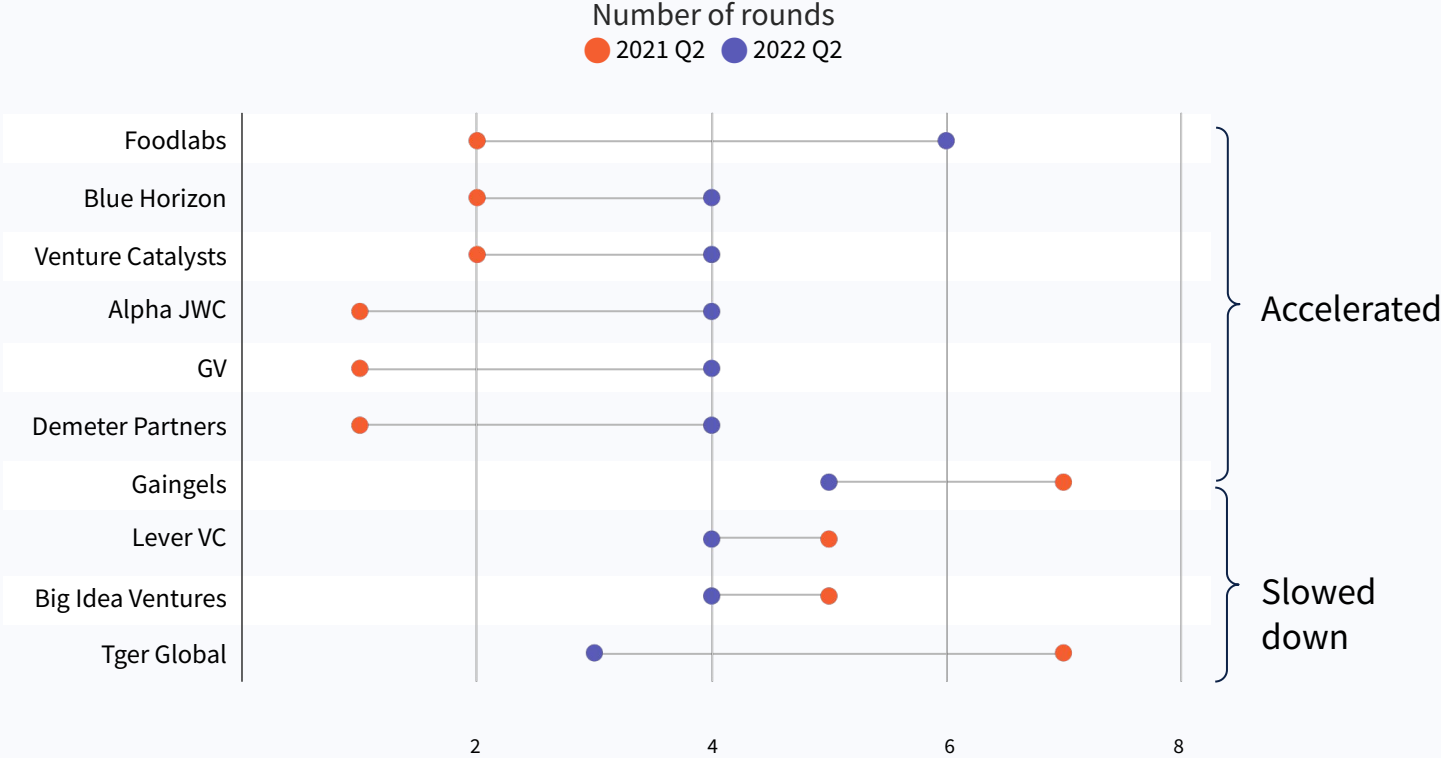


VC investment in food-tech decreased in all regions except the US, with China experiencing the most severe decline.

VC investment in foodtech by region (\$B) » [view online](#)



Amongst the top 10 most active investors in Q2 2022, some have accelerated their investment activity as compared with Q2 2021, while others have slowed down.

















Dealroom Startup Signal

Dealroom has launched a powerful predictive algorithm to discover the most promising companies, Dealroom Signals.

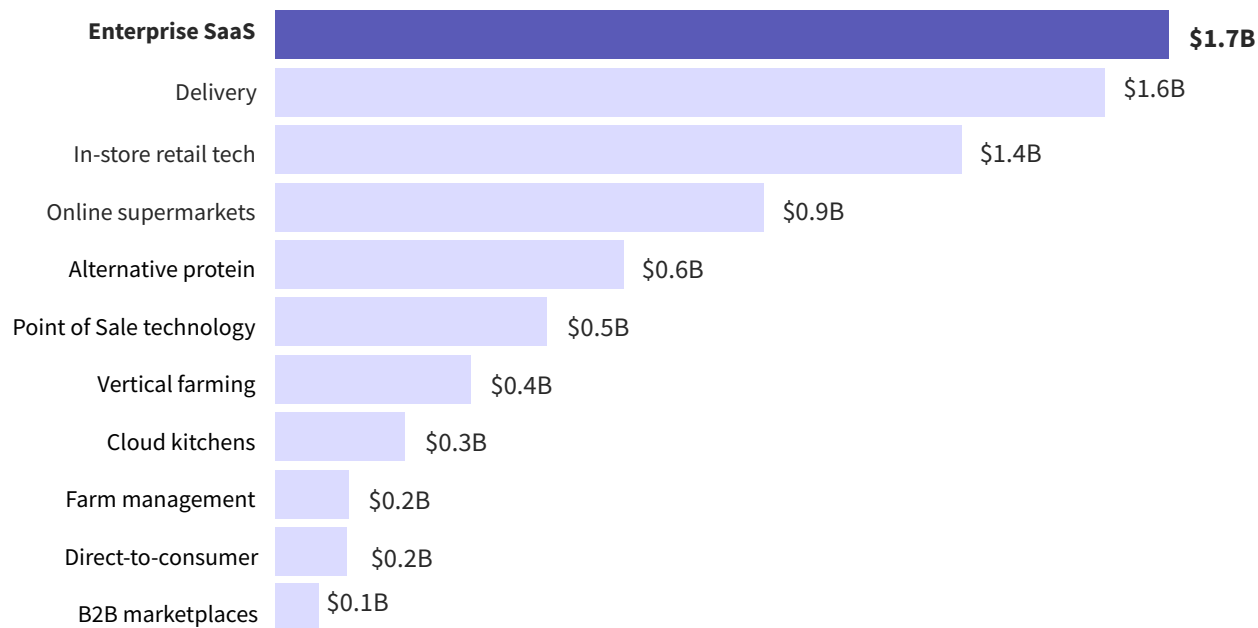
Despite a downturn quarter in funding, there's still potential for investment opportunities. Don't miss out on up and coming startups, and stay ahead of the market with Dealroom Signals.

The input for each Signal's algorithm includes company growth (team size, product growth), job openings, completion score and contextual data (does the company fit into segments of interest), timing (is the startup likely to raise their next round soon) and team composition.

DEALROOM SIGNAL	NAME	MARKET	TYPE
 37	 Flink ★ High quality and organic groceries,...	B2C food food logistics & delivery	
 45	 Gorillas ★ Groceries delivery app	B2C food food logistics & delivery	mobile app commission marketplace & ecommerce
 36	 JOKR ★ Global platform for instant grocery...	B2C food food logistics & delivery	mobile app commission marketplace & ecommerce
 1	 Flipkart wholesale 🏠	B2C food	subscription marketplace & ecommerce
 69	 Zepto ★ 🏠 Grocery delivery in 10 minutes	B2C food food logistics & delivery	commission marketplace & ecommerce
 38	 Zapp ★ Building the future of convenience ...	B2C food food logistics & delivery	commission
 0	 MOOLEC SCIENCE 🏠 🏠	B2B food	selling own inventory manufacturing

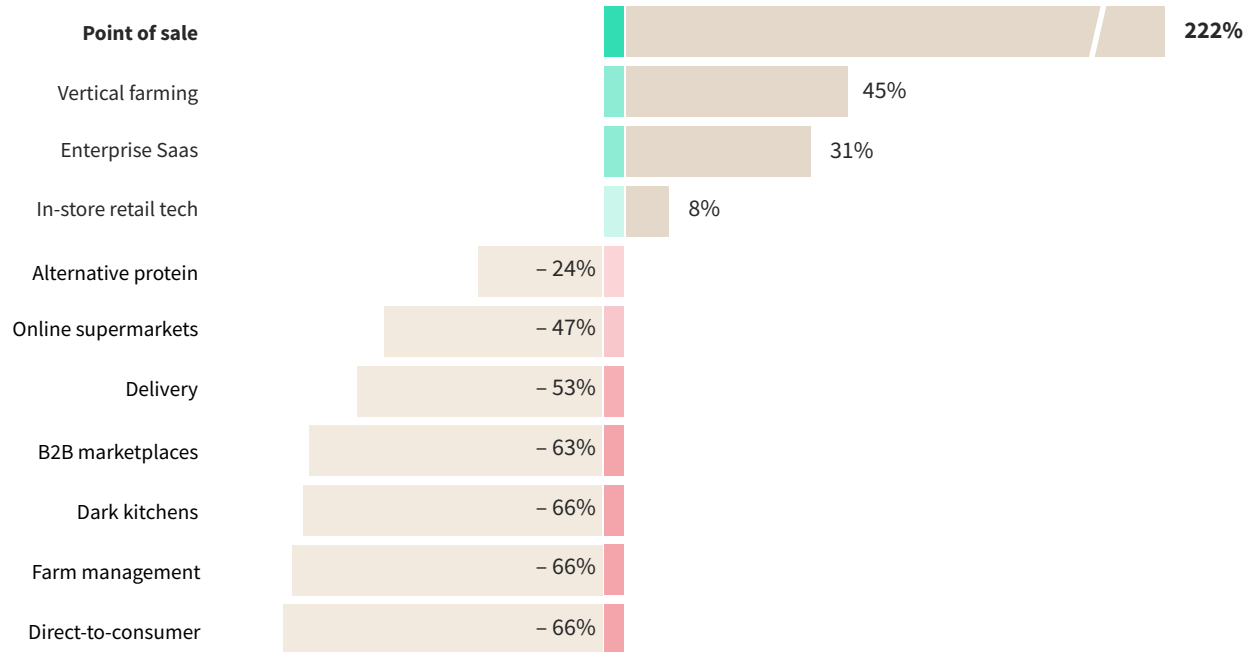
Enterprise software foodtech startups raised the most capital in Q2 2022, overtaking capital-intensive Delivery startups.

VC investment by category - Q2 2022



Point-of-sale tech grew the fastest, while capital intensive categories like food delivery, groceries and DTC collapsed.

VC investment Q2 2022 vs. Q2 2021



The global restaurant point-of-sale terminal market size was valued at \$17 billion in 2021.




















Restaurants are fully open again. During Covid-19 food delivery was a lifeline to struggling restaurants. This year, though, food delivery is in decline. In response, restaurant owners and operators are focusing on tech solutions like point-of-sale (POS) software that help them make better business decisions, increase sales and improve customer experience.

There are roughly 75 and up POS startups globally, the combined enterprise value of which is \$2-9.8B. Between 2019 and 2020, the combined enterprise value of this category tripled, which makes sense as restaurants rushed to offer fully digital and contactless experiences.

The first half of 2022 is expected to be a record-breaking half-year with \$482M of VC investment in foodtech POS startups. Noted however, 2 mega-rounds made most of the total - SpotOn with \$300M Series F and Foodics with \$170M Series C.

But there is massive potential ahead for untapped users, as the sector's leading Toast counts only 6% of the 870K restaurants in the USA as clients.

Open 75 foodtech POS startups

NAME	DEALROOM SIGNAL	MARKET	TYPE	GROWTH 12 months gro
 Toast ★ ❤️ An all-in-one restaurant managem...	 44	B2B fintech food payments in-store retail & restaurant tech	connected device deep tech hardware subscription saas	
 SpotOn ★ ❤️ Helping restaurants and small busi...	 41	B2B fintech food in-store retail & restaurant tech payments	mobile app commission saas	
 Lightspeed ★ ❤️ One-stop commerce platform for ...	 47	B2B food enterprise software in-store retail & restaurant tech	hardware subscription saas	
 Foodics ★ Offering cloud management soluti...	 61	B2B fintech food payments in-store retail & restaurant tech	commission saas	
 TouchBistro ★ ❤️ TouchBistro is a complete mobile ...	 35	B2B fintech food payments in-store retail & restaurant tech	mobile app subscription saas	
 ShopKeep ❤️ Founded by retailers for retailers, ...	-	B2B fintech food in-store retail & restaurant tech financial management solutions	subscription saas	
 Upserve ❤️ A restaurant management platfor...	-	B2C food in-store retail & restaurant tech	subscription	

Regenerative Agriculture















The loss of fertile soil poses a threat to food production in the future. Soil erosion is already costing USA farmers as much as \$100M per year. Startups and scaleups could provide a tech solution to a global issue by developing and innovating regenerative agriculture, which consists of farming practices that help rebuild organic soil and biodiversity.

The combined enterprise value of the regenerative agriculture market is \$6.1B, 90% of which is contributed by the unicorns Indigo and Pivot Bio. VC investment in regenerative agriculture has been relatively small and volatile. However, Pivot Bio's \$430M Series D last year is a sign of how lucrative the opportunity could be.

Some other companies within the sector include Agreena, which issues CO2 certificates to farmers who switch to regenerative agriculture practices, and Loam Bio uses microbes to isolate carbon in farm soils. It increases the plants ability to store CO2 in the soil, making the capacity permanent. Even major food and beverage companies like Nestle, Mars and PepsiCo have also started initiatives on regenerative farming.

Open 29 regenerative agriculture startups

Showing 28 startups & scaleups

NAME	MARKET	TYPE	GROWTH SIGNAL 12 months growth	LAUNCH DATE
 Indigo ★ 🚀 Develops microbial and digital tec...	B2B food agritech	marketplace & ecommerce saas	 2,469	201...
 Pivot Bio ★ 🚀 Fueled by an innovative drive and ...	B2B food agritech	manufacturing	 327	201...
 Loam Bio ★ 🚀 Developing tech that allows for cr...	B2B food agritech	deep tech commission manufacturing	 51	201...
 Agreena ★ 🚀 Digital trading platform enabling d...	B2B food agritech	blockchain artificial intelligence commission marketplace & ecommerce	 56	201...
 Gaiago. GAIAGO - Revitaliser les sols	food agritech		 75	201...
 BioConsortia Agricultural biotechnology compa...	B2B health food agritech biotechnology	manufacturing	 37	201...
 Aigen ★ 🚀 Planetary level soil regeneration w...	B2B food robotics agritech	manufacturing	 16	202...

Explore the key themes driving Foodtech.

Find more in our landscapes:

» Online groceries

» Food waste

» Alternative protein

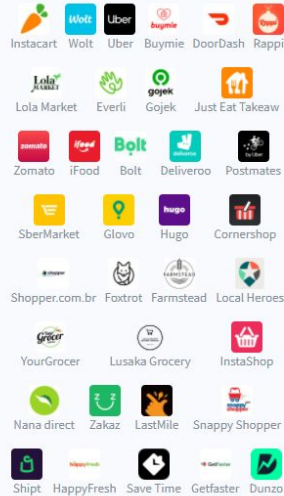
» Insects

» More ...



Personal shoppers

Combined funding \$ 33.7B



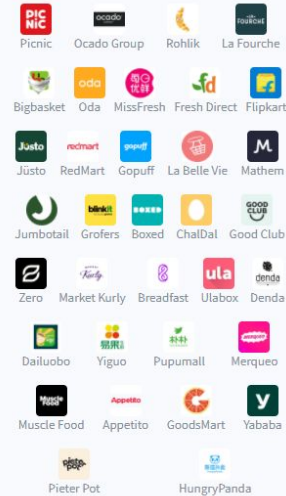
10 minutes delivery

Combined funding \$ 5.6B



Online grocery retailer

Combined funding \$ 21.4B



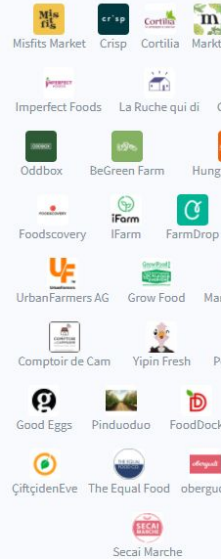
Community shopping

Combined funding \$ 3.9B



Farm-to-table / fresh food

Combined funding \$ 4.9B



Warehouse automation

Combined funding \$ 643M



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Fertile ground for vertical farming startups

Climate change and water security have driven foodtech entrepreneurs to find innovative ways to feed the growing global population and reinvent farming as we know it.

A busy startup segment, \$3.1 billion of VC investments has poured into vertical farming startups in the last five years, and 2022 is already on track to be a big record. The combined value of startups in the space has increased 19x in the same period, and there are now four companies that have reached unicorn status.

A drive to extend growing seasons and move production closer to the point of consumption, while leveraging controlled growing environments, have resulted in not one but three forms of vertical, or indoor, farming.

- **Hydroponic:** growing plants without soil. Roots are dropped in a liquid containing nutrients and trace elements. Startups in the category include Just Vertical.
- **Aquaponic:** A closed system that is mimicking the natural environment. Water from a tank farming fish is connected to a unit containing plants, which absorb the nutrient-rich water. The plants purify the water, which is led back to the fish tank. Startups in the category include Refarmers and Prontus.
- **Aeroponic:** nutrients are misted in the air where plants are grown. In this category we count startups such as AeroFarms and CleanGreens

There are clear benefits of vertical farming such as pesticide-free produce, cleaner water, and proximity to customers. However, at this stage, the jury is out on whether vertical farms are truly the future of produce. The ecosystem is yet to converge to one business model and reach profitability. But there are now 103 startups now competing to make the model work.

Get the latest weekly insights, with the foodtech newsletter.

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