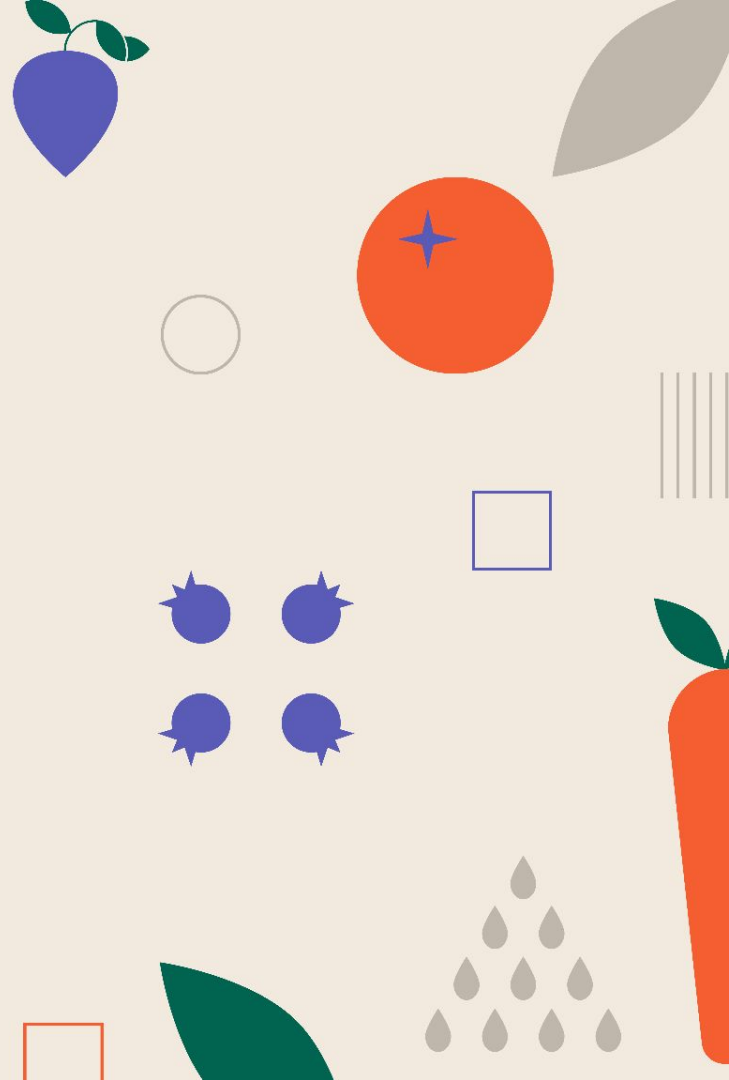




Foodtech startups and venture capital

Q3 2022

October 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.

airup

the nu⁺
company

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Barkyn

JUST LEGENDS
SMART GAMING NUTRITION

JUST SPICES
**Exited*

vly

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yfood

Tropic Biosciences

Cortilia

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LA FOURCHE

Butternut Box

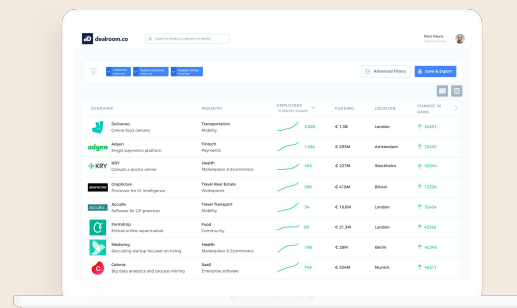


dealroom.co

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 – Q2 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

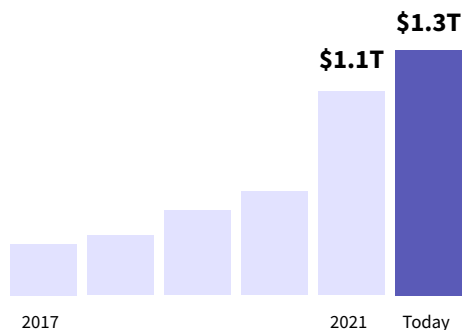


Following a record 2021, foodtech startup funding has continued to cool in Q3 2022. Investment is down by 65% year on year, in line with overall VC activity.

The combined enterprise value of foodtech companies is \$1.3 trillion.

This marks a 18% increase since the end of 2021. While this value is still growing, the pace of growth has slowed in 2022. The modest growth is driven by private foodtech startups. Market value of public companies has more than halved since peaking in early 2021, though they rebounded in Q3 2022.

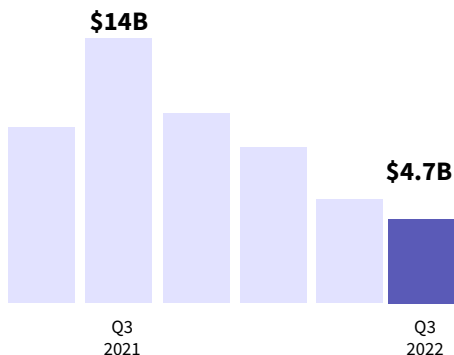
Combined enterprise value by year



Q3 2022 foodtech investment reached \$4.7 billion, down 65% year on year.

The share of Early-stage rounds (<\$15M) increased to 23% of total, while the share of rounds above \$100M decreased to a 34%, levels last seen in 2016. VC investment in food-tech decreased in all regions with India having the biggest year-on-year decrease. Yet, 2 new unicorns were created.

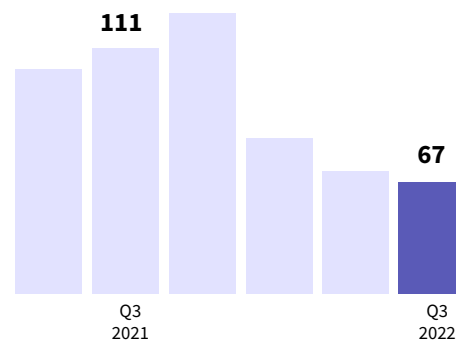
Global VC investment by year



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

With only 67 exits, this quarter saw fewer exits than any quarter of 2021. With many companies putting their planning public debuts on hold, there were 2 traditional IPOs and 2 SPACs in Q3 2022, the fewest of any quarter since Q1 2020.

Number of exits by year



“ The best deals are not coming to the equity market right now. This is likely to continue in Q4 and part of 2023.

High quality companies backed by solid investors have been busy (and still are), lengthening their cash runway by closing internal refinancing rounds, which, in most cases, are not announced. Convertible notes, last-round extensions, top ups, venture debt layers have been added by investors with the aim to secure their portfolios to the end of 2023 and beyond, while insulating founders from the scrutiny of the hardest market of the last 10+ years. These companies will likely come back to the venture and growth equity market in 2024, bigger and stronger.

A few great companies, however, are obligated to raise external rounds. We've observed various institutional investors, some of whom may have pressure to deploy feel more comfortable in backing “the best company in its sector” even if that meant to pay a full valuation. There has not yet been a drop in deals and amounts invested at Seed and Series A. Valuations have not been drastically cut from previous rounds to make room for more cautious investors. Recently, we have seen some down-rounds, some flat rounds and the general set of terms have tightened, but have not become “punitive” to entrepreneurs like in 2001 or 2009.”

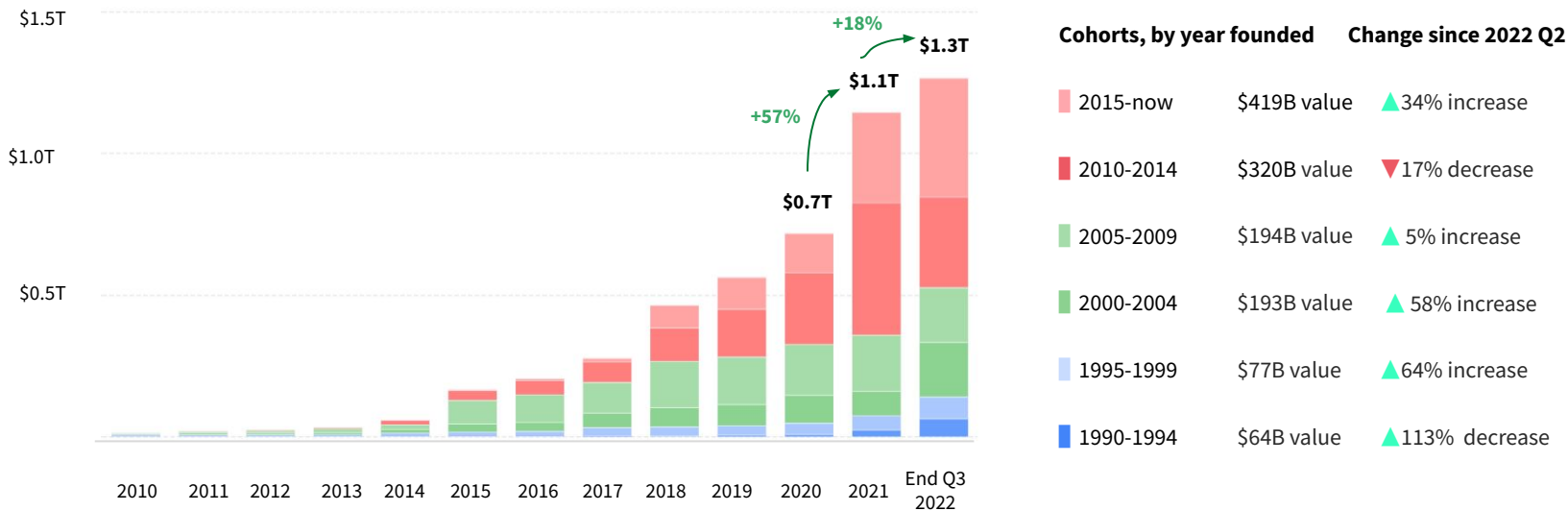
Ivan Farneti

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



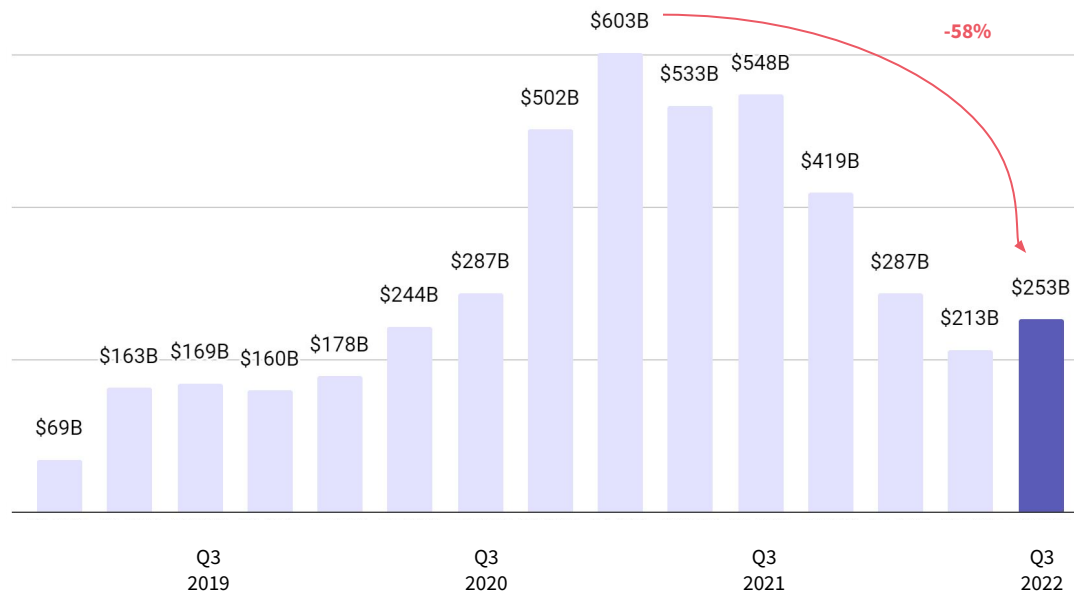
The combined enterprise value of the foodtech ecosystem is now valued at \$1.3 trillion, a 18% increase since the end of 2021.

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



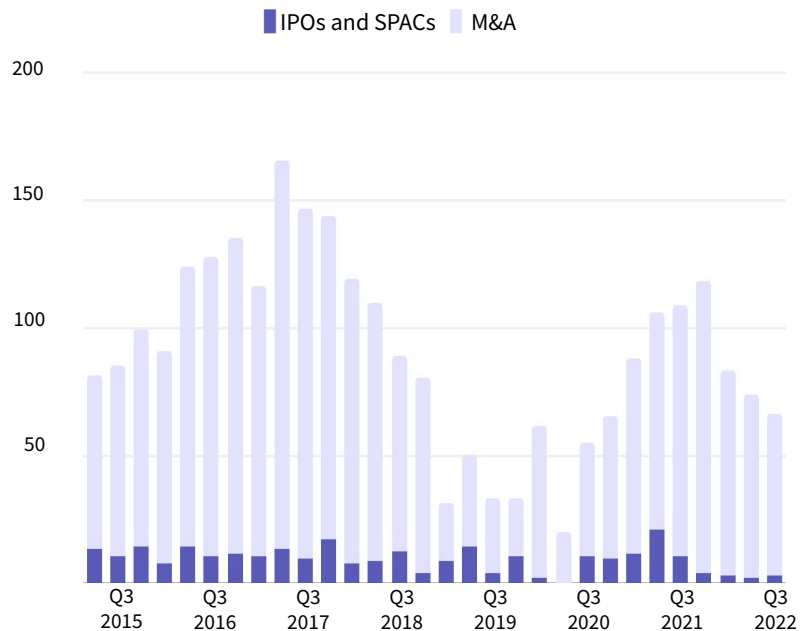
Public foodtech companies gained 19% since the end of last quarter. Yet market value has more than halved since a foodtech peak in early 2021.

Combined market capitalization of Emerging Foodtech Index*



Liquidity events have declined for 3 consecutive quarters, but have not reached an all-time low.

Number of foodtech exits

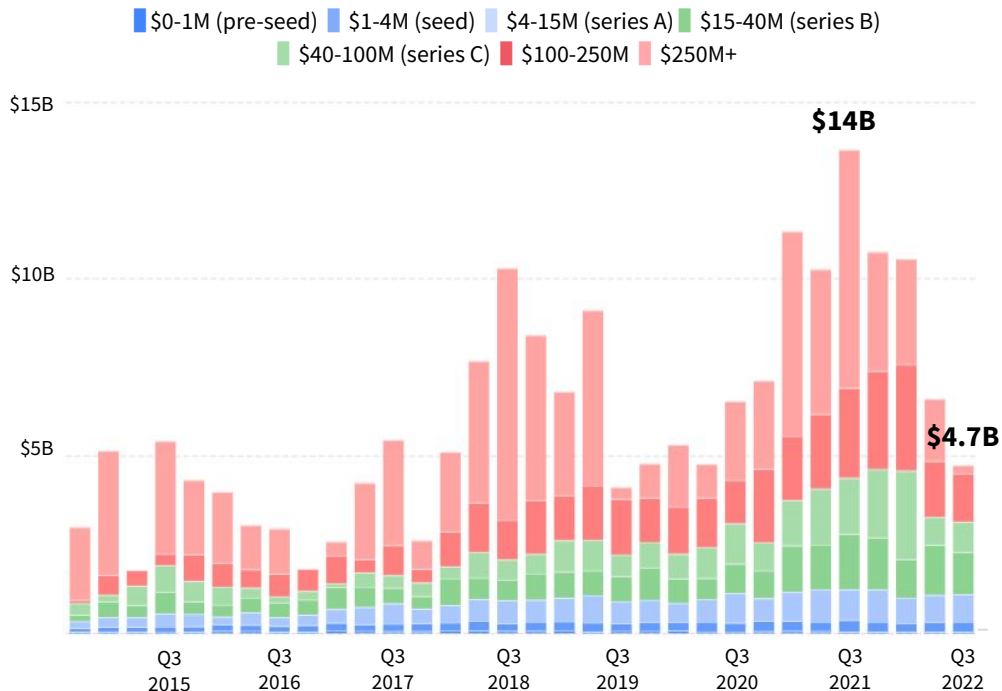


Biggest food tech exits in Q3 2022: [» view online](#)

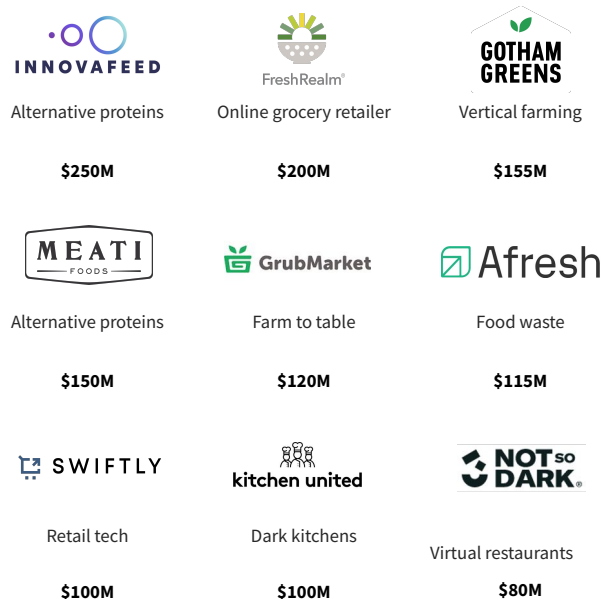
NAME	BACKERS	ACQUIRORS	MARKET	TRANSACTION
Autogrill World's leading provider of food & ...	-	Dufry	travel food in-store retail & restaurant tech	€2.2b ACQUISITION source: vz.lt/ninkos/2022/08/01/
iFood Online food delivery portal in LatAm	Warehouse Investimentos Movile Just Eat Prosus Innova Srl	Prosus	food food logistics & delivery	\$1.8b BUYOUT source: bloomberglinea.com.br
Tassal Group	-	Cooke Aquaculture	food	\$760m ACQUISITION source: globalinvesting.com/
Tim Hortons China A restaurant that offers donuts, sa...	Sequoia Capital Tencent Eastern Bell Venture Capital Cartesian Capital Group	Silver Crest Acquisition Corporation	food in-store retail & restaurant tech	\$300m SPAC IPO source: globeinvesting.com/ne
Bevcorp Beverage Packaging Equipment & ...	-	John Bean Technologies Corporation	food	\$290m ACQUISITION source: bizjournalism.com/chicago
Ibersol Group Multi-brand group with presence i...	-	Restaurant Brands Iberia	food in-store retail & restaurant tech	€260m ACQUISITION source: elconfidencial.com/emp
BBQ Holdings	-	MTY Food Group	food marketing	\$200m ACQUISITION source: globeinvesting.com/ne

In Q3 2022, global VC investment in foodtech dropped by 65% year on year, to \$4.7 billion.

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

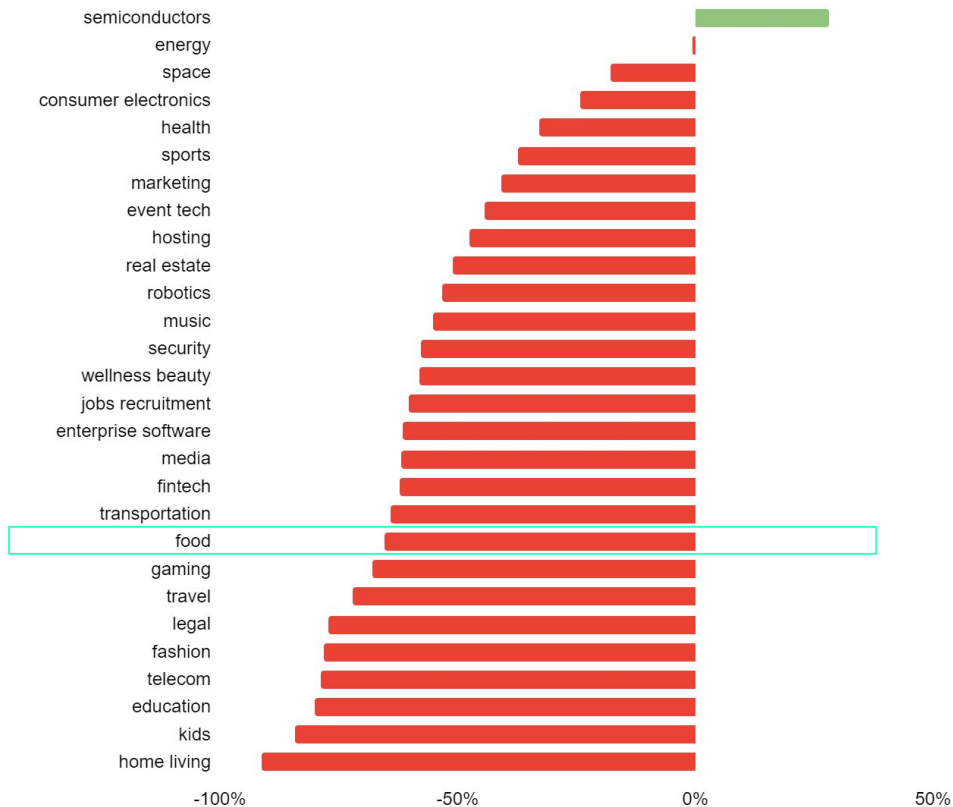


The biggest VC rounds of Q3 2022 [» view online](#)



VC investment in Foodtech decreased 65% year on year in Q3, one of the largest drops.

Global VC investment growth in Q3 2021 vs Q3 2022 by industry



The share of Early-stage rounds (smaller than \$15M) increased to 23% of total, while the share of rounds above \$100M decreased to a 34%.

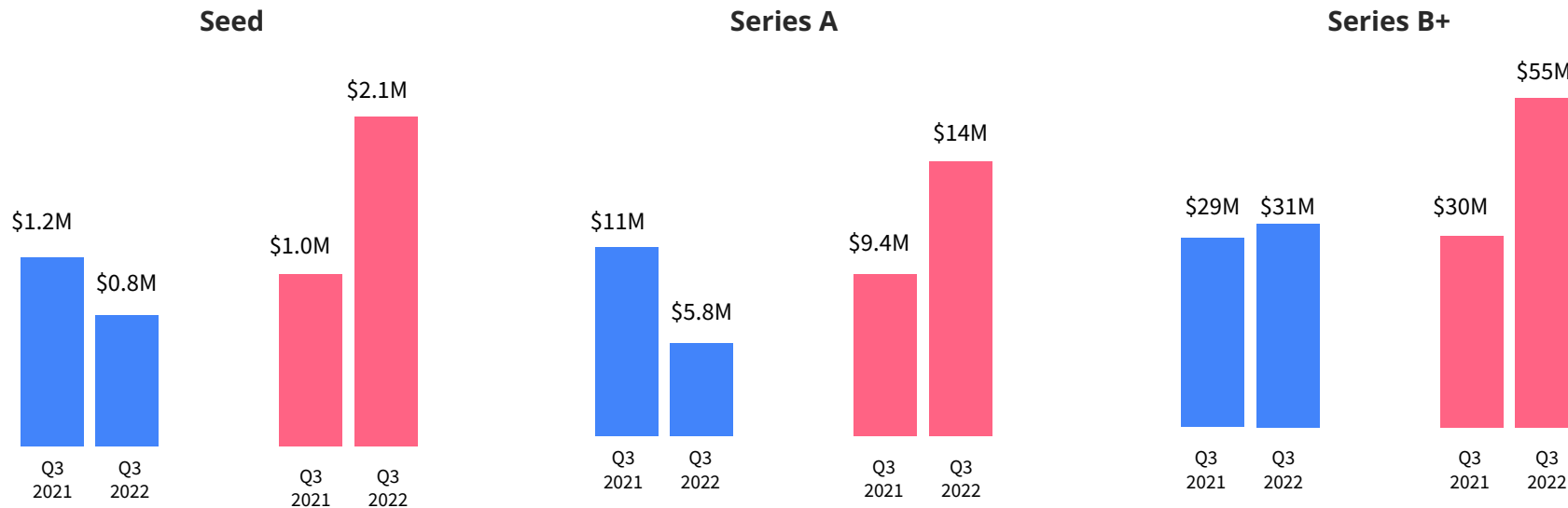
Global VC investment in foodtech by quarter [» view online](#)



In Europe, VC investors became more bearish, writing smaller tickets, especially at early stage. US-based investors wrote larger checks despite market volatility.

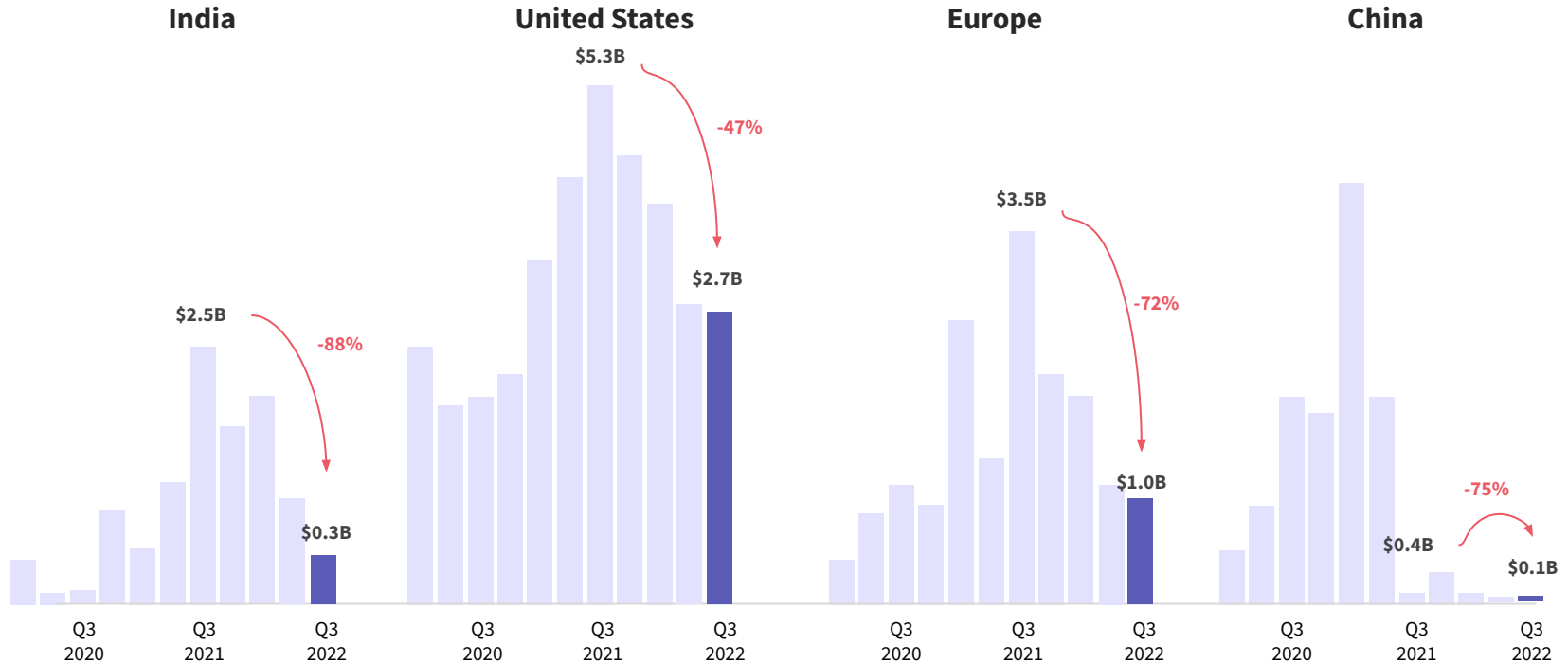
Median round size by stage and geography

■ Europe ■ USA



VC investment in foodtech decreased in all regions year-on-year in Q3 2022.

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





















On the spotlight: Latin America, an early stage but fast growing foodtech ecosystem.

Today, the foodtech ecosystem in Latin America is valued at \$21 billion, up from \$16 billion at the end of last year. However, more than half of the value comes from the three food and grocery delivery unicorns Rappi, Cornership and iFood. Since 2016, the foodtech ecosystem in Latin America has grown 12x compared to 6x for the global one.

In total, \$4.6 billion have been raised by foodtech startups in Latin America since 2010. However, it is 5.6x and 15.8x lower than more developed tech ecosystems such as Europe and USA, respectively. The foodtech ecosystem in Latin America is super early stage and there are plenty of growth opportunities.

Wonder where to start exploring the ecosystem? Here are the top foodtech startups in Latin America according to our Dealroom Signal, a unique predictive algorithm to discover promising companies.

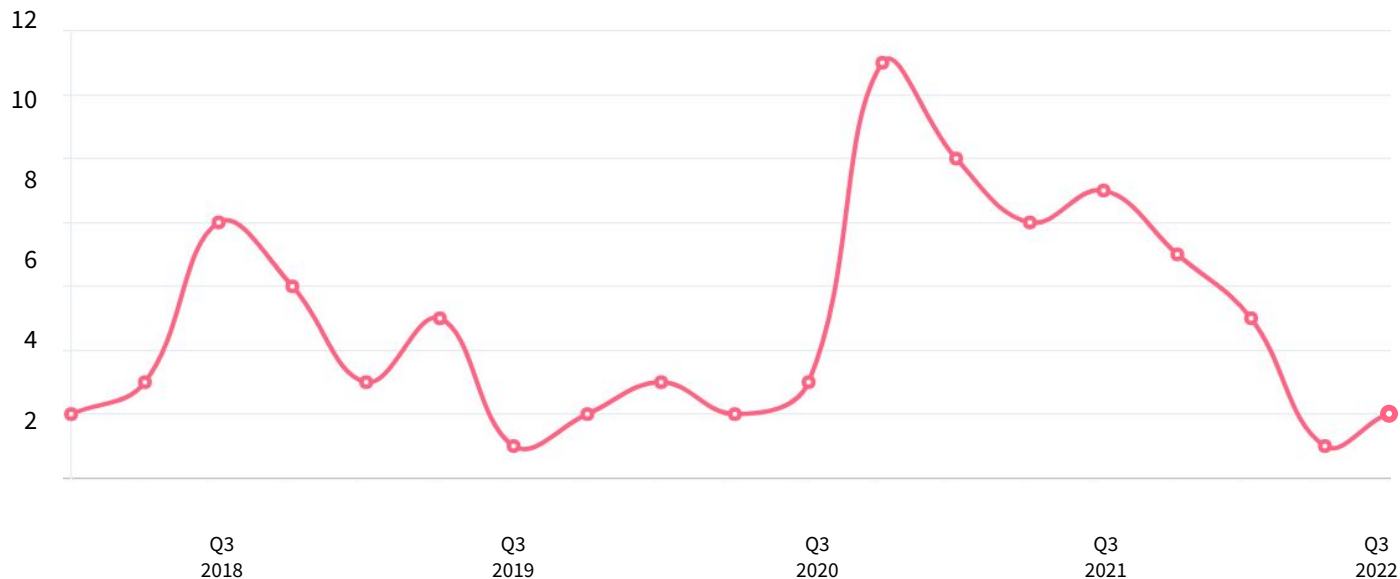
Foodtech startups in Latin America

NAME	DEALROOM SIGNAL	MARKET	TYPE	GROWTH 12 months growth
 DigiFarmz ❤️ Digital platform that considers bio...	 87	B2B food agritech	saas	
 TRACE PACK ❤️ IoT company focused in tracing an...	 76	B2B food agritech	deep tech iot internetofthings saas	
 Orchata ★ ❤️ Quick commerce of groceries in M...	 73	B2C food food logistics & delivery	mobile app commission marketplace & ecommerce	
 Solubio ❤️ Company focused on research and...	 69	B2B food agritech	manufacturing	
 Frubana ❤️ Platform of agri-products for resta...	 68	B2C food food logistics & delivery agritech in-store retail & restaurant tech	mobile app commission marketplace & ecommerce	
 AgroUrbana ★ 🚀 ❤️ The first Vertical Agriculture comp...	 64	B2B food agritech	machine learning iot internetofthings autonomous & sensor tech big data artificial intelligence	

In Q3 2022, only 2 new foodtech unicorns were created globally.

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

New unicorns in Q3



 **TRIDGE**
B2B Agritech Marketplace



















 **Cirkul**
Innovative flavored water

Dealroom Startup Signal

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

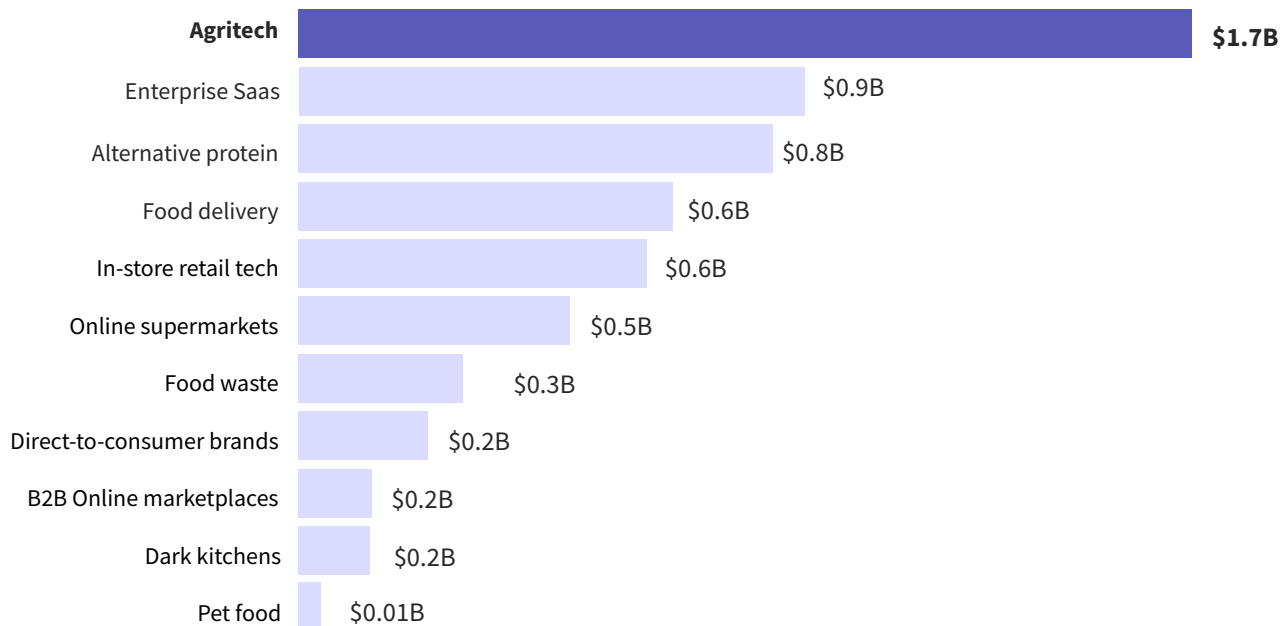
Despite a downturn quarter in funding, there's still potential for investment opportunities. Don't miss out on up and coming startups, and stay ahead of the market with Dealroom Signals.

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

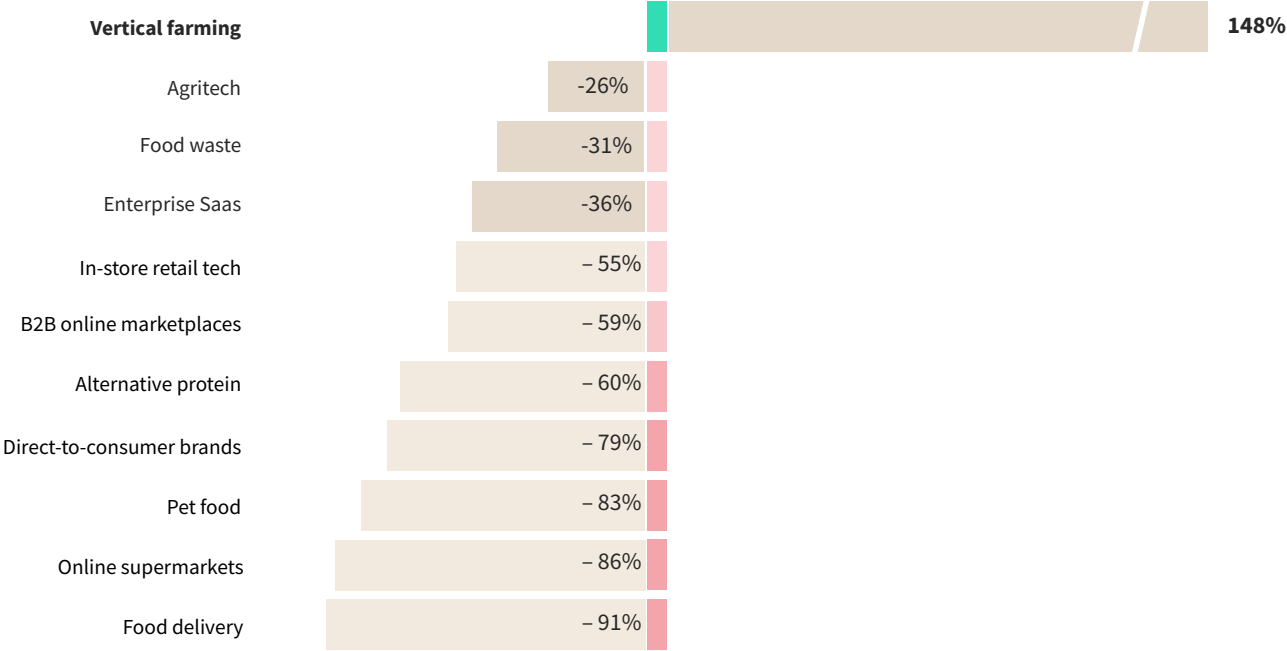
With \$1.7 billion of VC investment, agritech is the most funded category, followed by Enterprise SaaS and Alternative proteins.

VC investment by category - Q3 2022



Vertical farming is the only foodtech category that grew year-over-year in Q3 (driven by 1 deal). Food and grocery delivery VC investment collapsed.

VC investment Q3 2022 vs. Q3 2021



We've created a list with the Top 100 agritech startups to watch.

Jumping off the success of our list of top 100 foodtech startups to watch, we're diving straight into related industries and segments with a growing number of promising startups you don't want to miss.

Short for agriculture technology, agritech refers to the application of technology in agriculture, horticulture, and the entire farming process to create efficiencies. These efficiencies can range from improving a crop's yield, increasing overall productivity & profitability, and so on. By leveraging technology, agritech startups are disrupting the way we produce food globally.

Agritech startups raised a record \$8 billion in 2021 and have raised \$3.9B as of H2 2022. There are currently 19 agriculture technology unicorns globally, or private companies with a valuation of over \$1 billion.

Top 100 agritech startups

NAME	DEALROOM SIGNAL	MARKET	TYPE	GROWTH 12 months growth	LAUNCH DATE
Future Fields ★ Enabling cellular agriculture by off...	94	B2B food innovative food agritech	commission manufacturing		Feb 2018
Oishii ★ Replicating the light rain, cool bre...	87	B2B food agritech	commission manufacturing	95%	2016
Ergos Business Solutions ★ Enables farmers to convert their gr...	84	B2B fintech food agritech	commission saas	142%	Apr 2014
Solubio Company focused on research and...	81	B2B food agritech	manufacturing	198%	2012
TRACE PACK IoT company focused in tracing an...	81	B2B food agritech	deep tech iot internetofthings saas	200%	May 2017
Faircraft ★ Leveraging advanced synthetic blo...	78	B2B fashion food agritech	commission manufacturing		2021
Farmvent Revolutionizing in-store vertical fa...	74	B2B food in-store retail & restaurant tech agritech	hardware iot internetofthings machine learning subscription saas		Jan 2021
Gro Intelligence ★ Gro Intelligence is an AI-powered f...	73	B2B food enterprise software mltech	artificial intelligence subscription saas	20%	2014

Explore the key themes driving Foodtech.

Find more in our landscapes:

» Online groceries

» Food waste

» Alternative protein

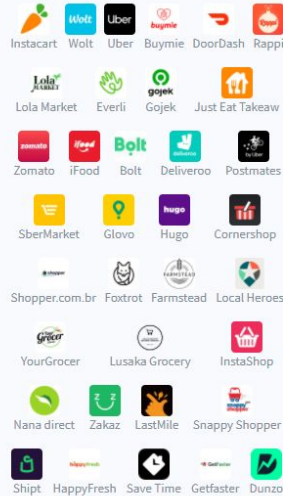
» Insects

» More ...



Personal shoppers

Combined funding \$ 33.7B



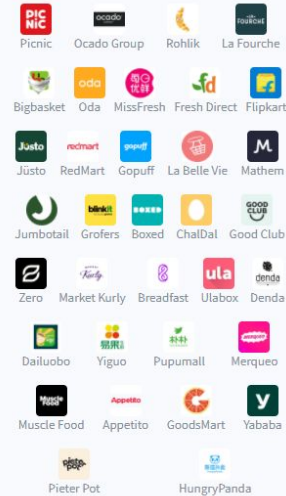
10 minutes delivery

Combined funding \$ 5.6B



Online grocery retailer

Combined funding \$ 21.4B



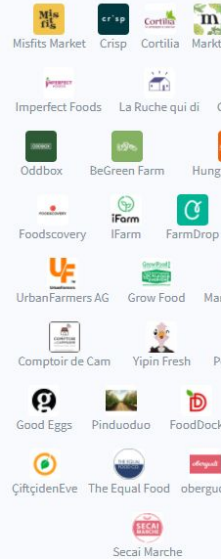
Community shopping

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.

Sign up



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