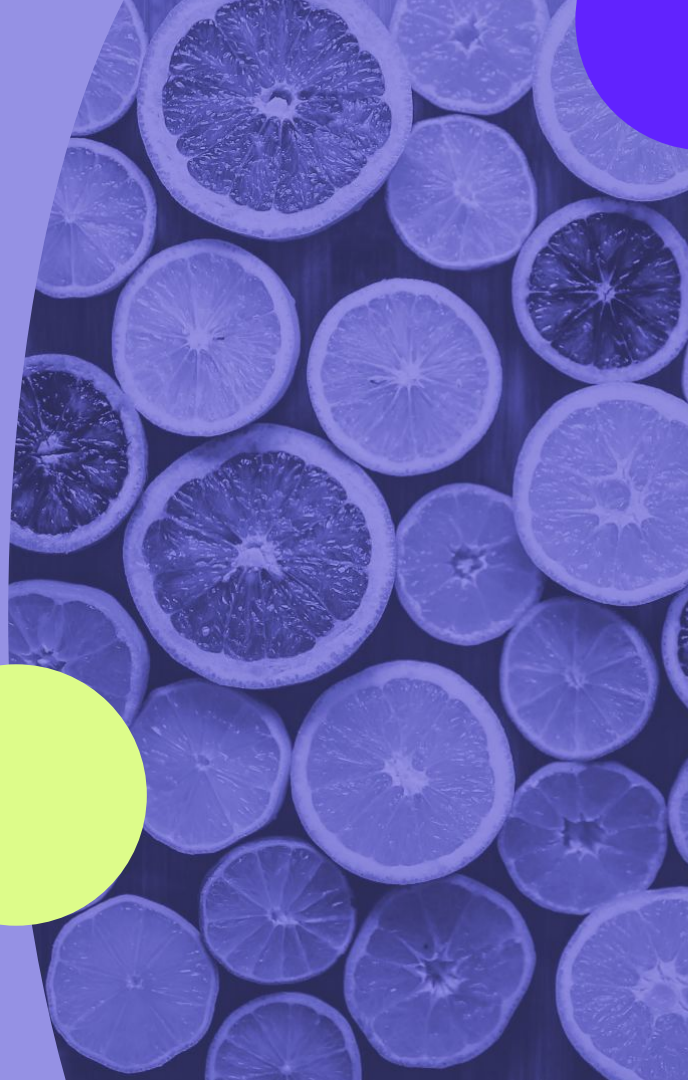




# The State of European Foodtech 2023

January 2023





## 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 food companies.

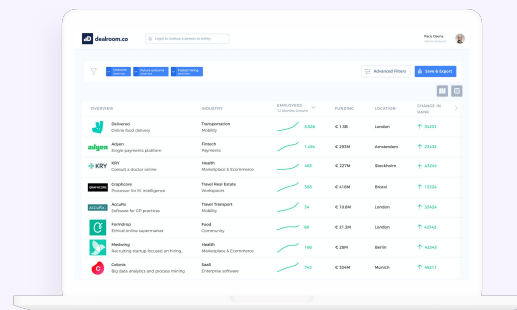


dealroom.co

## 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.





To read the report *Foodtech startups and Venture Capital - Q3 2022*, click [here](#)

## Previous reports:

Foodtech startups and  
venture capital – Q3 2022

Foodtech startups and  
venture capital – Q2 2022

The State of European Foodtech 2021

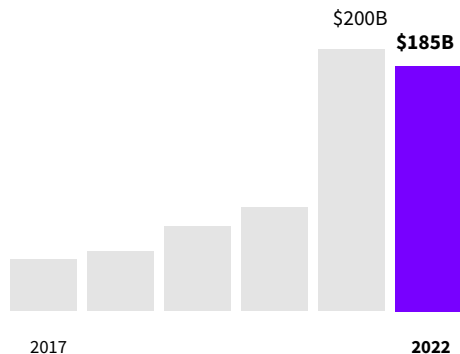
Deliveroo: An incredible ride to IPO

# Following a record 2021, European foodtech startups funding has slowed down in 2022. Yet, the European ecosystem appears to be holding up better than other key industries.

## The combined enterprise value of European foodtech companies is \$185 billion.

This marks a 8% decrease since the end of 2021. The slight drop is driven by public foodtech startups. Market value of public companies has decreased by 35%. Yet, Market volatility has not fully impacted private companies, which grew by 34% in 2022.

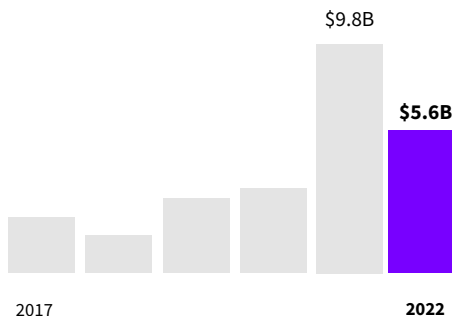
Combined enterprise value, European foodtech



## Investment in foodtech is stable excluding the food delivery segment.

European foodtech startups raised \$5.6B in VC funding in 2022, down from \$9.8B in 2021. The biggest differentiators were food delivery vs. everything else, and B2B vs. B2C foodtech. Food delivery funding fell 64% year on year while there was slight growth for everything else. B2C foodtech funding was down 56%, while B2B grew 9% year on year.

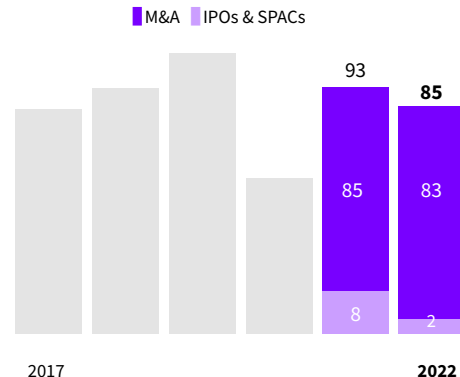
European foodtech VC investment by year



## M&A activity is holding on, while IPOs have all frozen.

2022 saw fewer European foodtech exits than 2021, 93 vs. 85. M&A activity remained stable. But plans to go public have been largely put on hold amid public market turmoil for tech companies. There were only two European foodtech IPOs last year, the fewest since 2018.

Number of exits by year





“*The investment framework has changed, but that’s not necessarily a bad thing as it will benefit the higher quality businesses and more tenacious founders. Back to normal.*”

“Looking back at 2022, the foodtech ecosystem has shown once again its resilience. While valuations of public foodtech companies have decreased in value by 35% since their peak in 2021, private foodtech companies valuations grew almost by the same quantum (page 8 of this report). From an investment standpoint and if we exclude food delivery, foodtech is the only vertical sector, with real estate, that attracted more capital in 2022 than in 2021 (page 10 of this report). This shift away from funding quick delivery models to businesses with stronger unit economics is probably the main change that happened in 2022 and that we expect to continue in 2023.

“On top of this, investors are more and more disciplined when it comes to valuations and deal terms. On the one hand, due diligence processes are more thorough and take longer, while accelerated “fomo” decisions have all but disappeared. Downside protection provisions are reappearing in many deals and for internal re-financing rounds (most of the activity in Q4) we see 1x liquidation preference not being the default standard anymore. Also we are observing the rise of the “puzzle” rounds, where the target amount raised by the company is obtained by many smaller tickets, invested by existing investors (leading the round) and a few new investors completing the picture.

**Eléonore Lafonta**

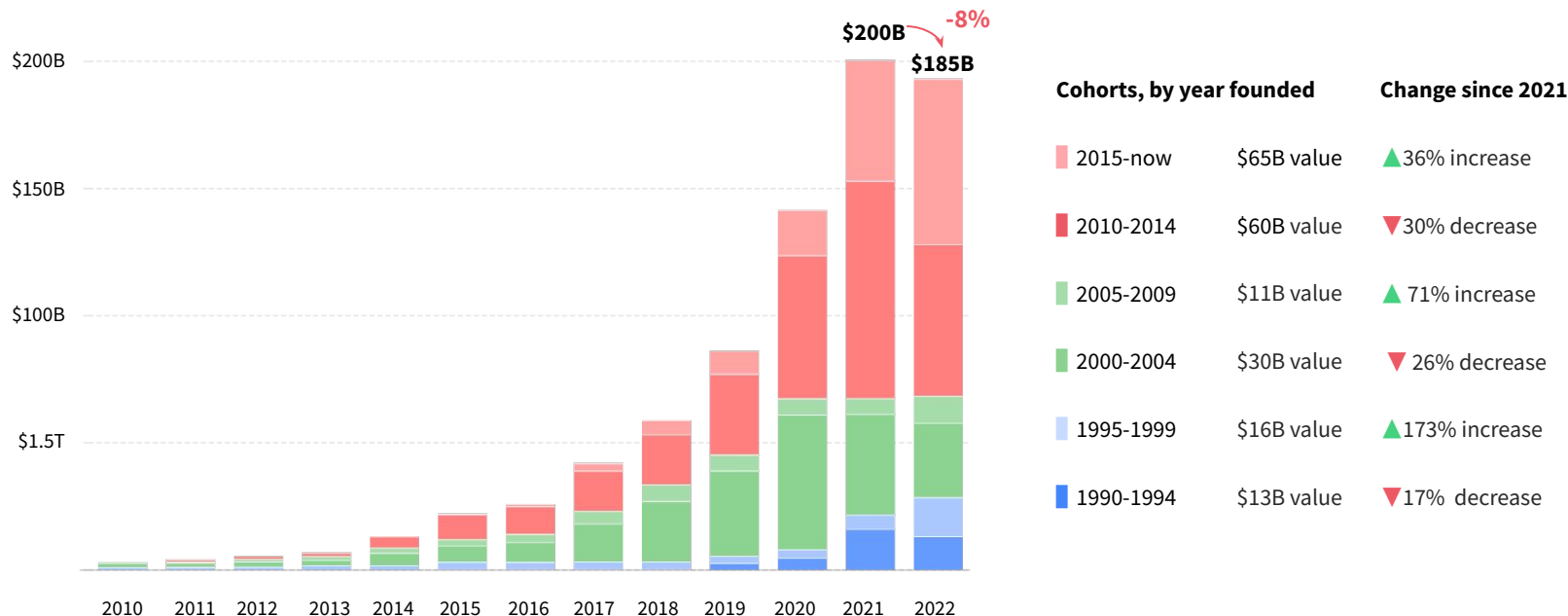
Senior Associate at  
**Five Seasons Ventures**



# 1 | The state of Foodtech investment

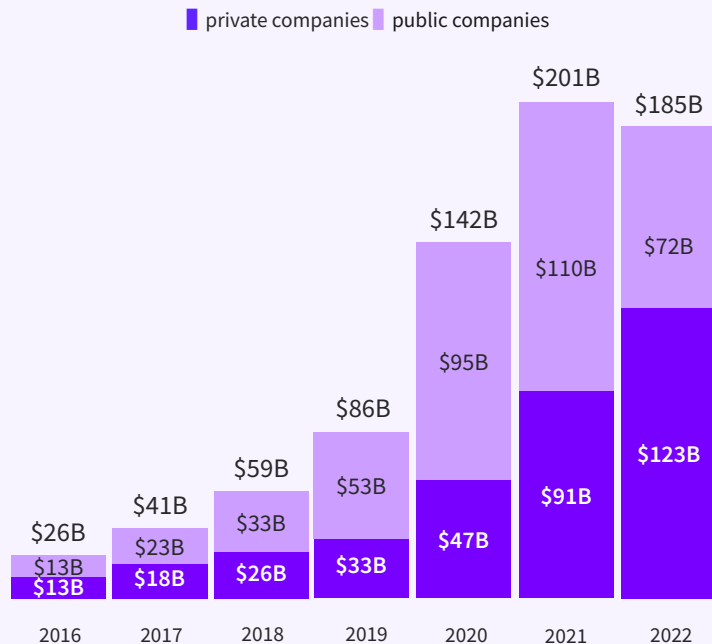
# The combined enterprise value of the European foodtech ecosystem is now \$185 billion, a 8% decrease since the end of 2021.

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



# Public foodtech companies decreased in value by 35% in 2022, while the combined value of private foodtech companies grew 34% in the same period.

## Combined enterprise value of European foodtech companies



■ Combined value decreased by **35%** since 2021



■ Combined value increased by **34%** since 2021



# The return of the downturn. Private valuations have not fully repriced yet, but some notable down rounds like Gorillas and Oda started to appear.

Notable companies that raised/exited in 2022 at lower valuations than previous round.



**Gorillas**

Groceries delivery app

2021	2022	
\$3.1 B	\$1.2B	-61%

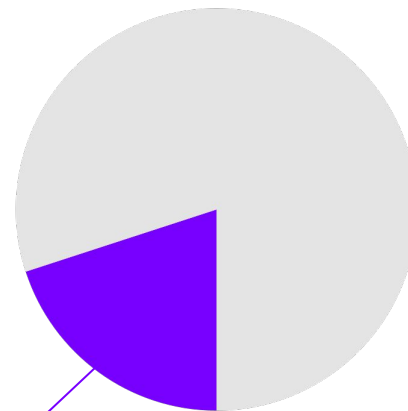


**Oda**

Offers same-day or next-day delivery of food, meal kits and home essentials

2021	2022	
\$1.2 B	\$0.4B	-66%

Companies that raised funding rounds

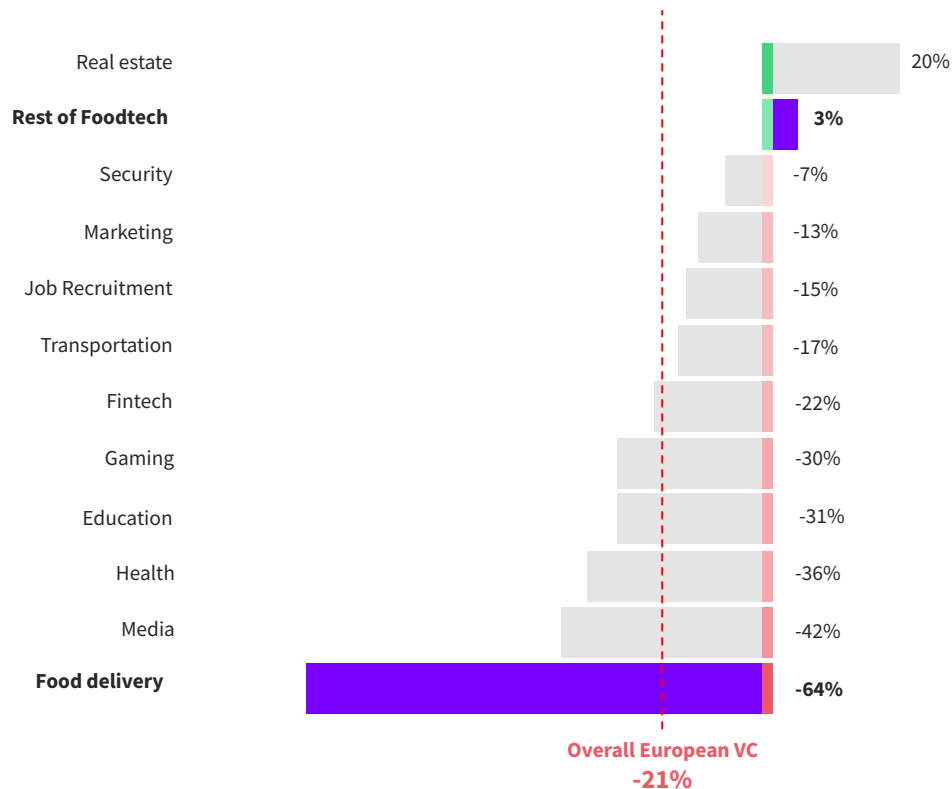


**Only 20% of VC backed foodtech startups have raised capital in 2022.**

Most of the repricing still has to come due to some deals made internally or down rounds not disclosed yet.

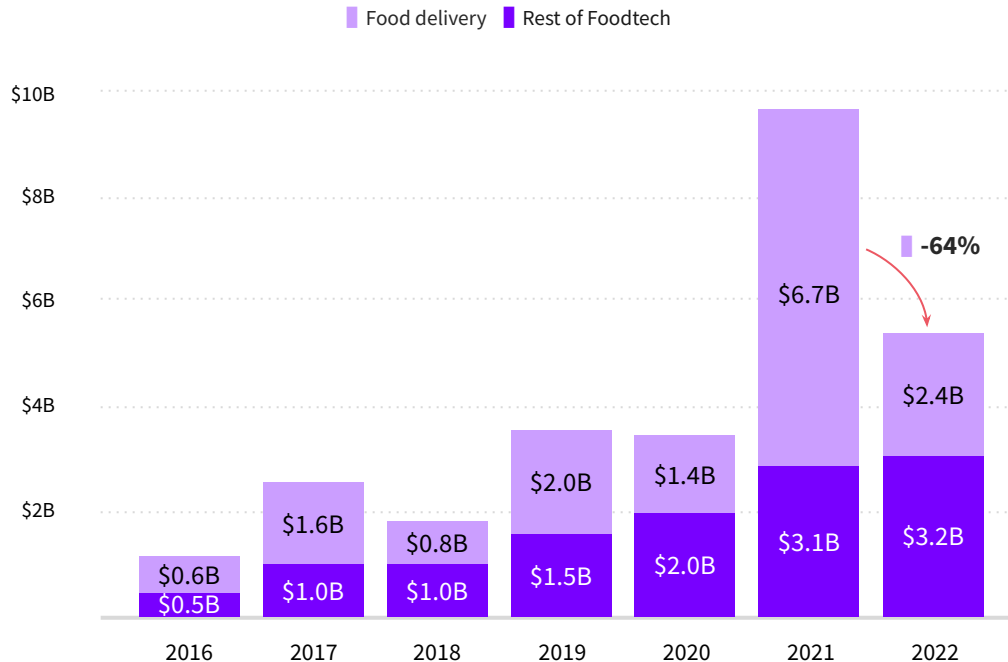
**When it comes to investment, Foodtech has been the most resilient sector, behind only Real Estate, when excluding the Food Delivery crash.**

### European VC investment in 2022 vs. 2021

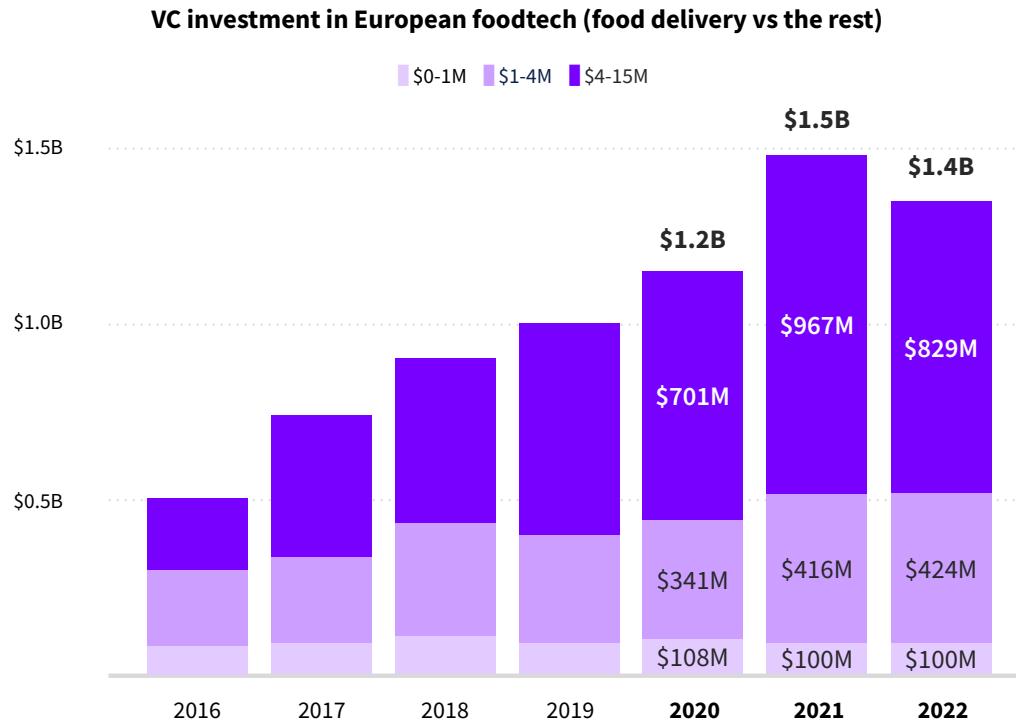


# In 2022, VC funding for food delivery dropped by 64% while there was slight growth for everything else.

VC investment in European foodtech (food delivery vs the rest)



## Early-stage funding is holding up even before accounting for a typical reporting lag on smaller rounds.

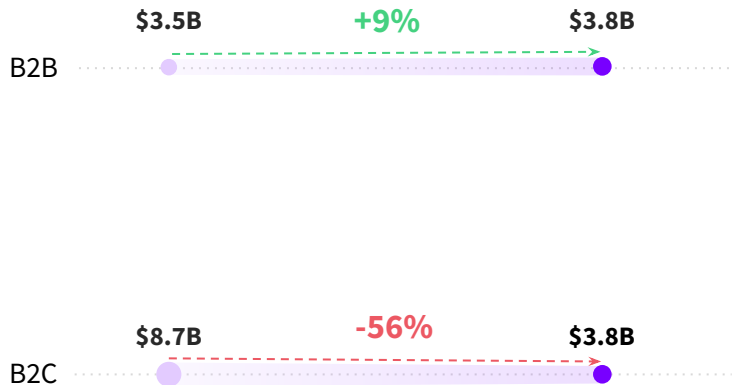




# The momentum of funding and value creation in European foodtech swung from B2C to B2B in 2022. B2B foodtech startups in Europe almost doubled in value year on year.

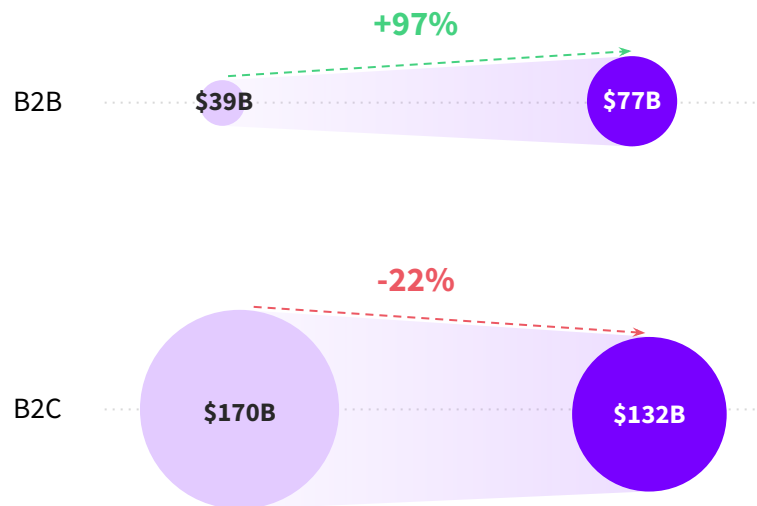
Foodtech VC investment

2021 2022



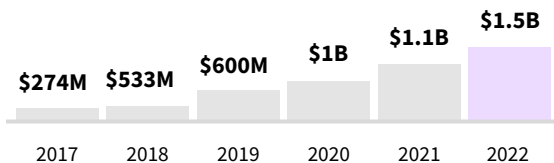
Combined Foodtech Enterprise Value






2021 2022



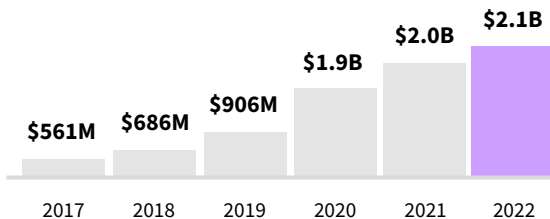
# VC investment in distribution & consumption startups halved in 2022 compared to 2021 levels. Now primary production and transformation accounts for a larger share of VC funding.






## Primary Production



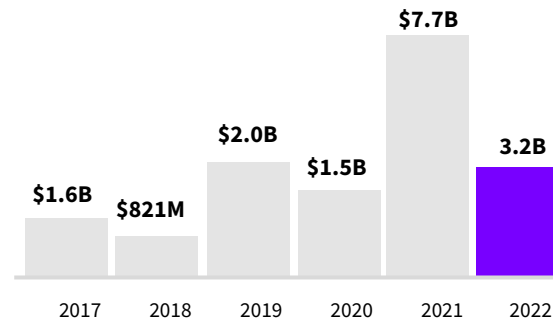
Name	Transaction
 <b>growUP</b> Vertical Farming	£100M Growth Equity VC Feb 2022
 <b>Agriconomie</b> Agricultural marketplace	£50M EARLY VC Jul 2020
 <b>PlantLab</b> Vertical Farming	€50M Growth Equity VC Feb 2022
 <b>Naio Technologies</b> AgriTech Robotics	€32M Late VC Dec 2022
 <b>In Ovo</b> Biotechnological solutions to the poultry industry	€34M SERIES B Mar 2022






## Transformation



Name	Transaction
 <b>InnovaFeed</b> Insect-based protein	£100M Growth Equity VC Feb 2022
 <b>Waterdrop</b> Plant extracts to enrich water	£50M EARLY VC Jul 2020
 <b>Planted Foods</b> Plant-based alternative proteins	€50M Growth Equity VC Feb 2022
 <b>Protix Biosystems</b> Insect-based proteins	€32M Late VC Dec 2022
 <b>Enorm</b> Insect-based proteins	€34M SERIES B Mar 2022

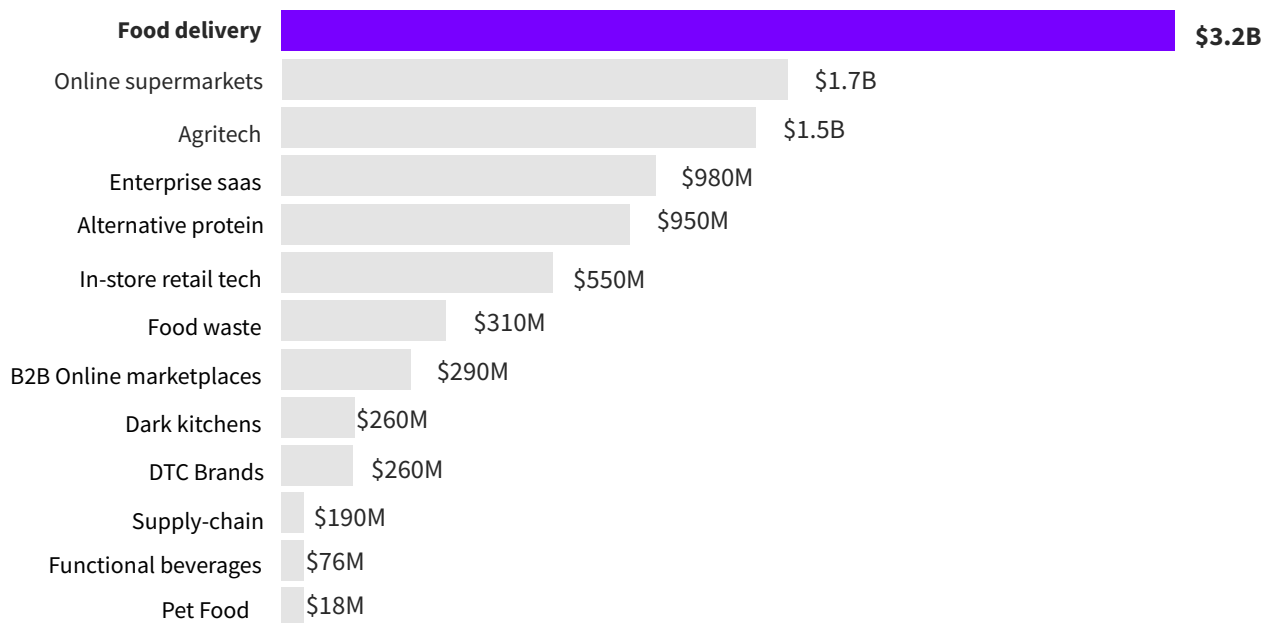
## Distribution & Consumption



Name	Transaction
 <b>Getir</b> Online grocery retailer	\$768M SERIES E Mar 2022
 <b>Bolt</b> Food Logistics & Delivery	€628 Series F Jan 2022
 <b>Rohlik</b> Online grocery retailer	\$231M Series D Jun 2022
 <b>Zapp</b> Food Logistics & Delivery	£20M SERIES C Jan 2022
 <b>Oda</b> Food and meal kits delivery	NOK1.5B Late VC Dec 2022

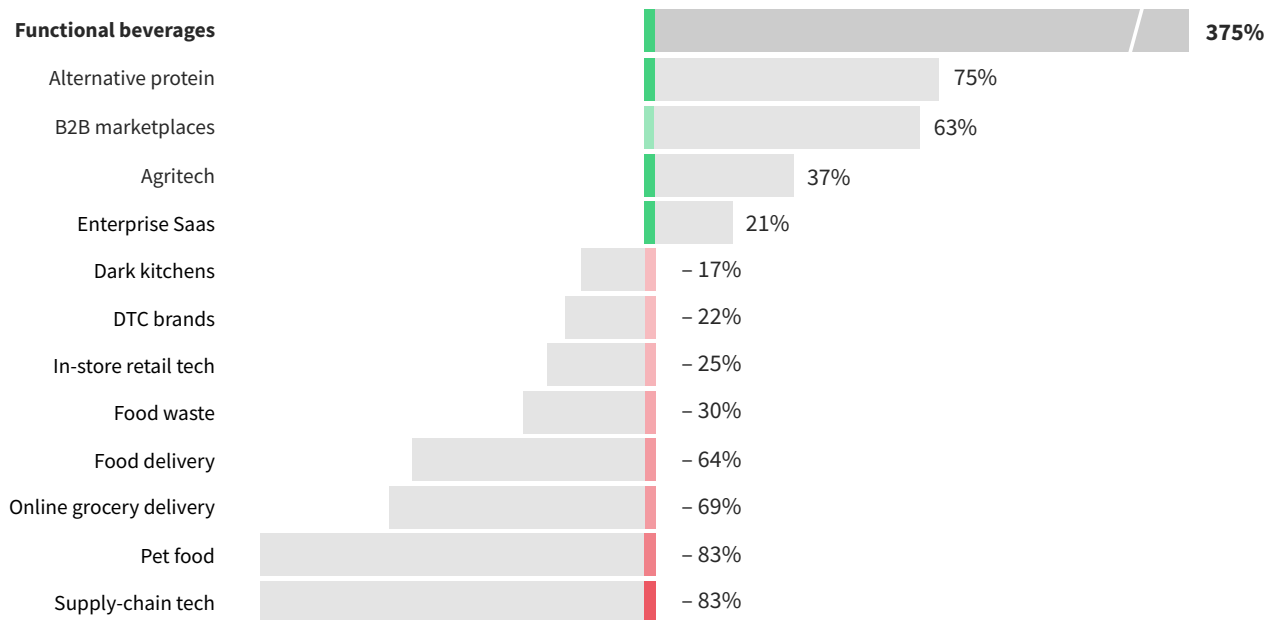
**With \$3.0 billion of VC investment, Food delivery has still been the most funded category in 2022, followed by Online supermarkets and Agritech.**

**Foodtech VC investment by category in Europe - 2022**



## Alternative protein, B2B marketplaces, Agritech and Enterprise Saas grew year on year. Funding for functional Beverages grew fastest of any foodtech segment.

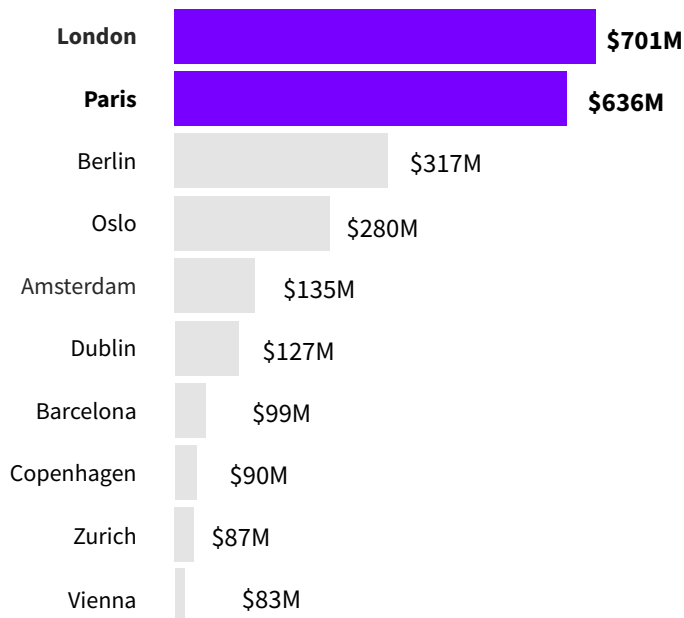
VC investment 2022 vs. 2021



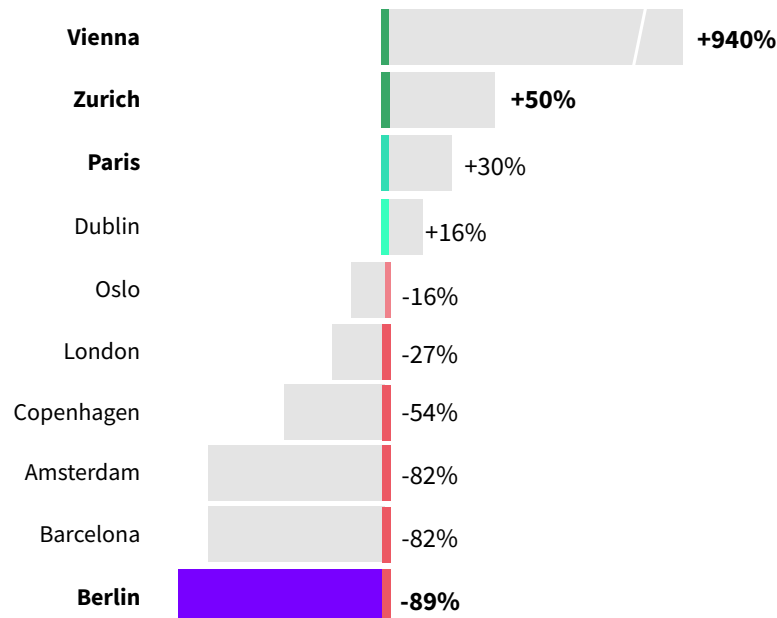
# London is the top foodtech hub in Europe. Vienna grew the most largely due to Waterdrop, followed by Zurich. Having held the top spot last year, Berlin foodtech funding fell by 89%.

Top European hubs for foodtech investment in 2022

[» view online](#)



Growth for foodtech investment in top European hubs  
2022 vs 2021



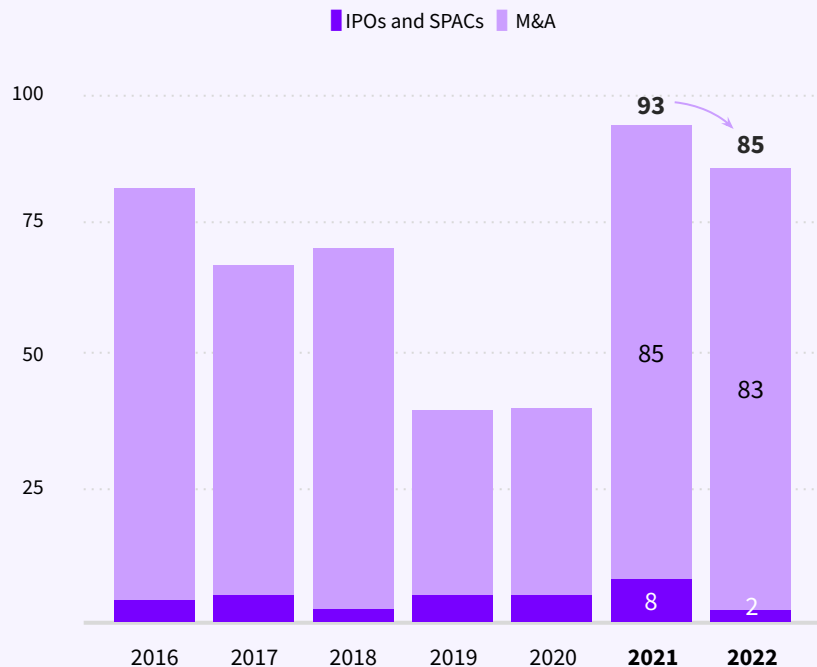
## Corporates and CVCs have continued taking an interest in European foodtech startups in 2022.

Corporate VC	Target	HQ	Transaction	Funding date
 <b>Cargill</b> Global food corporation	 <b>Innovafeed</b> Insect protein		\$250M Series D	Sep 2022
 <b>Pernod Ricard</b> Wine and spirits corporation	 <b>Not so Dark</b> Virtual restaurants		\$80M Series B	Sep 2022
 <b>Avery Dennison</b> Adhesive materials distributor	 <b>Modern Milkman</b> Online grocery delivery		\$50M Series C	Nov 2022
 <b>Vorwerk</b> Household appliances corporation	 <b>Better Dairy</b> Plant-based dairy		€22M Series A	Feb 2022
 <b>Vorwerk</b> Household appliances corporation	 <b>Fresco</b> Recipes & Cooking		£20M Series B	Apr 2022
 <b>Swisscom</b> Telecommunications provider	 <b>xFarm Technologies</b> Precision agriculture		\$17M Series B	Aug 2022
 <b>Novo Holdings</b> Life Sciences corporation	 <b>Roslin Technologies</b> Cultivated meat		£11M Series A	Nov 2022







## 2 | Exits and Unicorns

# M&A in European foodtech remained active in 2022, while IPOs are at a decade-low level.

Number of foodtech exits in Europe



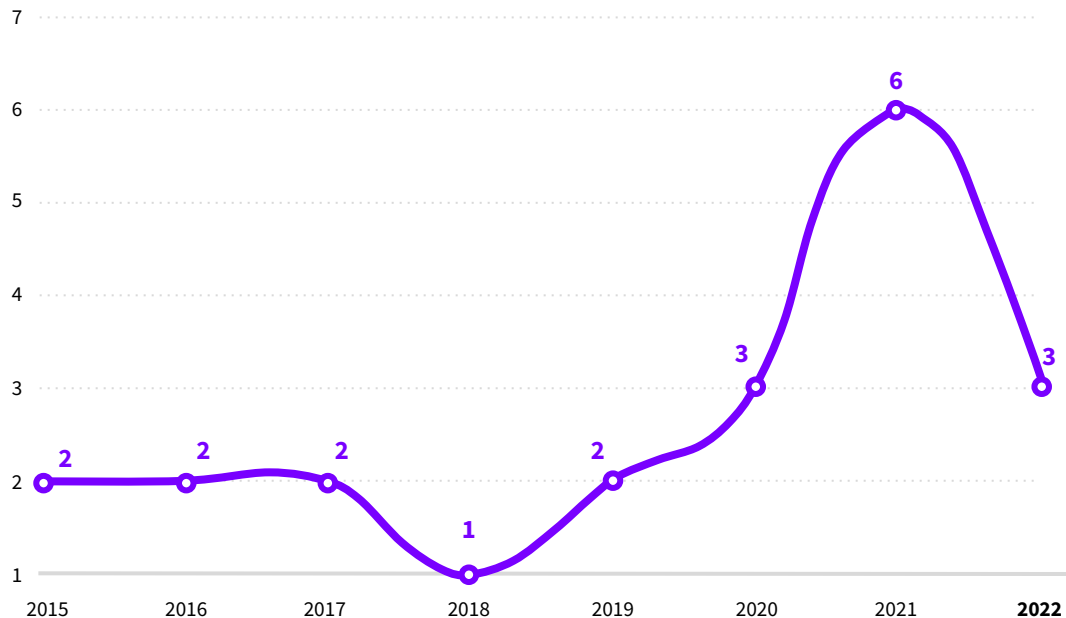
Biggest food tech exits in 2022: » [view online](#)

NAME	ACQUIRORS	MARKET
 <b>Glovo</b> Barcelona-based startup and the f...	Delivery Hero	food transportation food logistics & delivery logistics & delivery
 <b>Gorillas</b> Groceries delivery app	Getir	food food logistics & delivery
 <b>MOOLEC SCIENCE</b> Science-based food ingredient co...	LightJump Acquisition Corp	food innovative food
 <b>BioPhero</b> Provides low-cost bio-based pher...	FMC Corporation	food agritech
 <b>Orderbird AG</b> Offers intuitive software solutions ...	Nexi	fintech food payments in-store retail & restaurant tech
 <b>Cajoo</b> Food delivery app that operates it...	Flink	food food logistics & delivery



## In 2022, 3 new unicorns were created in Europe, compared to 6 in 2021.

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



### New unicorns in 2022

» [view online](#)

**CHOCO**

Food supply chain platform

 **deliverect**

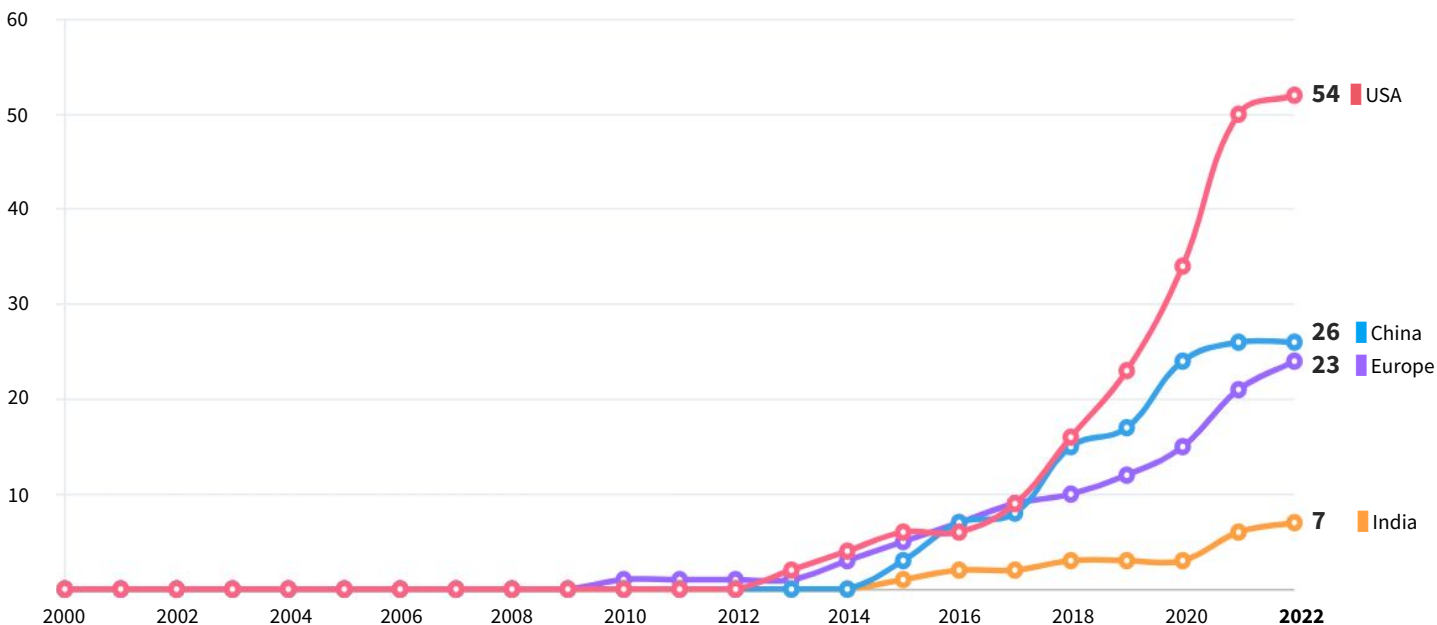
Digital ordering software

 **flipdish**

Digital ordering & marketing software

# Europe is close to overtaking China for the number of foodtech unicorns.

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



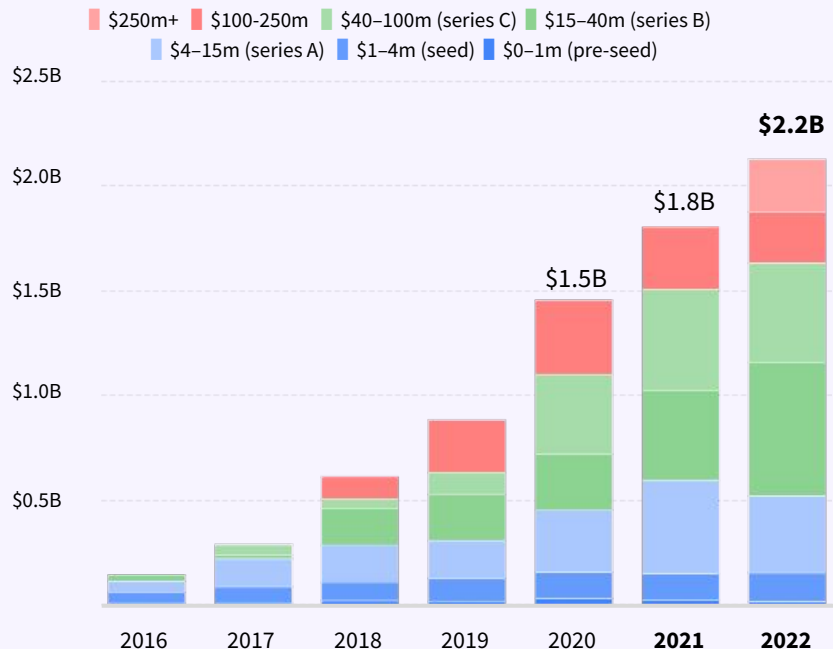
# 3 | Sustainable Foodtech

# Sustainable foodtech in Europe remains solid amid a general pull back in venture funding.













## Sustainable foodtech funding in Europe grew 17% in 2022.

### VC investment in sustainable European foodtech startups

[» view online](#)



### Notable Foodtech x Climate tech startups that raised funding in 2022

 <p><b>INNOVAFEED</b> Insect protein \$250M Series D</p>	 <p><b>growup</b> GrowUp Farms Vertical farming £100M Growth Equity</p>	 <p><b>CHOCO</b> B2B marketplace \$111M Series B</p>
 <p><b>modern milkman</b> Plastic-free grocery shopping £50M Series C</p>	 <p><b>planted.</b> Plant-based meat CHF70M Series B</p>	 <p><b>ENORM</b> Insect protein €50M Early VC</p>
 <p><b>PlantLab</b> Vertical farming €50M Growth Equity</p>	 <p><b>PROTIX</b> Insect protein €50M Growth Equity</p>	 <p><b>GOURMEY</b> Lab-grown meat €48M Series A</p>
 <p><b>MOTATOS</b> Food redistribution marketplace €38M Series D</p>	 <p><b>Oxbury</b> Climate banking £20M Late VC</p>	 <p><b>Tropic Biosciences</b> Crop protection \$35M Late VC</p>

## “ *In 2022, all drivers of sustainability for a Foodtech startup were reinforced.* ”































“Sustainability at a startup level is mostly driven by consumer awareness, the regulation, and the commitments from incumbent F&B players. On consumer awareness, it seems like sustainability is here to stay, despite inflation: a survey on ~12k consumers found that in 2022, 66% of consumers still ranked sustainability as one of their top 5 driver of their buying decisions, up from 50% in 2021. Bold regulations are also being implemented: with many VC funds now classified as article 8 or 9 within the SFDR, in 2023 funds (and therefore startups) will report on the same 14 ESG KPIs. Vague promises without data will not be accepted anymore. Ambitious laws have also emerged in Europe on deforestation or single-use plastic, and others are expected soon on the environmental and nutritional labelling. Several cases in 2022 showed that NGOs are not afraid to bring companies failing to comply to court. Last but not least, all major F&B players now committed to absolute carbon reduction targets, which are public, validated by third parties, and impact their M&A strategy.

“If most pitch decks already include some pages on sustainability, 2023 will be the year where this section will be scrutinized with standardized metrics, by funds looking for sound sustainability strategies embedded in business models.”

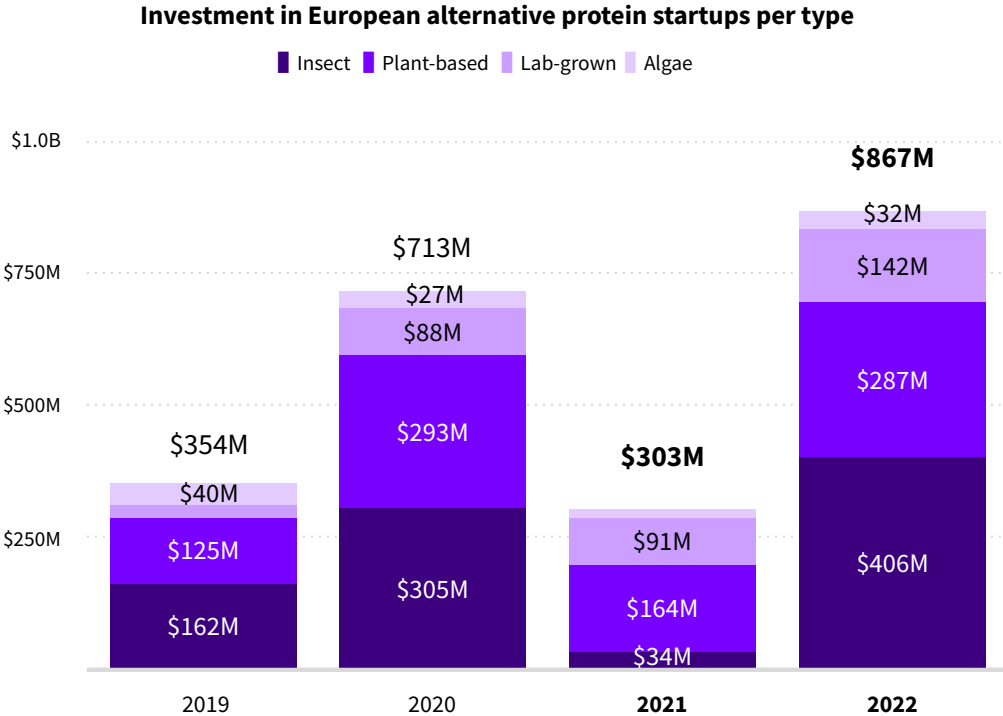
**Gaetan Kerloc'h**  
Head of Impact  
at **Five Seasons Ventures**



# Sustainability categories at a glance.

<b>Alternative Protein</b>  <b>Ynsect</b> Insect-based dairy alternatives  <b>THIS</b> Plant-based meat alternatives	<b>Regenerative agriculture</b>  <b>Gaïago</b> Soil Revitaliser  <b>Klim</b> Carbon offsetting & credits	<b>Vertical farming</b>  <b>Infarm</b> Urban vertical farming  <b>Bigh</b> Aquaponic Farm	<b>Food waste</b>  <b>Too Good to Go</b> Marketplace for surplus food  <b>PeelPioneers</b> Fruit peels recyclers	<b>Precision Farming</b>  <b>XFarm</b> Insect-based dairy alternatives  <b>Naïo Technologies</b> Generic agricultural robotics
<b>Precision fermentation</b>  <b>Protera</b> AI-powered precision fermentation  <b>Formo</b> Cheese alternatives from precision fermentation	<b>Crop protection &amp; insurance</b>  <b>OKO</b> Inclusive crop insurance  <b>CropSafe</b> Crop monitoring & protection	<b>Sustainable Aquaculture</b>  <b>Oceano Fresco</b> Deep-ocean aquaculture  <b>SafetyNet Technologies</b> Precision fishing	<b>Seaweed</b>  <b>SuSeWi</b> Sustainable food from microalgae  <b>Algaia</b> Natural extracts from seaweed	<b>Sustainable Fertilizers</b>  <b>N2 Applied</b> Recycled biofertilizers  <b>Toopi</b> Human urine-based fertilizers
<b>Methane reduction from cows</b>  <b>Volta Greentech</b> Algae-based supplement for cows  <b>Mootral</b> Acid natural feed supplement	<b>Sustainable Irrigation</b>  <b>Brioagro</b> Smart irrigation system  <b>Irriot</b> Wireless precision irrigation	<b>Sustainable Supply Chains</b>  <b>Foodakai</b> Food safety Saas  <b>The Nu Company</b> Fair trade cocoa	<b>No farm waste</b>  <b>Vegea</b> Fashion products from farm waste  <b>Rice House</b> Building materials from field waste	<b>Reusable and sustainable food packaging</b>  <b>Pyxo</b> Reusable food containers  <b>Notpla</b> Compostable packaging

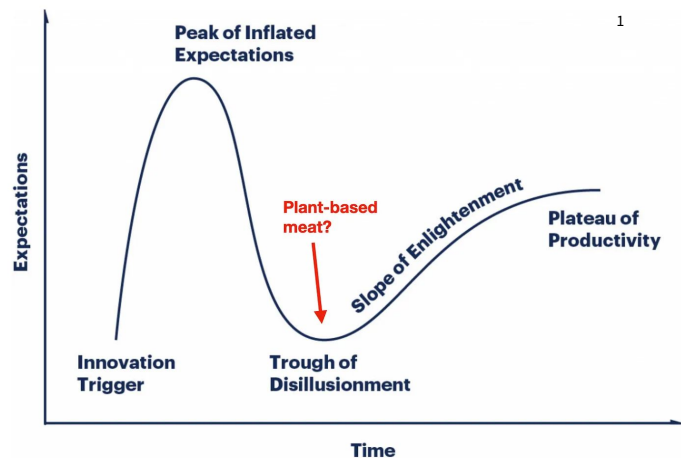
European Alternative protein funding was at an all time high in 2022. The most funding was raised by insect-based proteins startups, followed by plant-based and lab-grown.



# Looking globally, there are mixed signals on alternative proteins.

Globally, alternative protein dropped [by 40%](#), with plant-based investment going down by [90%](#). The retail sales of plant-based meat are now [basically flat](#) in developed markets, especially the US. Public valuations also got a hit, with big players like [Beyond meat](#) going from \$3.8B in 2019 to \$1.6B in 2022.

Yet, on the public side, regulations are sending positive signals in favour of alternative proteins. [Singapore](#) became the first country to approve sale of lab-grown meat, while in the USA arrived the [clearance from the F.D.A.](#) On the European side, [German political parties](#) commit to promote alternative protein products, and Edinburgh becomes the first European capital to join the [Plant Based Treaty](#).



“ *The alternative protein sector is still far from reaching the tipping point.* ”

In the face of mounting criticism, investors will go back to the fundamentals, looking more closely into margins & growth, product-market fit, and valuations. In 2023, brands that are able to deliver on consumer expectations regarding price, taste, texture and health will continue to thrive within this space. Those that don't will face consolidation or liquidity.

**Melina Sánchez Montañés**

Investment Principal & VP Impact  
at **AENU**





# dealroom SIGNAL

## 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.

» Top 100 Agritech Startups to watch

NAME	DEALROOM SIGNAL	MARKET	TYPE	GROWTH 12 months growth	LAUNCH DATE
 <b>Farmvent</b>  Revolutionizing in-store vertical fa...	<div><div></div></div> 74	B2B food in-store retail & restaurant tech agritech	hardware iot internetofthings machine learning commission manufacturing		Jan 2021
 <b>AcreTrader</b> ★ Providing investors with direct acc...	<div><div></div></div> 74	B2B, B2C fintech food wealth management agritech	commission marketplace & e-commerce	 135%	Sep 2018
 <b>Fefifo</b> ★  A technology-first Co-farming com...	<div><div></div></div> 72	B2B food agritech	commission saas	 240%	2019
 <b>Wildtype</b> ★  On a mission to create the cleanes...	<div><div></div></div> 72	B2B, B2C food innovative food agritech	commission manufacturing	 126%	Oct 2018
 <b>Ynsect</b> ★   Farms insects to make high-quality...	<div><div></div></div> 67	B2B food innovative food agritech	selling own inventory manufacturing	 60%	2011
 <b>EFishery</b> ★  We are an internet of things (IoT) st...	<div><div></div></div> 66	B2B food agritech	deep tech iot internetofthings manufacturing	 151%	2013
 <b>Produce Pay</b> ★  An Agriculture Fin-tech start-up wi...	<div><div></div></div> 64	B2B food agritech	commission saas	 18%	Dec 2014
 <b>Good Bank</b> Good Bank is the indoor vertical fa...	<div><div></div></div> 63	B2B food agritech	commission	 83%	2015
 <b>Green Labs</b> ★ Agriculture-tech company that cur...	<div><div></div></div> 62	B2B food agritech	iot internetofthings deep tech	 201%	May 2017

# Explore the key themes driving Foodtech.

Find more in our landscapes:

» Online groceries

» Food waste

» Alternative protein

» Insects

» More ...

 <b>Enpal</b> ★ ▼ Germany's online solar provider	B2C energy energy providers clean energy	subscription	 142%	Feb 2017	2021	\$2.5b
 <b>Sunrun</b> ★ ▼ Provides solar panels to homeowners	B2C real estate energy energy storage clean energy	manufacturing	 10%	2007	2014	\$13.2b
 <b>Lucid Motors</b> ★ ▼ Silicon valley company that designs...	B2B energy transportation energy storage vehicle production	commission manufacturing	 55%	2007	2018	\$13.3b
 <b>Allego NV (formerly Athena Pubco)</b> ▼ Delivers charging solutions for electric vehicles	B2B energy transportation mobility energy storage	deep tech commission manufacturing	 8%	2013	2022	\$3.1b
 <b>Redaptive</b> ▼ Develops a program and identifies...	B2B real estate energy real estate services energy efficiency	commission manufacturing	 32%	2013	-	\$1.0b
 <b>Arcadia</b> ★ ▼ Building the utility of the future with AI	B2B energy clean energy	commission saas	 40%	2014	2022	\$1.5b
 <b>Choco</b> ★ ▼ Provides a digital platform connecting in-store retail & restaurant tech	B2B food in-store retail & restaurant tech	commission saas	 19%	Mar 2018	2022	\$1.2b
 <b>Group14 Technologie</b> ★ ▼ Brings new finely-tuned performance to the market	B2B energy transportation energy storage	hardware deep tech nanotech commission manufacturing	 80%	2015	-	\$3.0b
 <b>Vestiaire Collective</b> ★ ▼ Curates and connects the world's most exclusive fashion	B2C fashion energy footwear accessories luxury	commission marketplace & ecommerce	 25%	2009	2021	\$1.7b
 <b>NotCo</b> ★ ▼ Recreates the same products ever with innovative ingredients	B2C food innovative food	deep tech machine learning artificial intelligence selling own inventory manufacturing	 64%	2015	2021	\$1.5b
 <b>Hydrogen Energy</b> ▼ Involves the use of hydrogen and fuel cells	B2B energy clean energy	deep tech hardware commission manufacturing	-	May 2017	-	\$1.8b

