

# 2024 INVESTMENTS, INNOVATION HUBS & TRENDS REPORT ON THE STATE OF THE EUROPEAN FOODTECH ECOSYSTEM



 **DigitalFoodLab**  
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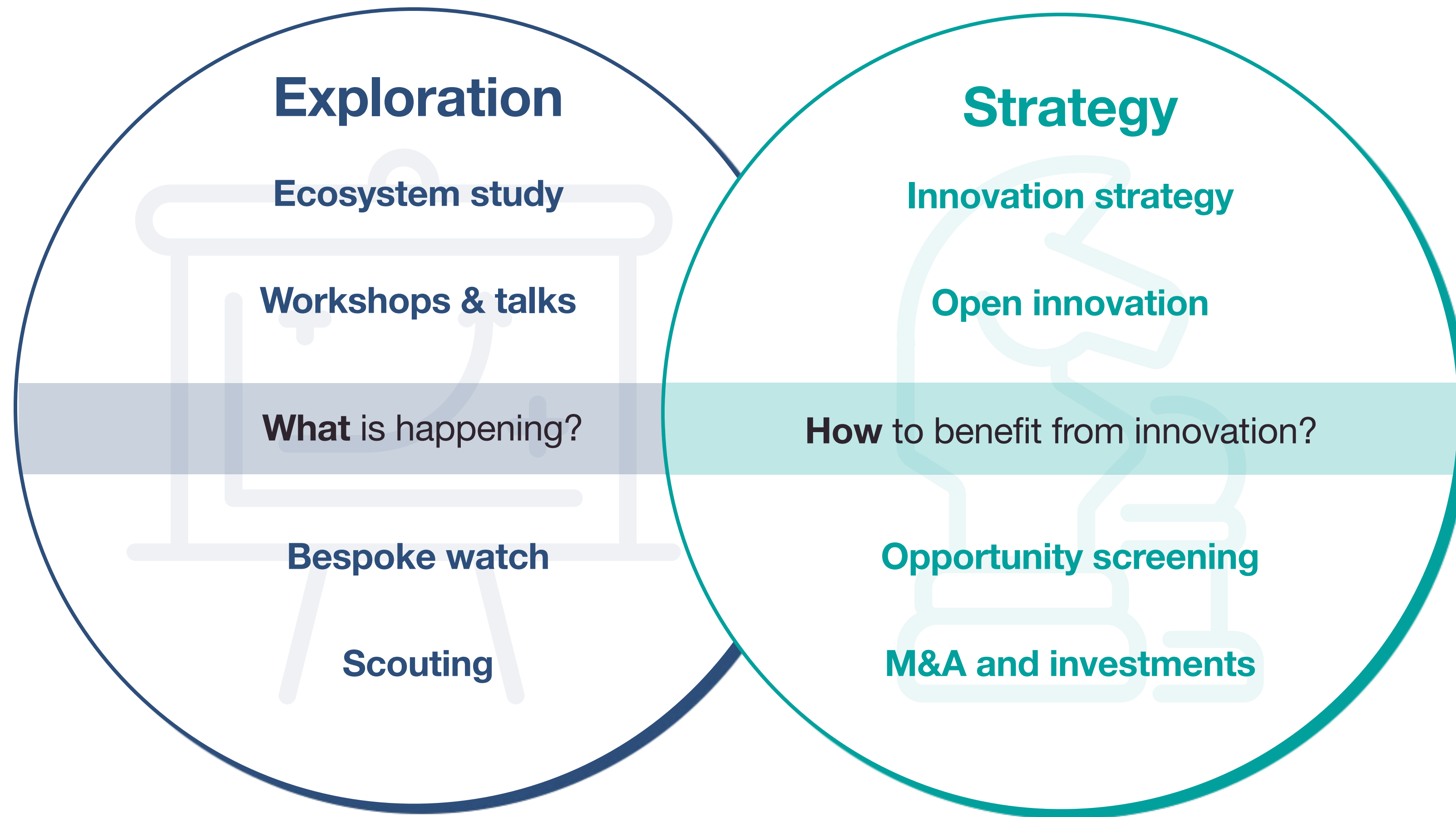


# DigitalFoodLab

Insight and strategy consulting to help you be part of the future of food

DigitalFoodLab works with a broad array of clients (food companies, retailers, banks, investors) on consulting missions to help them:

- 1 - explore innovation ecosystems
- 2 - define their innovation strategy
- 3 - identify the right partners and targets



50+ clients

# DigitalFoodLab

## Our territories of exploration

### Global approach

We look for innovation all over the world



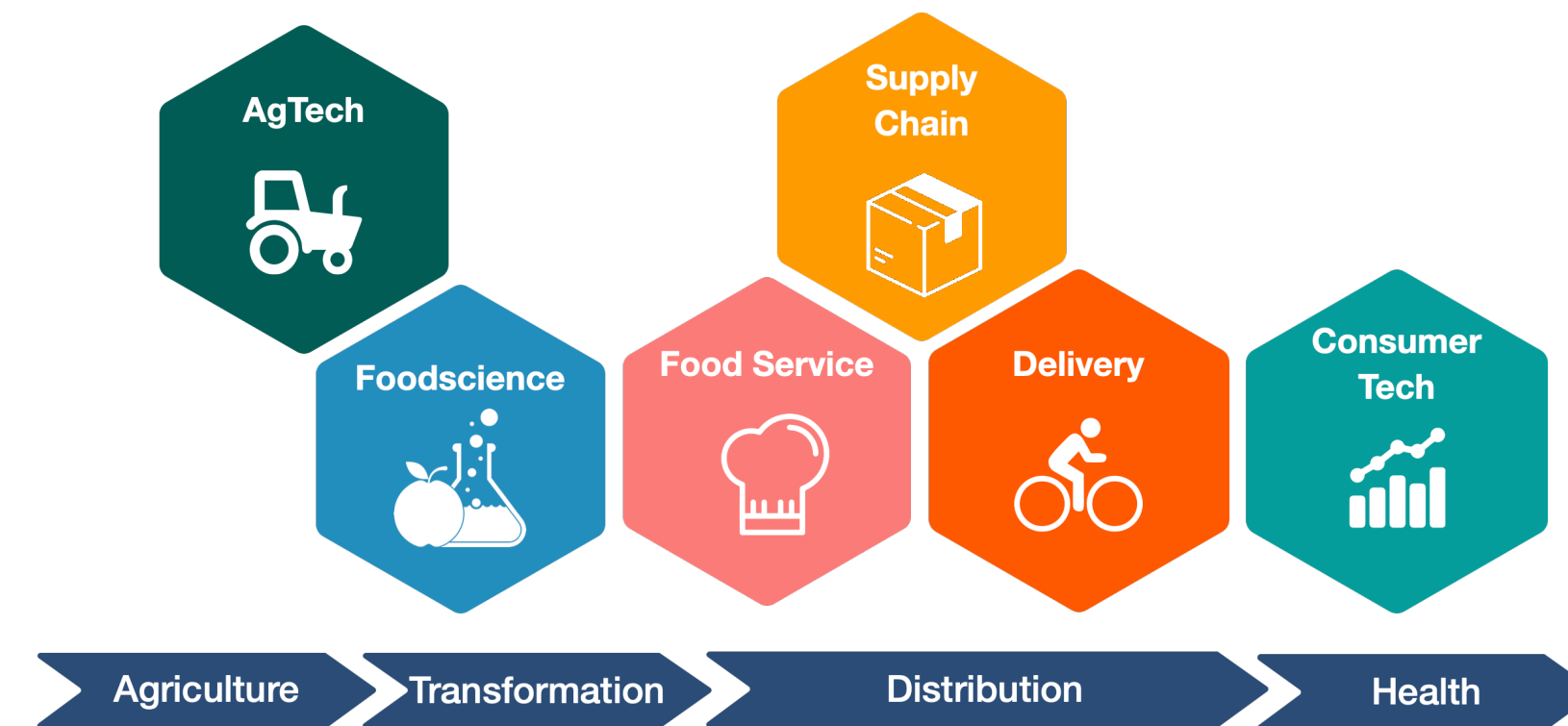
Through our network of partners, databases, and expertise, we can source innovation globally.

### Innovation from startups to large corporations

We look for innovation where it happens: startups, corporations, and research labs.

Among our key indicators are regulation, funding, and new products.

### All along the food supply chain



Some examples: alternative proteins, functional ingredients, agtech, decarbonisation, new brands, digital retail/restaurant, healthy ageing.

# Nestlé

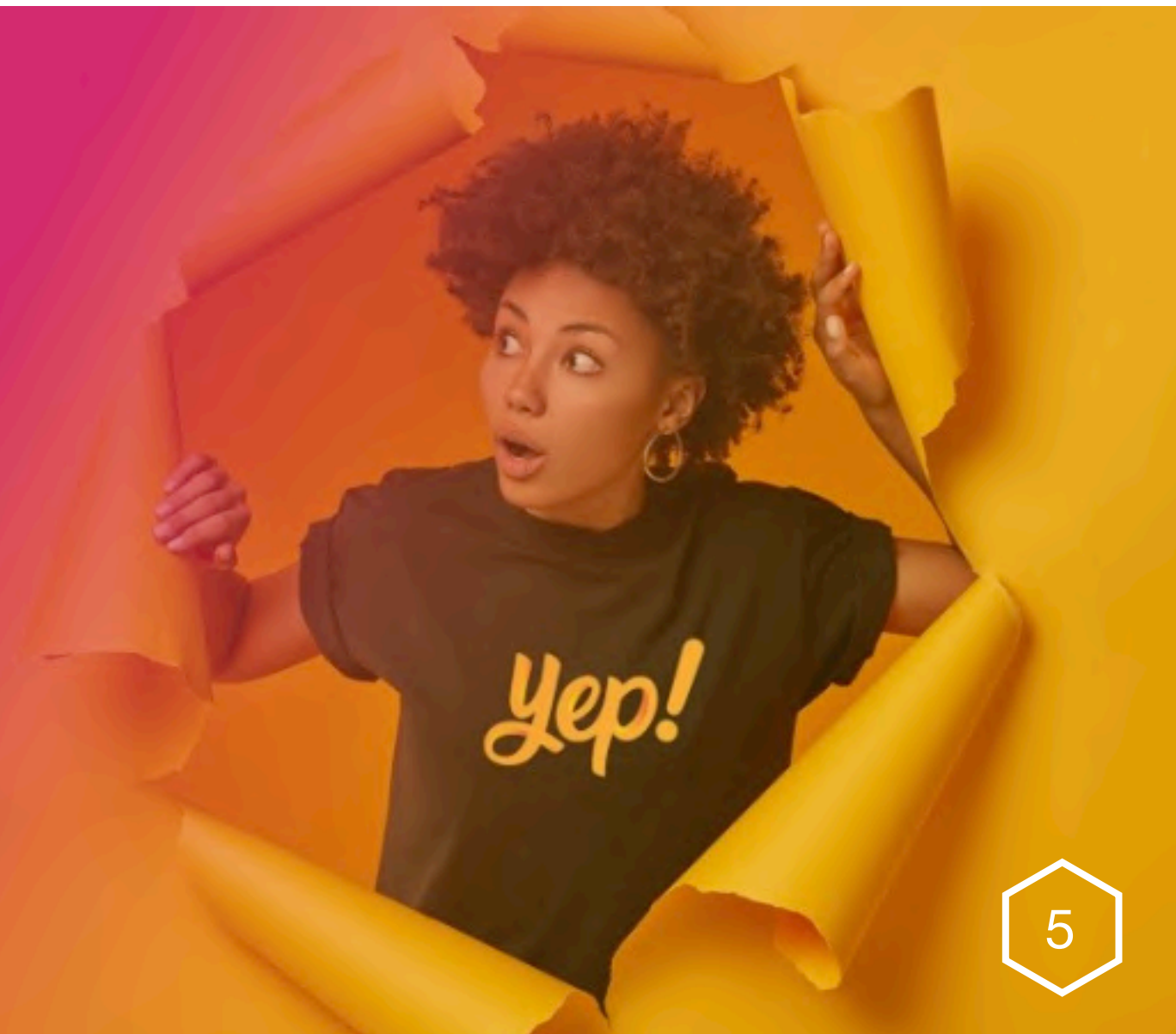
## Sponsor of this report



**Nestlé** is the world's largest food and beverage company, with more than 2000 brands. At Nestlé, we constantly explore and push the boundaries of what is possible with foods, beverages, and nutritional health solutions to enhance quality of life and contribute to a healthier future. We focus our energy and resources where unlocking the power of food can make the greatest difference to the lives of people and pets, protect and enhance the environment, and generate significant value for our shareholders and stakeholders alike.

**Nestlé** recently launched its [Youth Entrepreneurship Platform \(YEP\)](#), a new digital platform for young innovators and entrepreneurs who want to learn new knowledge and skills, test an idea or grow their businesses, in areas ranging from food science and technology to the development of products and services - including regenerative agriculture and sustainable packaging.

Key programs available on Nestlé's Youth Entrepreneurship Platform include [Nestlé R+D Accelerator](#), [Purina Unleashed](#), and numerous Nestlé market initiatives.



# Hello,

## Investments in European FoodTech startups are declining, but there are many reasons for hope

First of all, we thank you for reading this report. This is the seventh edition of our yearly focus on the state of European FoodTech.

**European FoodTech startups raised €4.3B in 2023**, a 35% decrease from 2022, and 56% from 2021 when investments reached their peak.

If investments are declining in Europe, they are much less affected than in other regions. **Global investments decreased by almost 56% between 2022 and 2023**. As a consequence, Europe's FoodTech weight increased. Now, Europe accounts for 32% of worldwide FoodTech investments, up from only 14% in 2020.

While there is less money, **we observed an increase in the number of deals**, notably in early-stage. Investors are still very active in Europe and are betting on startups with an edge to surf long-term trends. In turn, the decrease in funding is due to **a drastic reduction in large deals**.

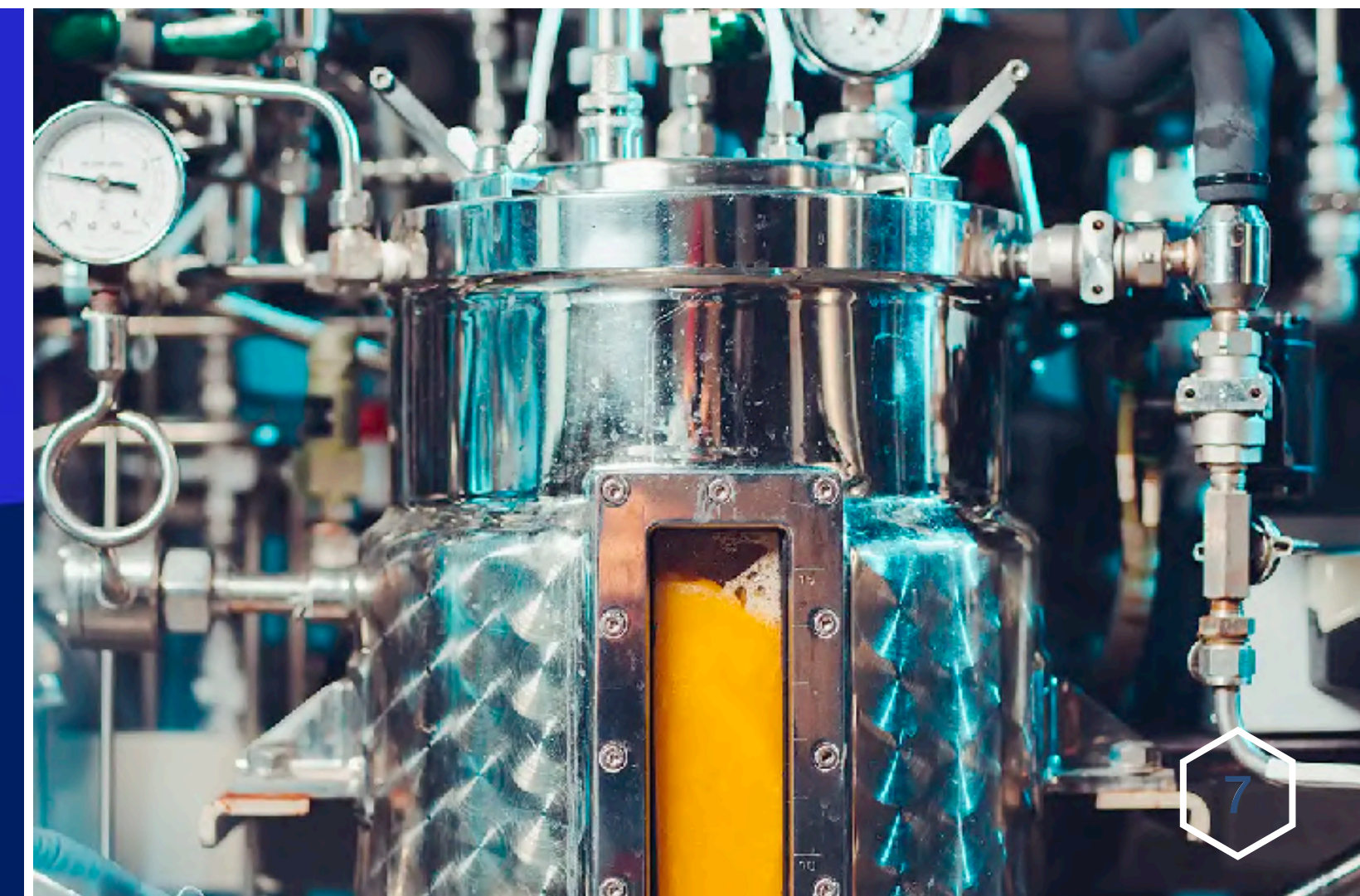
With some exceptions, European ecosystems have been affected similarly. The **UK, France, and Germany remain the three leaders**. The most badly affected ecosystems are those depending on a single (often delivery-oriented) startup.

## Investments in upstream and midstream startups increased

**Delivery investments are declining** (more than 90% since 2021). Excluding delivery, FoodTech investments in Europe were not far from being stable.

**Investments in AgTech** (bioinputs and farm management) and in **Food Science** (alternative proteins and new brands) even increased.

The European FoodTech ecosystem is proving resilient in such a difficult context. While its startups and investors have many challenges to face, it is very well-positioned and is becoming more dynamic year after year.



# What is FoodTech?

DigitalFoodLab’s definition is: “FoodTech is the ecosystem made up of all the agrifood entrepreneurs and startups (from production to distribution) innovating in terms of products, distribution, marketing or business model.”

**Foodservice:** startups reinventing the hospitality industry. They improve the management of out-of-home businesses today. They also create the conditions for the restaurant of the future with robotics and cloud kitchens.

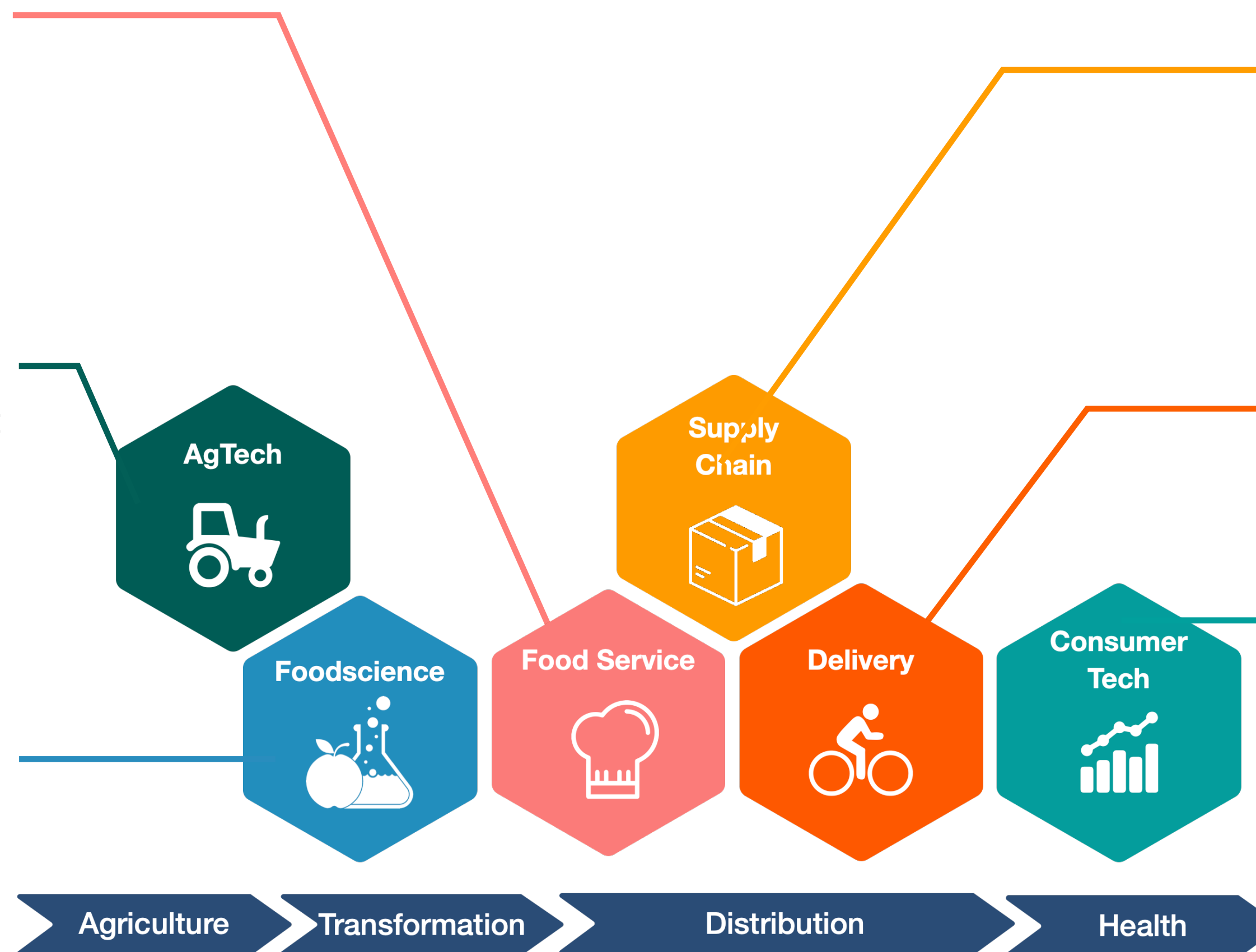
**AgTech:** startups disrupting agriculture. They come up with solutions to improve farming output and quality using drones, sensors and farm management software. AgTech is also about new farm products, next-generation farms and urban farming.

**Food science:** startups developing new ingredients and food products.

**Supply chain:** startups developing solutions for the food supply chain and food retail industry, from digitalisation to automation.

**Delivery:** startups developing services to order and deliver groceries and meals.

**Consumer tech:** startups developing services and devices to help consumer cook, identify the best foods for them and help them reach their personal goals.





# About the data

## DigitalFoodlab's database

This report is based on DigitalFoodLab's proprietary database. It contains the most comprehensive data about FoodTech startups and investors. We gather data all year long with machine learning tools and with our network of partners all over the world. This report displays investments in euros with currency conversions made at the time of the deals'

announcements.

## Regions covered in this report

Defining Europe's borders can be tricky. For this report, we have included all of continental Europe, the British Isles and Iceland while excluding all of Russia and Turkey.



# Create your own reports

## Co-branded bespoke reports

We create personalised reports on a region or a category (such as alternative proteins). The goal is to help you communicate your actions in the region and / or to promote the region's FoodTech potential for foreign investors, companies and entrepreneurs.



See our report on Denmark's FoodTech here.

We have also worked on reports on other countries and regions, such as Sweden and Asia.

## In-house FoodTech reports

We create dedicated investment reports for companies and organisations interested in following innovation trends in specific geographies (such as Italy and Latin America) or categories. We add an extra layer of analysis personalised to the client's business focus.

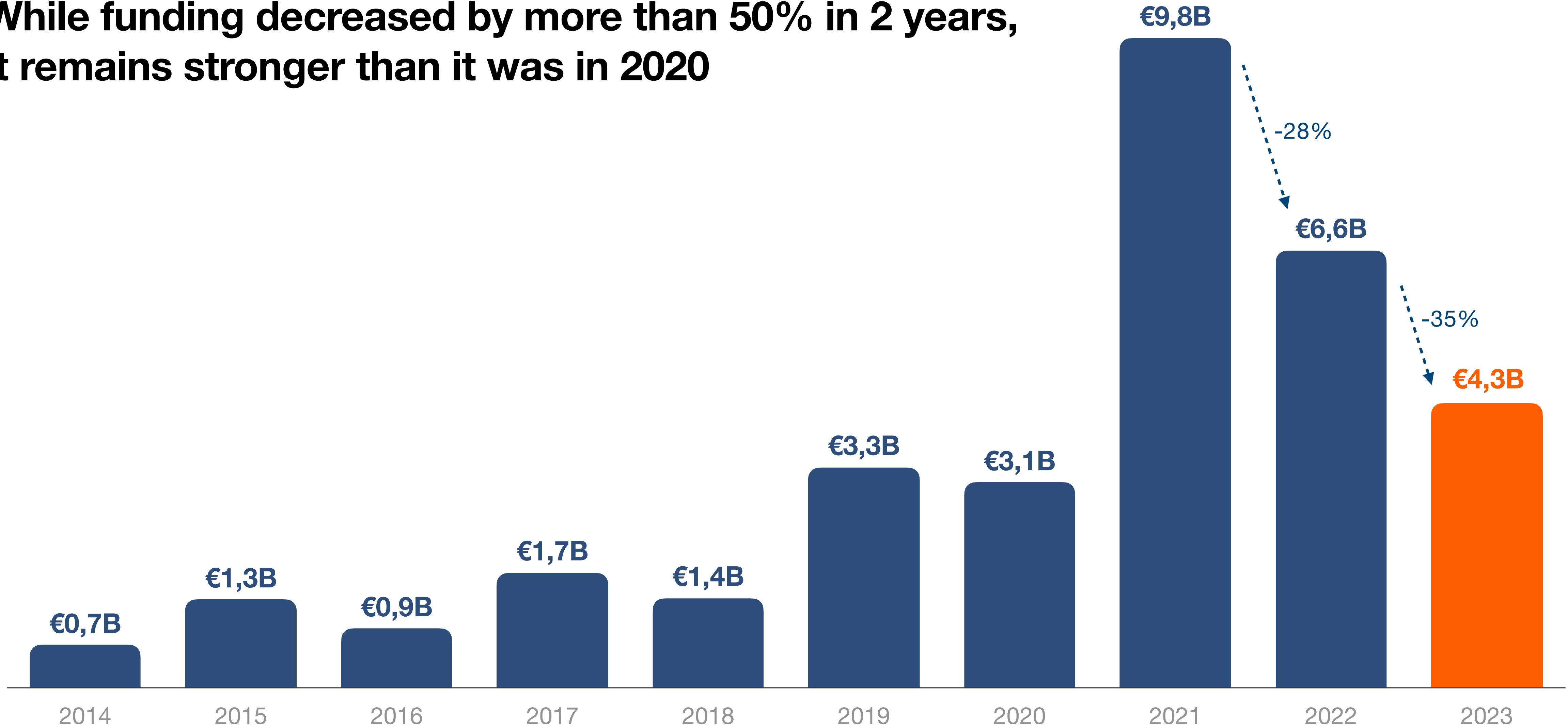


## Investments and state of the ecosystem



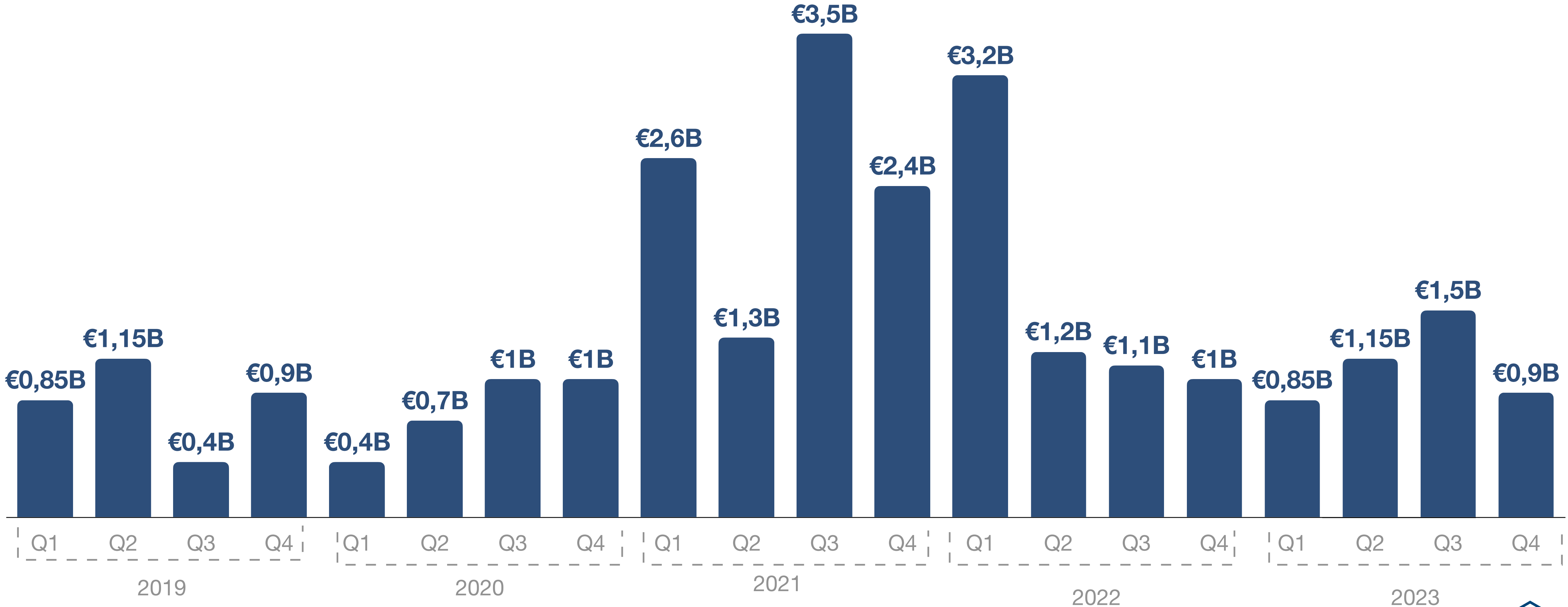
# Investments in European FoodTech startups

While funding decreased by more than 50% in 2 years, it remains stronger than it was in 2020



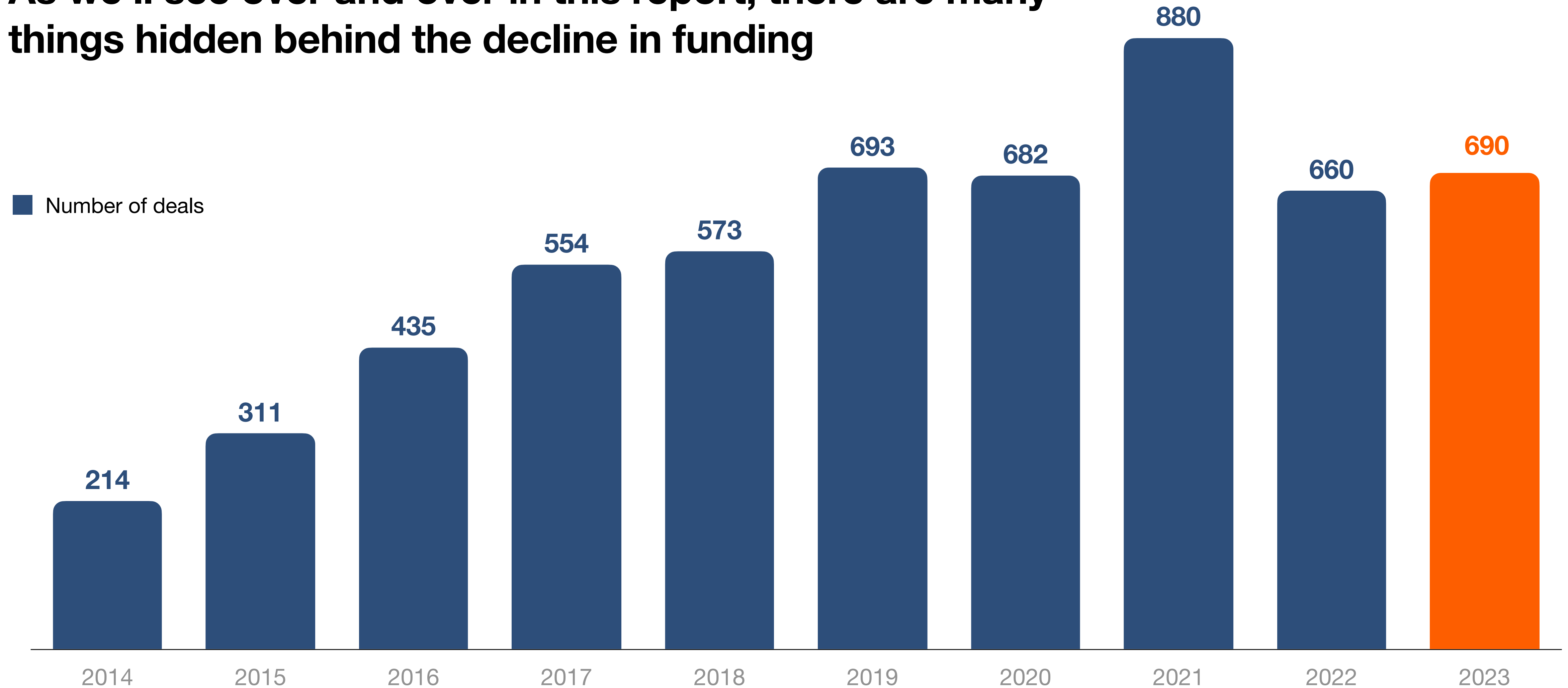
# Quarterly investments

While there is no bounce back in view, we « only » came back to the where the level of investments of 2020



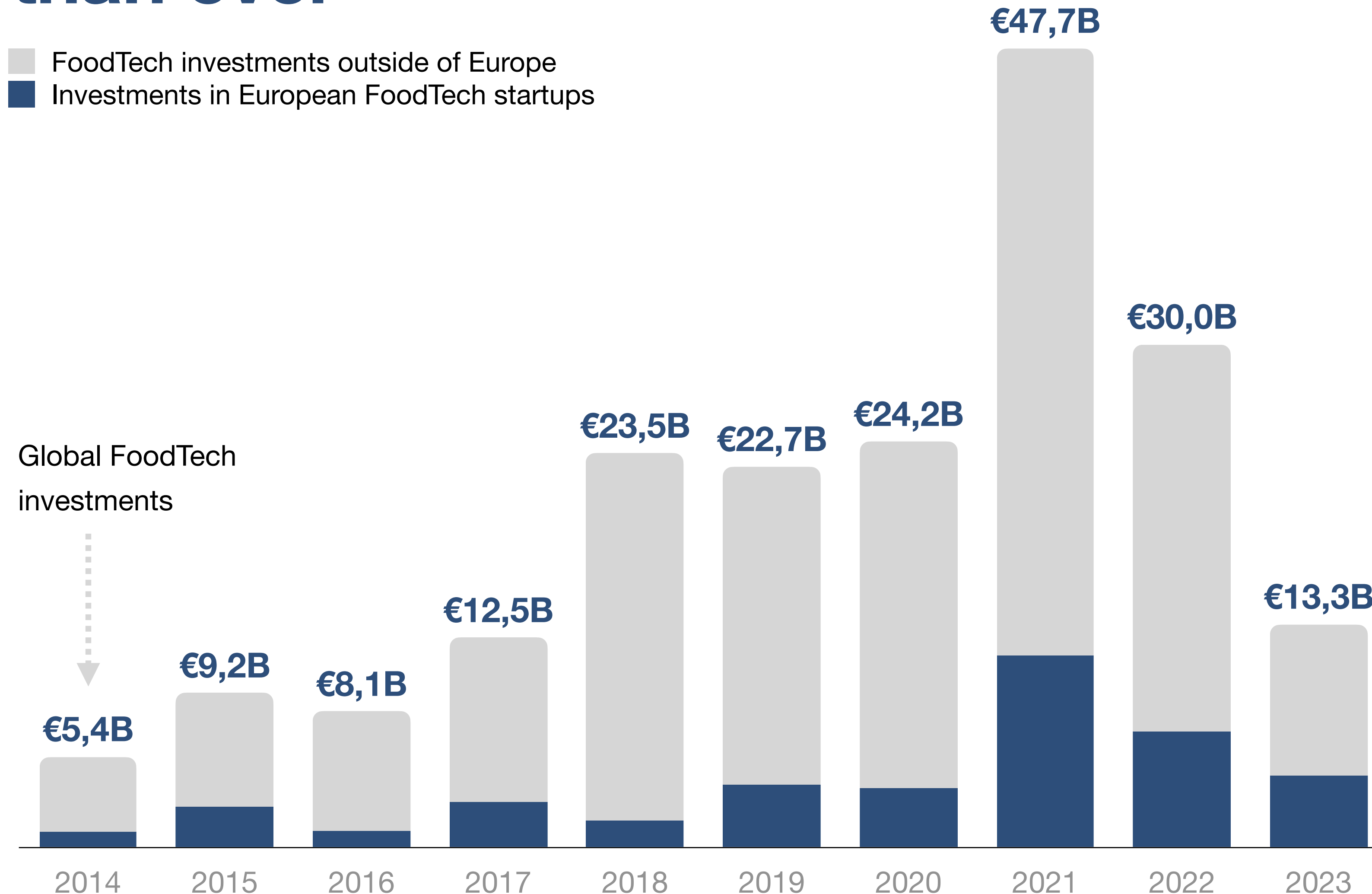
# If investments are declining, the number of deals increases

As we'll see over and over in this report, there are many things hidden behind the decline in funding



# Europe's FoodTech now weights more than ever

■ FoodTech investments outside of Europe  
■ Investments in European FoodTech startups



⬢ Europe's share in global FoodTech investments increased dramatically from 14% in 2020 to 32% in 2023.

⬢ While investments decreased in Europe, they have been much less impact than in the rest of the world. From being a laggard, Europe has now become a leader in FoodTech.

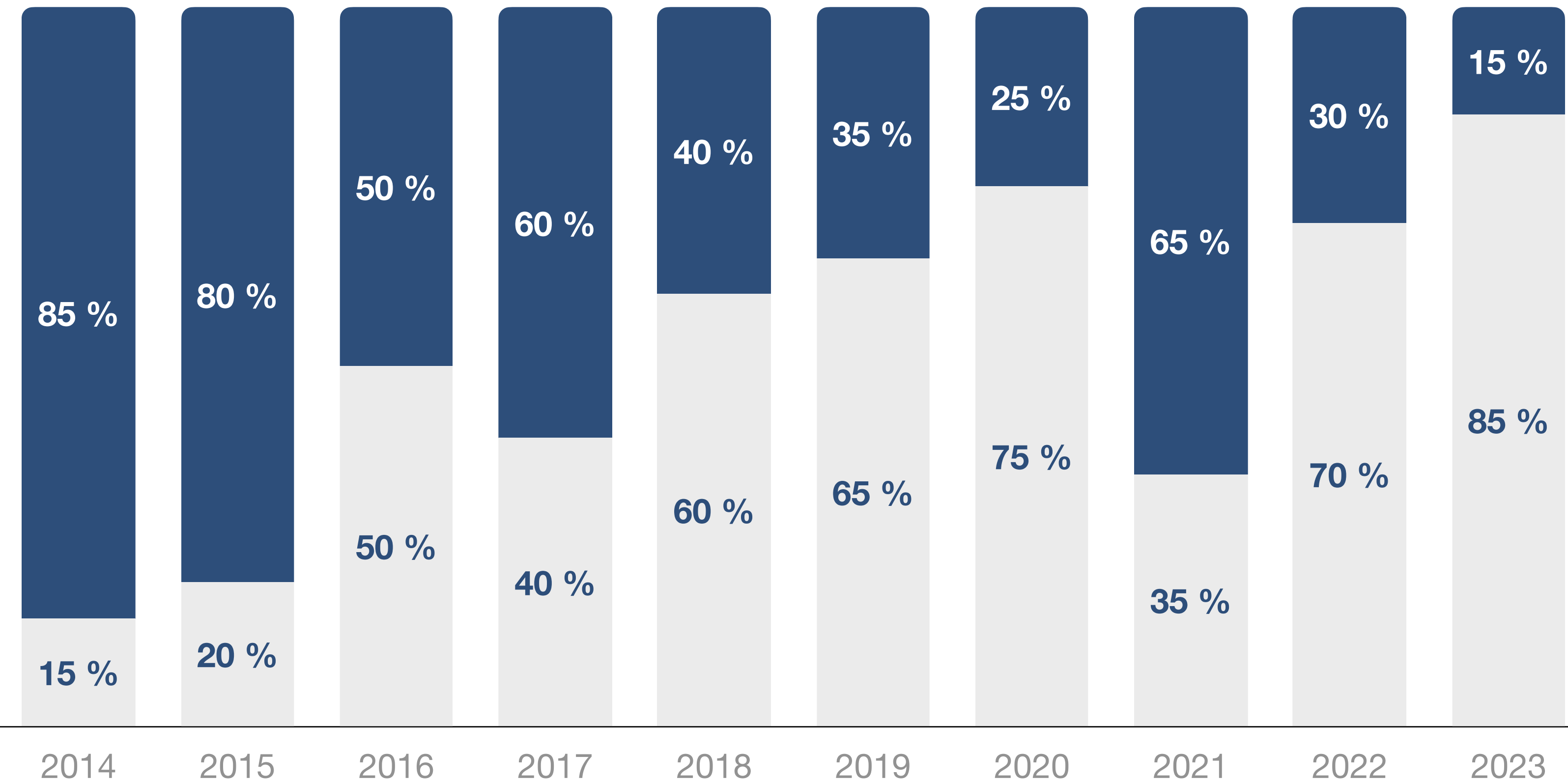
# 32%

Europe's share in global FoodTech investments in 2023

# The share of delivery keeps declining

## Year after year, the among of investments in delivery startups declines in favour of other categories

■ Investments in other categories
 ■ Investments in food delivery startups



While European FoodTech was centred around delivery a few years ago, this category no longer leads the ecosystem.

2021, with the surge of quick-commerce deals, was, in this instance, as in many others, an extraordinary year.

Investments excluding delivery increased continuously year after year until 2022 (more on the third part of the report).

# For the first time in a decade, Europe's FoodTech didn't create a new unicorn

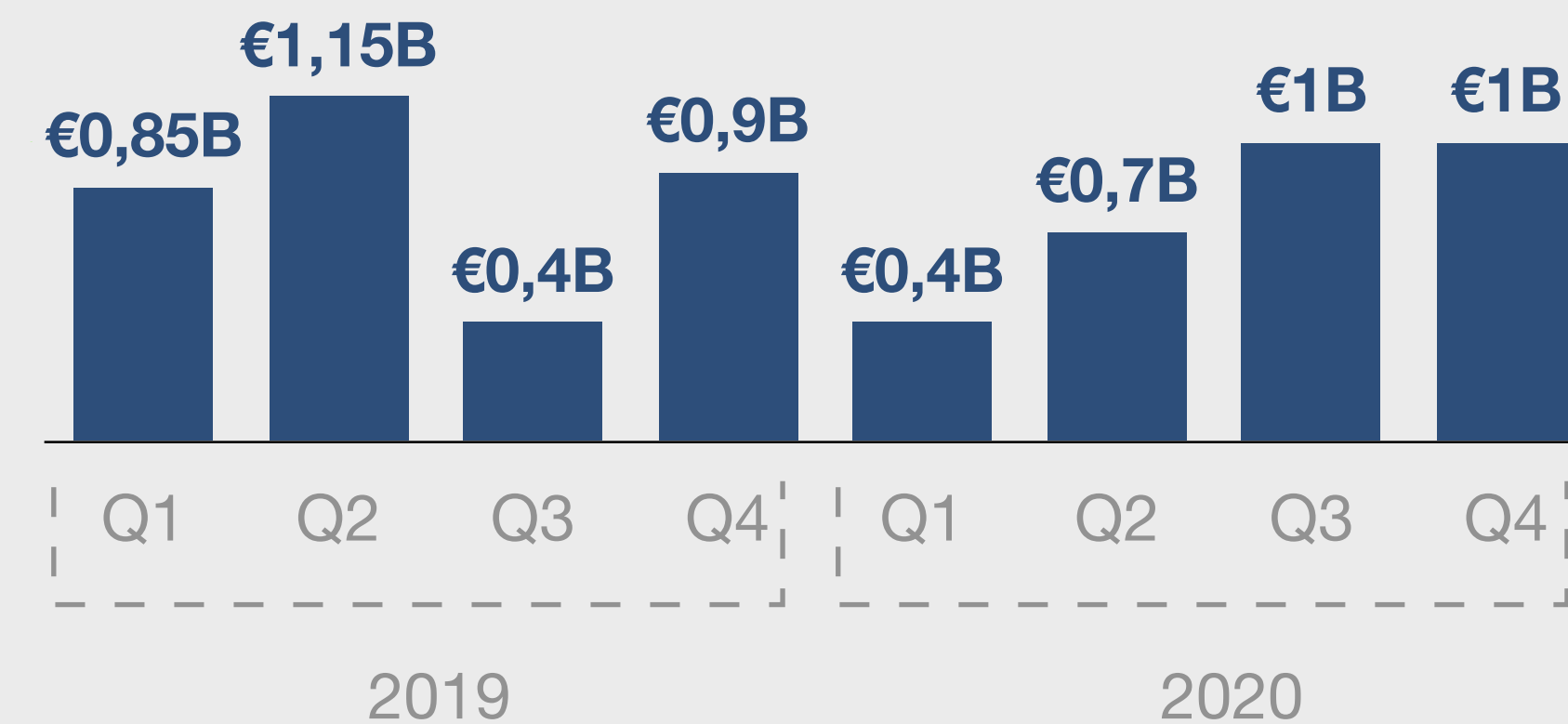
European startups becoming unicorns (valuation higher than \$1B+)



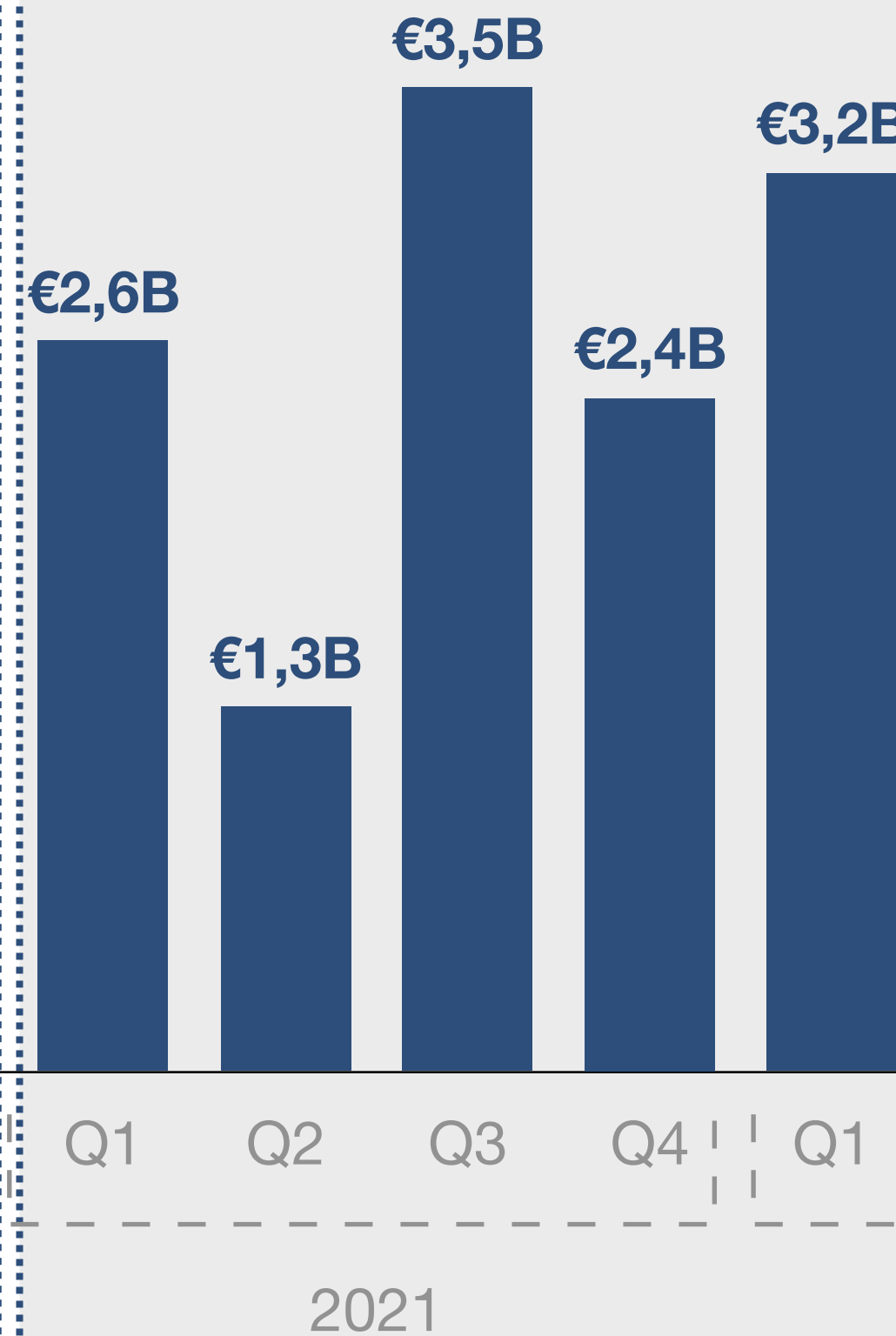


# Four stages in the European FoodTech

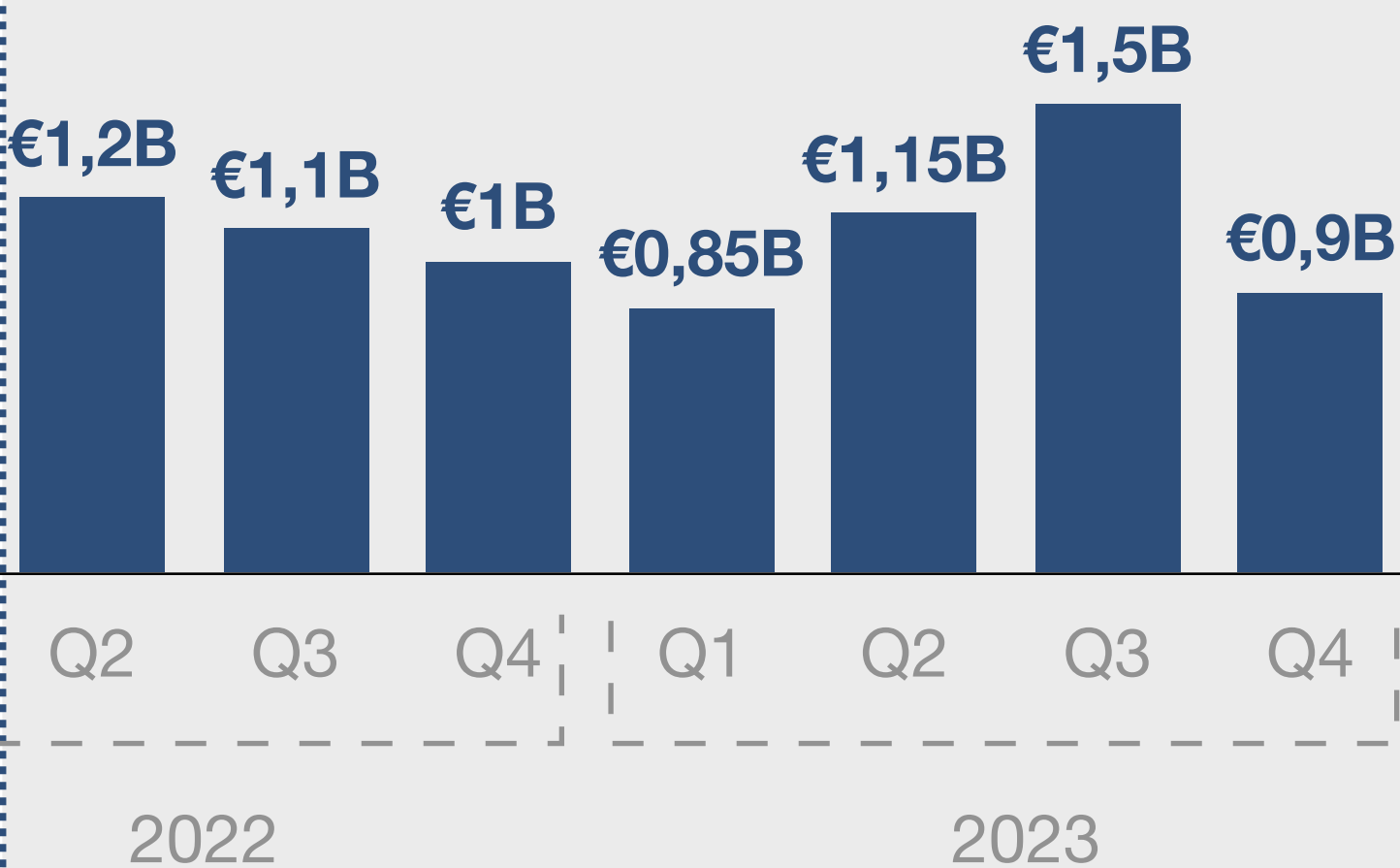
**Stage #1: creation of a delivery-oriented ecosystem**



**Stage #2: Peak of excitement around quick-commerce**



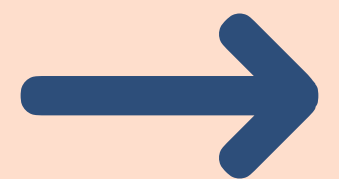
**Stage #3: New normal with a double focus on profitability and long-term innovation towards sustainability**



**Stage #4: what's next?**



Scenario #1: increase in funding due to the need for infrastructure investment.



Scenario #2: stabilisation as startups get acquired by leading companies to scale.



Scenario #3: sustained decrease as corporations invest internally in innovation



# Digitalfoodlab use case

## Ecosystem study

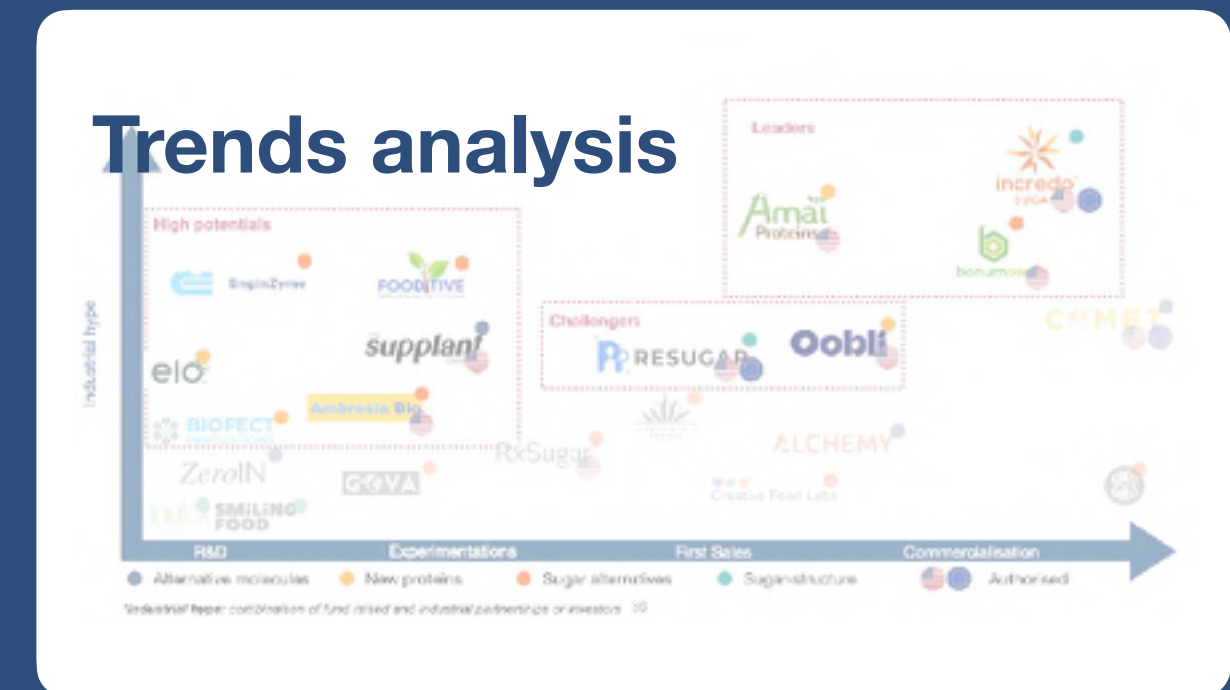
Project for a global F&B company looking to map the innovation ecosystem around coffee and the best startups to partner with.

### What we did:

- 🏠 Mapping of the innovation ecosystem around coffee: startups, research regulators, and other leading companies.
- 🏠 Analysis of the information to reveal the trends and a model to analyse eventual partners.
- 🏠 A workshop will be held to validate the opportunities based on our recommendations.
- 🏠 Scouting of relevant partners followed by introductions.

### Results:

- 🏠 Mapping the different categories of innovations in the coffee business should be considered now to create long-term benefits for the business.
- 🏠 Identification of key partners (an incubator and a couple of startups).



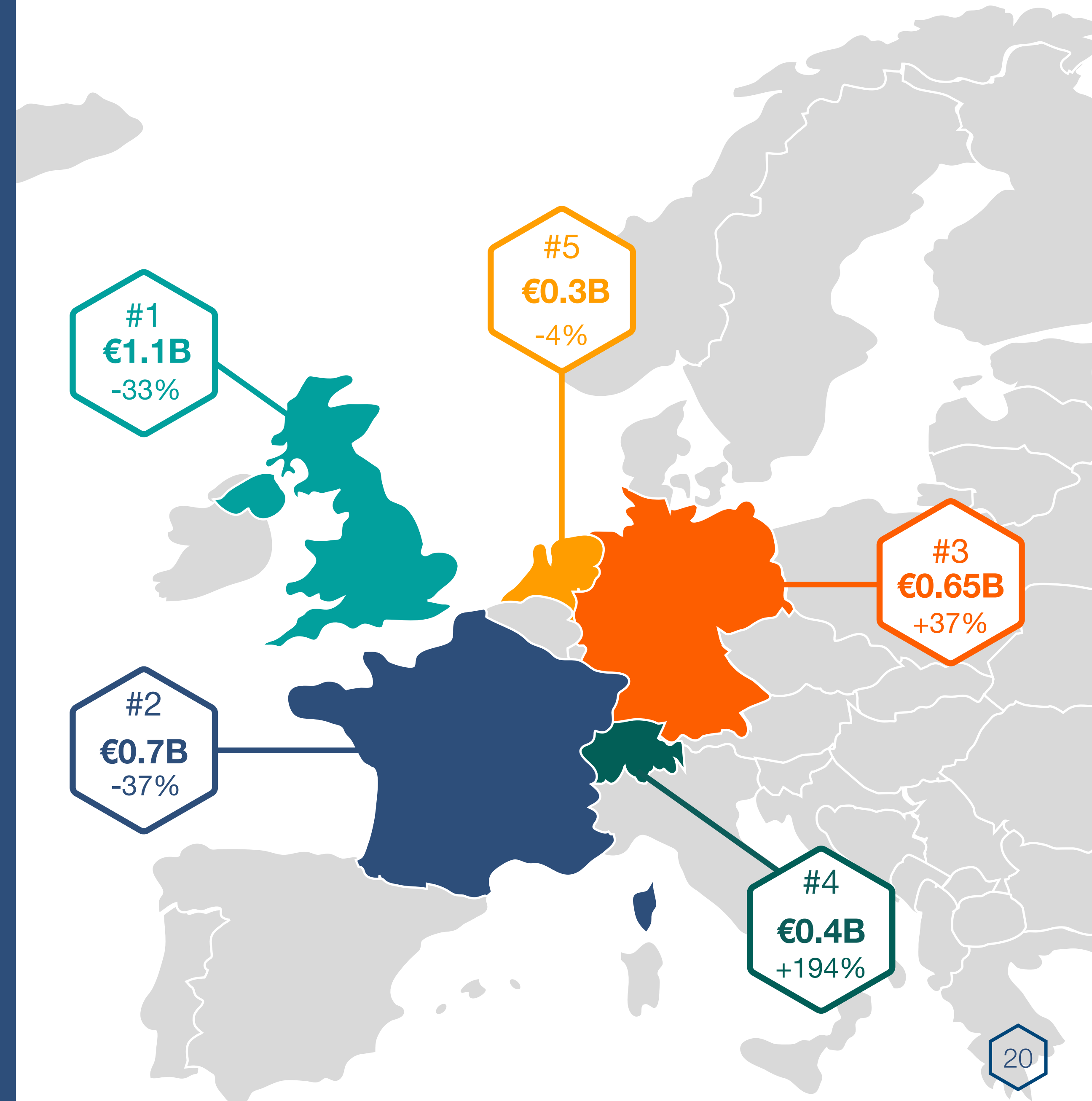
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## Geographic distribution & innovation hubs



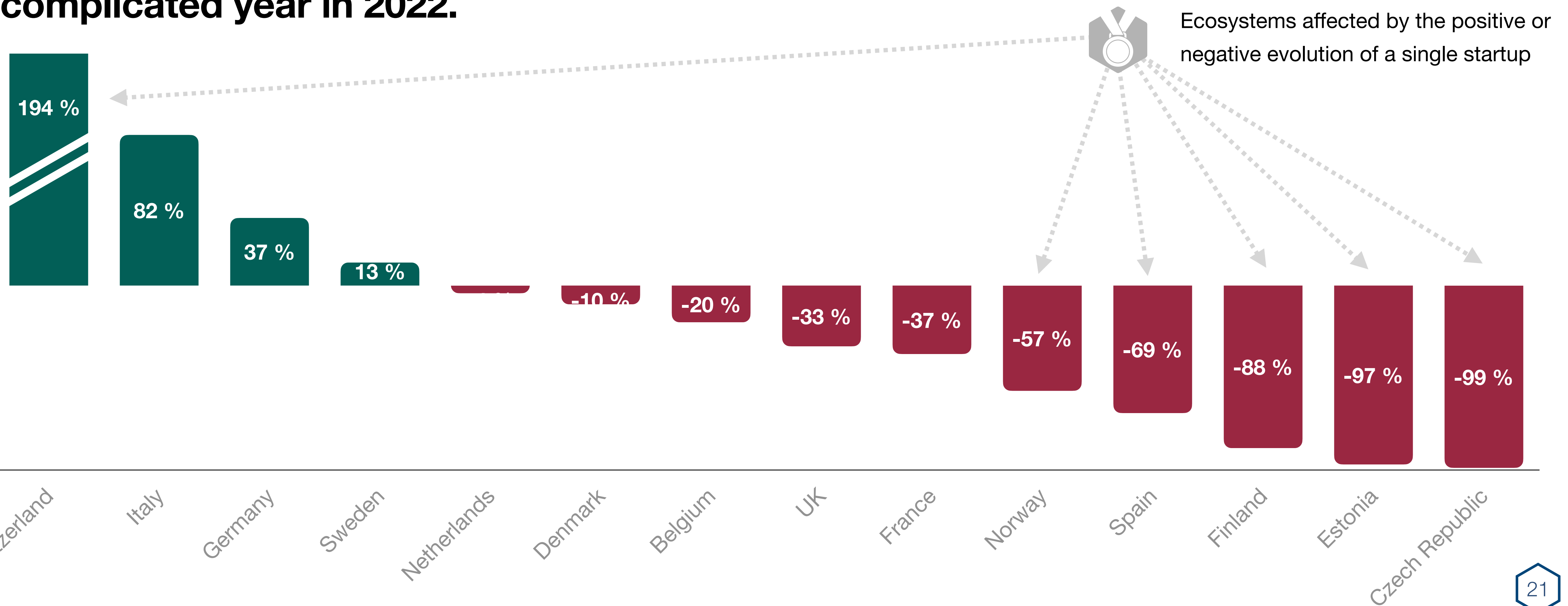
# Four established leaders and a surprise

- ⦿ European ecosystems are not all equivalent: few are generalists, some have an edge in a category, and others struggle. This explains the strong divergences observed in the following graphs.
- ⦿ Beyond this somehow blurry image, there is some consistency: year after year, some ecosystems emerge as consistent leaders
  - ⦿ The UK and France as generalist leaders
  - ⦿ Germany, with its delivery-oriented ecosystem
  - ⦿ The Netherlands has a handful of well-positioned startups in some categories.
- ⦿ Also, Switzerland is fourth. However, it is due to a single deal in a startup that will operate in the US, so it is not what we could call a proof of life for a vibrant ecosystem.



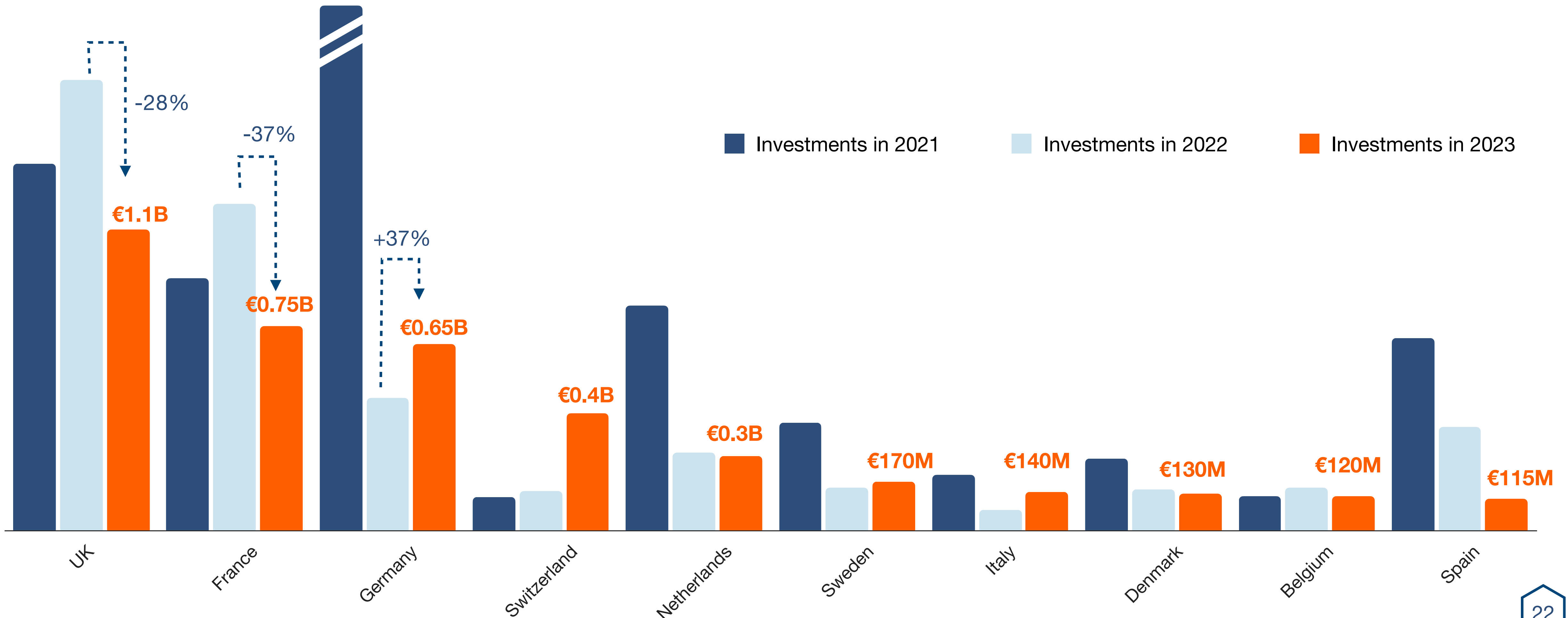
# Investment evolution between 2022 and 2023

France and Spain's ecosystems have underperformed while Italy's and Germany's are retaking some strength after a complicated year in 2022.



# 10 countries have a €100M+ FoodTech ecosystem

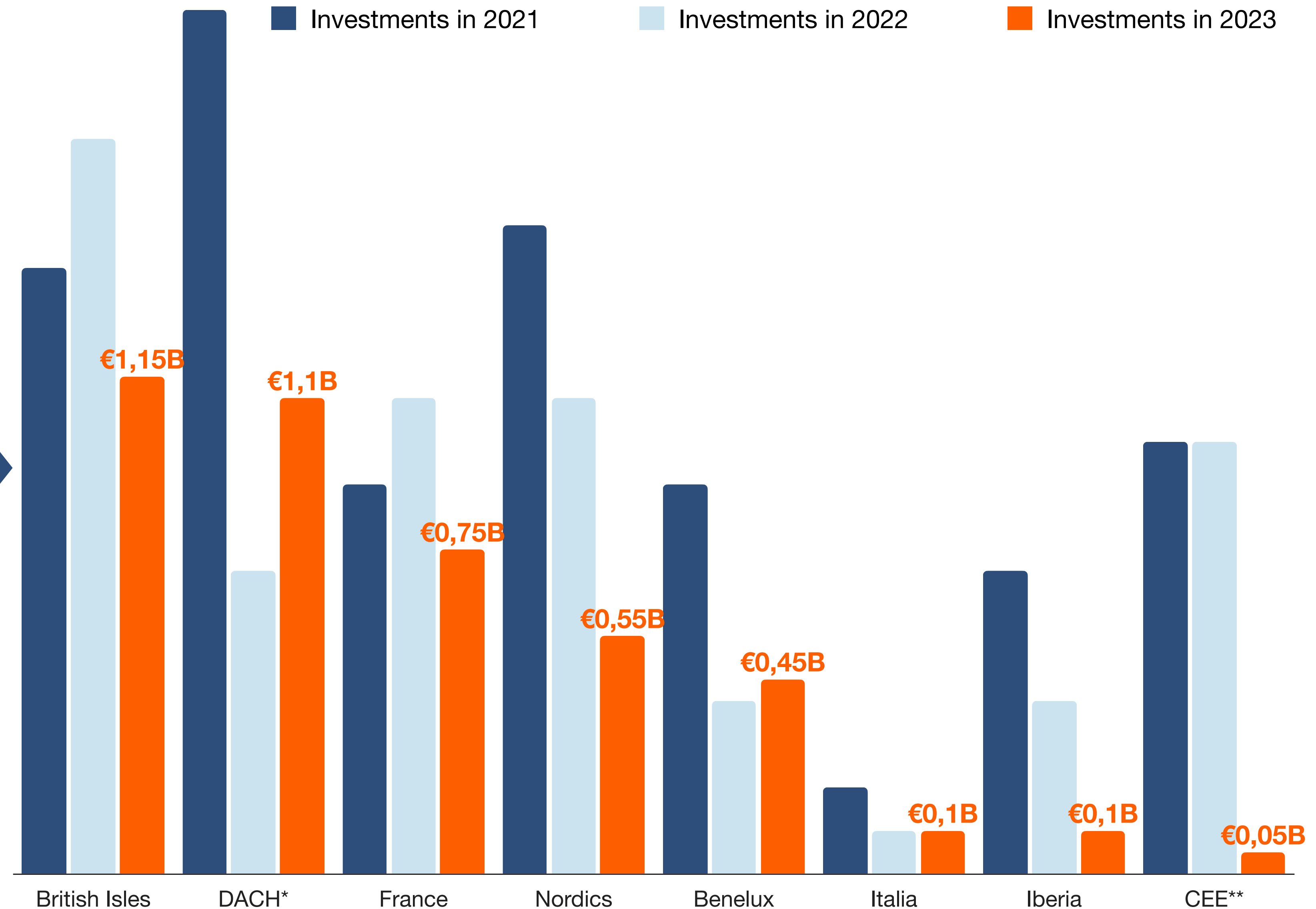
## Evolution of the top 10 European FoodTech ecosystems in 2023 for investments



# 5 investment zones doing well, 3 in difficulty

Here, we have grouped countries by « investment zones »: geographic areas where the investors tend to be the same and invest easily across the border.

In 2021 and 2022 where we had comparable zones. There is now a clear concentration in the West and in the North of Europe for investments. The South and East parts of Europe seem to have lost in attractiveness.



\* DACH: Germany, Austria, Switzerland

\*\* CEE: Central and Eastern Europe

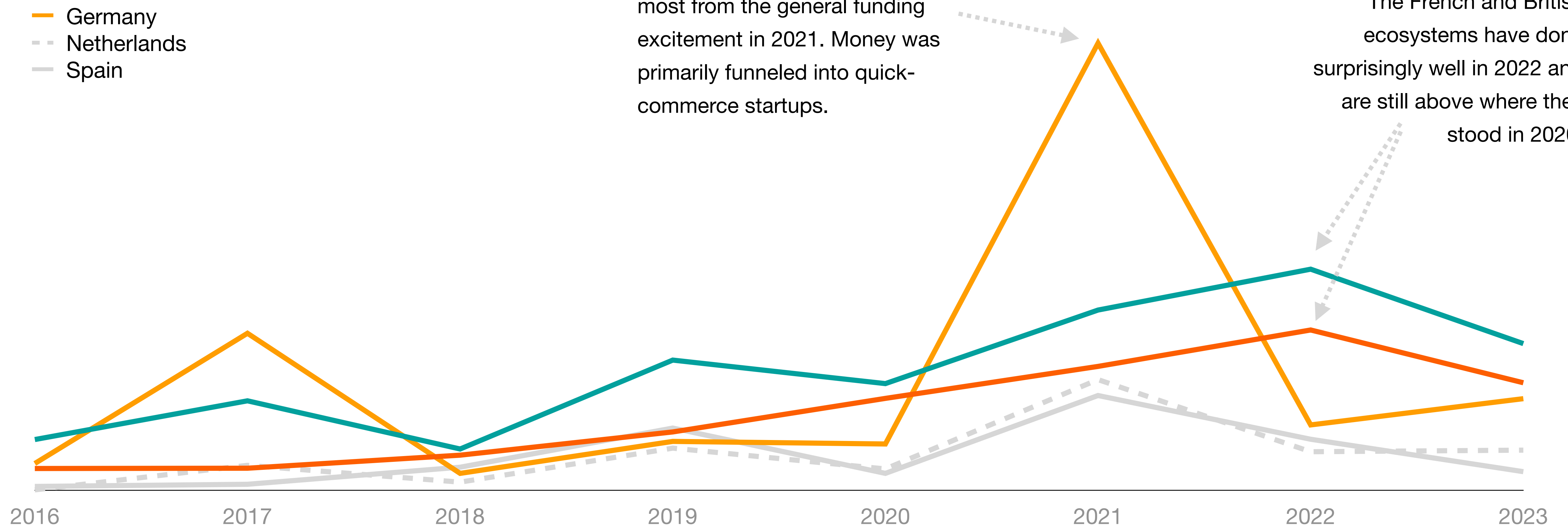
# The UK leads, France and Germany follow, others far behind

## Evolution of the investments in the top 5 European countries (over the past years)

- UK
- France
- Germany
- - Netherlands
- Spain

Germany's FoodTech benefited the most from the general funding excitement in 2021. Money was primarily funneled into quick-commerce startups.

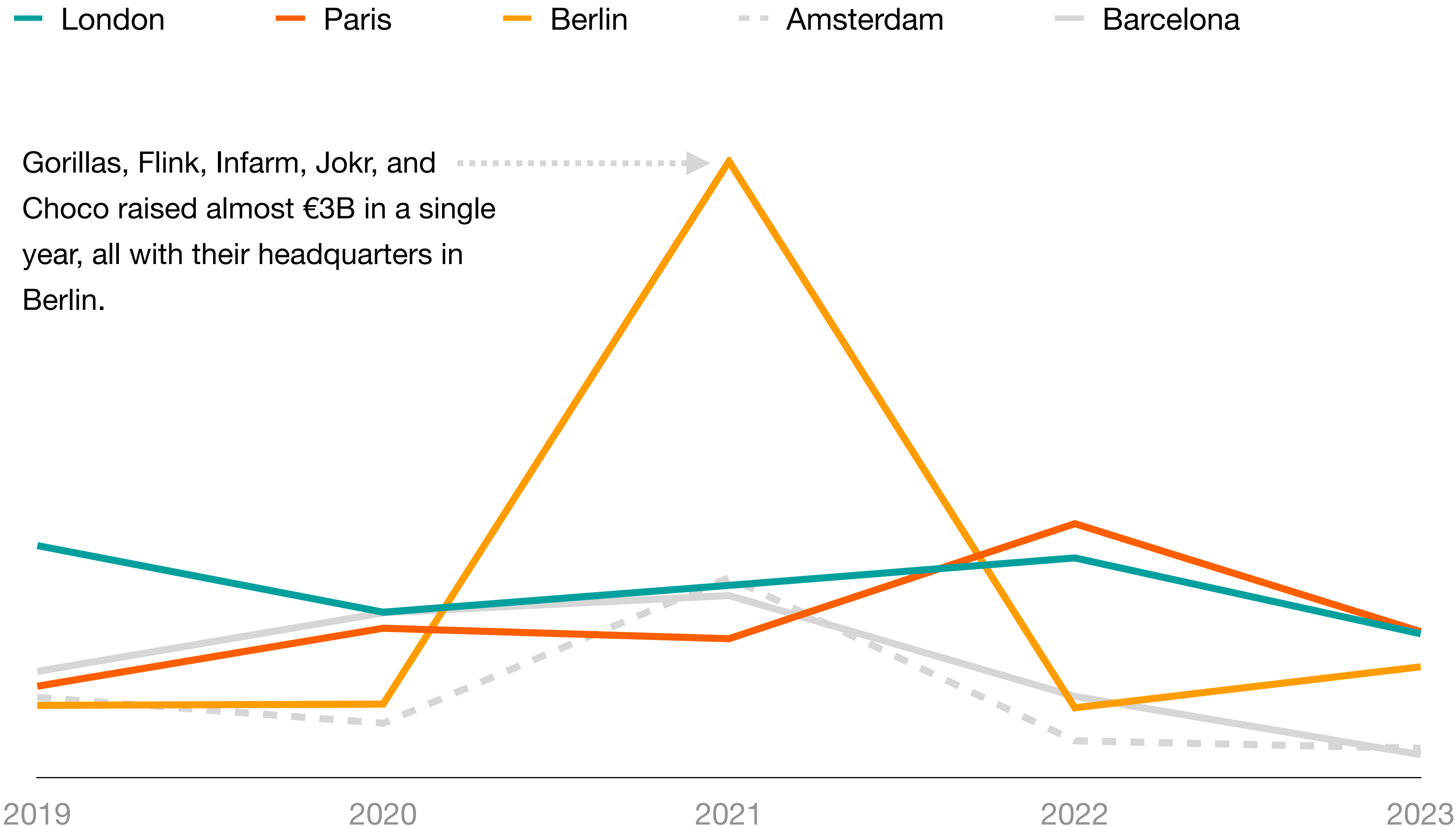
The French and British ecosystems have done surprisingly well in 2022 and are still above where they stood in 2020.





# Paris & London in a tight race

## Evolution of FoodTech investments in key cities

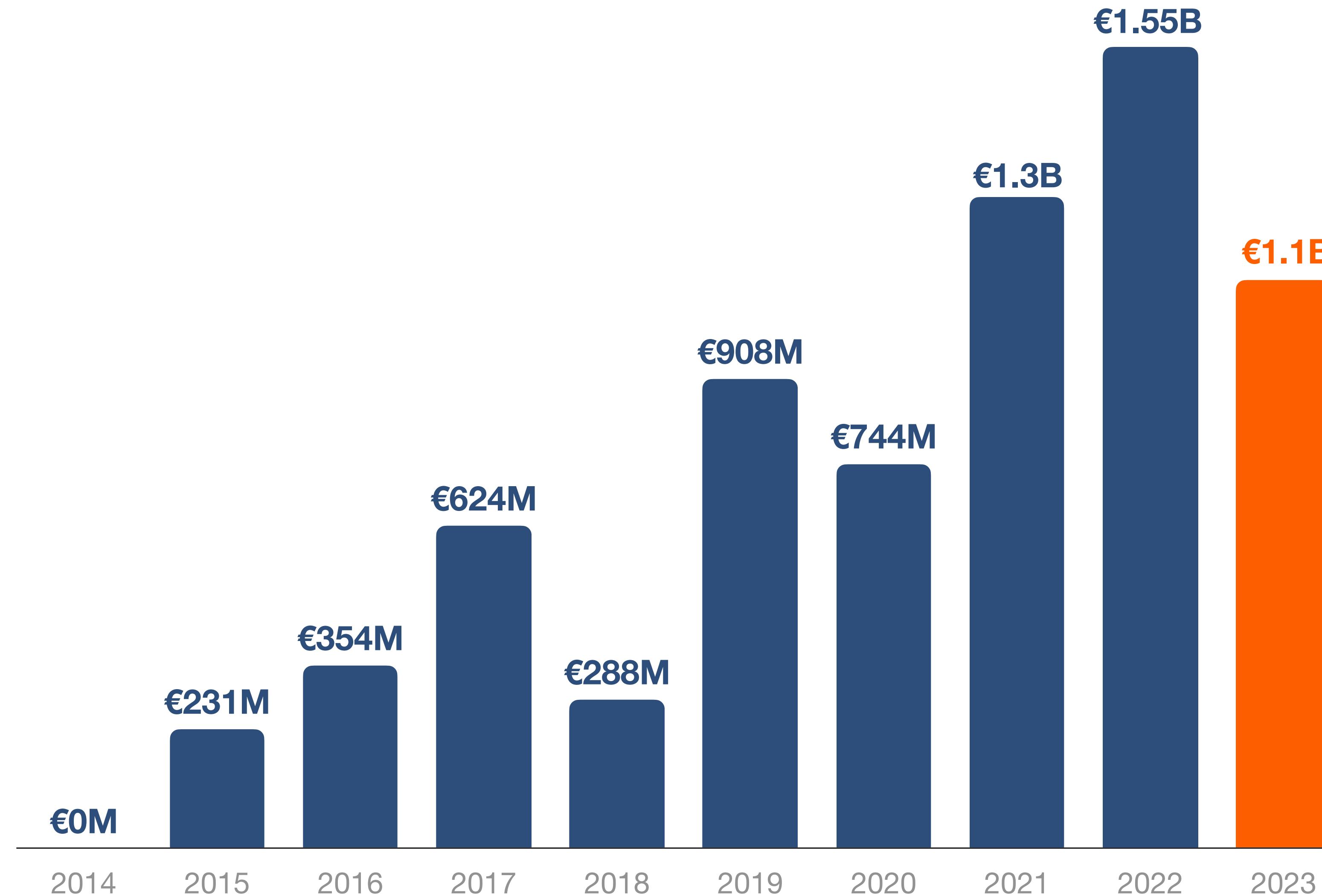


Gorillas, Flink, Infarm, Jokr, and Choco raised almost €3B in a single year, all with their headquarters in Berlin.

- When looking at the data, London and Paris distinguish themselves as increasingly attractive hubs for entrepreneurs and investors.
- While linked to startups raising amounts of money, a decreasing number of deals happen in startups located in Berlin.
- Amsterdam and Barcelona are also key hubs, even if their presence on the map is mostly related to one or two startups each.
- The Nordic cities of Stockholm, Helsinki, and Copenhagen also host vibrant FoodTech ecosystems.

# UK focus

## Leading Europe's FoodTech



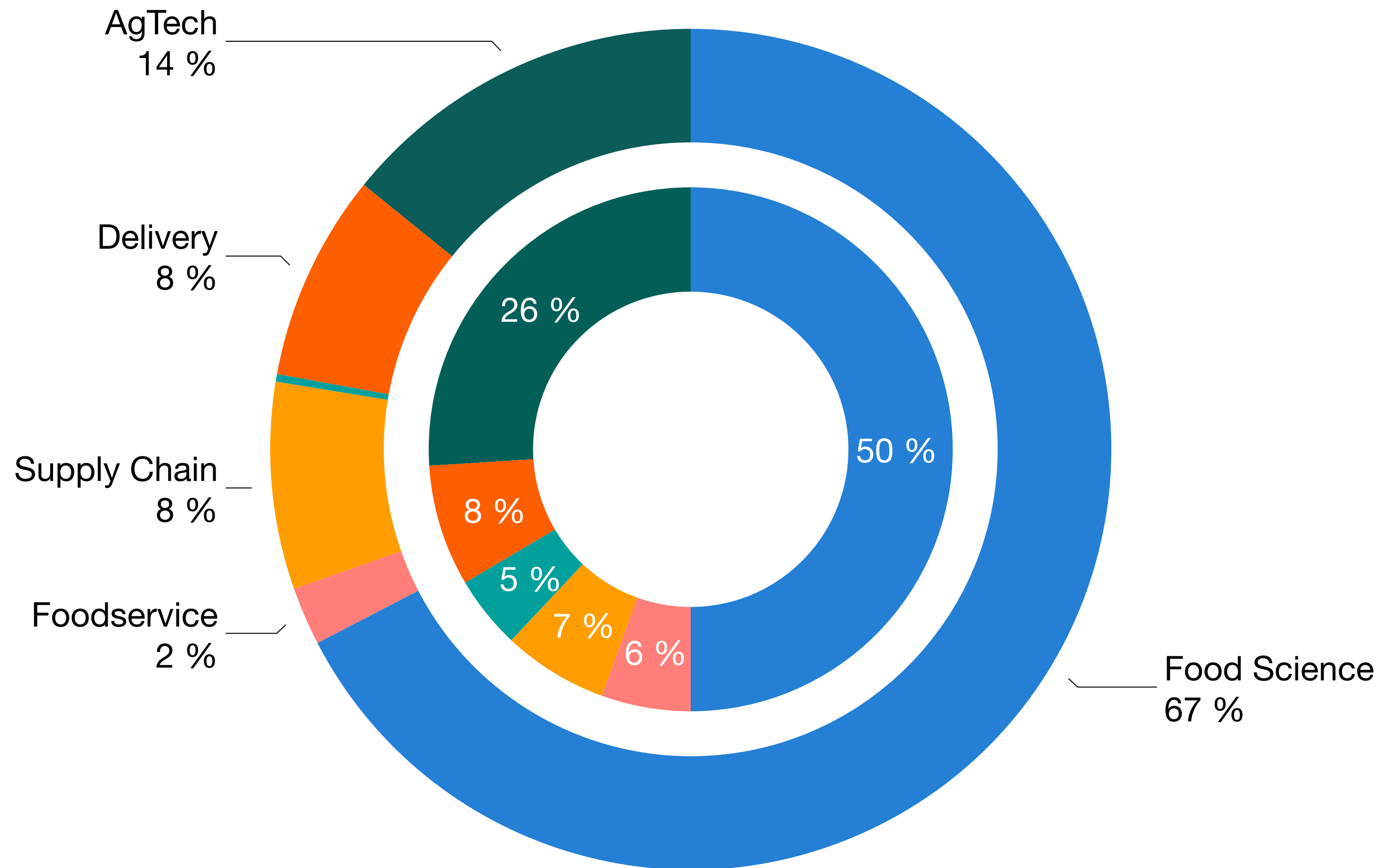
**#1**

*UK is leading the European FoodTech ecosystem*



# Category distribution in the UK

## Investments (*outside*) vs the number of deals (*inside*)



**Startup focus**

**Huel®**

Huel is one of the leaders of the handful of European meal replacements (powders, bars).  
 Founded in 2015, it reached £185M in revenues for FY 2023.

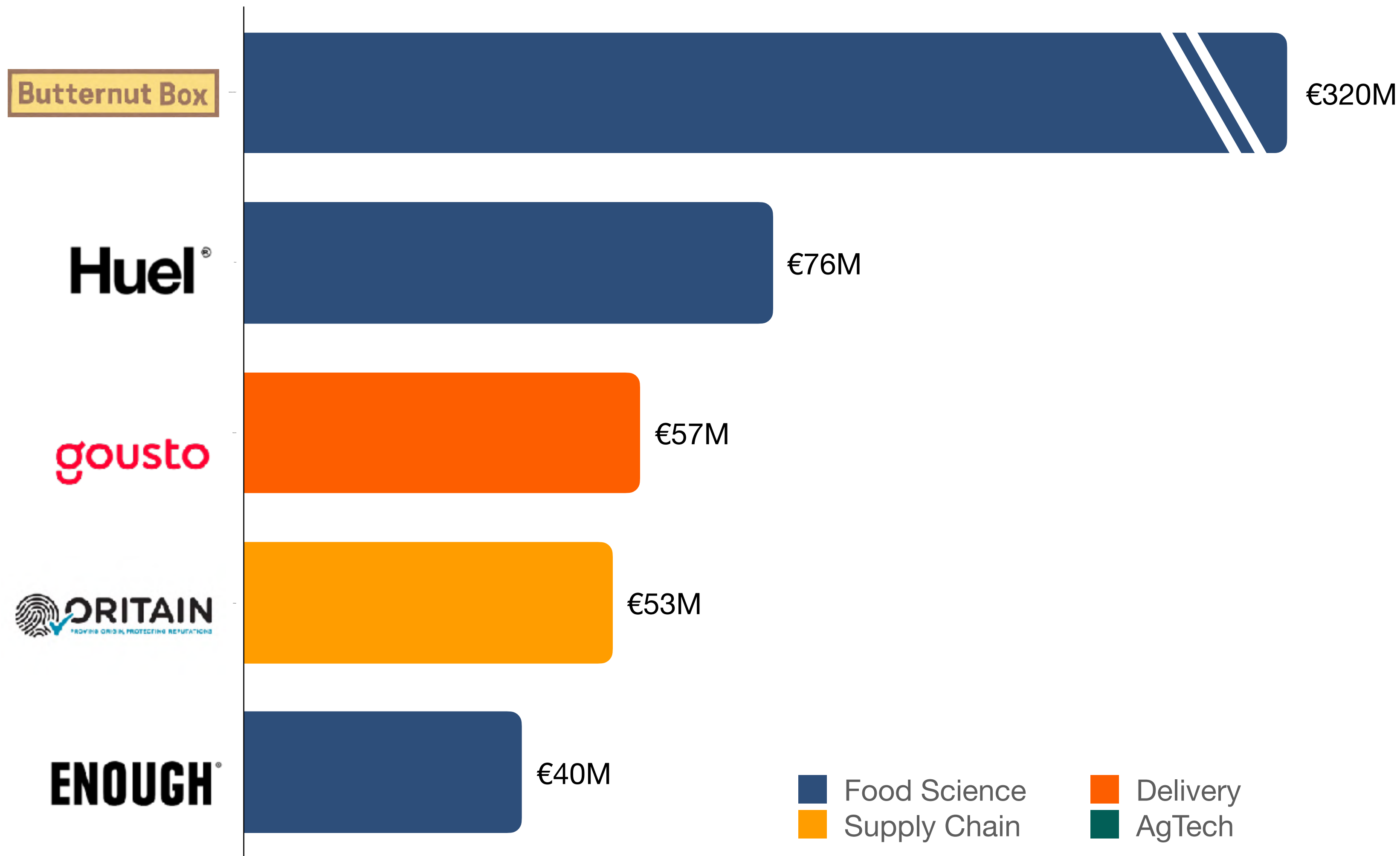
It is now active across Europe, some Asian countries and the US.

**€122M**  
*raised*



# UK focus: top deals

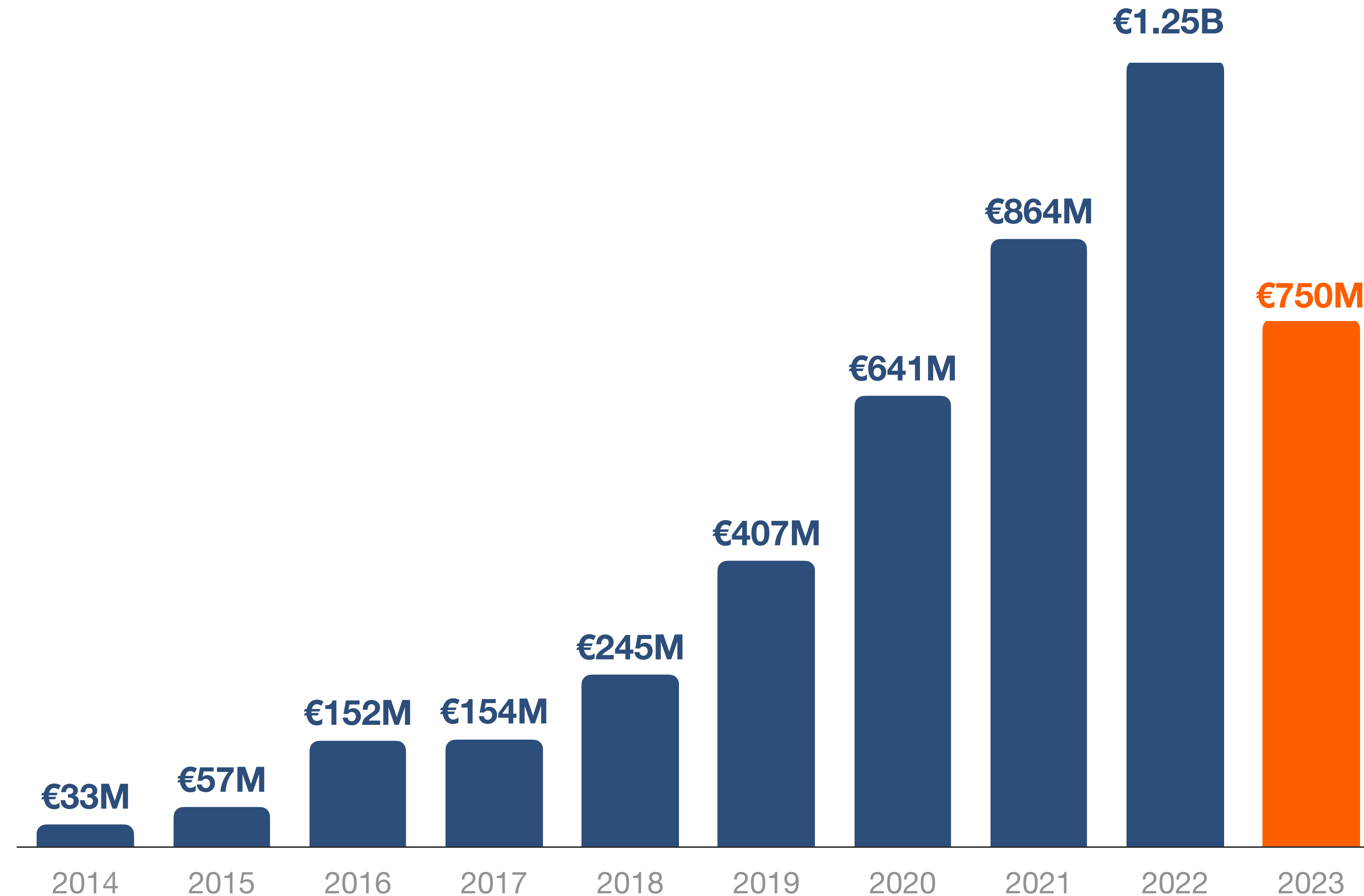
## Is delivery still a thing?



- Once again, the UK's FoodTech is in the leading position in Europe.
- The relatively good situation of the UK ecosystem is mostly due to deals in food science startups, as shown in the graphs of the opposite and previous pages.
- This is notably due to the huge investment (and acquisition) in Butternut Box, a brand of fresh pet food.
- The UK economy is heavily skewed toward brands. Britain alone represents 44% of all European deals made into either food or beverage brands (60% for drinks).

# Focus on France

## A decrease due to the absence of megadeals

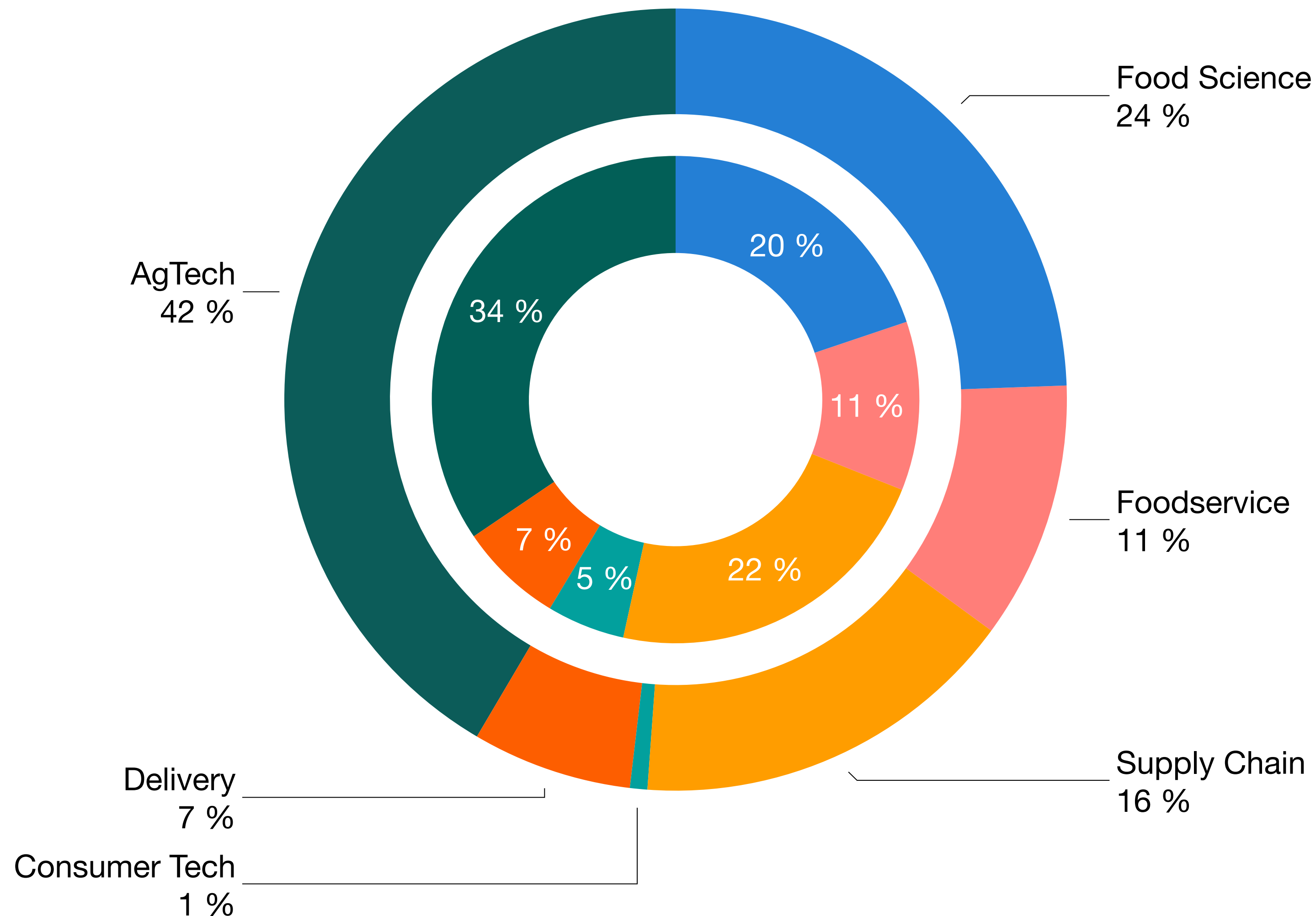


**200**  
Number of deals in 2023:  
highest level ever



# Category distribution in France

## Investments (*outside*) vs the number of deals (*inside*)



⚙️ The French ecosystem scaled back, with a decrease of about 40% in investments. However, the number of deals increased and reached its highest point ever (unlike the UK or Germany), showing France's attractiveness to new entrepreneurs and investors.

⚙️ Both distributions look quite balanced and also well-aligned between deals and investments.

⚙️ Compared to previous years, we even see a burgeoning French delivery ecosystem with a wide range of new value propositions (La Fourche, le Wagon, Waysia).

# Top deals in France

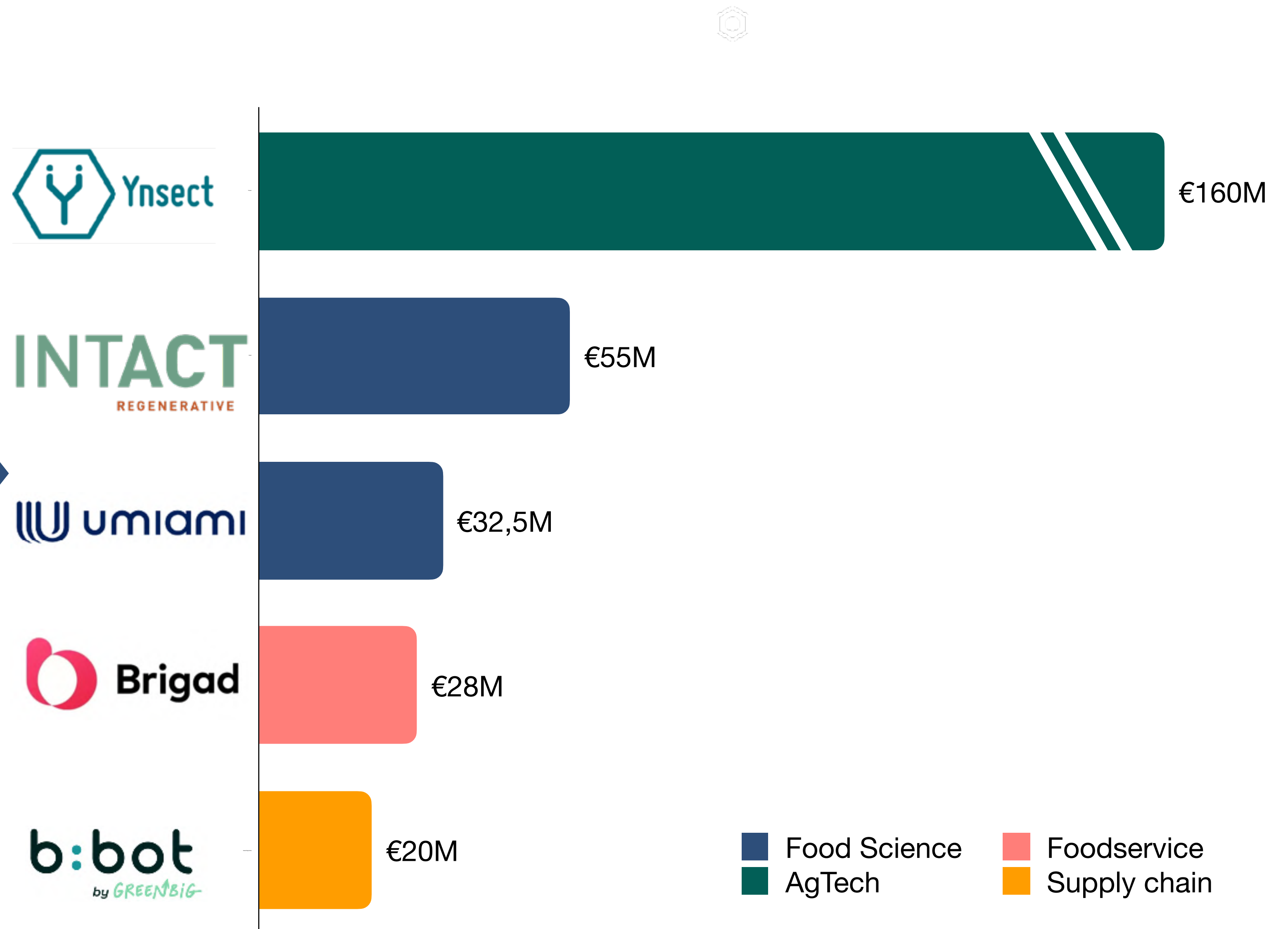
For many topics, notably alternative proteins and animal feed, the main challenge is now to succeed in funding and then achieving profitable industrialisation. It seems that investors betting on French startups understand that point well.

**Three of the five biggest deals were made in startups developing their own best-in-class production facilities:**

Ynsect for its production of insects for animal feed

Intact for its plant-based ingredients

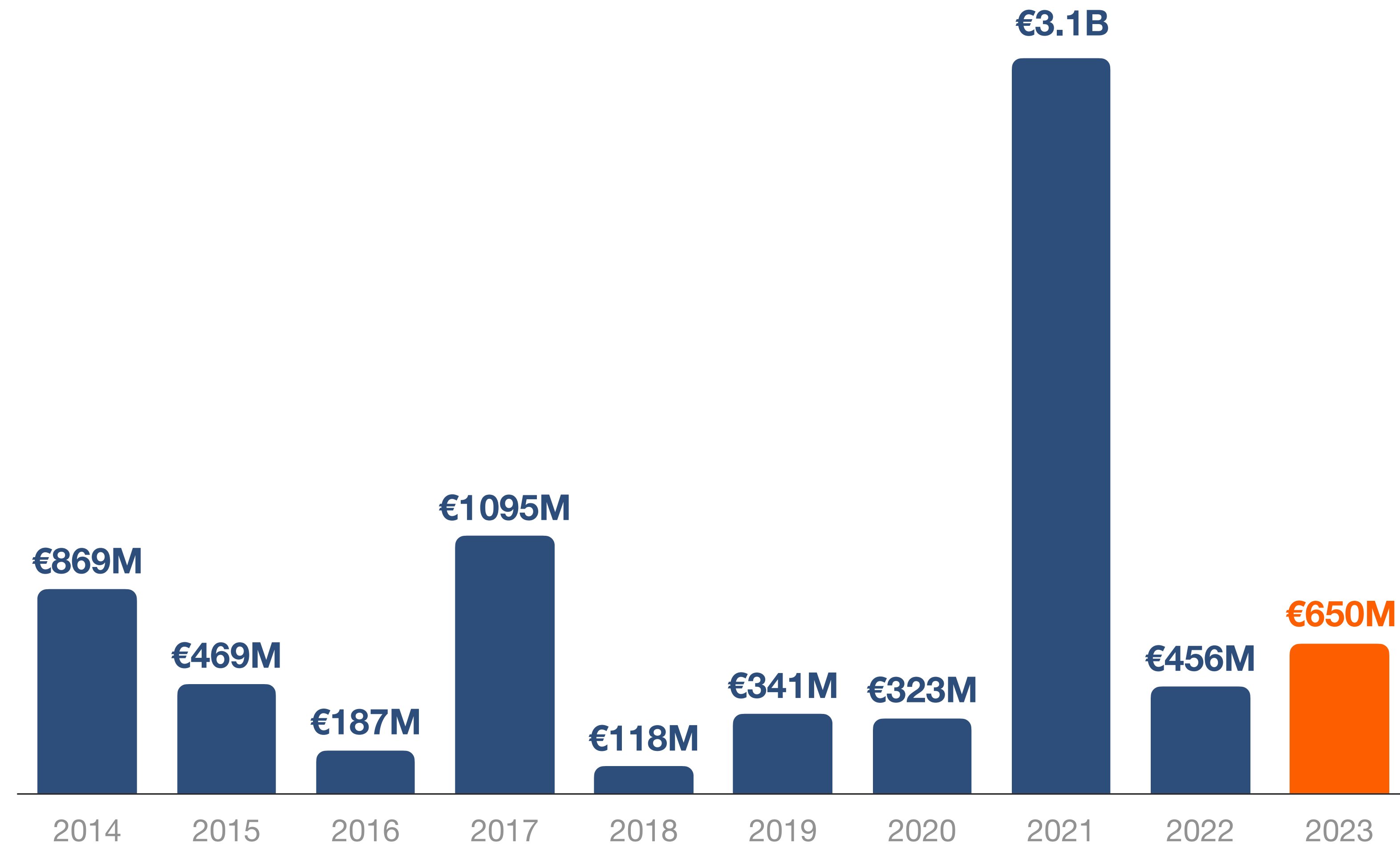
Umiami for its plant-based whole-cuts



■ Food Science    ■ Foodservice  
■ AgTech            ■ Supply chain

# Focus on Germany

Still focused on delivery startups, but with a lot of promise for the future



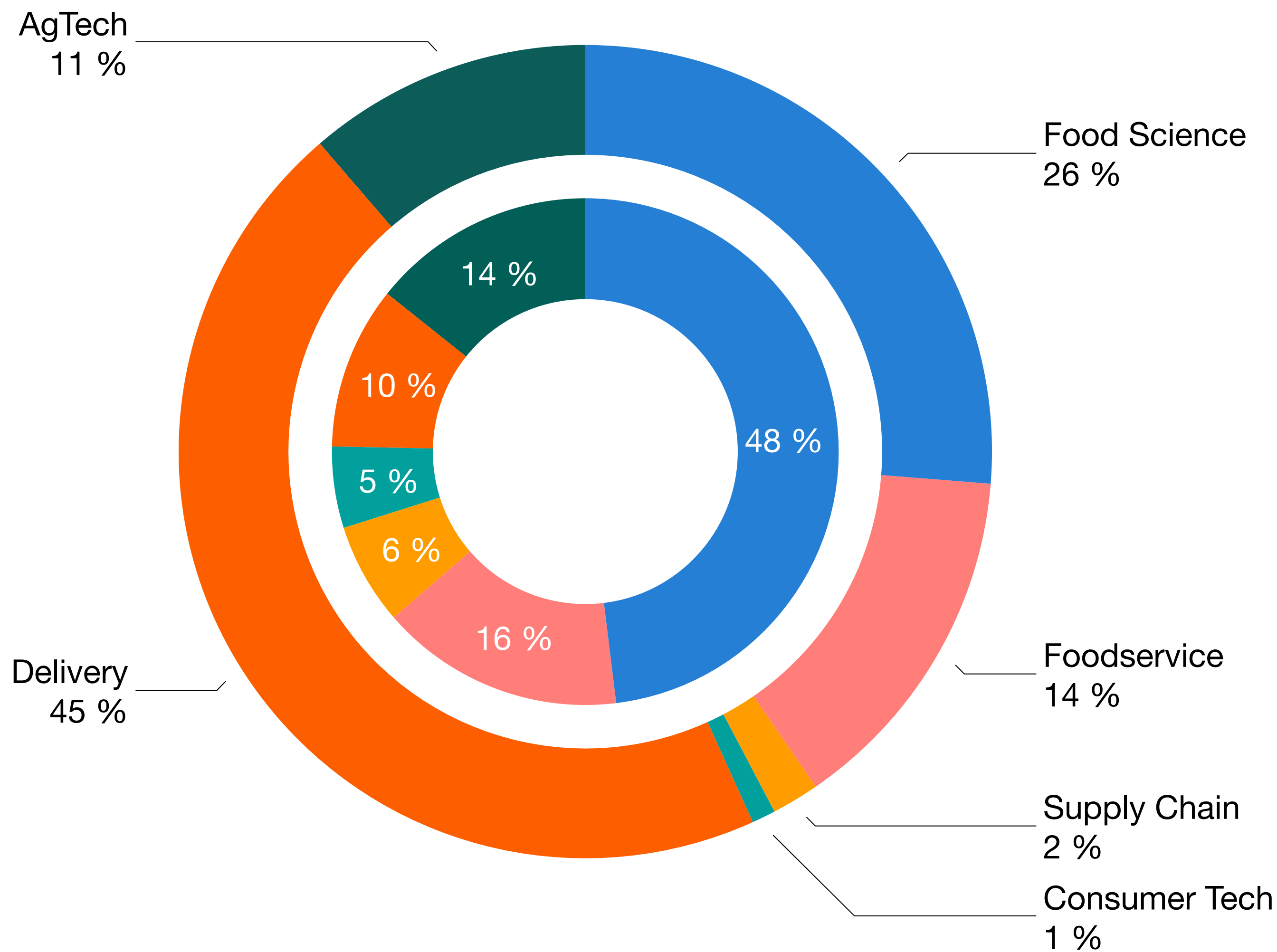
#1  
For the number of unicorns  
in European FoodTech





# Germany: category distribution

## Investments (*outside*) vs the number of deals (*inside*)



### Startup focus



Koro, an e-commerce platform selling its own private label range of better-for-you products, is an interesting example of Germany's ability to create international brands.

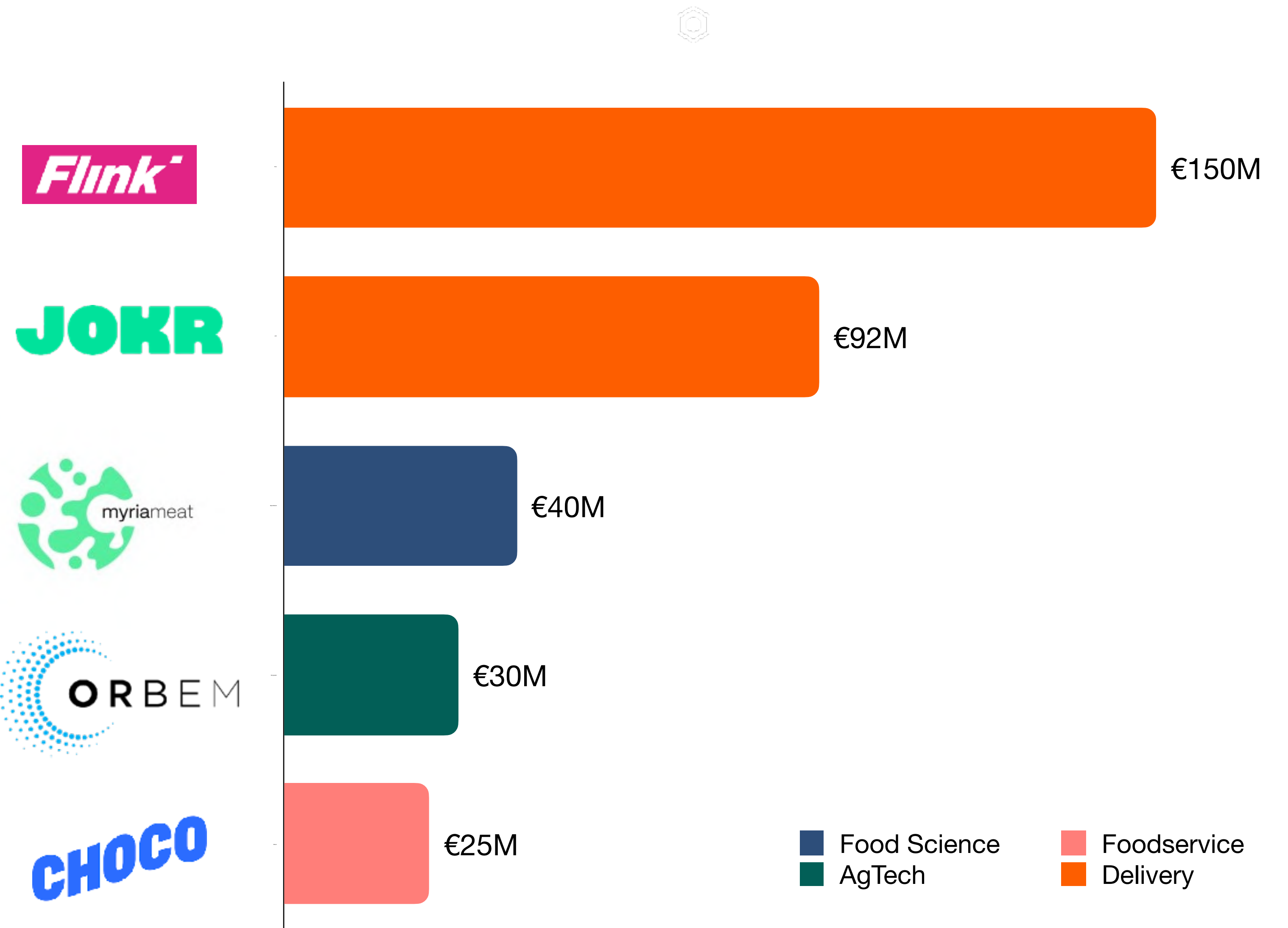
It raised €20M in 2023 to keep expanding.

**€78M**  
raised



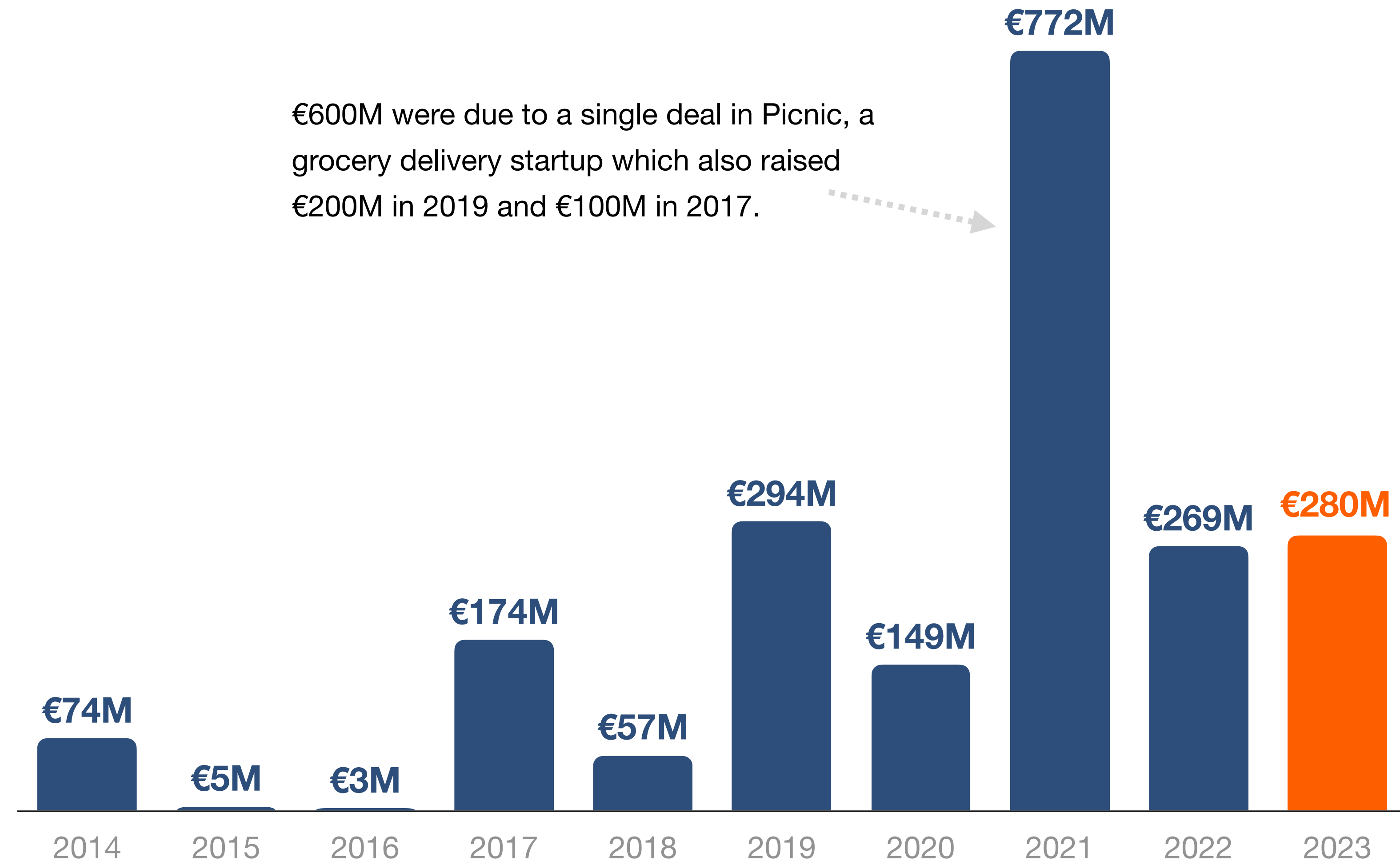
# Top deals in Germany

- The German ecosystem is still largely dominated by large deals in a handful of delivery startups, notably in quick-commerce (Jokr, Flink).
- As observed in the deals distribution, there is a much larger ecosystem beyond delivery, with a notably growing number of interesting Food Science startups (both brands and startups focused on alternative proteins).



# Focus on The Netherlands

## Doing surprisingly well



€600M were due to a single deal in Picnic, a grocery delivery startup which also raised €200M in 2019 and €100M in 2017.

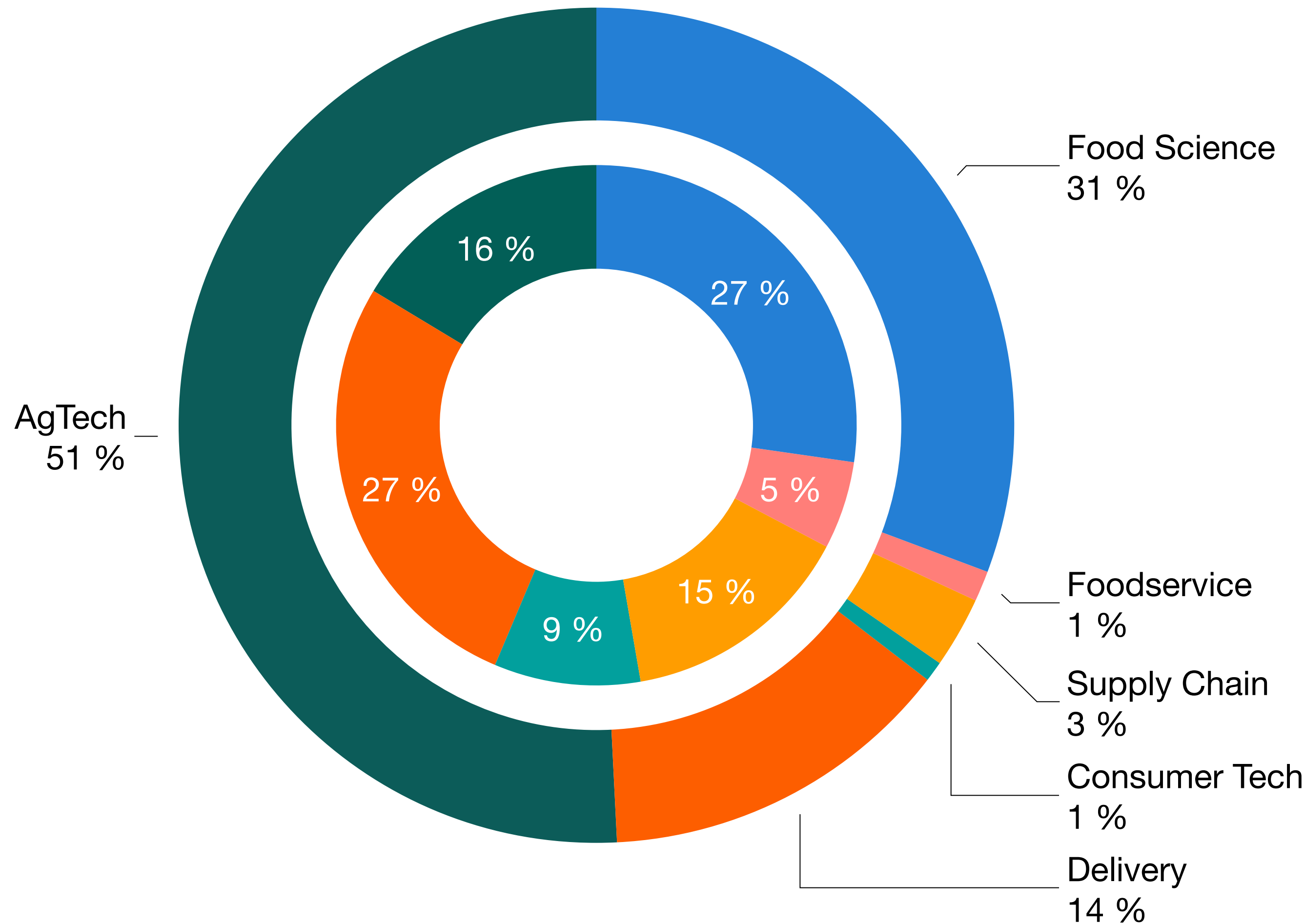
**N° 1**  
**in density**

*Compared to neighbouring countries such as France and Germany, there are many more funded startups in the Netherlands.*



# The Netherlands: category distribution

## Investments (*outside*) vs the number of deals (*inside*)



### Startup focus



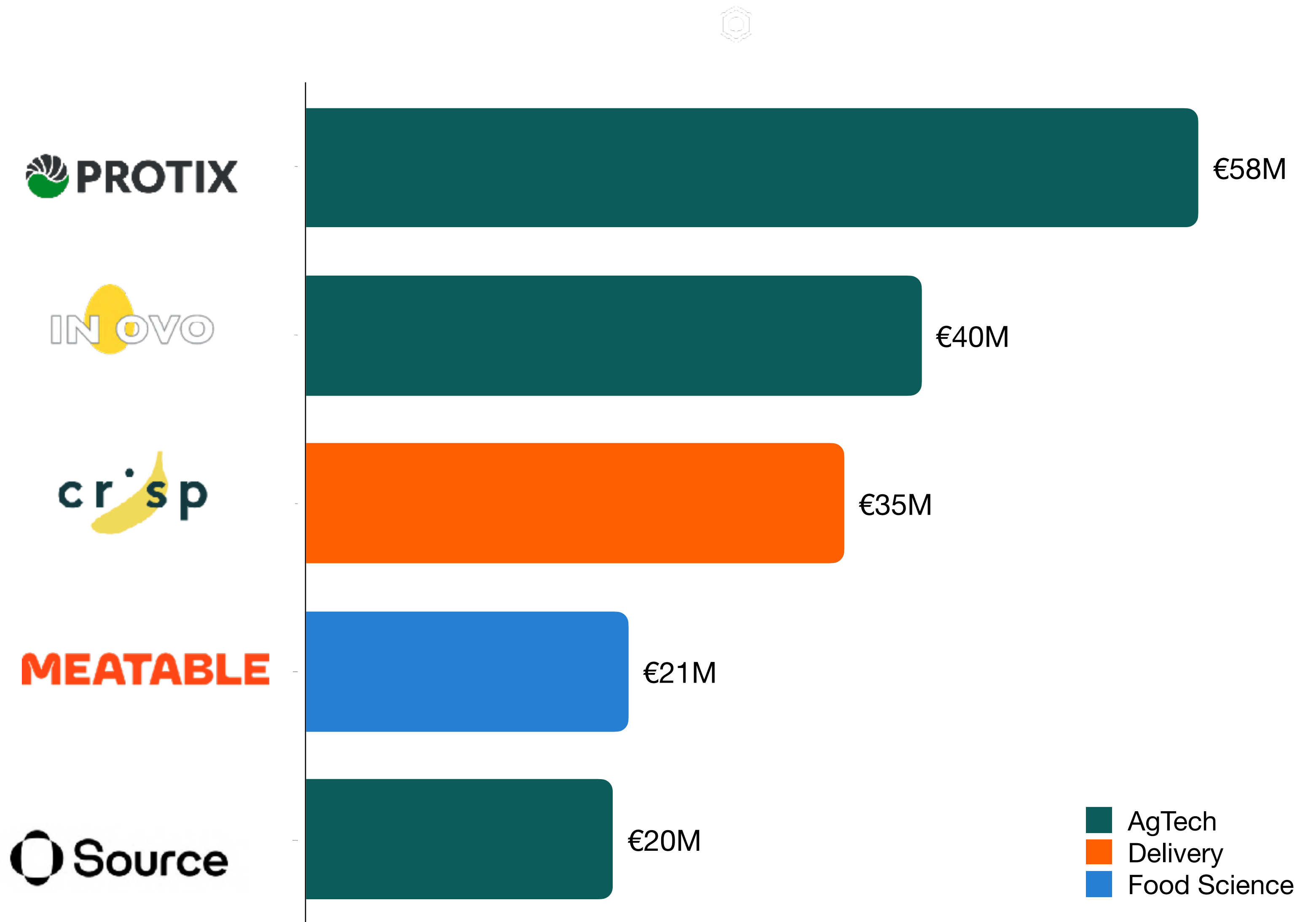
Protix is one of the world's leading insect-farming startups. It has been the first to operate a large-scale production facility in Europe. It has received the backing of Tyson to build one in the US and public funding to develop another in Poland.

**€170M**  
raised



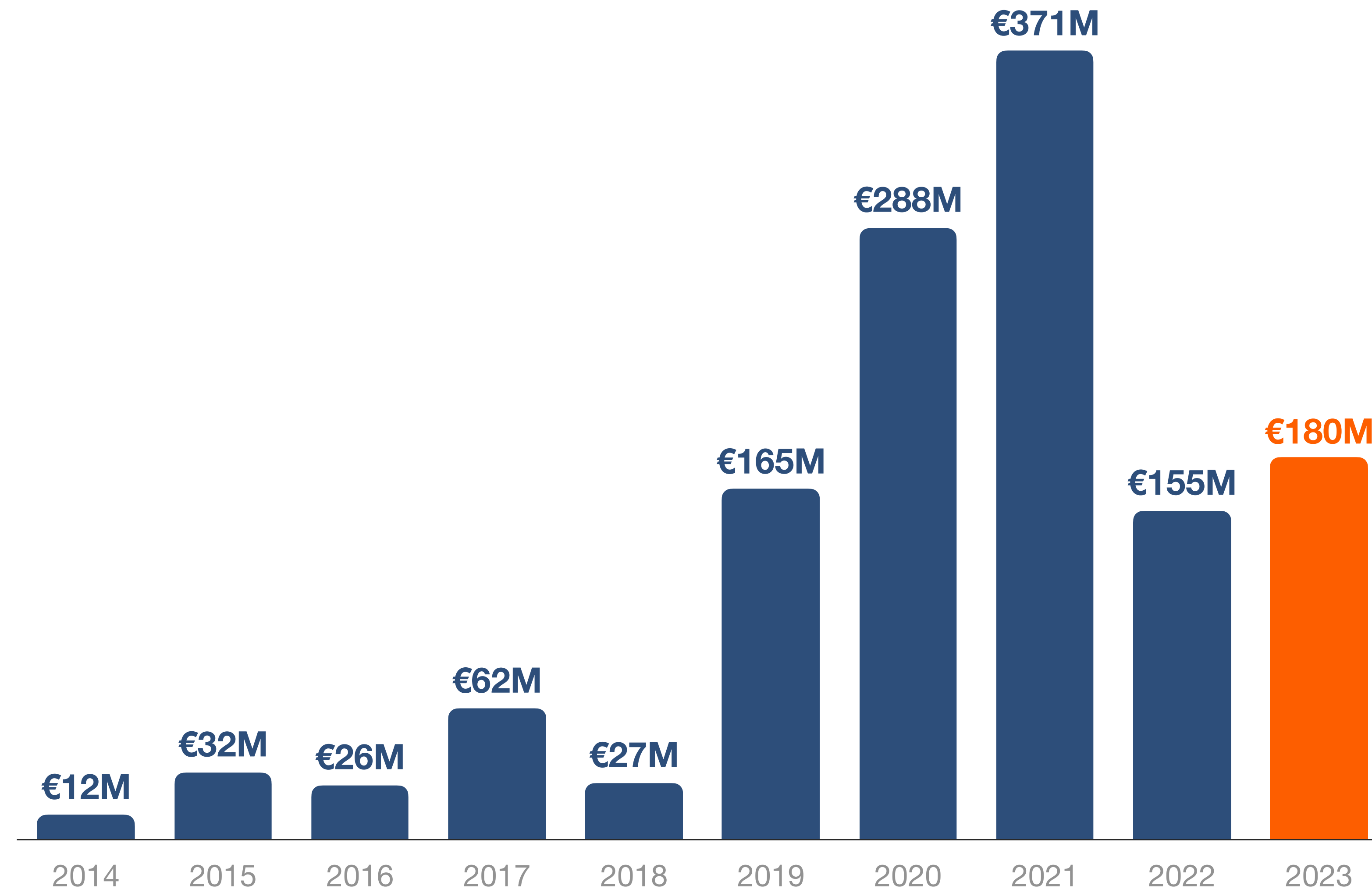
# The Netherlands top deals

- While smaller than other leading European ecosystems, Dutch FoodTech remains impressive and diverse.
- The Dutch ecosystem is driven by technology, notably in three areas where it performs well:
  - AgTech companies with interesting companies in all sub-categories, from bioinputs to animal feed.
  - Food Science, notably for alternative proteins.
  - Delivery, again with startups that distinguish themselves by their tech-driven approach.



# 🇸🇪 Focus on Sweden

## Investments in Sweden are stable at a high level



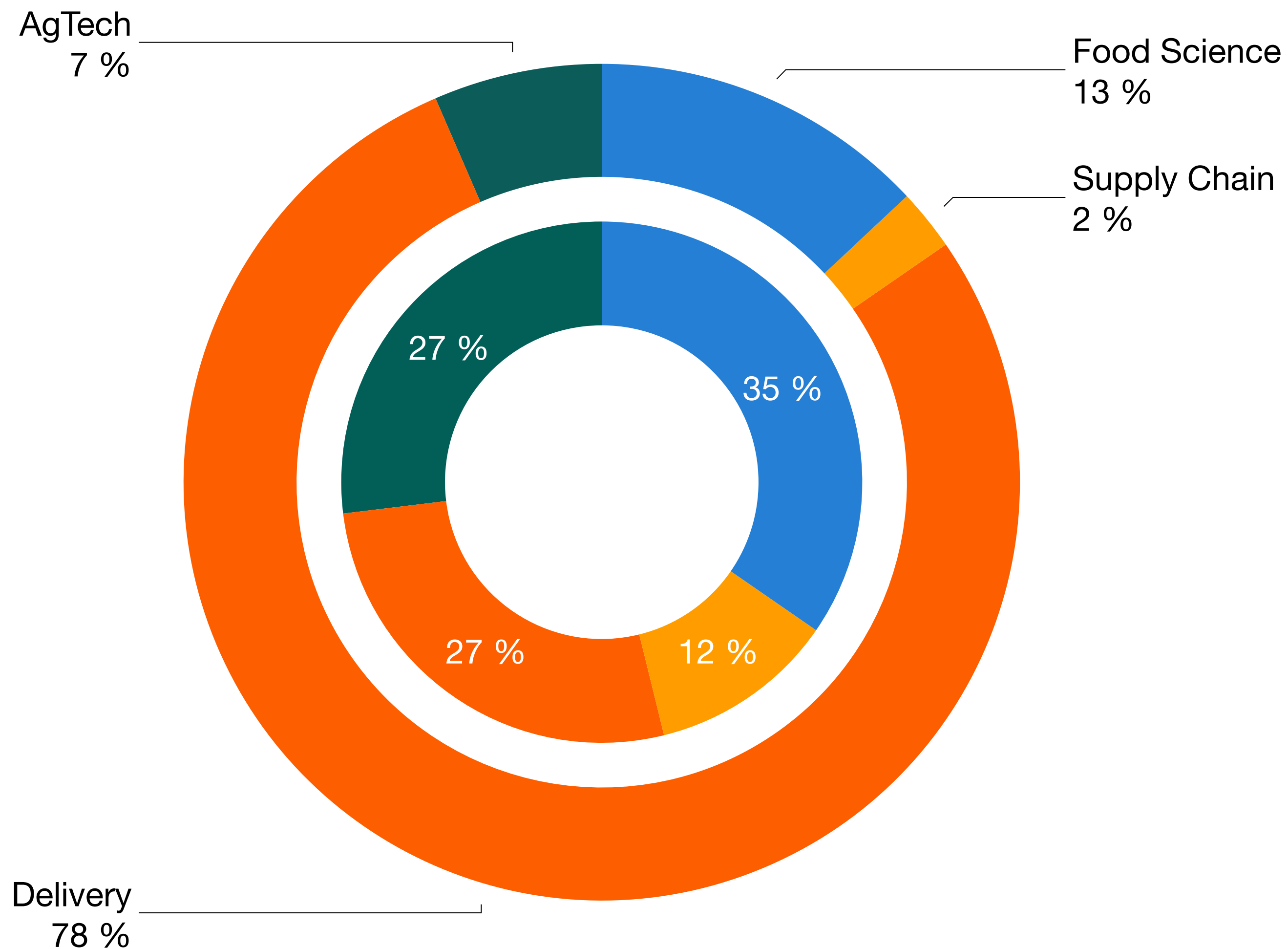
**#4**

*Taken together, the Nordics create a coherent FoodTech ecosystem with a strong focus on sustainability*



# Sweden: category distribution

## Investments (*outside*) vs the number of deals (*inside*)



Startup focus



Matsmart is an anti-waste e-commerce grocer. It sells surplus food (only non-perishable items): products close to their best-before date, discontinued products... It is already active in multiple European countries and still expanding.

**€179M**  
raised



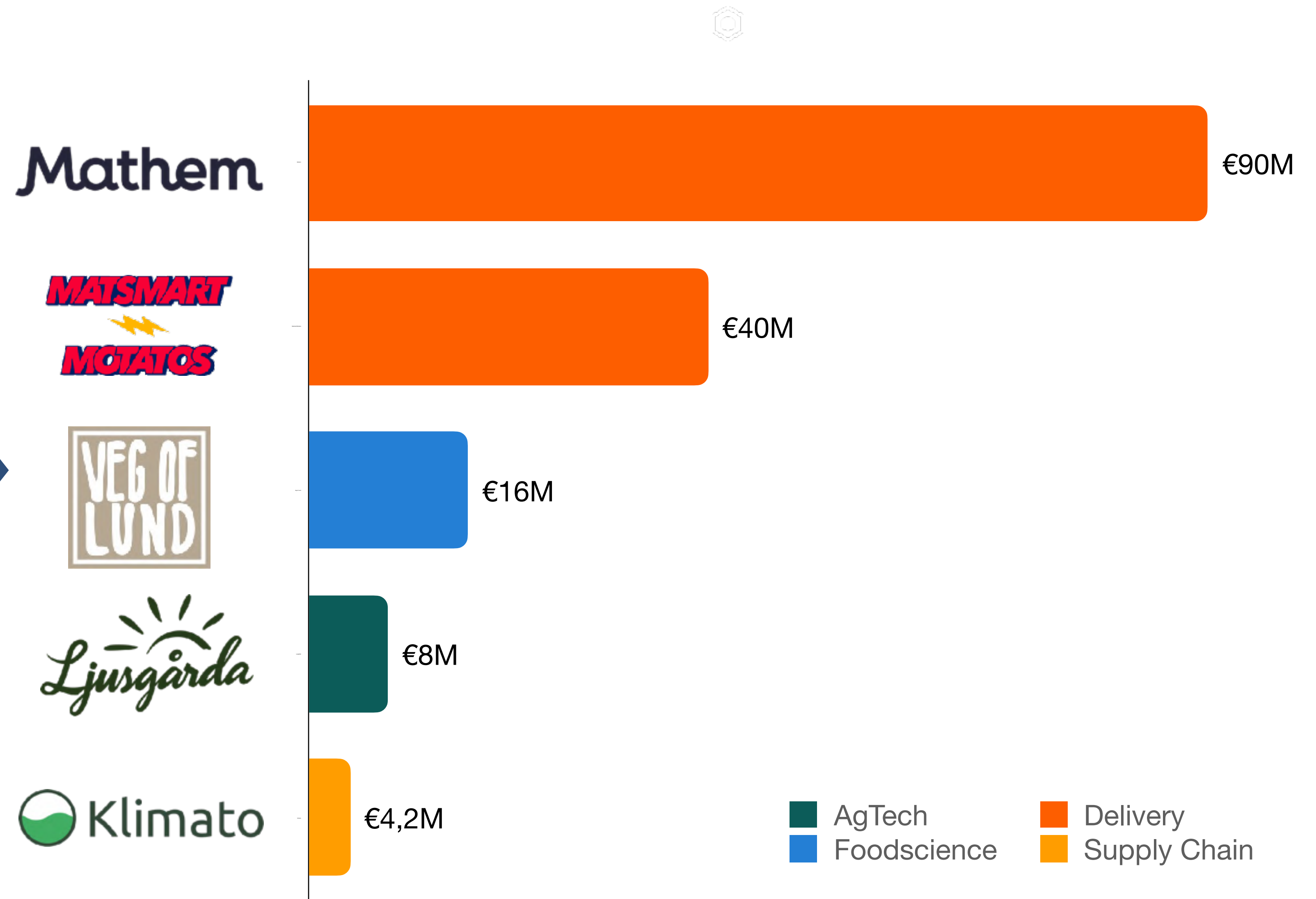
# Top deals in Sweden

While Sweden's FoodTech ecosystem is not among Europe's leaders in terms of investments, it should be considered as one of the hubs investors and food companies should have on their radar.

We identified a great number of startups addressing sustainability challenges from multiple angles, notably:

- Delivery startups such as Matsmart with a focus on avoiding waste

- Supply Chain companies such as Klimato help restaurants communicate to their consumers the environmental impact of their meals.





# The steps to build a true European ecosystem

## What is going well in Europe ?

Europe's FoodTech ecosystem is maturing and has become much more relevant over recent years. This is due to at least three factors:

- 🏠 **External investors** are now betting on European startups. While unfortunate in its success, the emergence of quick-commerce in Europe helped to put the old continent on the map.
- 🏠 **European-headquartered companies** are now investing money and partnering with local players instead of looking first at US startups.
- 🏠 Public money helped national ecosystems emerge before and after COVID, and it also helped many startups avoid bankruptcy during and after COVID. Now, plans to boost the bioeconomy (with applications in agriculture and food such as bioinputs and proteins) will be critical for the next stage.

## What could be better?

If things are better than they were for European FoodTech startups, we can identify three areas of improvement:

- 🏠 **Regulation**, while boosting some categories (such as alternatives to plastics), is hindering innovation in alternative proteins.
- 🏠 **Internationalisation**: beyond a few examples (mostly direct-to-consumer brands), for most startups, it is extremely hard to grow across borders.
- 🏠 **Coherence** between national initiation and EU-level plans: Most countries support innovation, but they do it with different schemes, each requiring startups to submit lengthy applications. While things are moving in the right direction, it is not yet obvious for an entrepreneur to identify where in Europe he should go to establish his startup.



# Digitalfoodlab use case

## Innovation strategy

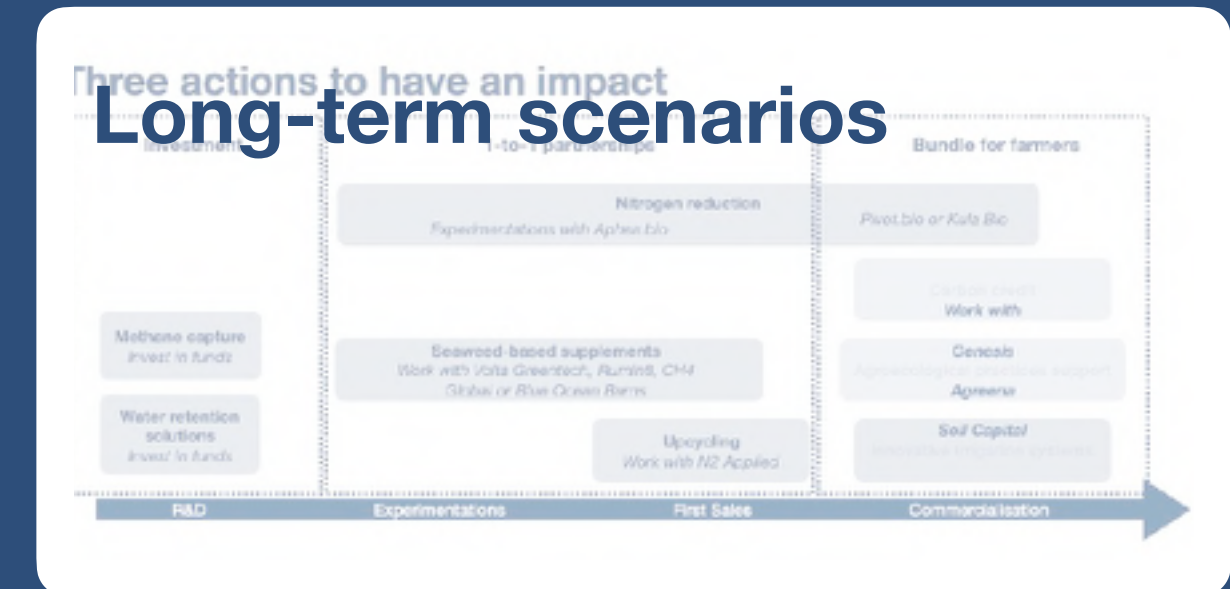
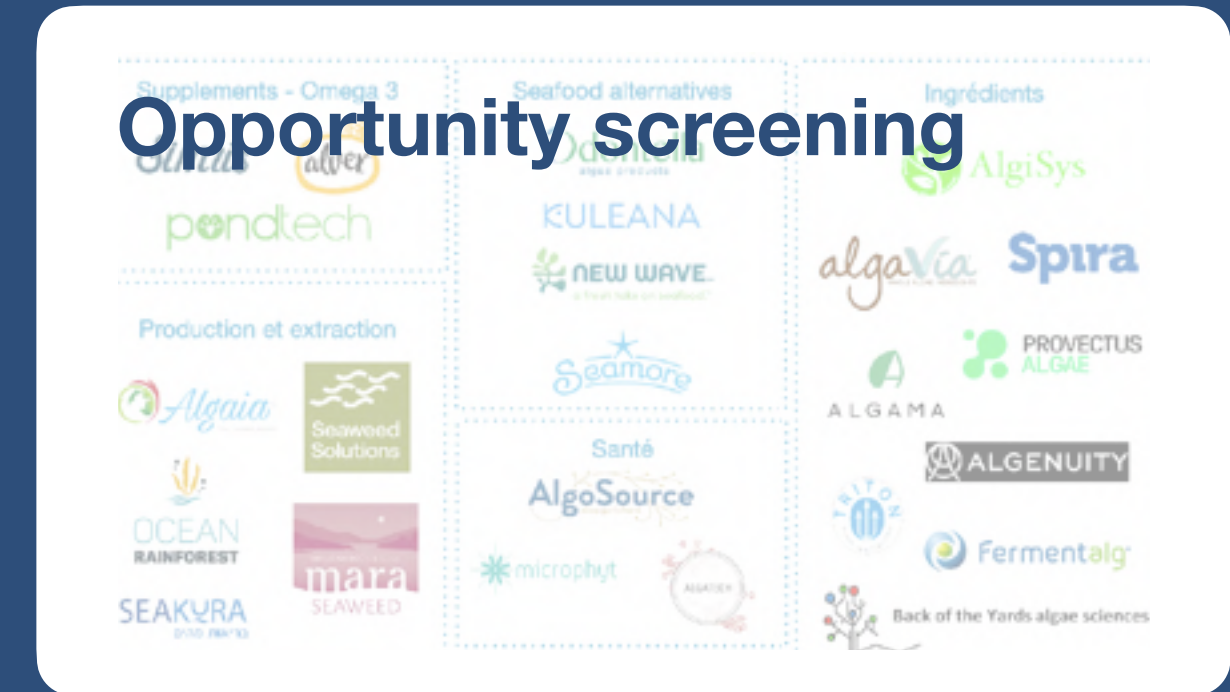
Mission for a CPG company looking to have a shared understanding of its future and a long-term strategy around alternative proteins

### What we did:

- 🏠 Opportunity screening: identification of the opportunities and challenges created by short and long-term innovation.
- 🏠 Definition of scenarios for the future of the main categories in which the company is active
- 🏠 A workshop to validate the opportunities based on our recommendations.
- 🏠 Deep dives on the most pressing opportunities and definition of a strategy to leverage them.
- 🏠 Identification of partners (startups, incubators, funds) to move forward.

### Results:

- 🏠 Creation of a consensus across the client board and executives on innovation priorities and how to address them.
- 🏠 Implementation of the recommended actions: partnerships and investments in startups.



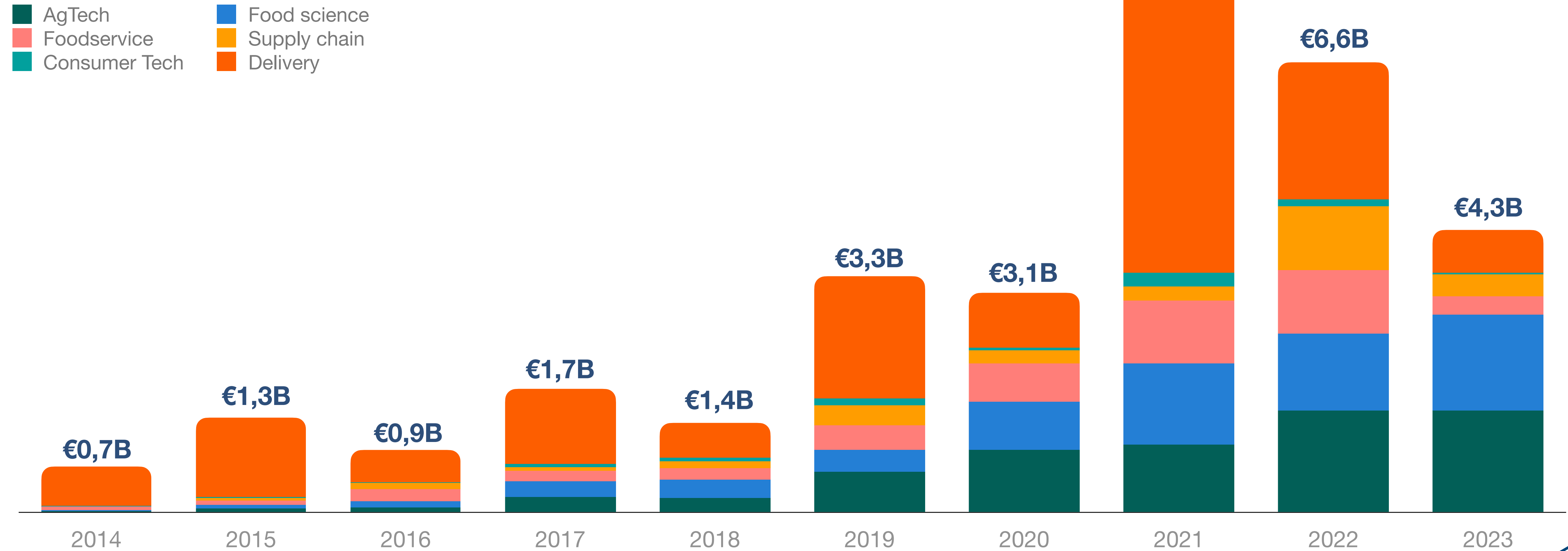
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## Distribution by categories and trends



# Excluding delivery, the European ecosystem is doing quite well

## Distribution of investments in European FoodTech



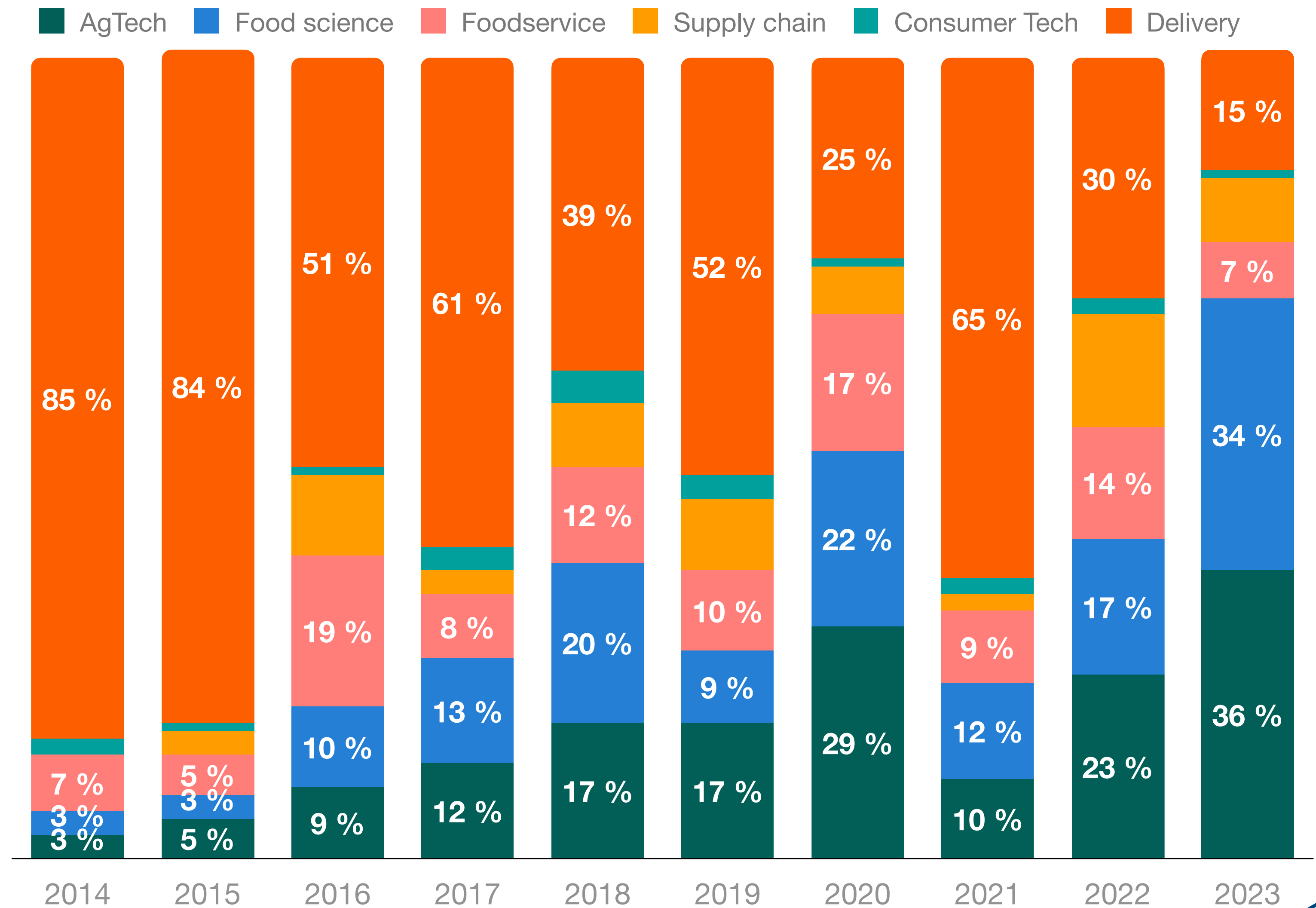
# FoodTech beyond delivery

Delivery, once synonymous with FoodTech in Europe, now accounts for only 15% of the investments and less than 10% of the number of deals.

AgTech and Food Science are now the leading categories in terms of investments and the number of deals.

If we use early-stage deals as an indicator, we could expect an increase in funding in these two categories, and more specifically in tech-oriented startups.

## Evolution of the distribution of investments



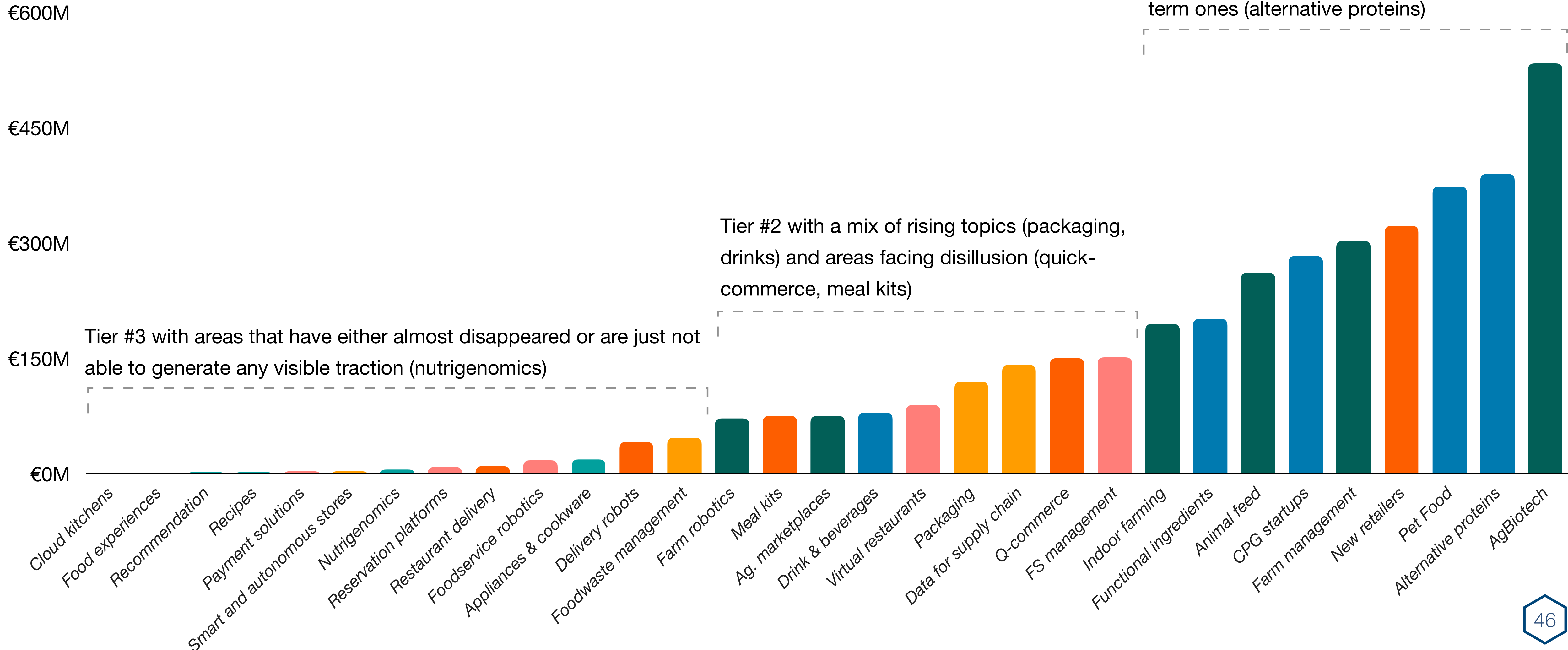
# Investments by sub-category

- Delivery
- AgTech
- Foodservice
- Food Science
- Consumer Tech
- Supply Chain

Tier #1 sub-categories with a mix of short-term topics (retail, CPG brands) and long-term ones (alternative proteins)

Tier #2 with a mix of rising topics (packaging, drinks) and areas facing disillusion (quick-commerce, meal kits)

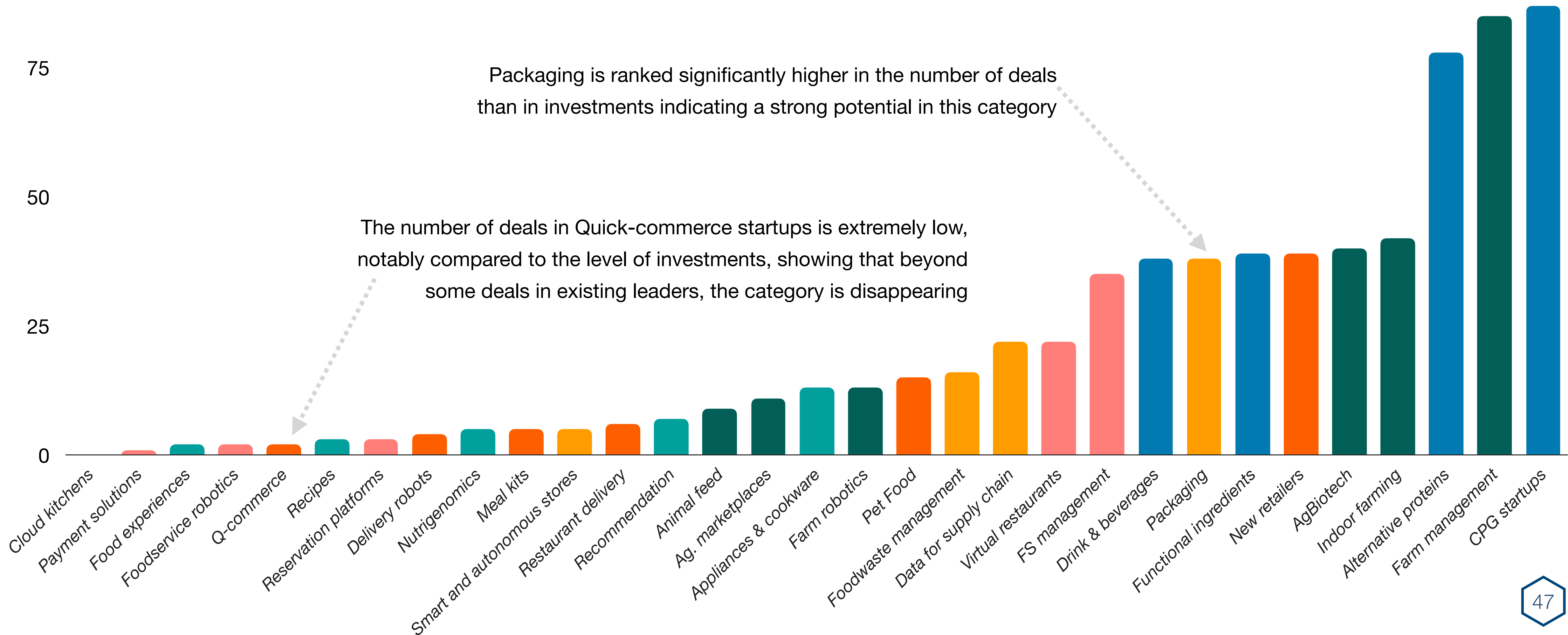
Tier #3 with areas that have either almost disappeared or are just not able to generate any visible traction (nutrigenomics)



# Number of deals by sub-category



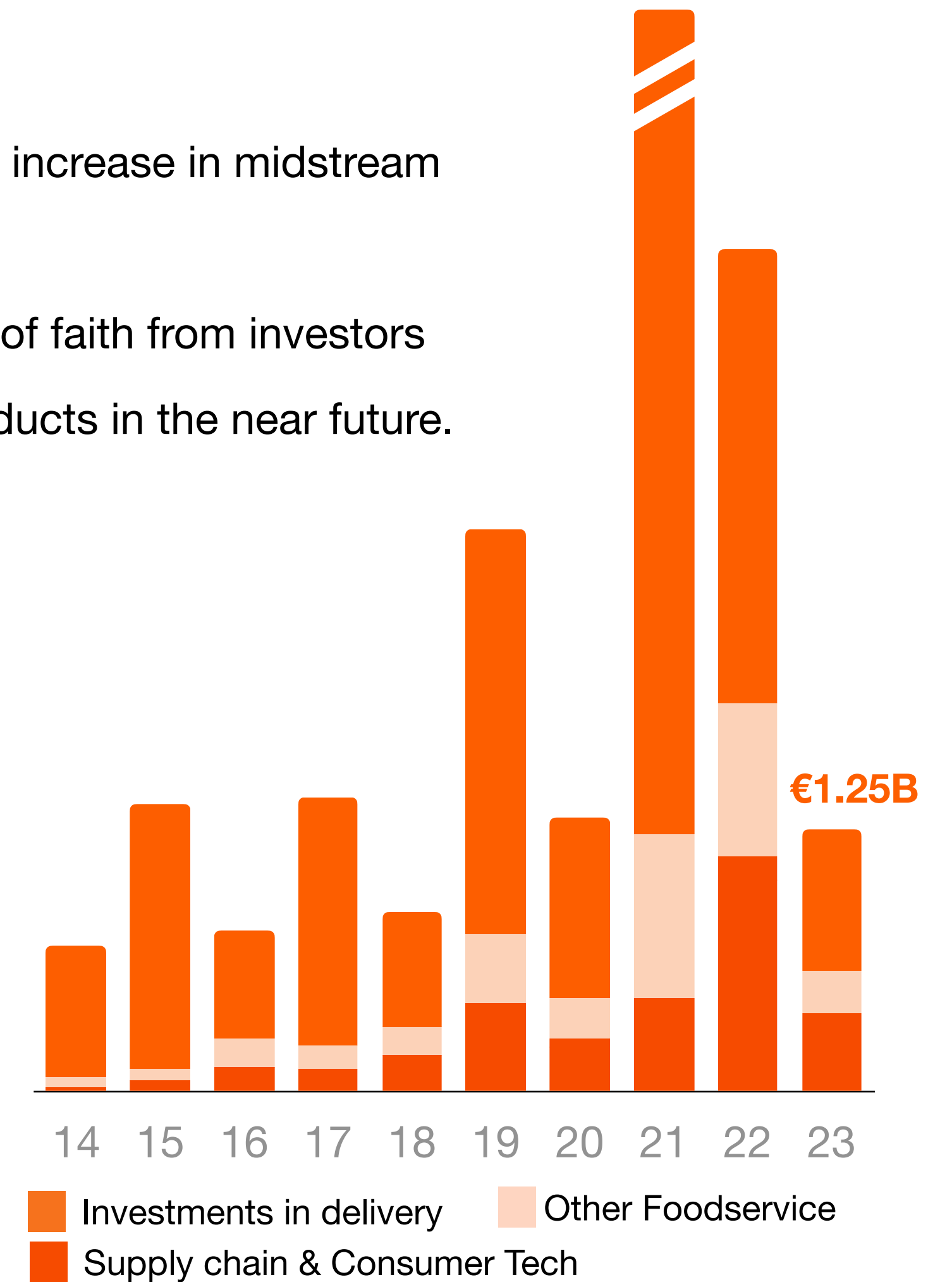
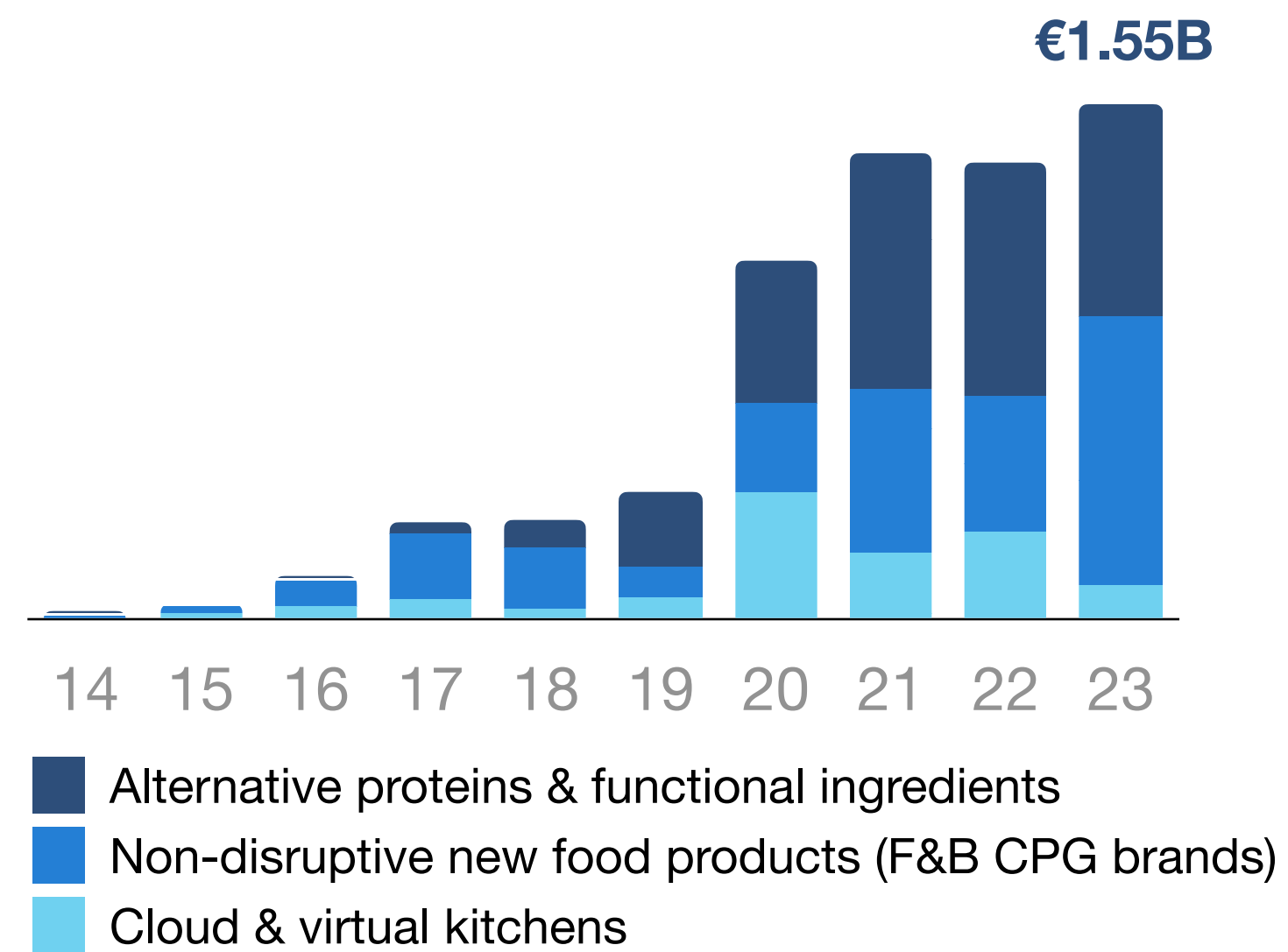
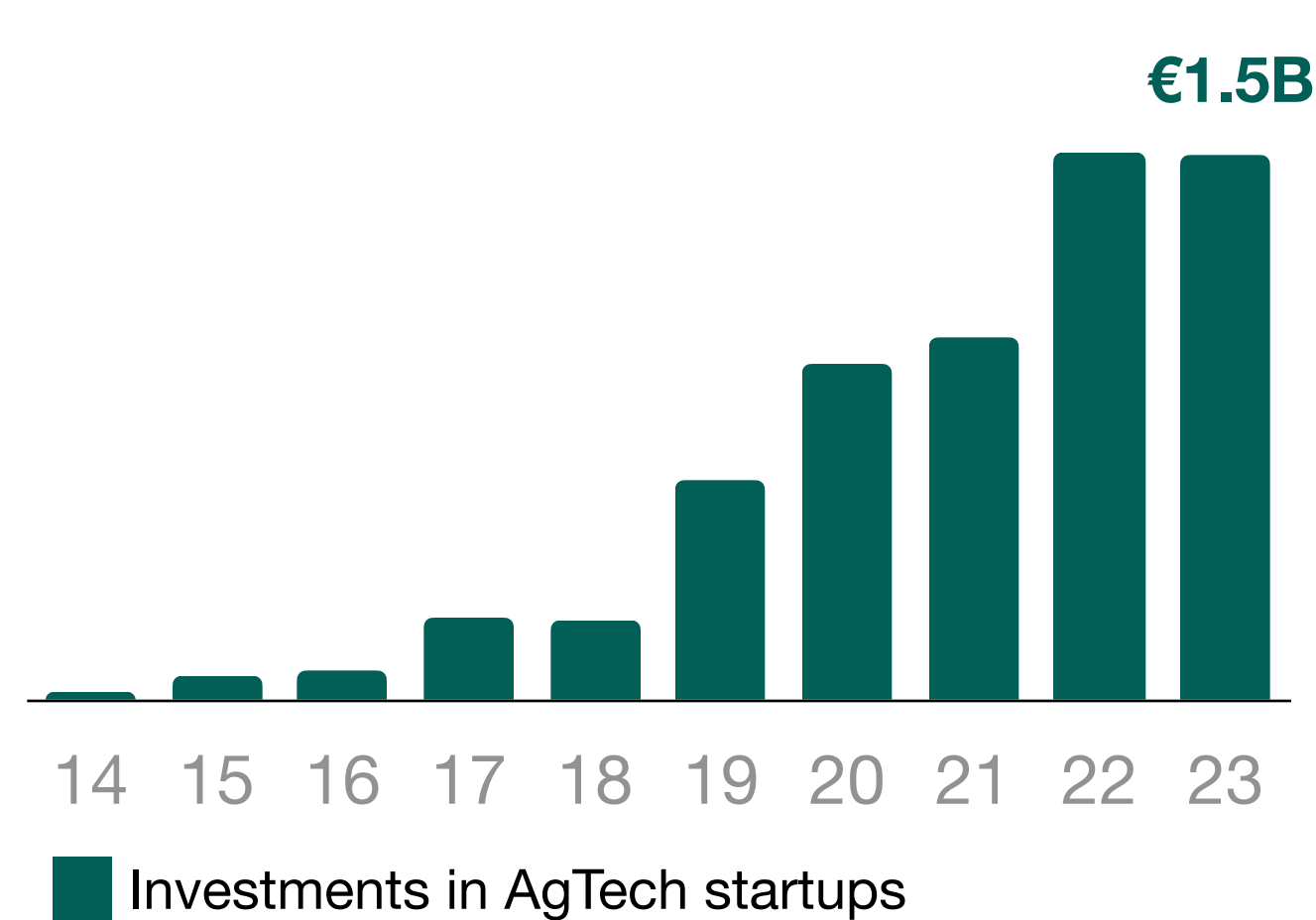
Compared with the previous graph, it provides an insight into the categories that are attracting a number of small deals, which could indicate a potential for growth.



# A rise in midstream investments

A growing appetite for combined, alternative proteins and functional ingredients helps to explain the increase in midstream investments. This is remarkable, as global investments in these categories are decreasing.

In the current context of inflation, this and the sustained level of investments in AgTech show a leap of faith from investors who are betting on consumers' willingness to pay a premium for healthier and more sustainable products in the near future.

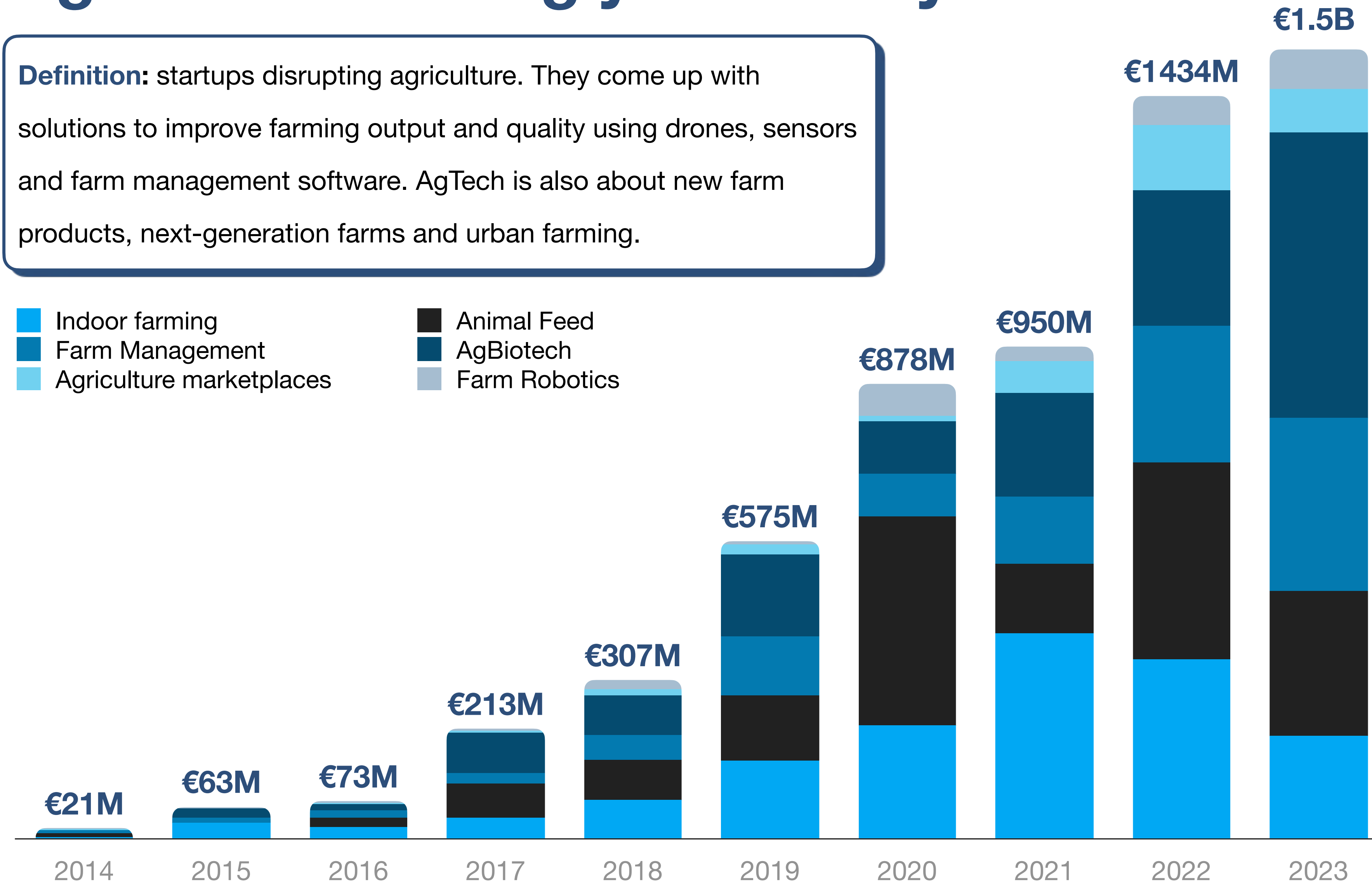




# AgTech: still rising year after year

**Definition:** startups disrupting agriculture. They come up with solutions to improve farming output and quality using drones, sensors and farm management software. AgTech is also about new farm products, next-generation farms and urban farming.

- Indoor farming
- Farm Management
- Agriculture marketplaces
- Animal Feed
- AgBiotech
- Farm Robotics



### Leaders & rising stars

- Farm Robotics
  - ecorobotix
  - nai Technologies
- Agriculture marketplaces
  - Agriconomie.com
  - ROOSER
  - Agreena
- AgBiotech
  - APHEA<sup>bio</sup>
  - moa
  - Tropic
- Farm Management
  - ORBEM
  - Sencrop
  - HECTARE
- Animal Feed
  - PROTIX
  - Ynsect
  - innova FEED
  - unibio
- Indoor farming
  - Source
  - grow4p
  - IGS

# AgTech: geographic distribution

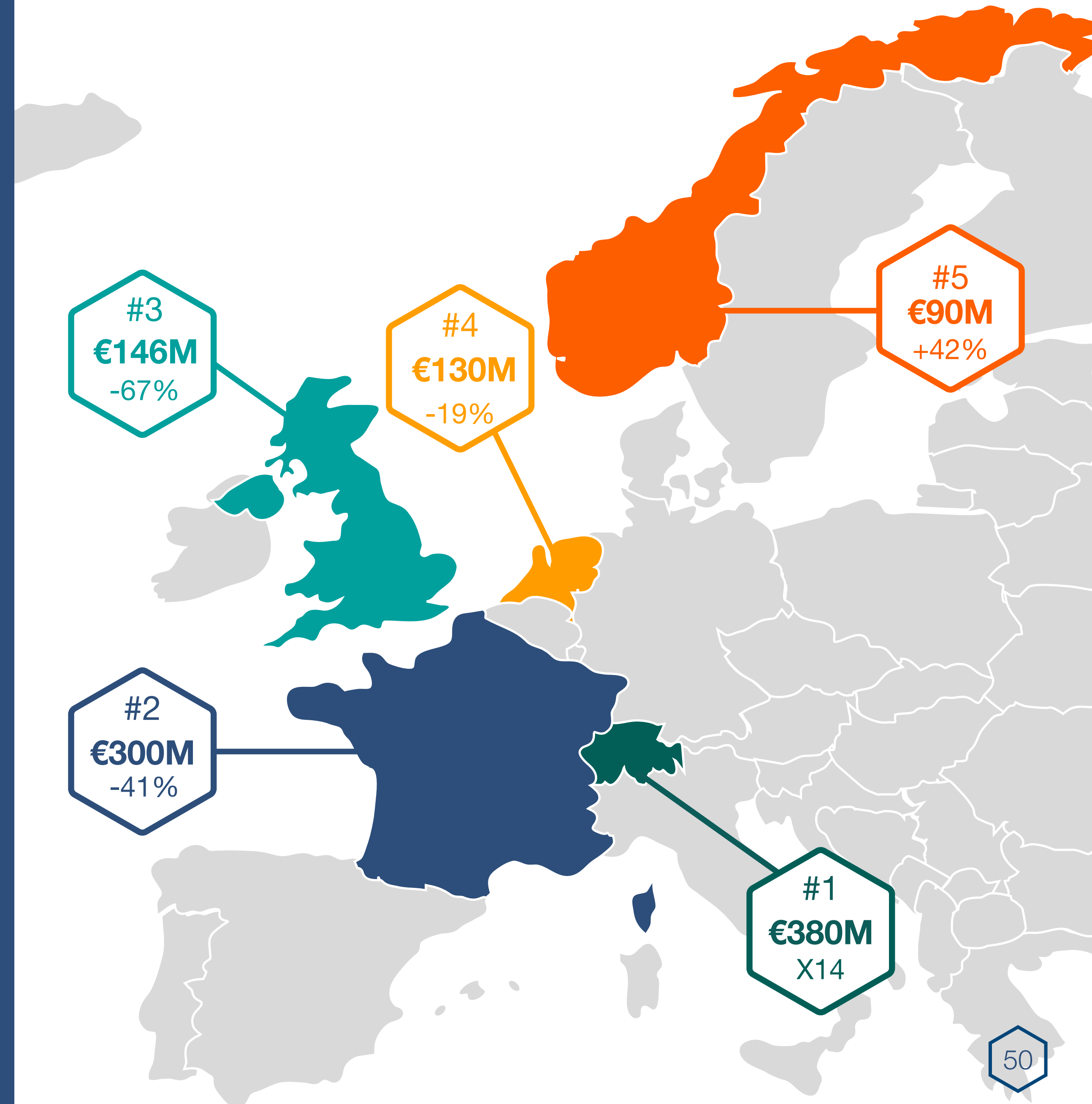
- Even if we exclude the very large deal (see next page) in Atlas Agro, the AgTech ecosystem did particularly well in 2023 (compared to the rest of the ecosystem).
- France and Britain are by far the leaders of this ecosystem if we look at the data over a decade.

95%

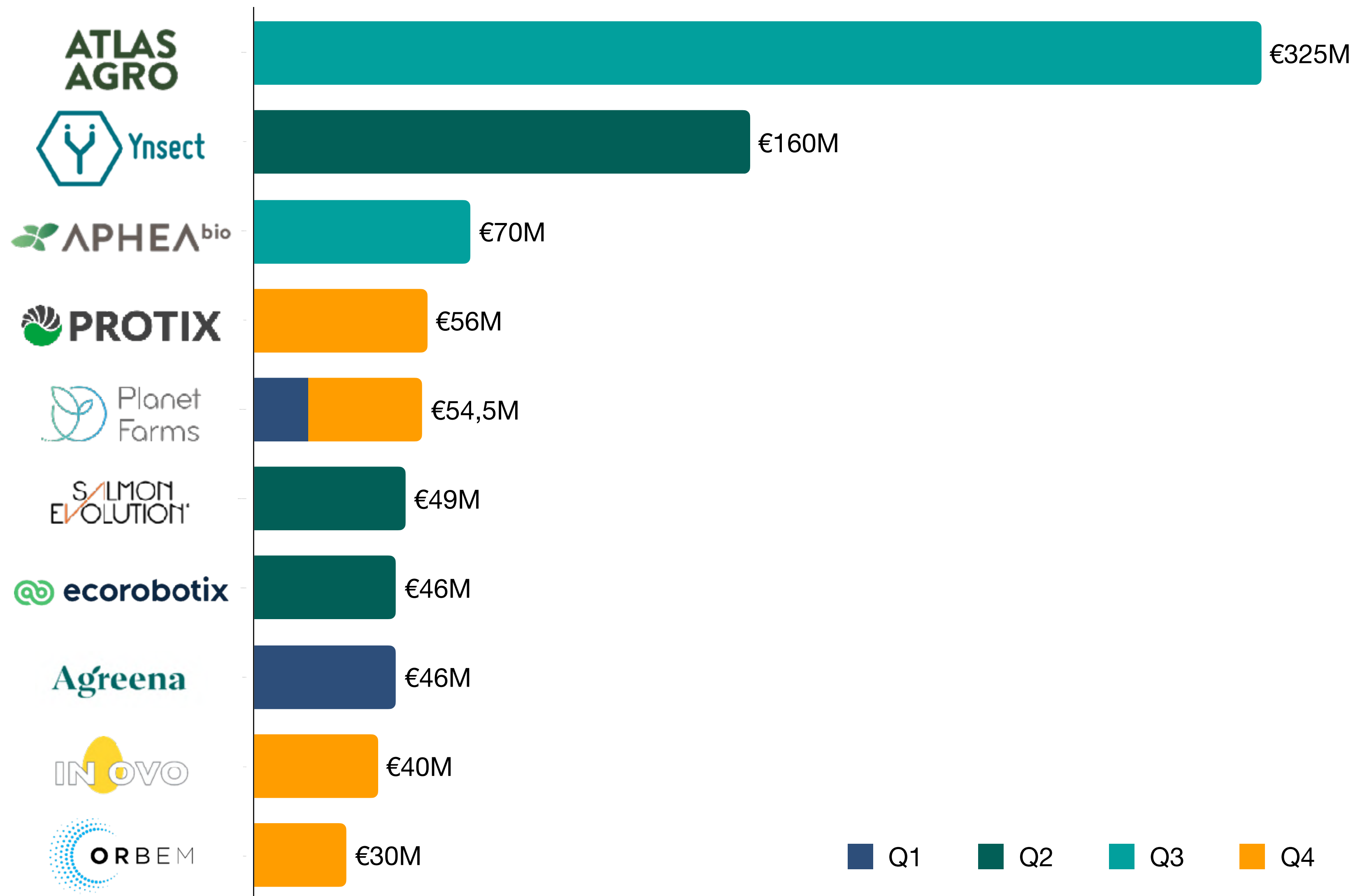
Share of AgTech funding in the top 10 countries (81% of the deals)



Both investments and the number of deals reached their highest levels ever.



# Top AgTech deals 2023

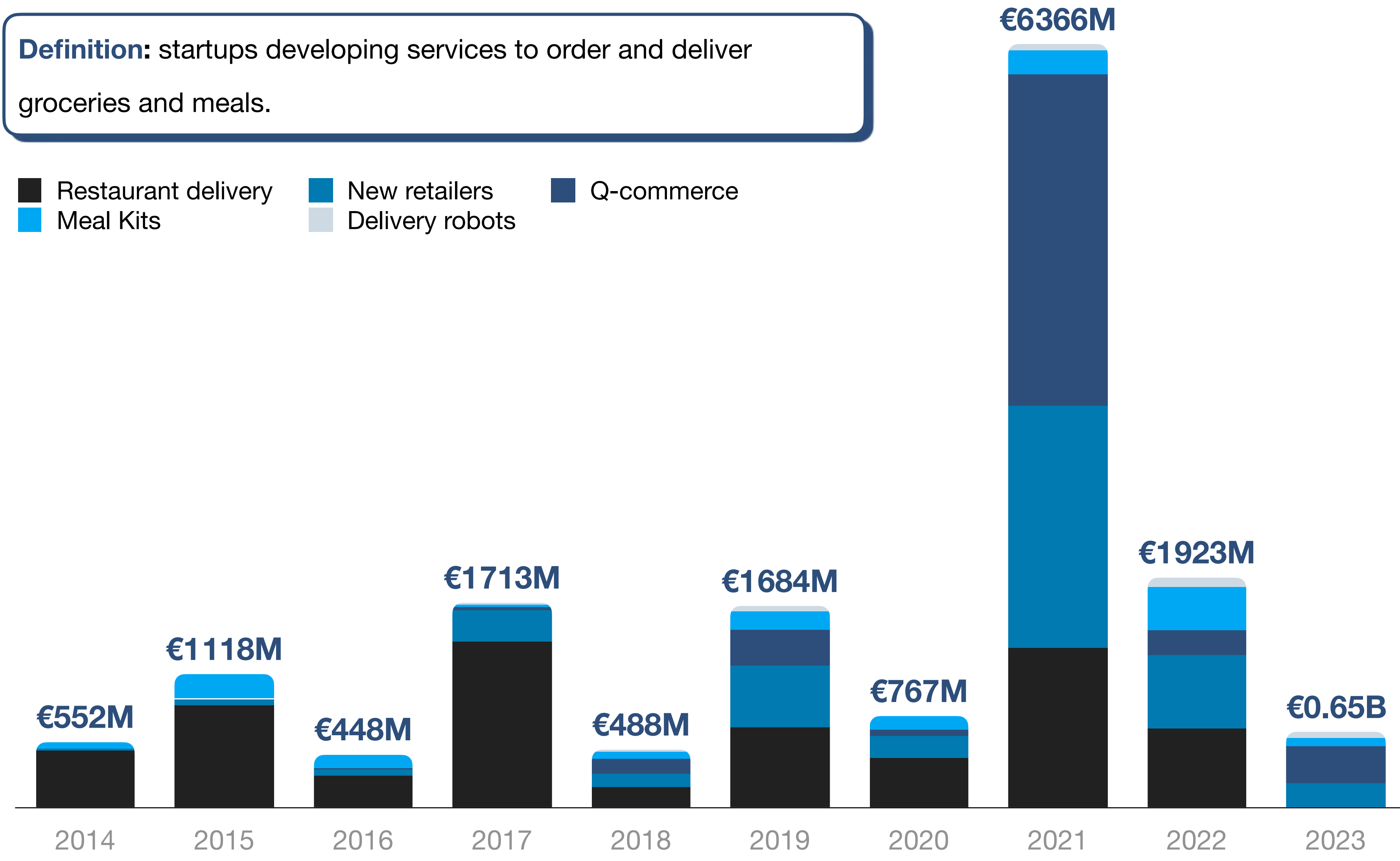


- Large deals happened all over the year and even increased in the second half of 2023.
- Indoor farming startups are raising less money. However, this is mostly due to a transition from raising money to create farms to raising much less cash to develop technologies that others will use in their indoor farms. There is a notable exception to that in Italy, with startups rising there to expand their farms.
- All other categories are performing quite well. They all benefit from a push towards sustainability and the need for large food companies to reach their climate neutrality pledges.

# Delivery: still a lot of activity in new retailers

**Definition:** startups developing services to order and deliver groceries and meals.

- Restaurant delivery
- New retailers
- Q-commerce
- Meal Kits
- Delivery robots



### Leaders & rising stars

**New retailers**

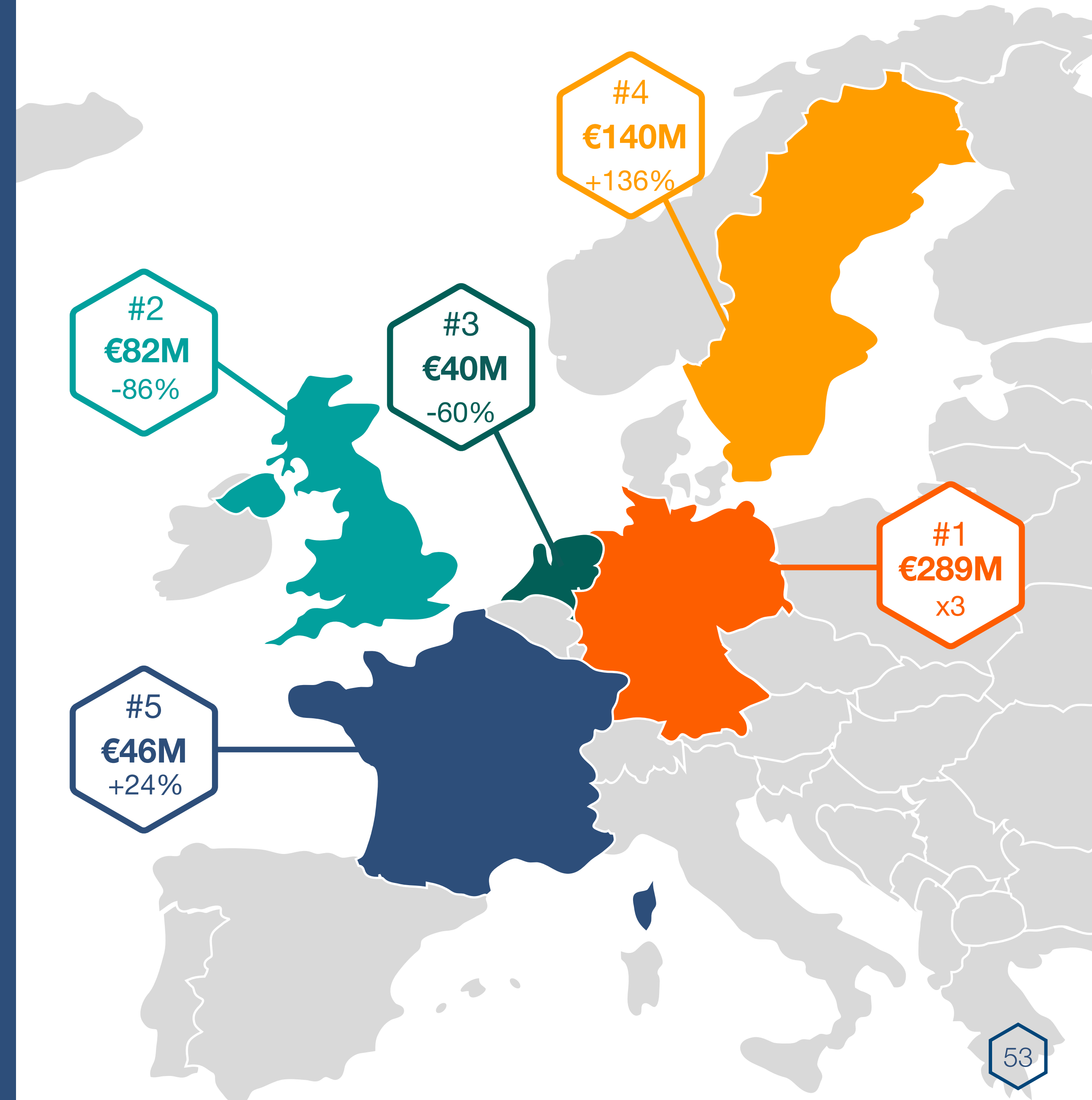
**Q-commerce**

**Meal kits**

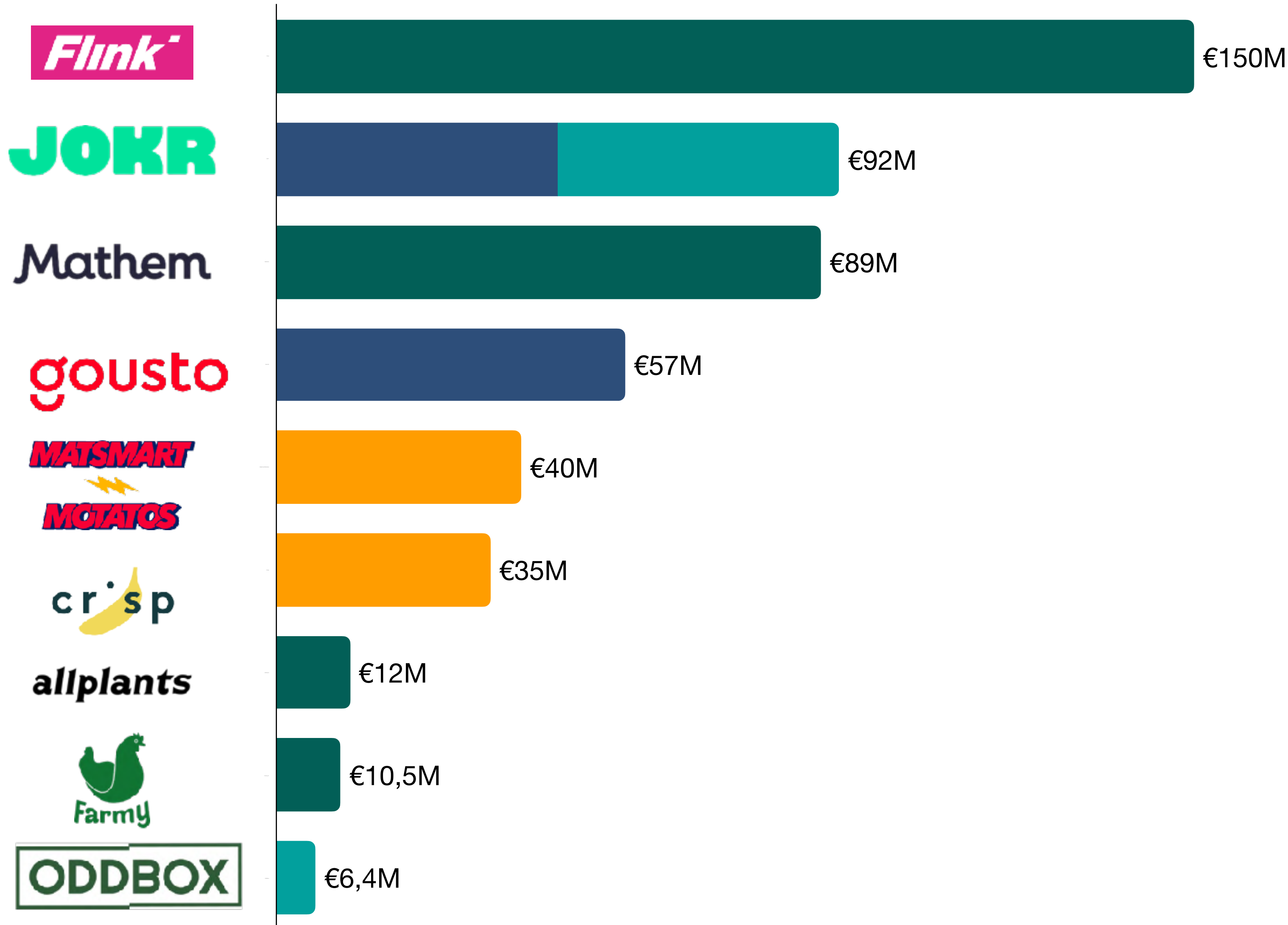
**Delivery robots**

# Delivery: geographic distribution

- Germany still leads with strong funding for delivery with a couple of quick-commerce deals.
- Norway, Estonia, the Czech Republic, and Spain would have been leaders due to large investments in a single startup for reach. It shows that beyond the data itself, it is important to understand if an ecosystem has any depth.
- While only in the fifth position, it is a surprise to see France on this map. Traditionally, the French ecosystem was quite averse to delivery startups (seen as requiring too much cash for an uncertain return). The emergence of an almost bootstrapped ecosystem (in comparison to other categories and countries) in grocery delivery shows that we are far from the end of an innovation cycle in delivery.



# Delivery: top deals 2023



⦿ The most obvious way to understand the decline of investments in delivery startups is to consider the opposite chart: none of these deals would have appeared in the top 10 deals of 2021, and the last one would have appeared in the 50th position.

⦿ However, delivery is not « dead » as a category. Instead, we observe a double movement:

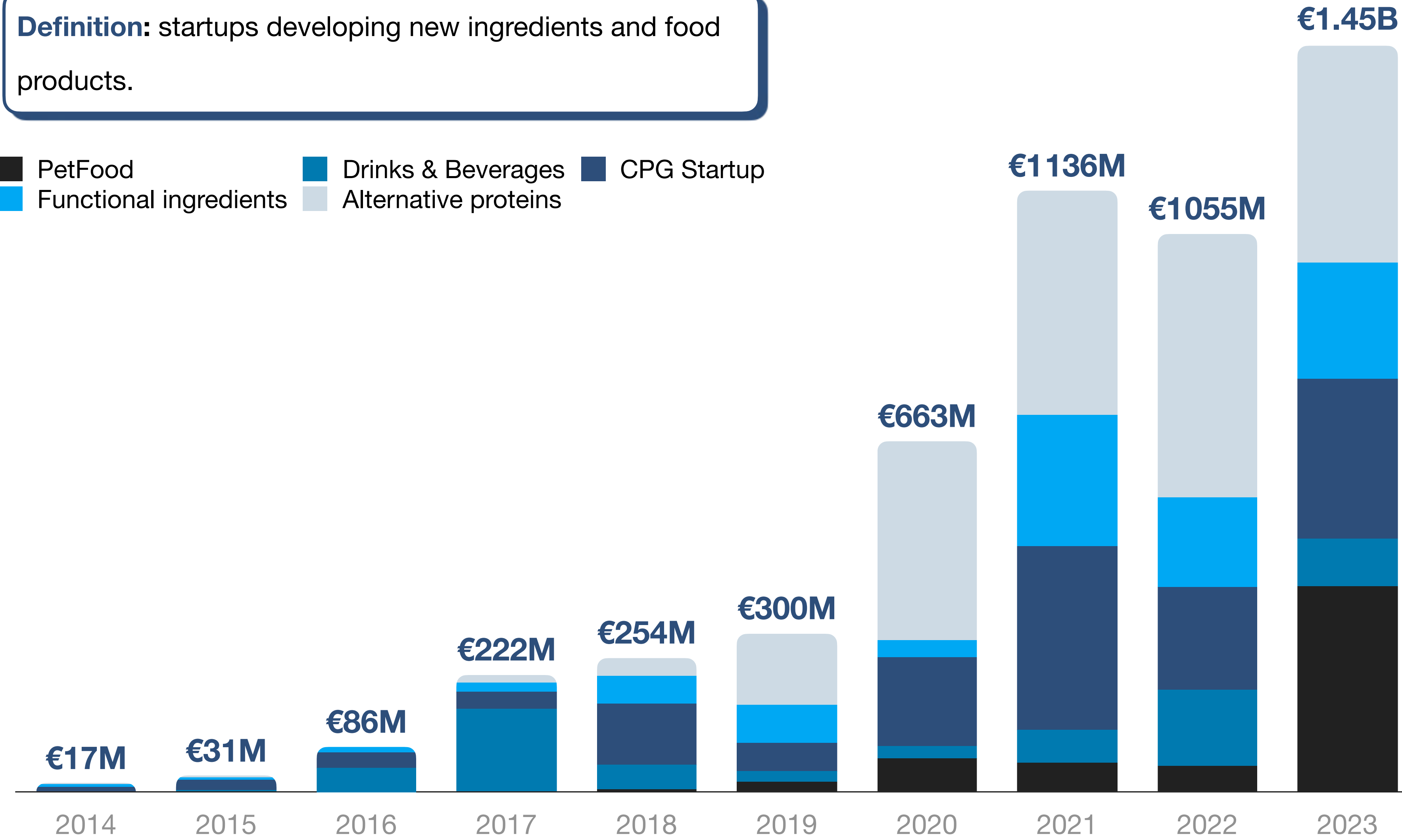
⦿ A rationalisation where companies with the weakest business models are disappearing or get acquired

⦿ A new wave of innovation with new business models either focuses on creating communities (notably through subscriptions) or addressing sustainability issues.

# Food Science

**Definition:** startups developing new ingredients and food products.

- PetFood
- Drinks & Beverages
- CPG Startup
- Functional ingredients
- Alternative proteins

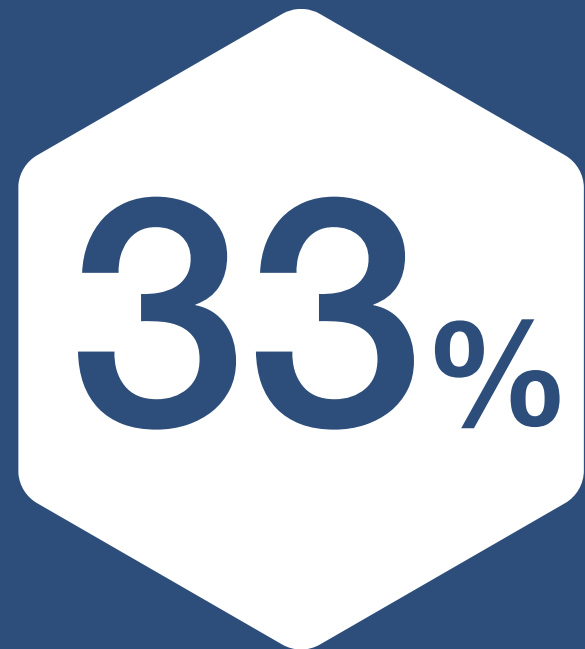


**Future of food - leaders & rising stars**

**D2C brands - leaders & rising stars**

# Food Science: geographic distribution

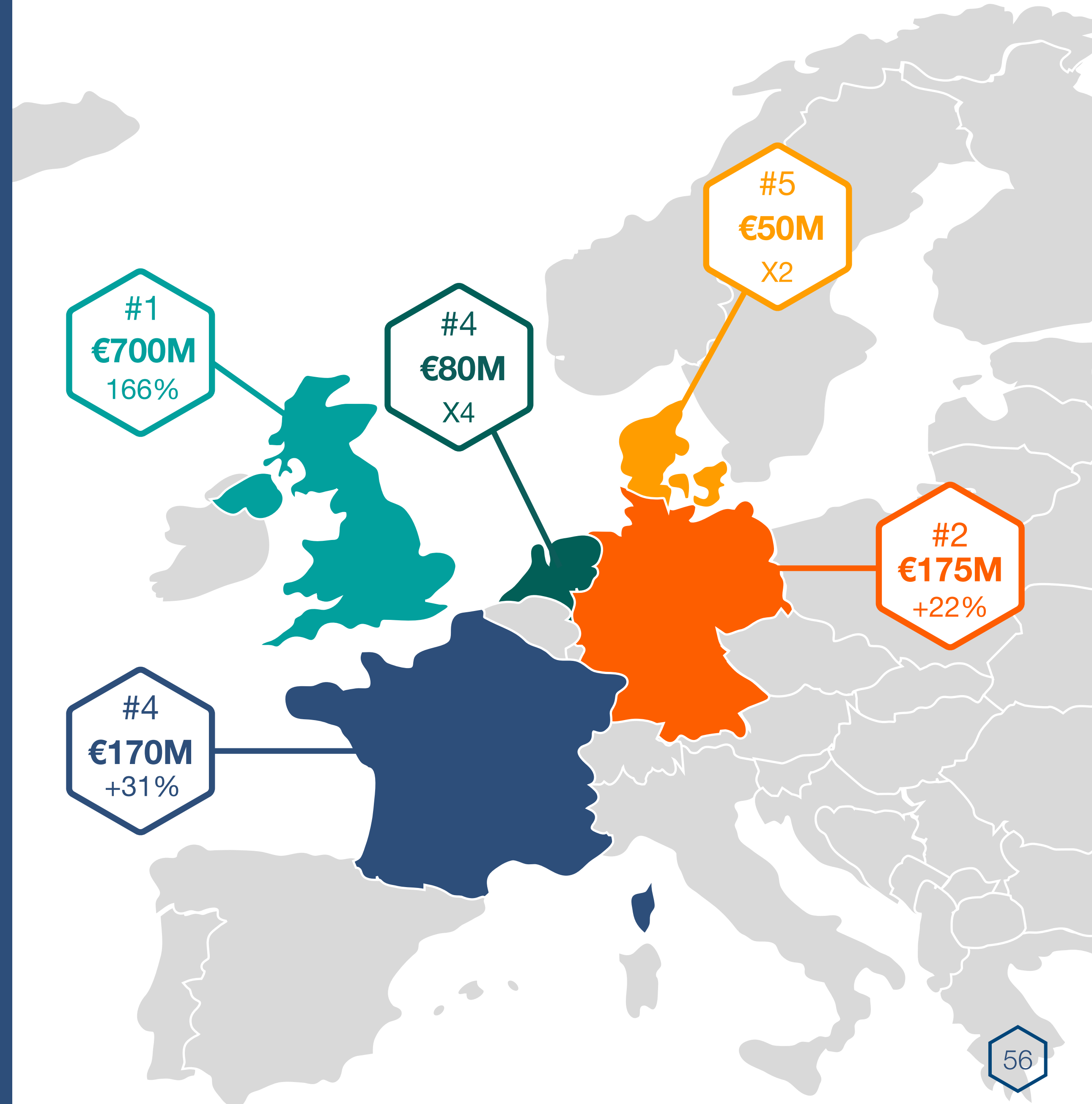
- Once a laggard in investment in « future foods » and innovative brands, Europe is now leading in many categories.
- This is notably helped by the numerous national programs supporting research projects and infrastructure investments (such as those in Denmark or the UK). The only cloud in the sky is regulation, which is moving slower than in other continents.



Of the deals and 34% of the investments in Food Science went to British startups



The three leading countries (UK, Germany, France) absolutely dominate this category with their larger markets

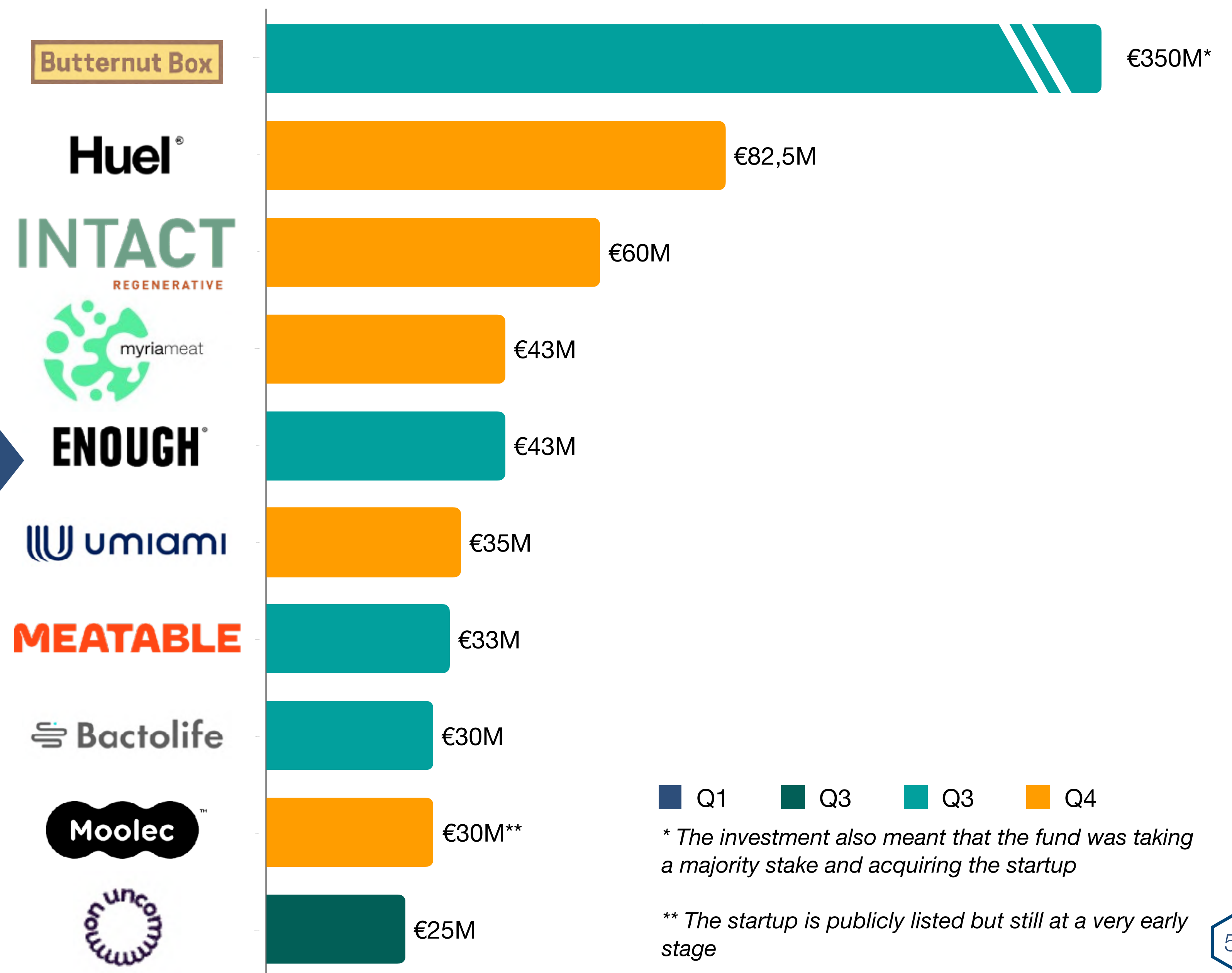




# Food Science: top deals 2023

As shown on the opposite graph, investments mostly happened in the second part of the year. It seems that in the first months of 2023, there was a wave of doubts about the potential of alternative proteins that was resolved by the decrease in inflation.

We observe a diversity of types of startups, from brands (Huel, meal replacement) to various technologies related to alternative proteins (Moolec, Umiami, Meatable) and new ingredients (Bactolife).



■ Q1 ■ Q3 ■ Q3 ■ Q4

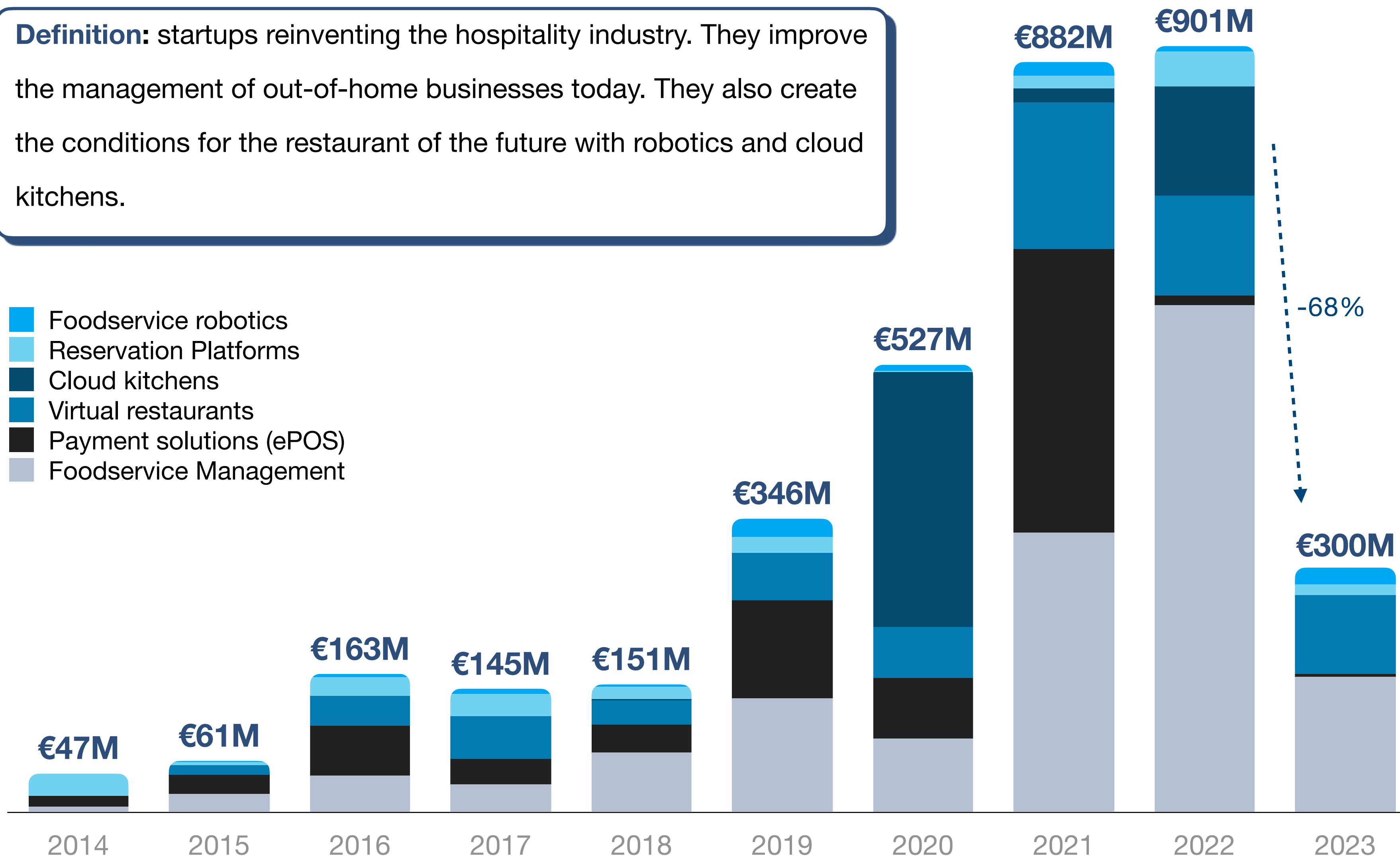
\* The investment also meant that the fund was taking a majority stake and acquiring the startup

\*\* The startup is publicly listed but still at a very early stage

# Foodservice: the great decline in B2B marketplaces

**Definition:** startups reinventing the hospitality industry. They improve the management of out-of-home businesses today. They also create the conditions for the restaurant of the future with robotics and cloud kitchens.

- Foodservice robotics
- Reservation Platforms
- Cloud kitchens
- Virtual restaurants
- Payment solutions (ePOS)
- Foodservice Management



**Leaders & rising stars**

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Foodservice Management

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Virtual restaurants

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Foodservice robotics

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Cloud kitchens

# Foodservice: geographic distribution

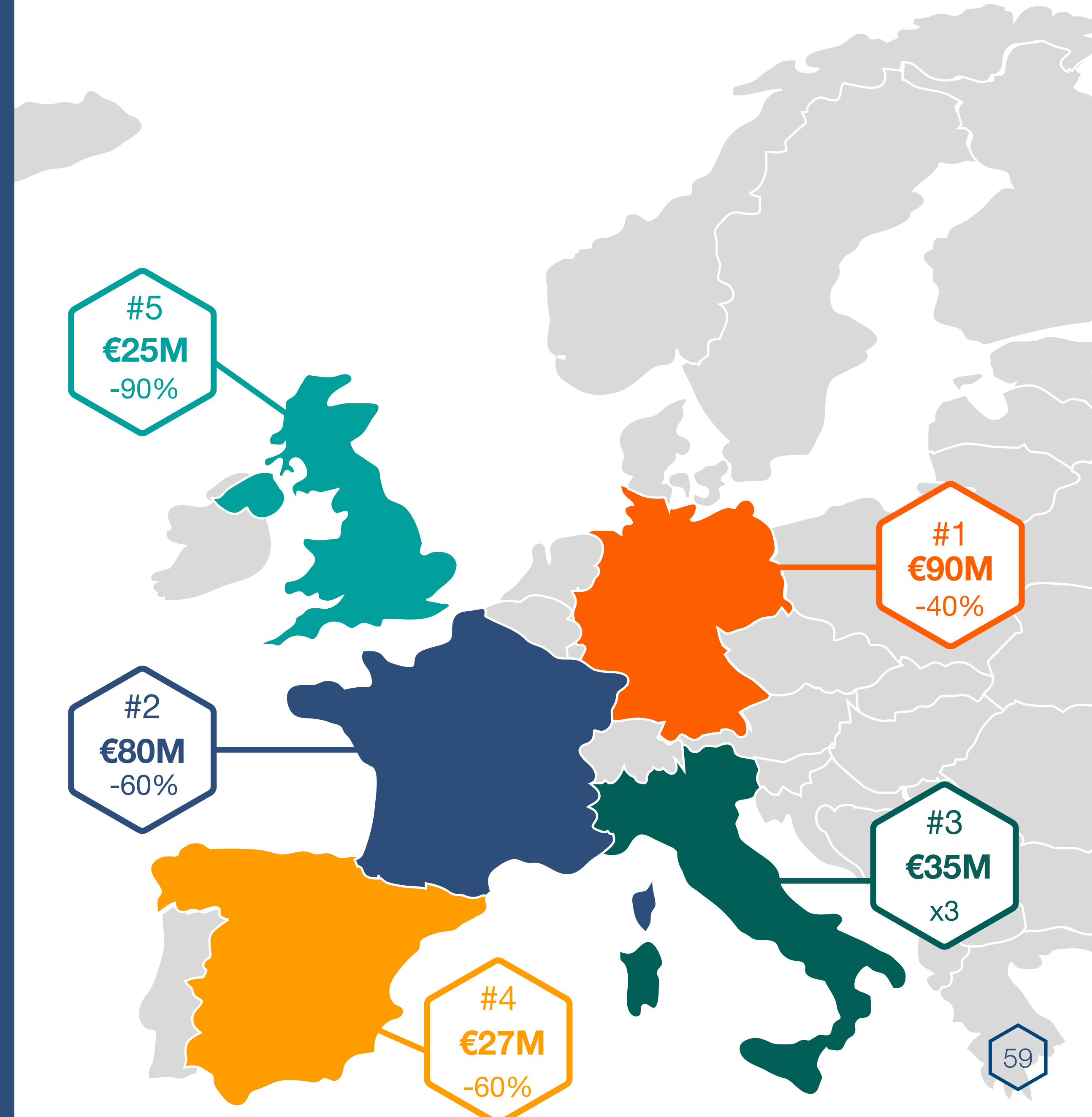
- Investments declined in all sub-categories except robotics, which translates into a rise in the number of acquisitions (between startups and larger companies). The decrease in funding can be explained by the current inflation and a refocus from restaurant owners on solutions that provide them with measurable value.
- Investments in cloud kitchens (the locations to host virtual restaurants) and payment solutions for restaurants have almost disappeared.

**-56%**

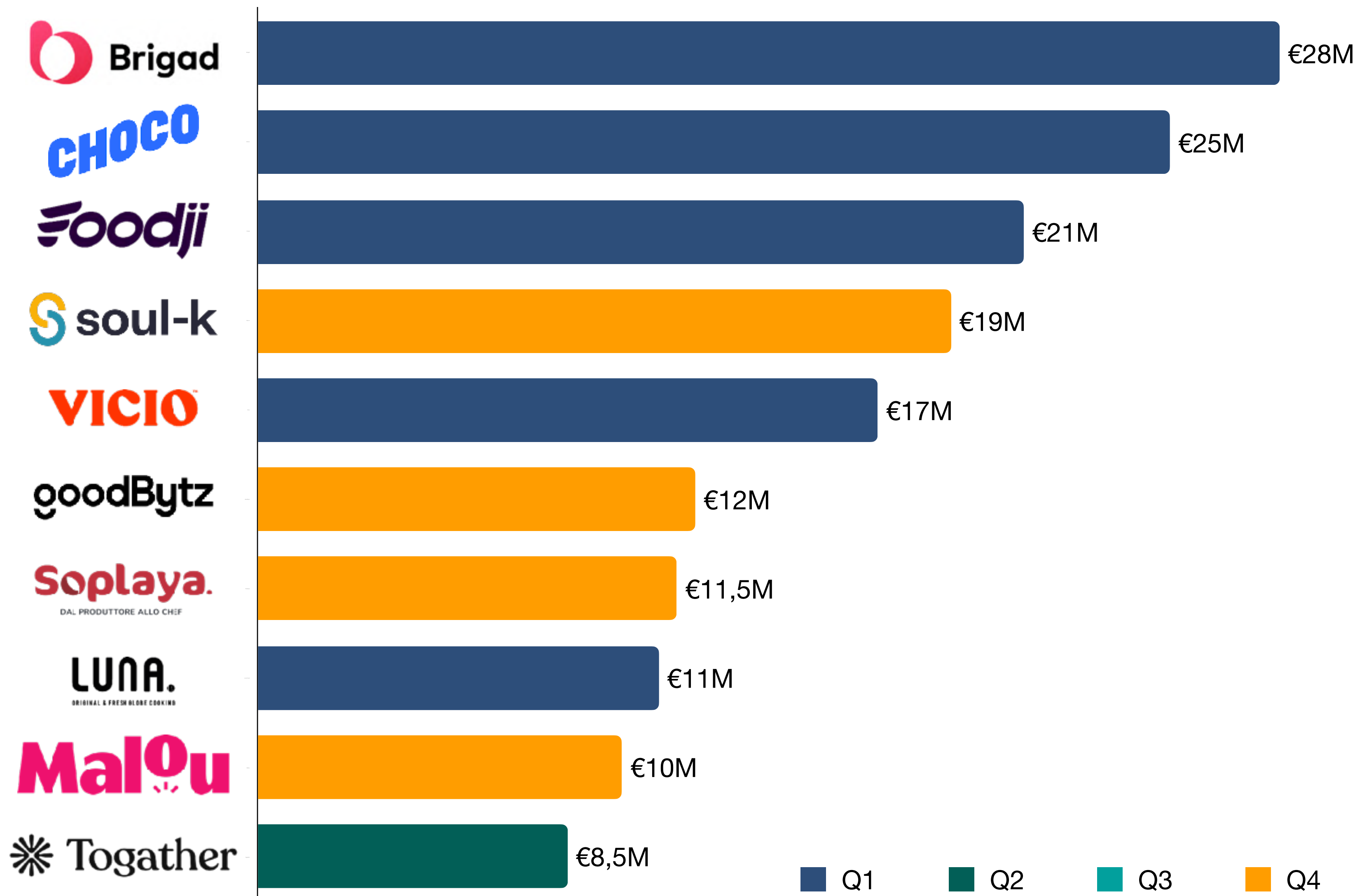
Decrease of above 56% in the number of deals compared to 2021



The opposite picture shows the strength of the decrease in this ecosystem



# Top foodservice deals 2023



Deals decline in number and size. Choco, which had twice raised than €100M in 2021 and 2022, raised « only » €25M in early 2023.

There is still a vibrant European ecosystem of startups focused on B2B marketplaces (digitising the relationship between restaurants and their suppliers). However, even if some of these platforms are developing a profitable business model, their growth potential is not as strong as it was initially anticipated.

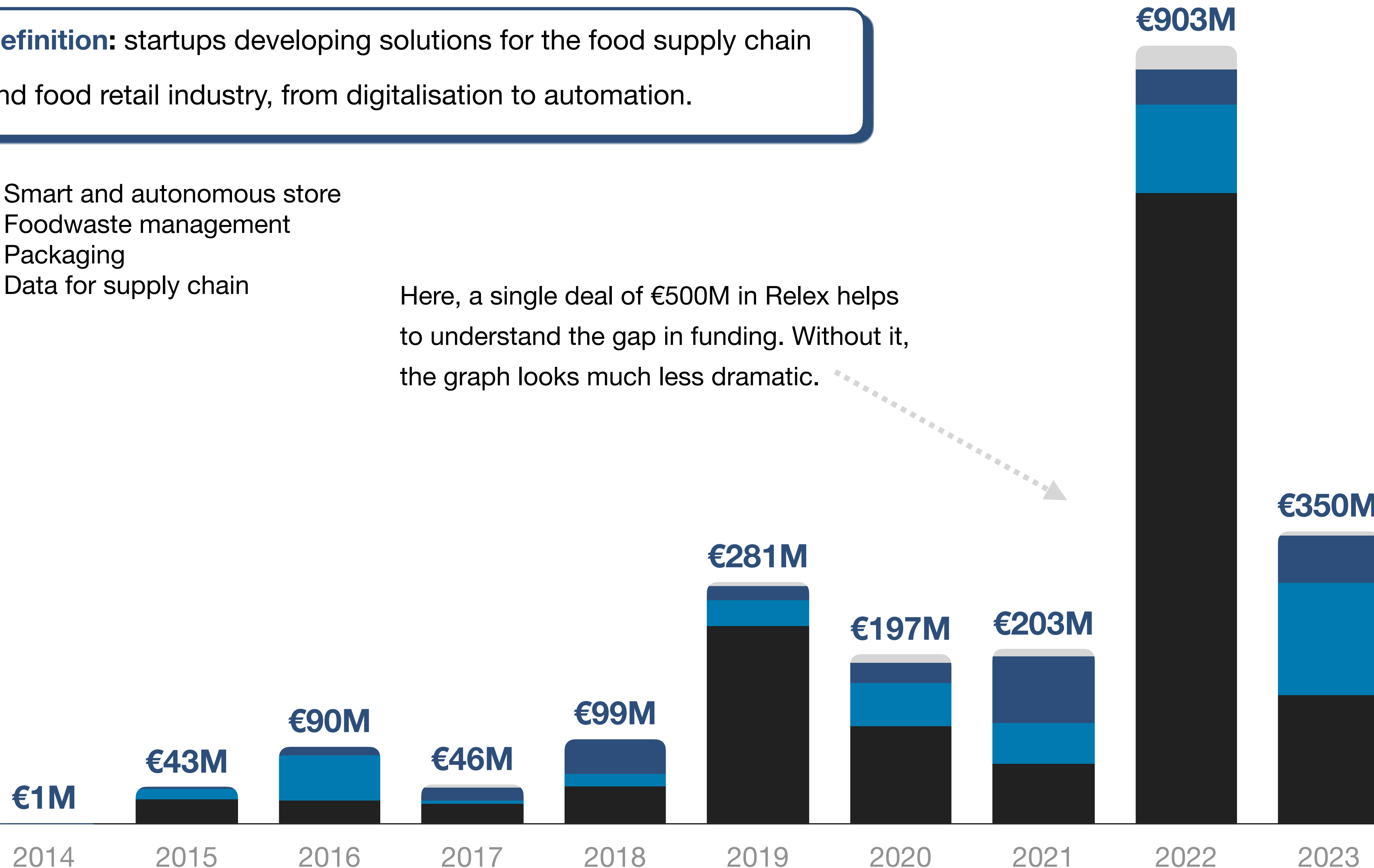
Foodservice robotics are reinventing themselves, and some of the startups have products that are now ready to scale.

# Supply chain: a category that still deserves more attention

**Definition:** startups developing solutions for the food supply chain and food retail industry, from digitalisation to automation.

- Smart and autonomous store
- Foodwaste management
- Packaging
- Data for supply chain

Here, a single deal of €500M in Relex helps to understand the gap in funding. Without it, the graph looks much less dramatic.



## Leaders & rising stars

### Foodwaste management



### Packaging

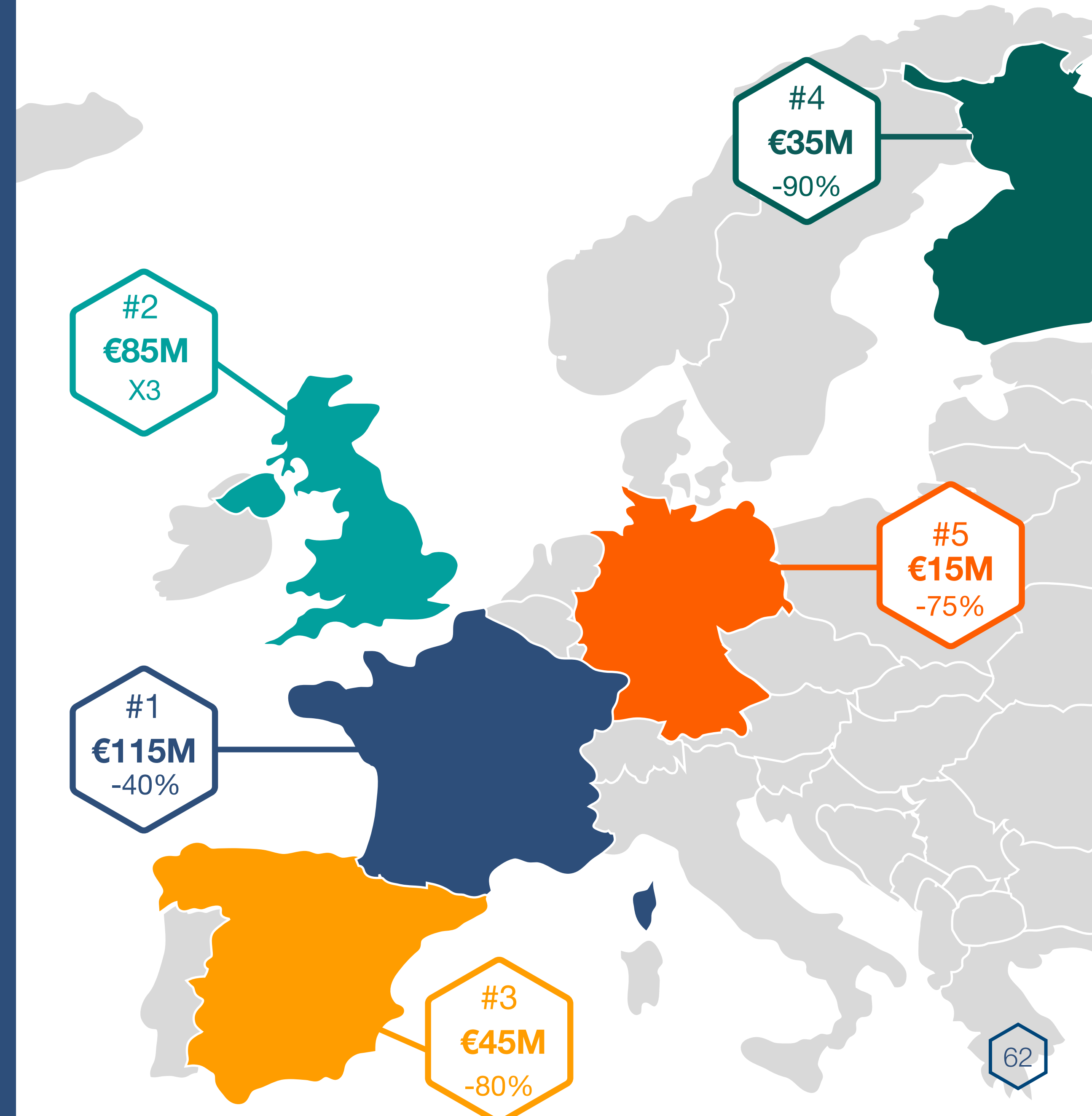


### Data for supply chain



# Foodservice: geographic distribution

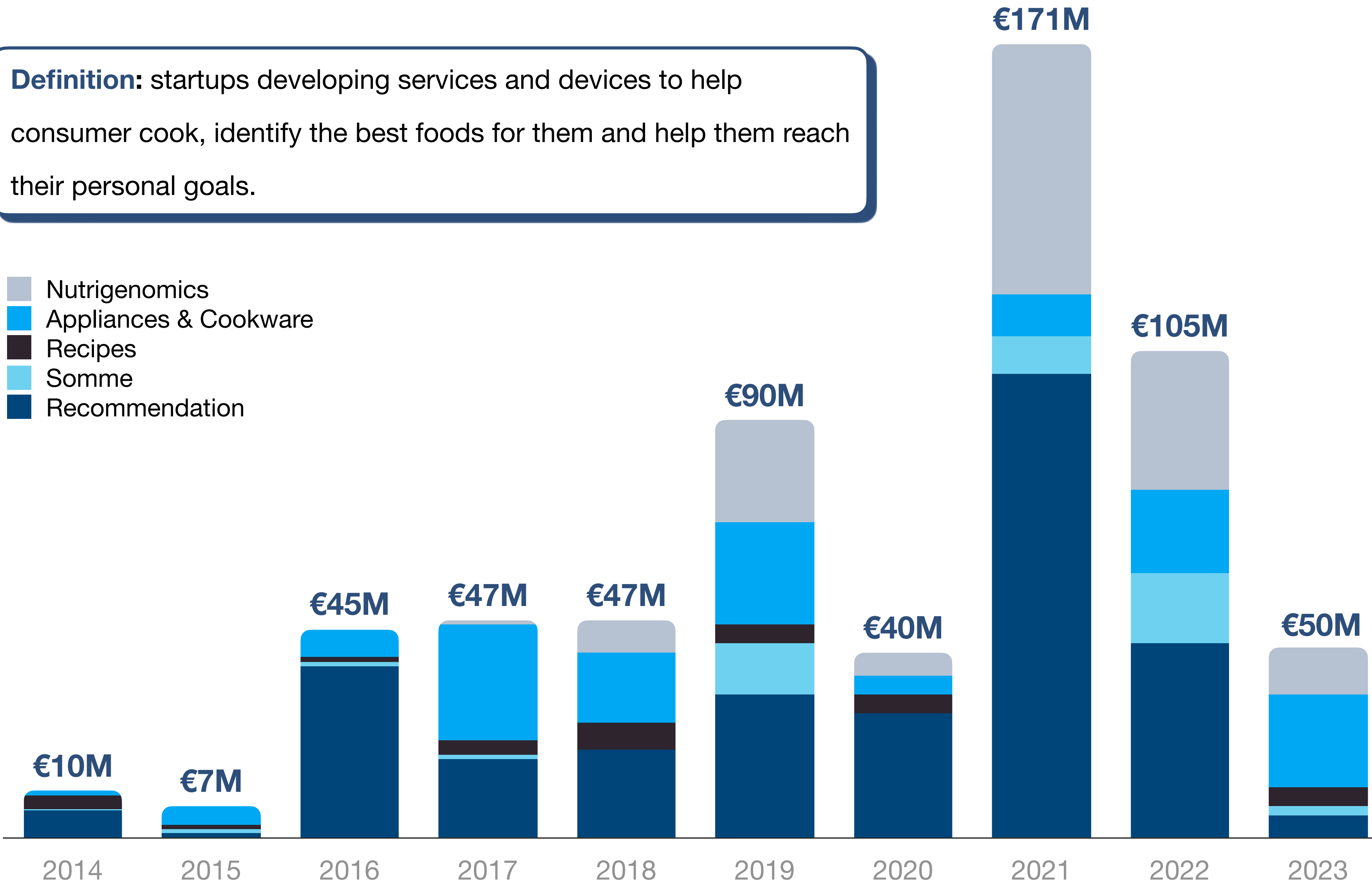
- Investments decreased by more than 61% between 2022 and 2023. In the meantime, however, the number of deals grew by 27%, notably in packaging.
- As shown on the opposite map, as the level of investments remains small, one or two deals can change the ranking.
- Combined, the French and British ecosystems account for half of the total number of deals.
- Beyond the decline in funding, multiple areas are attracting investors: packaging (even Europe's biomaterials ecosystems are not the strongest), anti-foodwaste solutions, and data services, which provide more transparency along the supply chain.



# Consumer Tech

**Definition:** startups developing services and devices to help consumer cook, identify the best foods for them and help them reach their personal goals.

- Nutrigenomics
- Appliances & Cookware
- Recipes
- Somme
- Recommendation



## Leaders & rising stars

Weight-loss



Supplements



Recommendations & recipes



Nutrigenomics





# Digitalfoodlab use case

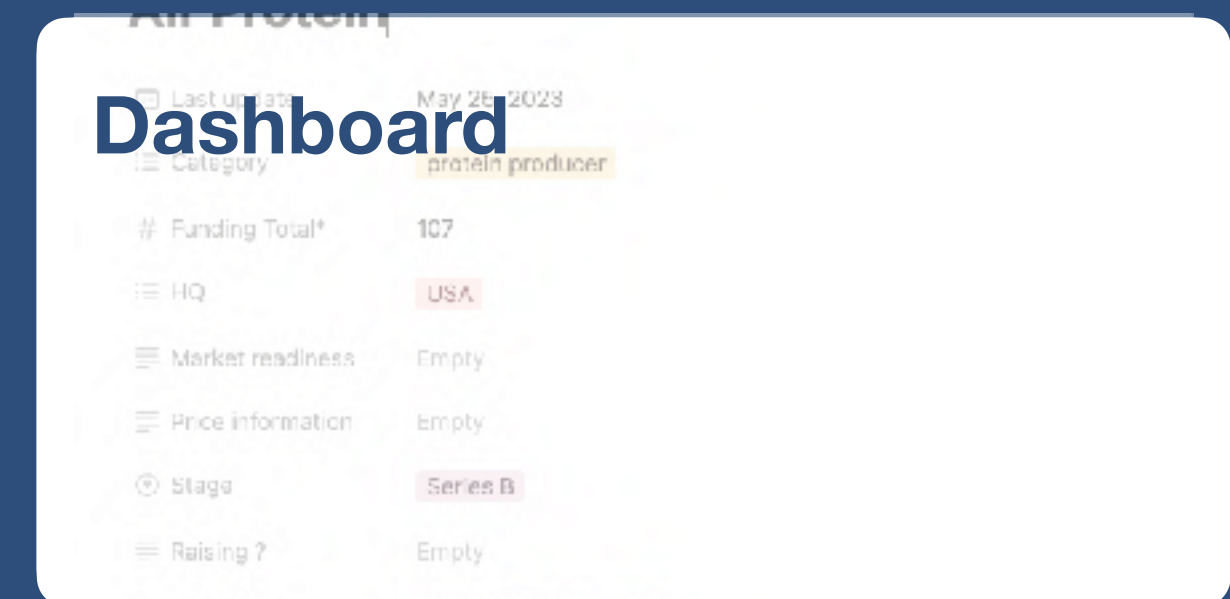
## FoodTech Watch

Mission for a leading ingredient company which was looking to have a watch on disruptive innovation and a way to track opportunities.

### What we did:

- We set up a fully personalised watch with a monthly letter covering:
  - Startups raising funds
  - Regulation evolution
  - Partnerships with leading companies (or relevant news from these companies)
- We had a layer of analysis related to what this could mean for the client.
- We organise two workshops per year with the client's open innovation team to discuss the opportunities created.
- Creation of an editable dashboard to review the news related to all the mentioned companies.

**Results:** reduction of the noise around innovation, shared understanding about what is happening and which areas should be prioritised.







Investment activity,  
IPOs & **acquisitions**



**DigitalFoodLab**

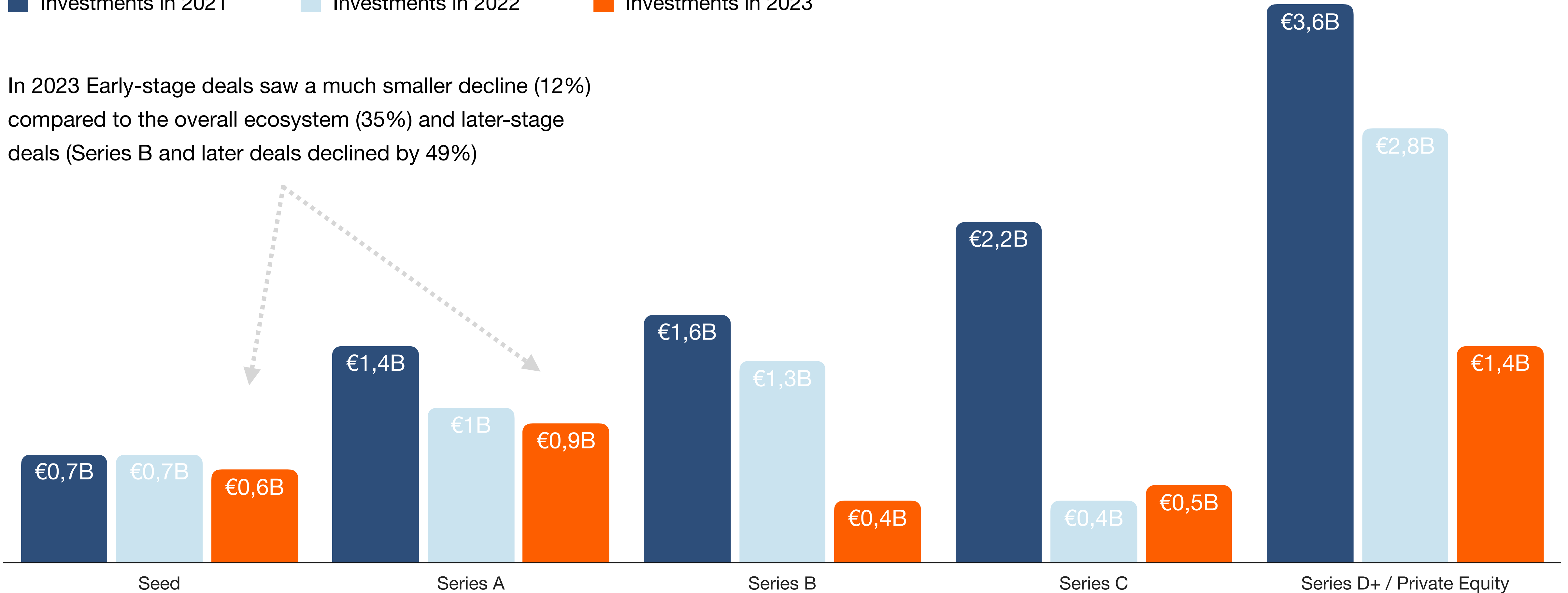
BE PART OF THE FUTURE

# A decrease much more visible in later stages

## Distribution of investments across stages

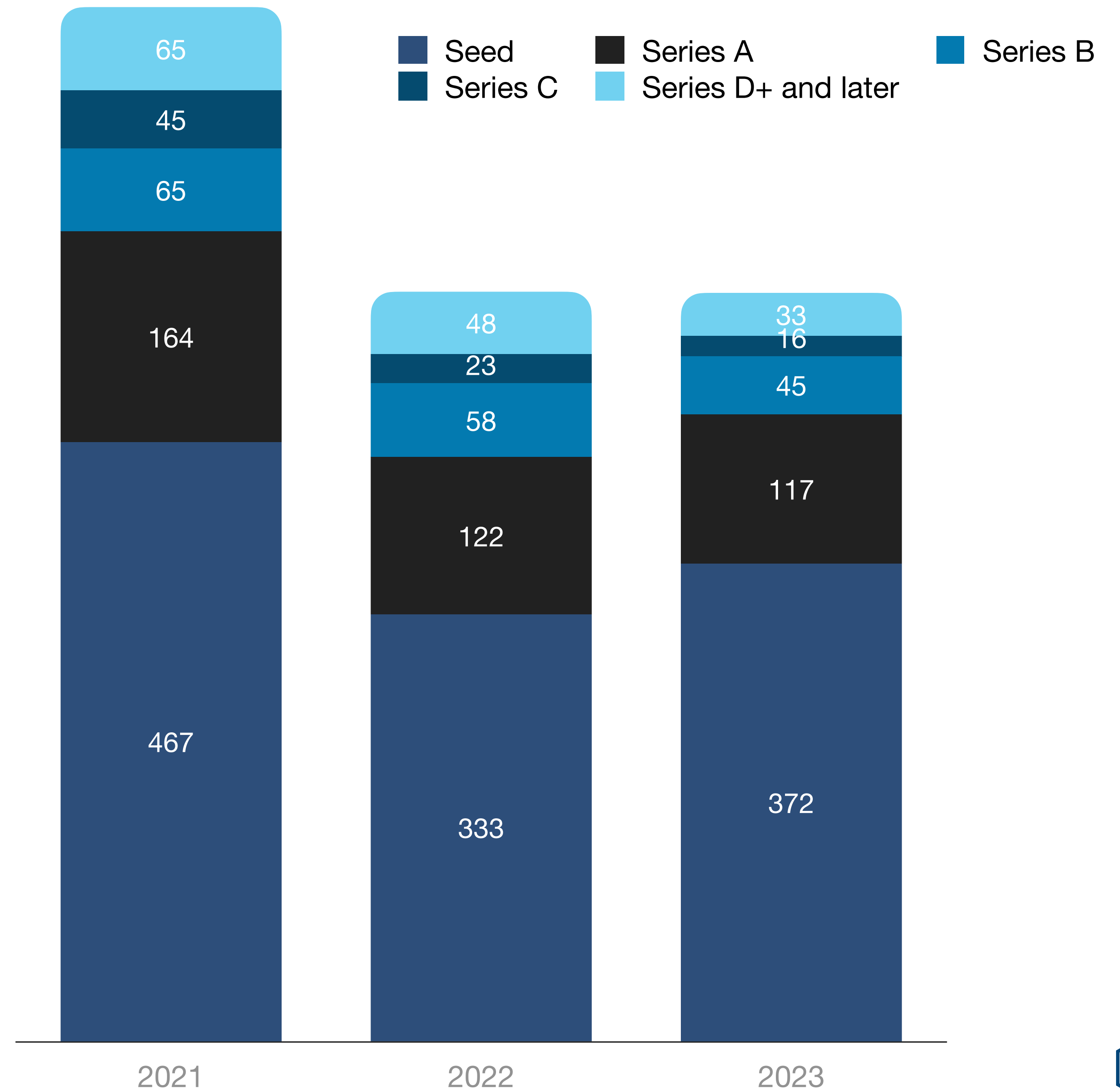
■ Investments in 2021
 ■ Investments in 2022
 ■ Investments in 2023

In 2023 Early-stage deals saw a much smaller decline (12%) compared to the overall ecosystem (35%) and later-stage deals (Series B and later deals declined by 49%)



# The number of early-stage deals increased

- It is remarkable that the total number of deals remains stable in such a context of declining investments.
- The increase in seed deals is proof of entrepreneurs' and investors' appetite to bet on FoodTech.
- On the opposite, companies raising series C and beyond struggle. They probably face doubts about their ability to achieve significant returns for their investors.

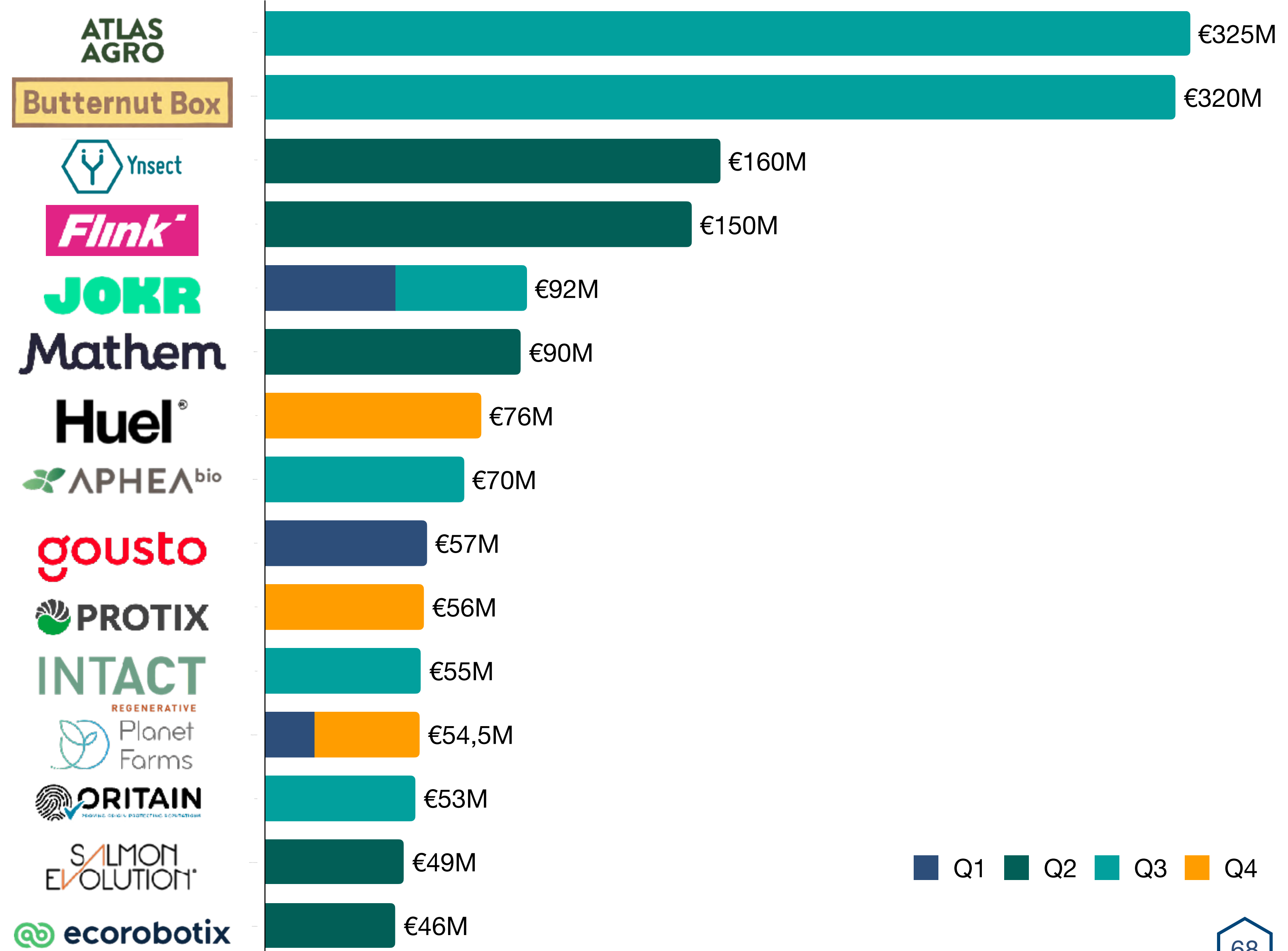


# Top deals of 2023

## Distribution by quarter

Deals keep declining in size, and this is nowhere as dramatic as on top deals. Only four of these deals would have been in the top 20 in 2021.

While these deals are made in mature startups, they give a very new image of the European FoodTech ecosystem. This is also the first time that less than half of this list is made of delivery startups. AgTech and Food Science companies are now leading, from the number of deals to the largest investments.



■ Q1 ■ Q2 ■ Q3 ■ Q4

# Two IPOs (Initial public offerings)

## Is it the start of a larger movement where startup turn to public markets to get funded?



Moolec uses molecular farming (using plants as bioreactors to have them produce animal proteins)

Moolec started trading on Nasdaq on January 2023 (after a SPAC). Since the share price has lost more than 80% of its value.



Microsalt has developed a salt alternative which delivers the same taste with half the amount of sodium.






















Microsalt started trading in early 2024. Since its share price gained more than 50%

NEW Item Information		MICROSALT <sup>®</sup>	
Pk/Wt 6/2 oz.	Unit UPC 850008216206		Pk/Wt 6/6 oz.
Shelf Life 48 months			Unit UPC 850008216213
			Shelf Life 48 months

# Notable investments by leading companies

STARTUP	COUNTRY startup/investor	CORPORATE INVESTOR	SIZE OF THE ROUND	CATEGORY
<b>PROTIX</b>	/	Tyson	€56M	AgTech <i>Insects - animal feed</i>
<b>MEATABLE</b>	/	DSM	€31M	Food Science <i>Cellular agriculture</i>
<b>Bactolife</b>	/	novo holdings	€30M	Food Science <i>Gut Health ingredients</i>
<b>Bluu Biosciences</b>	/	OETKER-GRUPPE	€16M	Food Science <i>Cellular agriculture</i>
<b>ALGAMA</b>	/	Thai Union	€13M	Food Science <i>Microalgae</i>
<b>paleo</b>	/	DSM	€12M	Food Science <i>Precision fermentation</i>
<b>Agricarbon</b>	/	Shell Ventures	€10.3M	AgTech <i>Soil carbon quantification</i>
<b>SOLAR FOODS</b>	/	Fazer	€8M	Food Science <i>Biomass fermentation</i>

# Key acquisitions in 2023

STARTUP	COUNTRY startup/acquirer	ACQUIRER	AMOUNT	CATEGORY
		General Atlantic and L Catterton	> £500M (valuation)	Food Science <i>Pet food</i>
			Undisclosed	Food Science <i>Plant-based meat alternatives</i>
			Undisclosed	AgTech <i>Agrivoltaism</i>
			Undisclosed	Food Science <i>Seaweed extracts</i>
			Undisclosed	Foodservice <i>Payment solutions</i>
			Undisclosed	Food Science <i>Plant-based meat alternatives</i>
			Undisclosed	Food Science <i>Lupin ingredients for plant-based alternatives</i>
			Undisclosed	AgTech <i>Precision farming</i>

# Other contents by DigitalFoodLab

## FOODTECH UNICORNS

Mapping and analysis of the evolution of the FoodTech startups valued \$1B+



## FOODTECH TRENDS

Trends, technologies and key startups shaping the future of food globally



## Future of food Newsletter

Hi,

Last week, we co-organised an event on food upcycling in Paris. It was great meeting so many of you in person and also discussing all the ways in which we could reduce food waste. Today, I'd like to share some of the elements of our presentation on upcycling. Indeed, I think this topic deserves to be better known as it is often misunderstood.



Join 20,000+ people in the most in-depth newsletter on FoodTech. Each week, we dive into one topic that will be key for the upcoming food revolution





# DigitalFoodLab

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