

FIVE SEASONS
VENTURES

The State of European Food Tech 2019

in partnership with



Launched at



on 17 & 18 October 2019



European Food Tech investment more than doubled to €2.3B in 2019

Global unicorns' value grew by €92B (+75%). The value of **European Food Tech unicorns** reached **€43B** (+39%)



European “Next Gen” gains momentum: €5.3B invested in the past 5 years

Investment in European “Next Generation” Food Tech companies **grew by 36% CAGR since 2013**



M&A heating up in Europe and consolidation in the food delivery sector

Globally, **€15.2 billion in IPOs** and European public companies grew **€5.9B in value**

In this year's report...

Read more about

- Capital invested in Food Tech in Europe since 2013
 - Corporates' investment in Food Tech and consolidation in the Food Delivery sector
 - Recent exits and IPOs, most active investors in Europe and their portfolios
 - Deep-dives: Direct-to-Consumer and Alternative Proteins
- ...and much more.

Exclusive interviews with

foodspring

“2019 biggest VC-backed Food Tech acquisition in Europe”



“2019 largest Food Tech round in Europe”

Cortilia

“What makes the e-grocery D2C model attractive”



“Changing the dog wellness market”

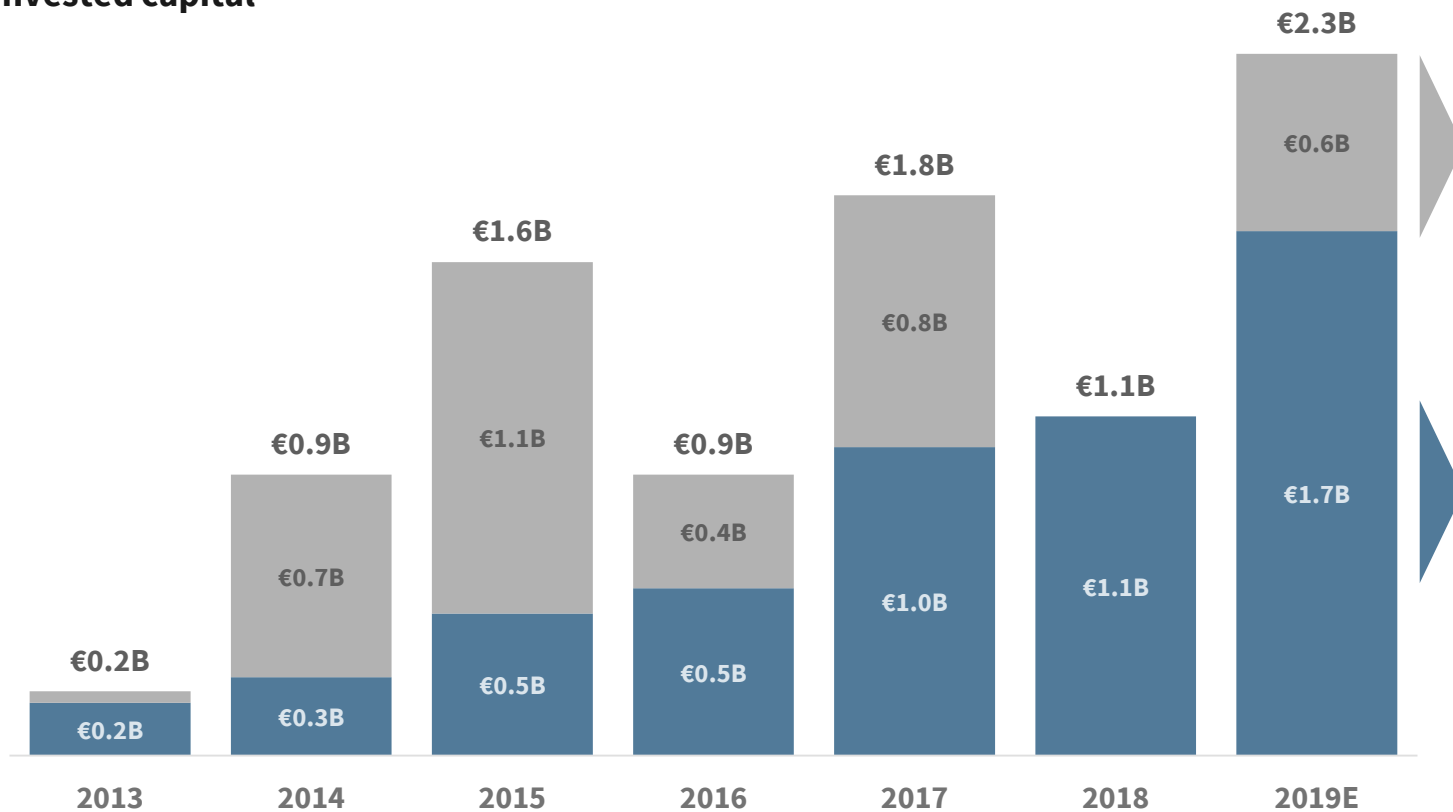
1.

Food Tech continues to grow in Europe



The next generation of European Food Tech is now well underway.

Invested capital



First wave

€3.7B invested in five main delivery platforms since 2013. Generated 7x return on capital investment



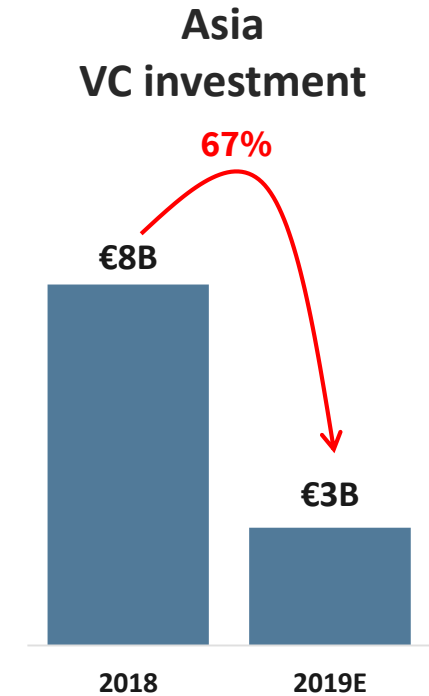
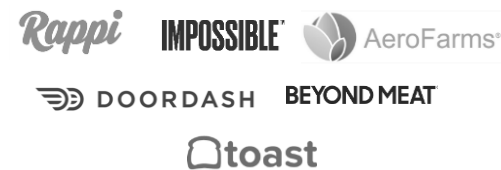
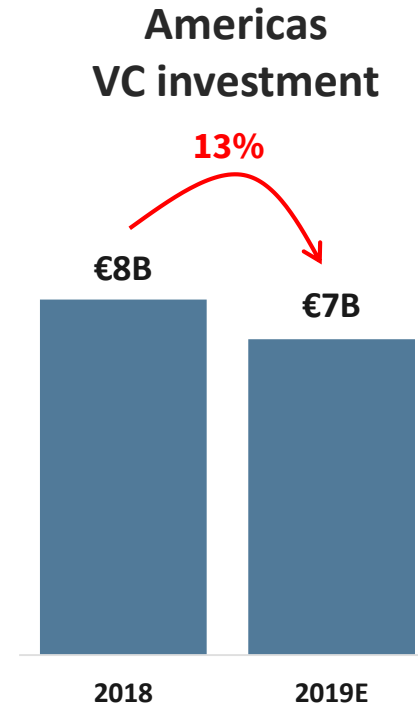
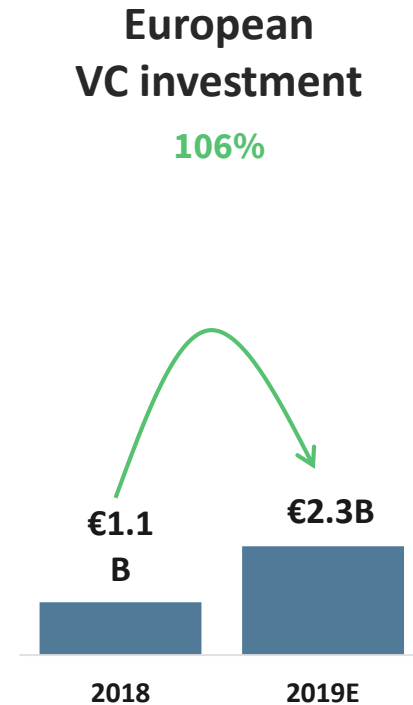
Next generation

€5.3B invested since 2013 and growing at 36%



Source: Dealroom.co. 2019 investment in the Next generation is annualized based on Jan – Sept.

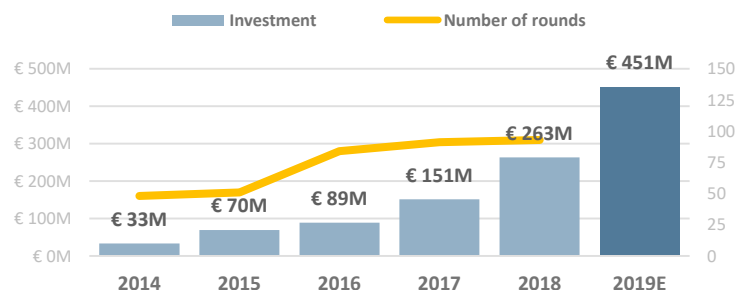
In Europe, Food Tech investment is expected to more than double to €2.3B.



Source: Dealroom.co. 2019 is annualized based on Jan – Sept.

In Europe, Primary Production & Transformation combined are expected to exceed €1.1 billion, matching levels previously only seen in Distribution & Consumption.

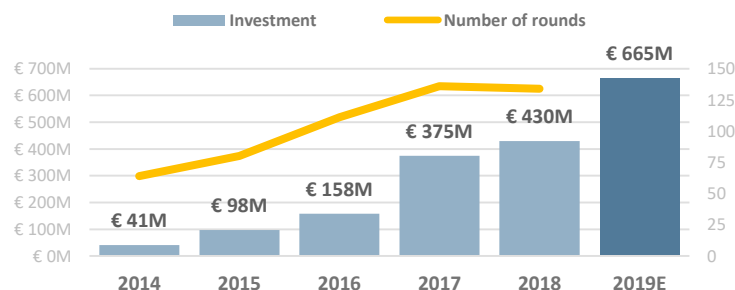
Primary Production



Notable rounds:

infarm	Infarm Farming tech for urban services	\$ 100M Jun 2019 Series B
Aquabyte	Aquabyte Tech to optimize fish farming	\$ 10M Jun 2019 Series A
Ynsect	Ynsect Farming insects for agriculture	€ 125M Feb 2019 Series C
Sencrop	Sencrop Connected agro-weather stations	\$ 10M Jan 2019 Series A
AGRICOOOL	Agricool Technology to grow fruit and vegetables inside	\$ 25M Dec 2018 Series A

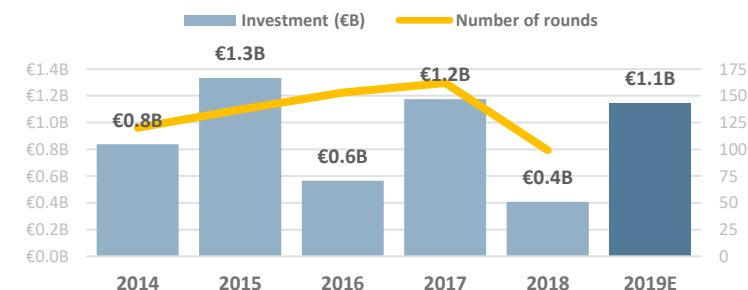
Transformation



Notable rounds:

Simple Feast	Simple Feast Makes and delivers vegetarian meals	\$ 33M Sep 2019 Series B
Ekim	Ekim Robotics for food preparation	€ 10M Jun 2019 Series A
YFood	YFood Plant-based meal replacement drinks	€ 4.2M Jun 2019 Series A
BIO-LUTIONS	BIO-LUTIONS Biodegradable materials and products	€ 8.3M May 2019 Series A
Packhelp	Packhelp Custom packaging simplified	€ 8.8M Mar 2019 Series A

Distribution & Consumption



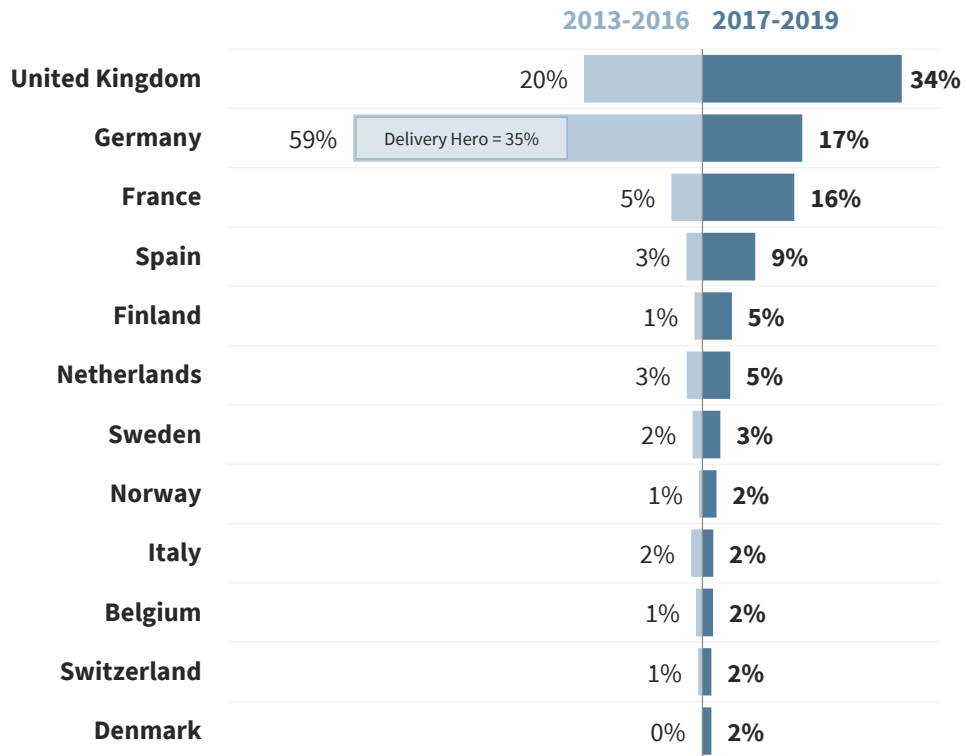
Notable rounds:

Cortilia	Cortilia Fresh food online retailer	€ 8.5M Sep 2019 Series B
Gousto	Gousto Meal kit manufacturer and retailer	£ 30M Jul 2019 Series E
Wolt	Wolt Food delivery service	\$ 130M Jun 2019 Series C
Deliveroo	Deliveroo Delivering premium restaurant meals	\$ 575M May 2019 Series G
Butternut Box	Butternut Box Delivering tailored dog meals	€ 17.4M Apr 2019 Series B

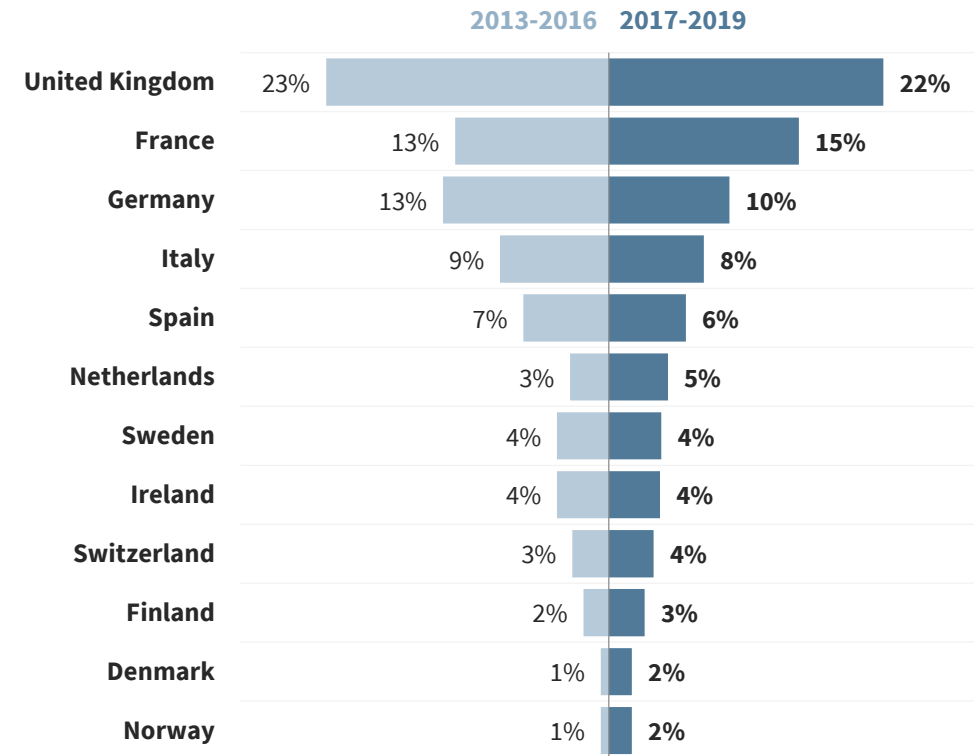
Source: Dealroom.co. 2019 is annualized based on Jan – Sept.

Investment activity in Food Tech is spread across Europe, accelerating in the UK and France.

% of amount invested in Food Tech



% of VC rounds in Food Tech



Source: Dealroom.co

There are now 45 Food Tech unicorns globally (+10 vs. last year). Combined they are now valued €214 billion, up by €92 billion since last year.



Source: Dealroom.co and Yahoo! Finance for value of the public companies as of October 2019.

1. UberEATS is excluded from the calculations which is valued an additional \$15 billion .

Global Food Tech is heating up with strategic consolidation and public offerings.

European public players valuations increased by €5.9 billion in the last 12 months.

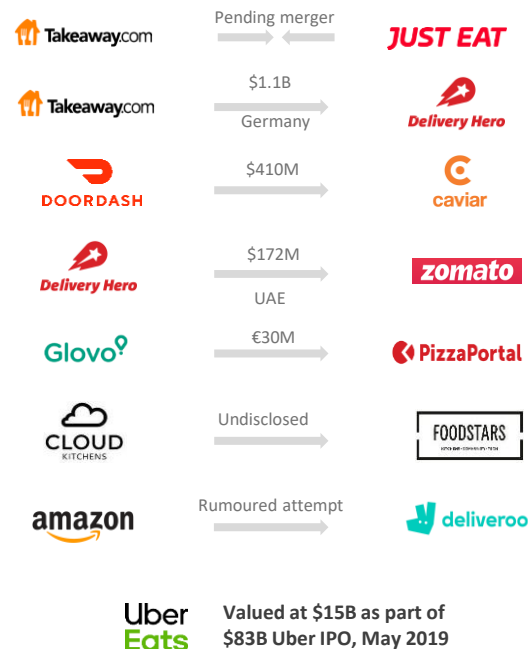
Corporates continue to invest in Food Tech (€3.8 billion)

Last twelve months



€10 billion in consolidation of Food Distribution Tech markets

Last twelve months



€15.2 billion in IPOs and European public companies up by €5.9 billion

Last twelve months

	Chewy (USA) Dog and cat food ecommerce	\$ 7B IPO Jun 2019	IPOs
	Luckin Coffee (China) Coffee brand	\$ 5B IPO May 2019	
	Beyond Meat (USA) Plant-based meat substitutes	\$ 3.8B IPO May 2019	
	Lightspeed POS (Canada) Point of sale solutions	\$ 1B IPO Mar 2019	
	Just Eat (UK) Global food delivery platform	Up 2% YoY Now £4.4B	Public Companies
	Ocado (UK) UK online supermarket	Up 67% YoY Now £9.1B	
	Takeaway (Netherlands) Global food delivery platform	Up 37% Now €4.3B	
	Hellofresh (Germany) Mealkit subscription service	Up 40% Now €2.2B	

Note: Amounts refer to last twelve months Oct 2018 - Sept 2019 (i.e. since last report).
Source: Dealroom.co

foodspring

Biggest VC-backed Food Tech acquisition in Europe in 2019

Interview to **Ole Schaumberg**, Country Manager DACH

Foodspring scaled to 8 countries in a very short period of time, how did you manage to keep a balance between growth and profitability?

Ole Schaumberg: We always invested very high at the beginning of a launch in a new country and didn't need to be profitable fast. We were always focused on market shares in the first few years after a launch. That's why for example in Germany we have more website traffic than the next 5 competitors together. But in our mature DACH markets we are obviously now also focused on profitability while still growing at an amazing pace.

Following the acquisition, you continue running the core DACH market at Foodspring, but now within a large corporation. How do you make sure you keep the identity that made Foodspring successful?

Ole: Mars Edge wants us to thrive independently from the Mars core business and so far they have been an enabler. They know how important it is to keep the Foodspring startup spirit.

'Forget boring diets. Feel good, every day. Push your limits' - what aspects on Foodspring's value proposition resonated most with Mars?

Ole: They invested because we have different solutions for different target groups and need states, so all of the above. But also because of the great online-marketing and tech know-how that we have in the team.

Biggest food tech acquisition of the year in Europe, what does Mars bring to the table going forward?

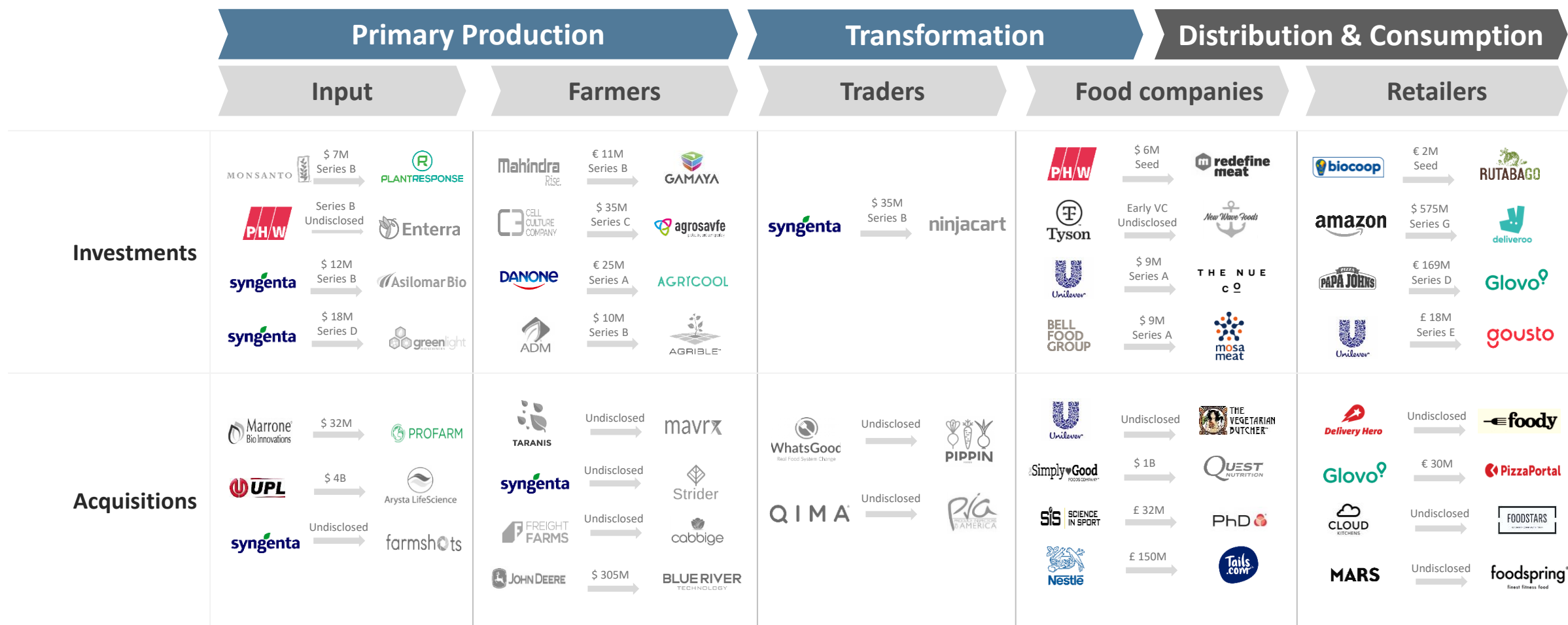
Ole: Mars is a truly global company with a presence in 80 countries. They can help us to achieve our goal to make Foodspring a global brand.

How would you summarise the 'unfair advantage' of being a digitally native vertical brand?

Ole: We own the data about the consumer and the products and are able to analyse and optimise our products continuously based on purchase behaviour, pricing and customer feedback. Also e-commerce consumer brands are easier to internationalise, as we steer all 8 countries from Berlin with dedicated marketing teams. We are also able to test products online first before we take them in to retail. This helps us to prevent unsuccessful product launches in retail.













Corporates are making big strategic bets across the value chain



Source: Dealroom.co

Notable European exits (2017-2019)

COMPANY		LOCATION (HQ)	TRANSACTION	ACQUIRER(S)	INVESTORS
	Delivery Hero Food ordering website	Berlin	€ 4.4B IPO Jun 2017	-	Point Nine Capital, Fabrice Grinda, Team Europe, TEV Tengelmann Ventures, Hasso Plattner Ventures
	HelloFresh Subscription service that focuses on premium quality and ecological foods	Berlin	€ 1.7B IPO Nov 2017	-	HV Holtzbrinck Ventures, Investment AB Kinnevik, Rocket Internet SE, Vorwerk, Phenomen Ventures
	Tails.com Dog food delivered at your doorstep	London	£ 150M Acquisition Apr 2018	Nestlé	JamJar Investments, Octopus Ventures, Slingshot Ventures, Draper Esprit
	Graze Online snack retailer delivering natural food	Richmond	£ 150M Acquisition Feb 2019	Unilever	LocalGlobe, Draper Esprit, Octopus Investments, JamJar Investments, The Carlyle Group
	Marley Spoon Home delivery of recipes and ingredients to encourage home cooking	Berlin	\$ 145M IPO Jul 2018	-	Point Nine Capital, Global Founders Capital, Atlantic Labs, Lakestar, Klaus Hommels
	Brewdog A craft beer brewery that produces bottled and canned beers	Aberdeenshire, UK	£ 113M Secondary Apr 2017	TSG Equity Partners	Crowdcube, TSG Equity Partners
	PhD Nutrition Premium sports nutrition	Willerby, UK	£ 32M Acquisition Nov 2018	Science in Sport	-
	Flyt.io A universal integration platform for the hospitality industry	London	£ 22M Acquisition Jan 2019	Just Eat	-
	The Vegetarian Butcher The newest generation meat substitutes	The Hague	Acquisition Dec 2018	Unilever	-
	FoodSpring Innovative sports nutrition products	Berlin	Acquisition Jul 2019	Mars	Deutsche Handelsbank, btov Partners, Ringier, Econa, Fonterra Co-operative Group




























































Source: Dealroom.co



2.

The next generation of European Food Tech startups is emerging

The next generation of European rising stars is innovating across the value chain.

	Primary Production		Transformation		Distribution & Consumption
	Input	Farmers	Traders	Food companies	Retailers
Global market size ⁽¹⁾	€500B	€3 trillion	€1 trillion	€4 trillion	€6 trillion
Unicorns			 NewDada 新达达 可靠 配送 便捷 到家	   	                    
European rising stars	    	    	       	     	        

Source: Dealroom.co

1. Source: KPMG.



Largest Food Tech funding round in Europe in 2019

Interview with **Antoine Hubert**, Chief Executive Officer of Ynsect

Largest food tech funding round in Europe, a whopping \$125M. How is Ynsect going to invest this money?

Antoine Hubert, CEO Ynsect: We will use this funding for the industrialization of our process and build our flagship plant in Amiens, France – the largest insect farm in the world. Also for our international development, by defining the country for our next factory location. Moreover, for our company development with the recruitment of seasoned managers in different fields.

We hear a lot about Ynsect being a capital intensive business, manufacturing for the feed industry, where volumes required are too big for a startup. Is the VC model suited to your business?

Antoine: Manufacturing rely on important R&D efforts, which often lead to IP. R&D and IP are well understood by VC funds. The question is more the transition from the first rounds that should be led by VC and later rounds that should be led by corporate, PE or family offices for instance, which are more at ease with capital intensive business. Capital intensity also depends on the business model. You can have high CAPEX requirements but target only a licensing business model, which is then a light CAPEX model well suited to VCs.

Why did you start Ynsect?

Antoine: Ynsect spun off from a mission-driven non-profit association which was raising awareness on food sustainability in schools, companies and institutions. Ynsect is a mission-driven for-profit company with a clear reason of being: rebuild a sense of purpose to our food system by providing a natural and highly healthy, tasty & sustainable food to any consumer in the world, every day. We will show that profits and impacts can be compatible. Impact Unicorns won't be a myth!

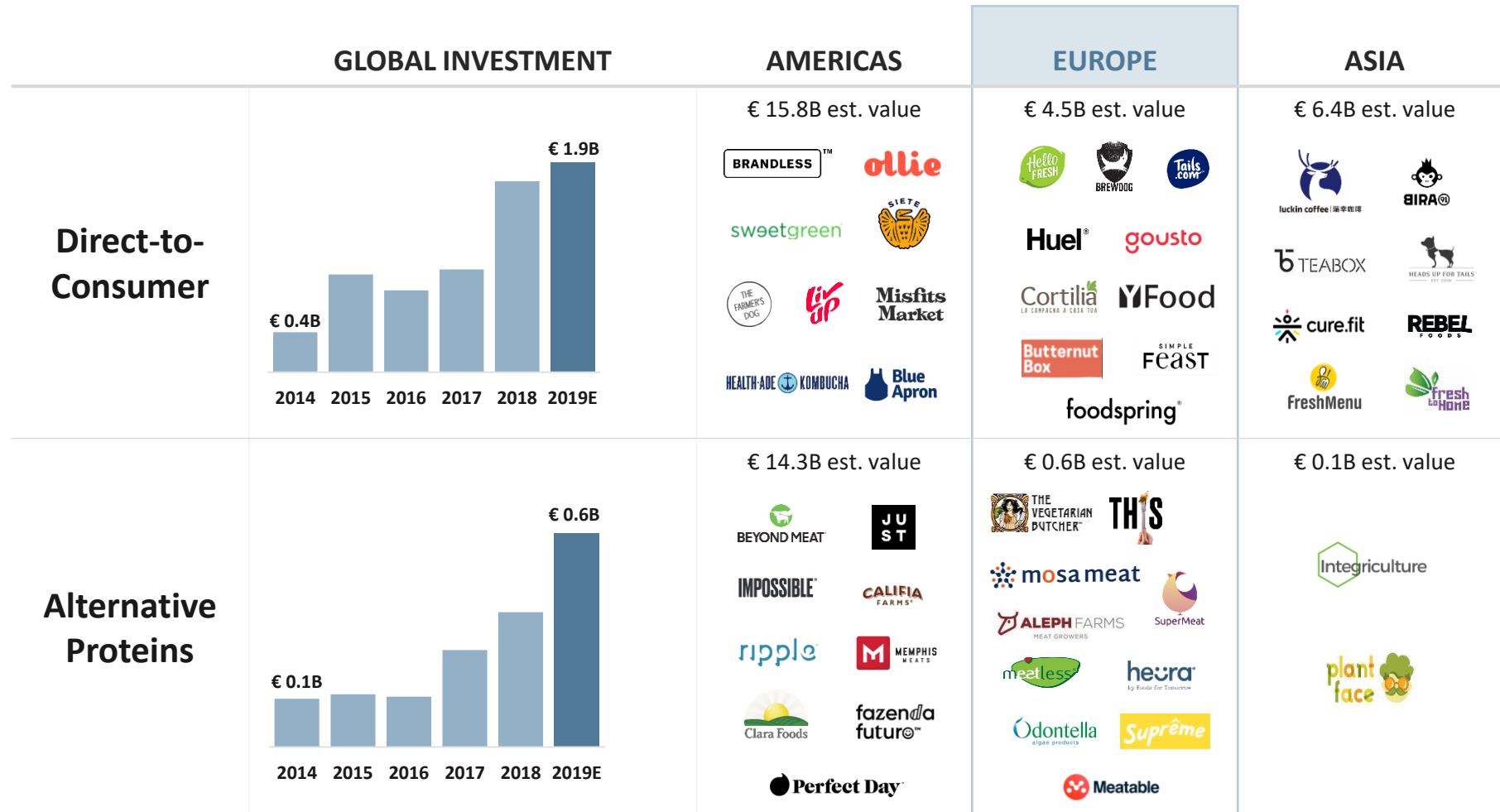
You founded IPIFF, a non-profit organisation representing the interests of insect breeders. How important is it to lobby for the benefit of the whole sector?

Antoine: Food is a highly regulated business, in order to protect citizens' health from unsafe potential industrial developments. Insect applications were forbidden following the mad cow crisis 20 years ago. It was important then to create a specific insect framework within EU regulation to avoid insects being associated with vertebrate meat & bone meal which presents totally different risks. Insects are natural and safe sources of nutrients for all animals. It was then clear evidence that all competitors had to work together to open markets that will benefit to all. Such

regulatory evolution is so complex that not a single company can achieve that alone. Beyond regulatory framework evolution, our association works on the promotion of the sector towards many stakeholders in Europe.



Direct-to-Consumer and Alternative Proteins are two rapidly growing trends



Source: Dealroom.co 2019 is annualized based on Jan – Sept.



What makes the e-grocery D2C model attractive in food

Interview with **Marco Porcaro**, Founder of Cortilia

Why did you start Cortilia?

Marco Porcaro, Founder and CEO: Prior to Cortilia, I founded other tech companies. The latest one was a route-planning software business, the type of software making enormous calculations to plan the delivery routes used by fleets of vehicles in order to minimize the mileage and time between deliveries. That was the starting point for Cortilia, a business combining my passion for technology and food, offering an innovative model bringing seasonal Italian super-fresh food to the online generation while adhering to high sustainability goals.

What makes the e-grocery D2C model so attractive right now for consumers and so complex to do well in food?

Marco: Demand for convenience is growing in the food industry, as modern consumers' continuously fight between the quest for wholesome, traced and seasonal food and the lack of time to choose, buy and prepare it. Online grocery is loved by consumers because it blends the convenience of D2C with access to always fresh, seasonal products, which taste better and last longer. Yet, seasonal products are continuously changing, small producers tend to be less reliable, fresh quality needs to be monitored under strict standards and missing items in a basket

are not acceptable for online consumers.

Cortilia built the perfect solution: we select and manage thousands of excellent products from local, artisanal suppliers and organize the logistic chain in a super efficient way to deliver them fresh in 24 hours using our fleet of refrigerated vehicles. All this with practically no food waste. Our secret? we keep the supply chain as short as possible, establish long term relationships with our farmers and producers and use technology to make processes as efficient as possible. For instance, our suppliers have access to our operations support systems and check - in real-time - the estimates for incoming orders, so they can start working on fulfilling our requests well before the daily order book is closed: this reduces lead times and also reduces food waste across the full chain.

What made investors back your business?

























































Marco: They recognized in Cortilia a unique proposition combining premium fresh products and the highest service standard in a fast-growing market. All of this is possible thanks to the full stack technology platform we built which allows us to use data to drive digital marketing, automation of fulfilment, daily demand planning and delivery optimization.

You are the Italian market leader in fresh food: where does Cortilia grow from here?

Marco: In the short term we are laser-focused on increasing penetration in our current market. We also believe in an omnichannel strategy where our D2C model together with physical stores can be highly synergistic and respond even better to our consumers' needs across different touchpoints.



Direct-to-Consumer brands, from pet food to coffee, aim to provide a superior user experience, by building closer relationship with the end-customer.

	SNACKS & BEVERAGES	MEAL KITS	FARM TO TABLE	PET FOOD	COFFEE & TEA	PROTEIN
EUROPE	 BREWDOG	 	 	 	 	 
	Bean and Goose	 	 	 	 	 
		 	 	 	 	 
REST OF THE WORLD	 	 		 	 	 
	 	 		 	 	
	 			 		



Changing the dog wellness market

Interview with **Kevin Glynn** and **David Nolan**, co-founders of Butternut Box

Why did you start Butternut Box?

Dave: The Butternut story began with a rescue dog, Rudie, who couldn't stop farting. When my family and I brought Rudie home from Battersea Dog's Home she had lots of different health issues, including chronic flatulence (it was bad), which we later figured out was down to eating over processed pet food. When we started to cook food for her at home ourselves, her condition improved almost immediately - her skin, her tummy issues, and of course, her farts. I told Kev about Rudie's recovery and the health benefits that resulted from cooking freshly prepared food for her, and we both knew that this was something that was needed. I remember we ended up going to a local supermarket, we stood in the dog food section looking at what was on offer next to some bin liners and bleach, and we knew that dogs deserved better - that's why Butternut started.

What makes the DNVB model so attractive and so complex in food?

Kevin: The number one thing we love about being a DNVB is that it allows us to stay close to our customers (dogs and their humans). We're able to

listen to what they need and want, and because we build all of our own technology and product in-house, it means we can answer those needs and wants really quickly e.g. delivery cadences, recipe choices, feedback on meals, and making it easier for our customers to tell their friends about us, all of which isn't possible for brands working with retailers. Our customers can also trust that there is no middle-man mark up, and that we have full end to end traceability from farm right to their fridge. As a growing food business, this end to end transparency is really important to us. DNVB is always a bit more complex in the food industry especially as we have to make sure our food arrives safely into our dog's bowls on a daily basis.

What made investors back your business?

Dave: When it boils down to it, we had investors that really believed in what Butternut was looking to change in the dog wellness space. As a team, we genuinely care about dogs and make sure they get the best service possible. Ultimately, our mission and purpose is to deliver health and happiness to dogs and their humans all over the world. And that's why we got backed, because our investors believed in the

team, our product, the problem we solve, the solution we provide, our passion and our customer-centric culture. It also helps that we, as a team, are very close to the details. And our investors really like the predictable nature of our subscription business model too.

You are the UK market leader in fresh dog food: where does Butternut grow from here?

Kevin: We will always be driven by what our customers want from us next. As it stands, right now we are really excited about the launch of our Butternut treat range, and next in the pipeline will be additional products such as supplements, toys and accessories - these are all products that our customers are asking for daily. Outside of this, we have started to lay the groundwork for going international. We know that UK dogs are not the only dogs who would benefit from Butternut so we are excited about the potential of expanding our footprint into Europe.



Alternative protein is disrupting the meat market as consumer preferences are changing in Europe.

PLANT-BASED

Ingredients include canola oil, coconut oil, rice, pea, potato protein, potato protein.

MEAT SUBSTITUTES



LAB-GROWN

Produces meat in nutrition-rich environment from animal cells.

MEAT SUBSTITUTES



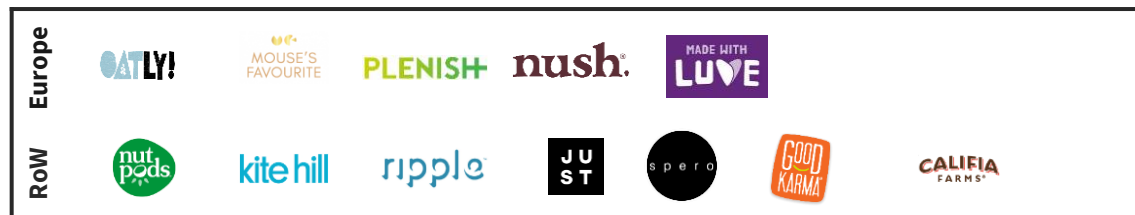
SEAFOOD SUBSTITUTES



SEAFOOD SUBSTITUTES




















































DAIRY & EGG SUBSTITUTES



DAIRY & EGG SUBSTITUTES



The most active investors: European Food Tech is attractive also to ‘generalists’

INVESTOR	LOCATION (HQ)	INVESTMENTS	EUROPEAN FOOD TECH INVESTMENTS 2018-2019
 Kima Ventures Active early-stage investors	Paris	10	         
 Five Seasons Ventures Venture fund focused on Food Tech	Paris	5	    
 LocalGlobe Early stage seed investor	London	5	    
 Business Growth Fund Helps Britain's growing businesses	London	4	   
 Idinvest Partners The go-to investment firm for European SMEs.	Paris	4	   
 Daphni Venture capital firm backing startups with European DNA	Paris	4	   
 Cherry Ventures Targets fast-growing, disruptive tech companies	Berlin	3	  
 Atlantic Food Labs A launchpad for startups shaping the future of health and nutrition	Berlin	3	  
 Capagro Supports innovative companies operating across the biomass value chain	Paris	2	 

Source: Dealroom.co.



Ivan Farneti
Partner



Niccolo Manzoni
Partner

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 early stage food technology companies.

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