

FOODTECH IN DENMARK

Report on the state of the investments & perspectives for the future of the Danish FoodTech ecosystem

September 2023



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About DigitalFoodLab



DigitalFoodLab is an insight and strategy consultancy focused on the future of food.

EDUCATE

Educate your teams through workshops, and a bespoke FoodTech watch.

PLAN FOR THE FUTURE

Explore the frontiers of your company's innovation ecosystem or find out how to address specific challenges through bespoke reports and business cases.

ACT NOW

We are at your side all along the process, from challenging your hypothesis, scouting the right partners, due diligence, and then managing the relationship.

Food & Bio Cluster Denmark

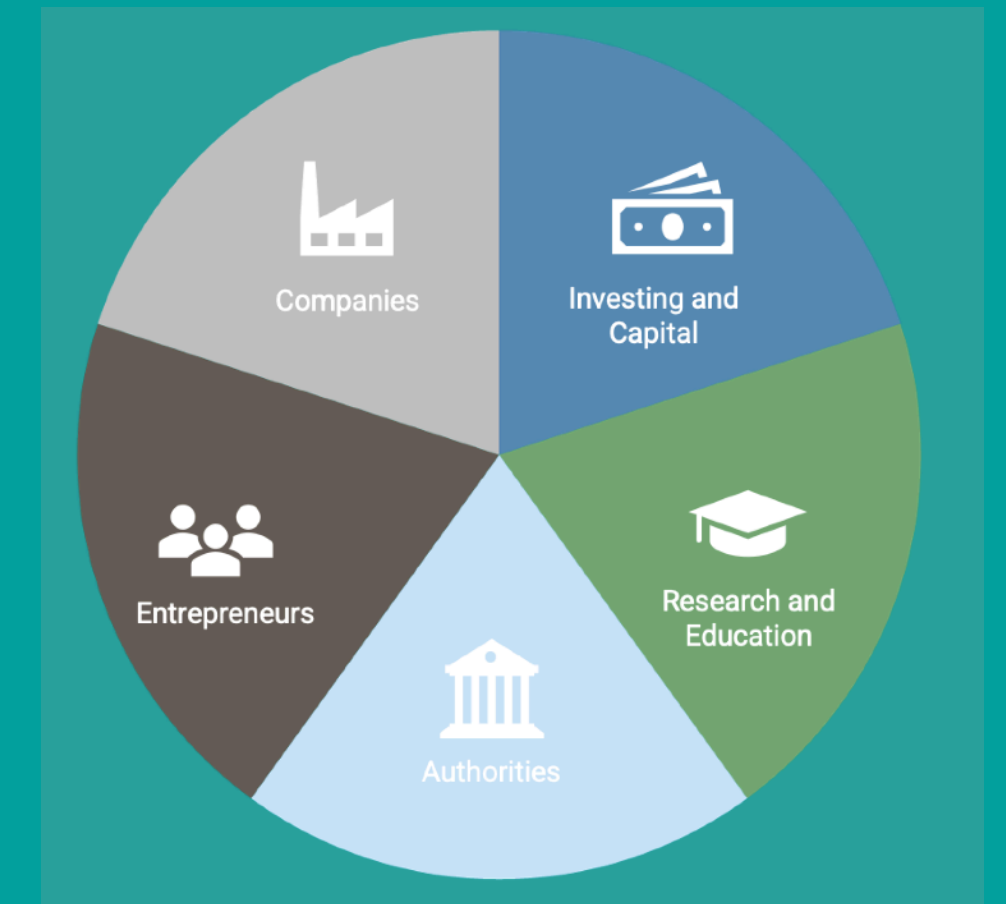
Your access to the Danish agrifood and biosolution ecosystem

Food & Bio Cluster Denmark is the national cluster organisation for the Danish food and bioresource industry.

We help our 456-member companies accelerate innovation and sustainable development within food and bioresources. We do this through offering access to research, networks, collaborations and provide business development support in partnership with e.g. knowledge institutions, investors and public authorities.



We support the startups in our ecosystem with non-dilutive soft funding, access to international investors, commercial partners and facilities like incubators and labs.



15000 Contacts in the agrifood sector	+5000 organisations globally	Partners in 65 countries	Smart brains +40
9 Locations in Denmark	+456 Members	+180 events a year	
+8500 followers on LinkedIn	3 Copenhagen Aarhus Viborg Incubators. +50 startups in house	+260 M € project portfolio	



Executive Summary

- ⬢ The Danish FoodTech ecosystem has raised €143M in 2022, with 28 deals. Projections for 2023 are up to €160M invested.
- ⬢ Since 2022, investments have been concentrated in AgTech and Food Science startups, especially with ENORM and Agreea, which attracted 53% of the investments in 2022 and H1 2023.
- ⬢ The Danish FoodTech ecosystem has two strong assets: public support and its links with Danish universities.
 - ⬢ Public players BioInnovation Institute and the Export and Investment Fund of Denmark are the two leading investors in Danish FoodTech startups.
 - ⬢ There is easy access for startups to strong research activities at universities like Aarhus University - Foulum Campus and the robot cluster around the University of Southern Denmark.
- ⬢ Denmark is in the challenger group regarding FoodTech in Europe, with Sweden, Finland and the Netherlands.
- ⬢ In terms of investments, Denmark should be in second place among the Nordics in 2023, behind Sweden, and lead the Nordics in terms of the amount invested per capita.



€143M

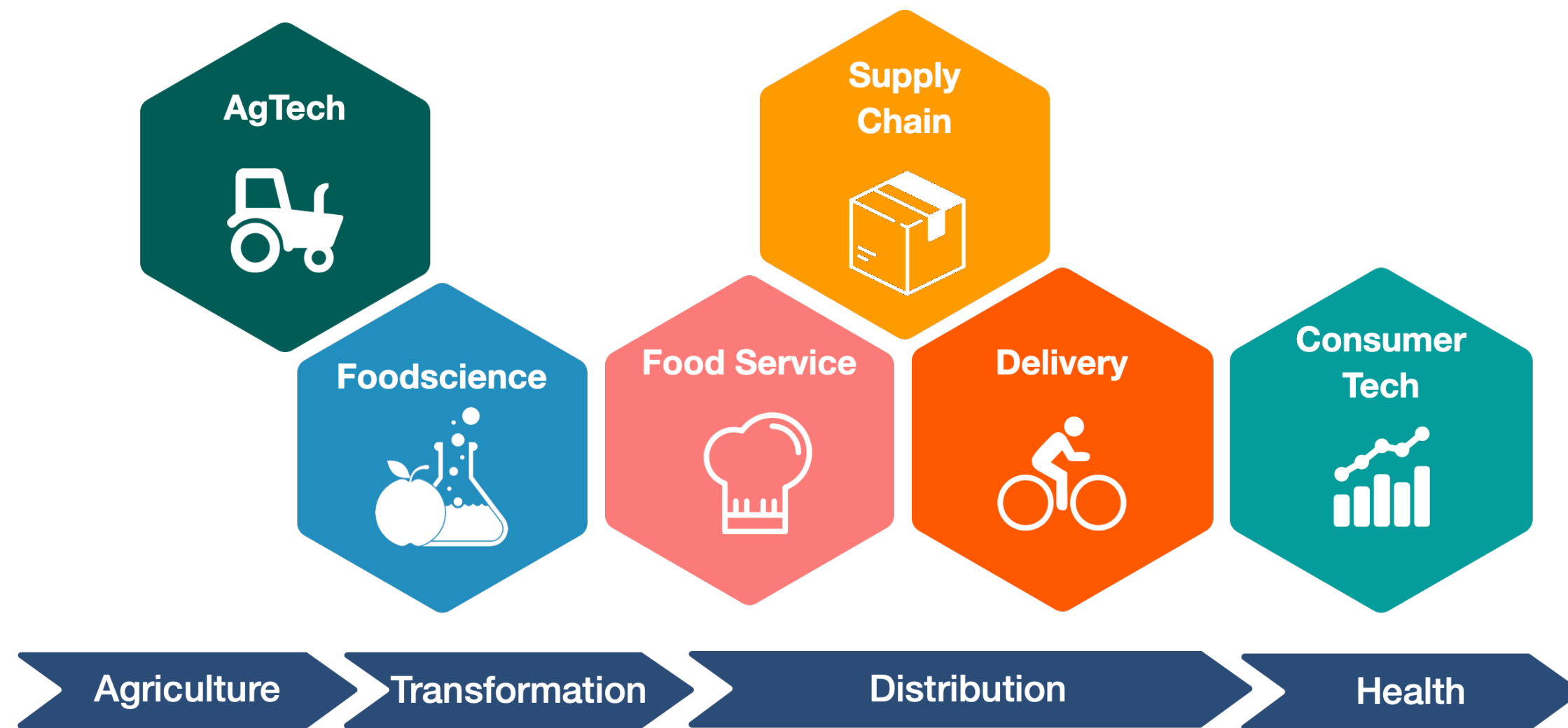
*Investments in 2022
in Danish FoodTech startups*



FoodTech definition

DigitalFoodLab's FoodTech definition is:

“FoodTech is the ecosystem made up of all the agrifood entrepreneurs and startups (from production to distribution) innovating on products, distribution, marketing or business model.”



FoodTech is made of six categories, themselves divided into sub-categories.

(all definitions are available here)

Methodology & data

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.

This focus analysis is financed by the Danish Agency for Higher Education & Science through the programme Innovationskraft 2023-2024, administered by Food & Bio Cluster Denmark.



**Co-funded by
the European Union**



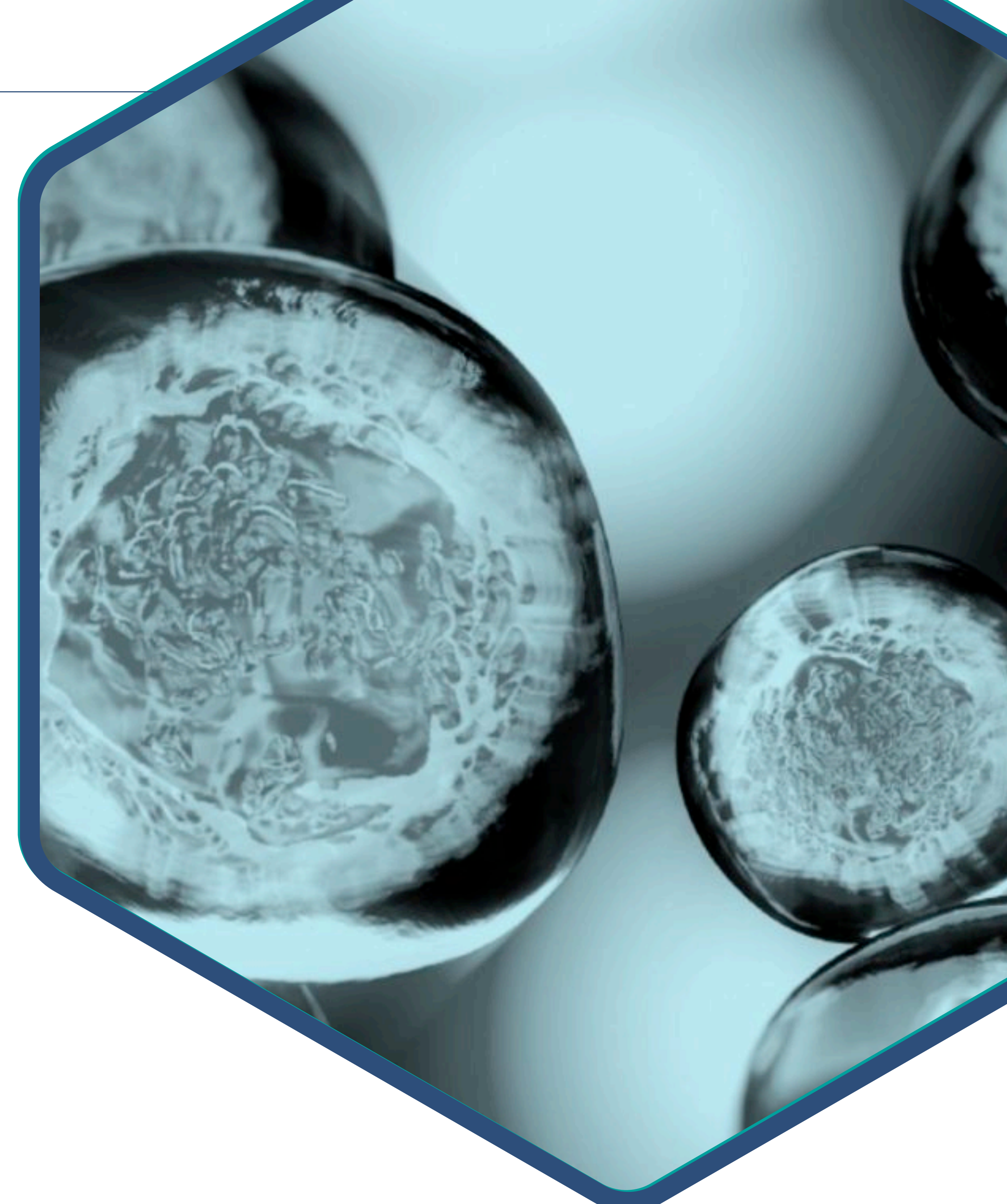
Danish Board of
Business Development



**Food & Bio Cluster
Denmark**

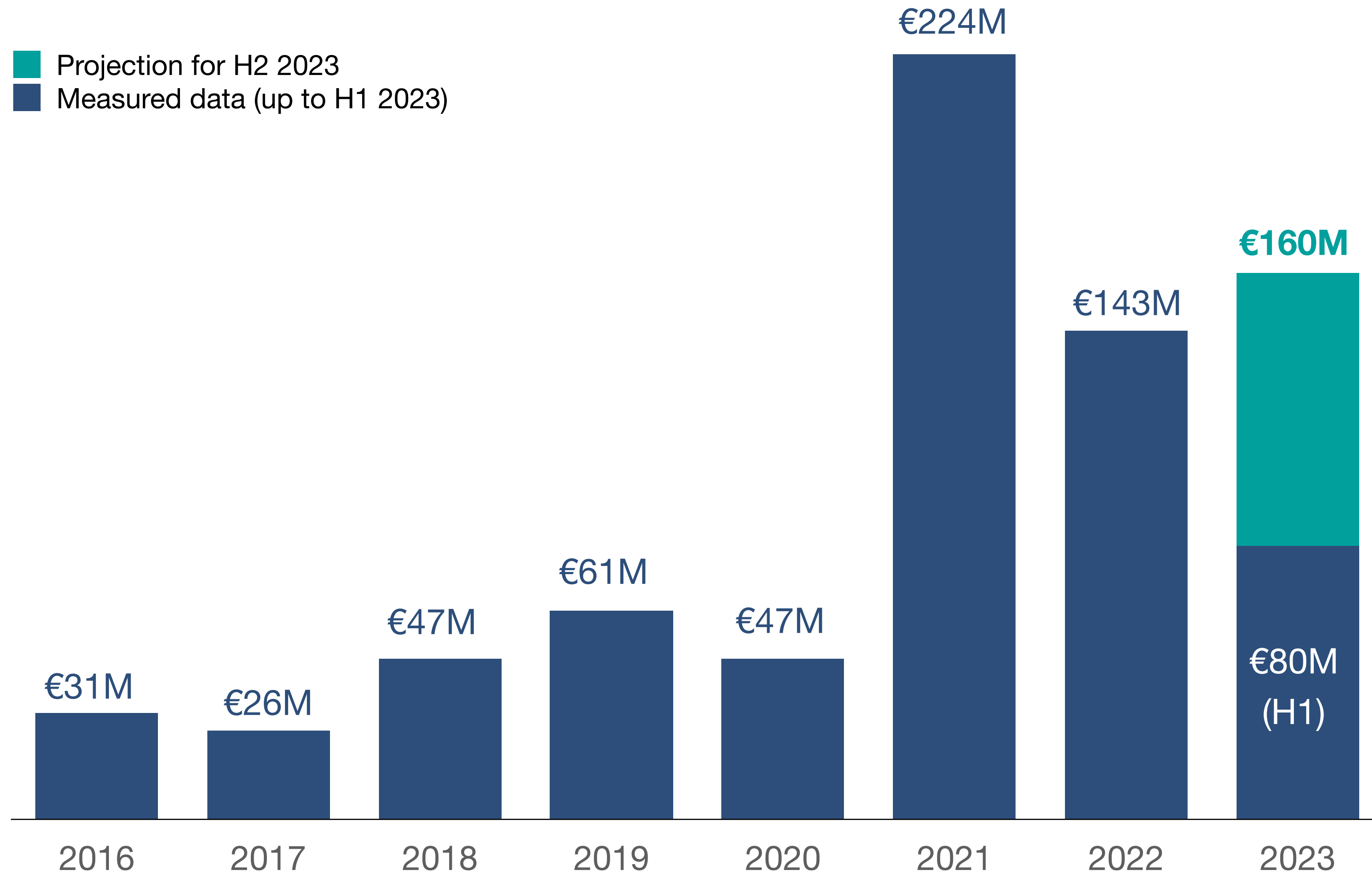


STATE OF INVESTMENTS



Investments in Danish FoodTech startups

■ Projection for H2 2023
■ Measured data (up to H1 2023)



€160M

Projected investments in 2023 in Danish FoodTech startups

28

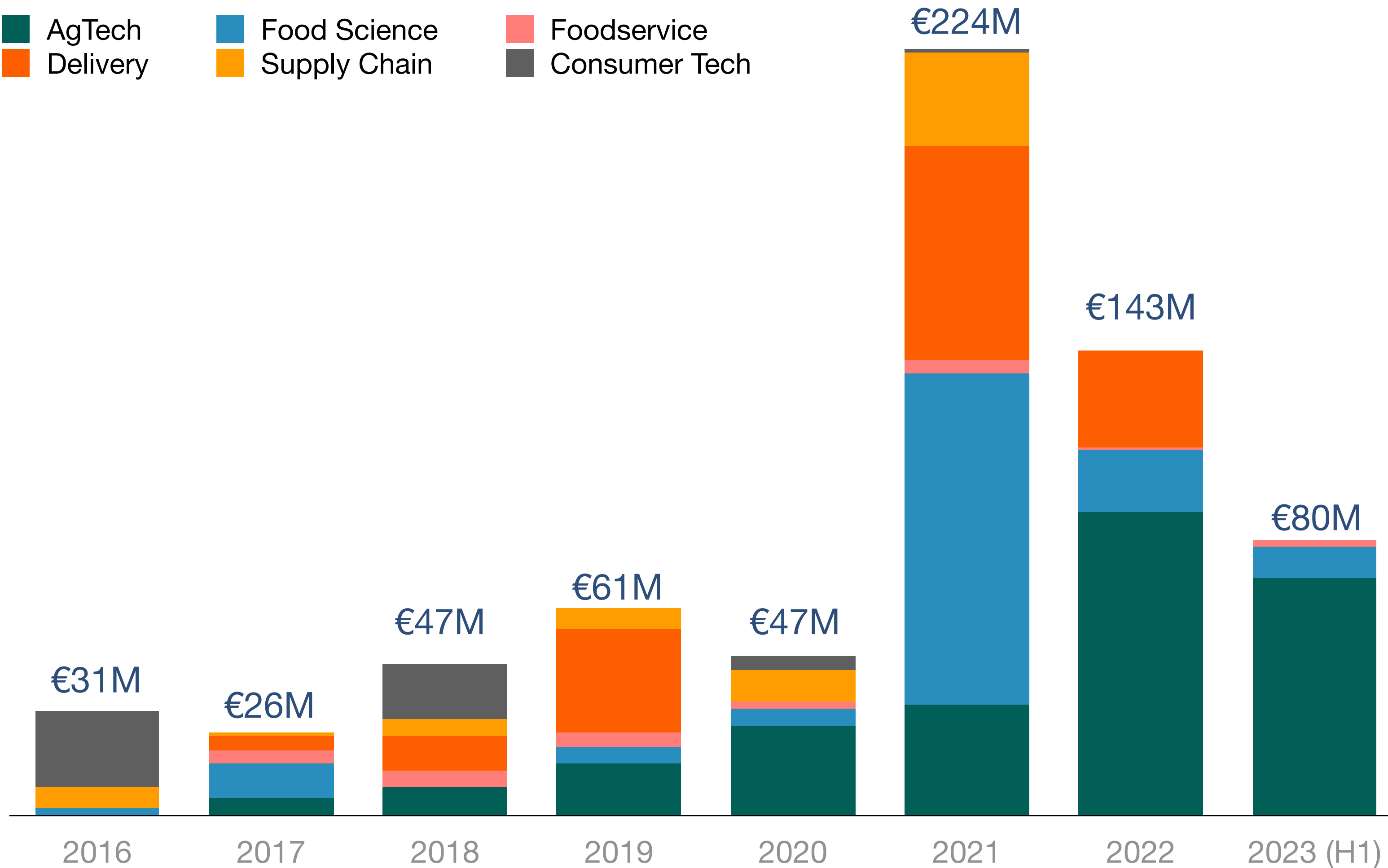
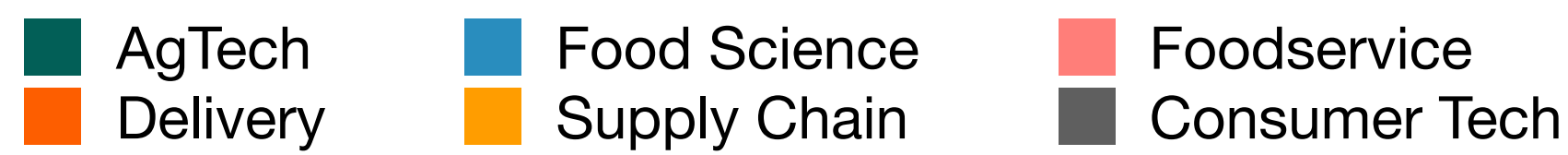
Number of deals in 2022

440

Active FoodTech startups in Denmark as of September 2023*

*source: Food & Bio Cluster Denmark

Distribution of investments by category



The Danish ecosystem was well distributed in 2021, but with the decline of investments (as in all of Europe, see p.18) that followed, we observed a concentration of investments made into AgTech startups.

Like in other European countries, investments in delivery tend to decrease.

63%

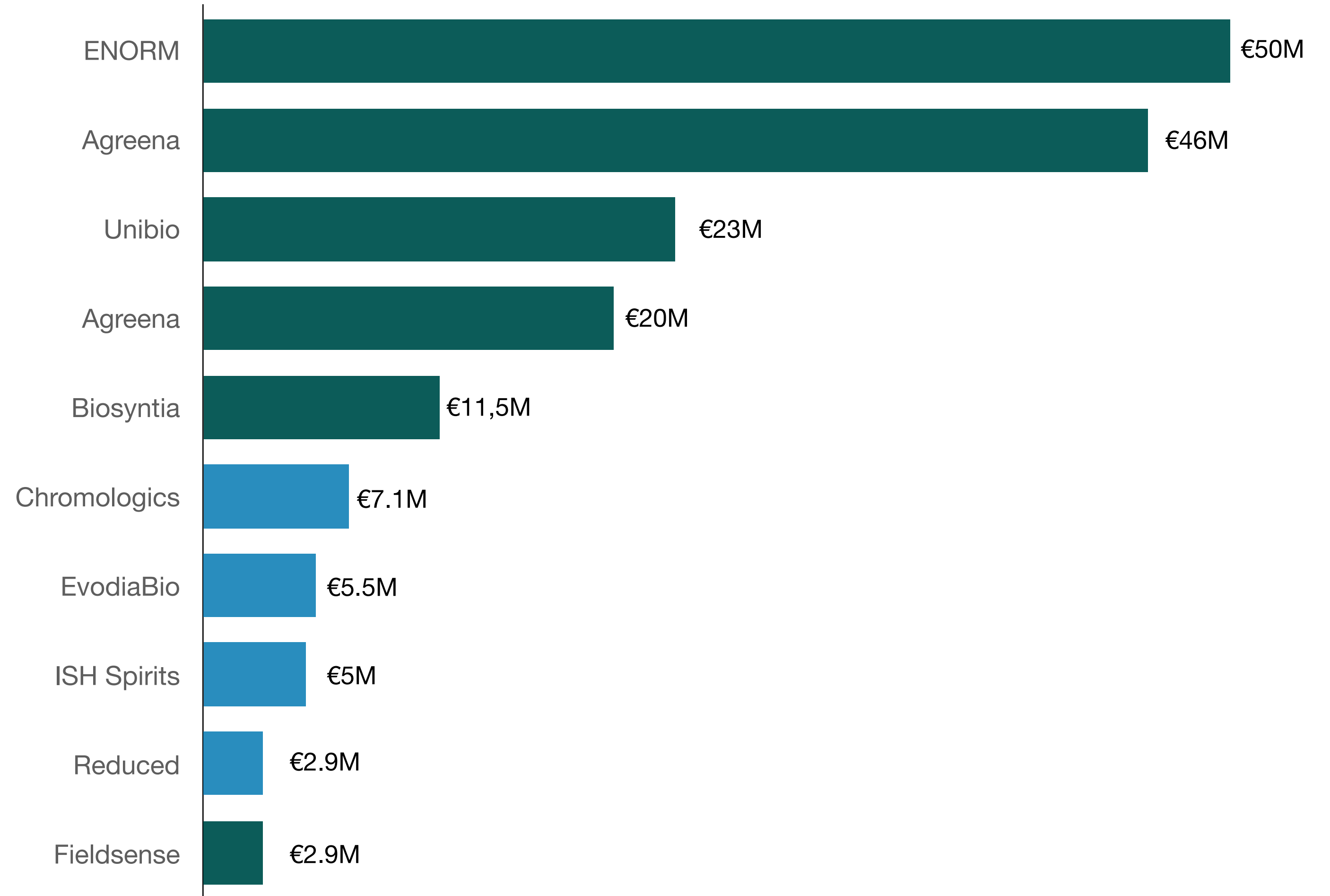
of investments in 2022 were made in AgTech startups. We expect a similar % for 2023.

Top deals in Denmark in 2022 and H1 2023

As seen previously, the opposite graph illustrates the **domination of Agtech startups** when we talk about investments in 2022 and H1 2023.

53%

of the amount raised in 2022 and H1 2023 was by two startups: ENORM (insects) and Agreeena (carbon marketplace).



AgTech



Supply Chain



Foodservice



Food Science



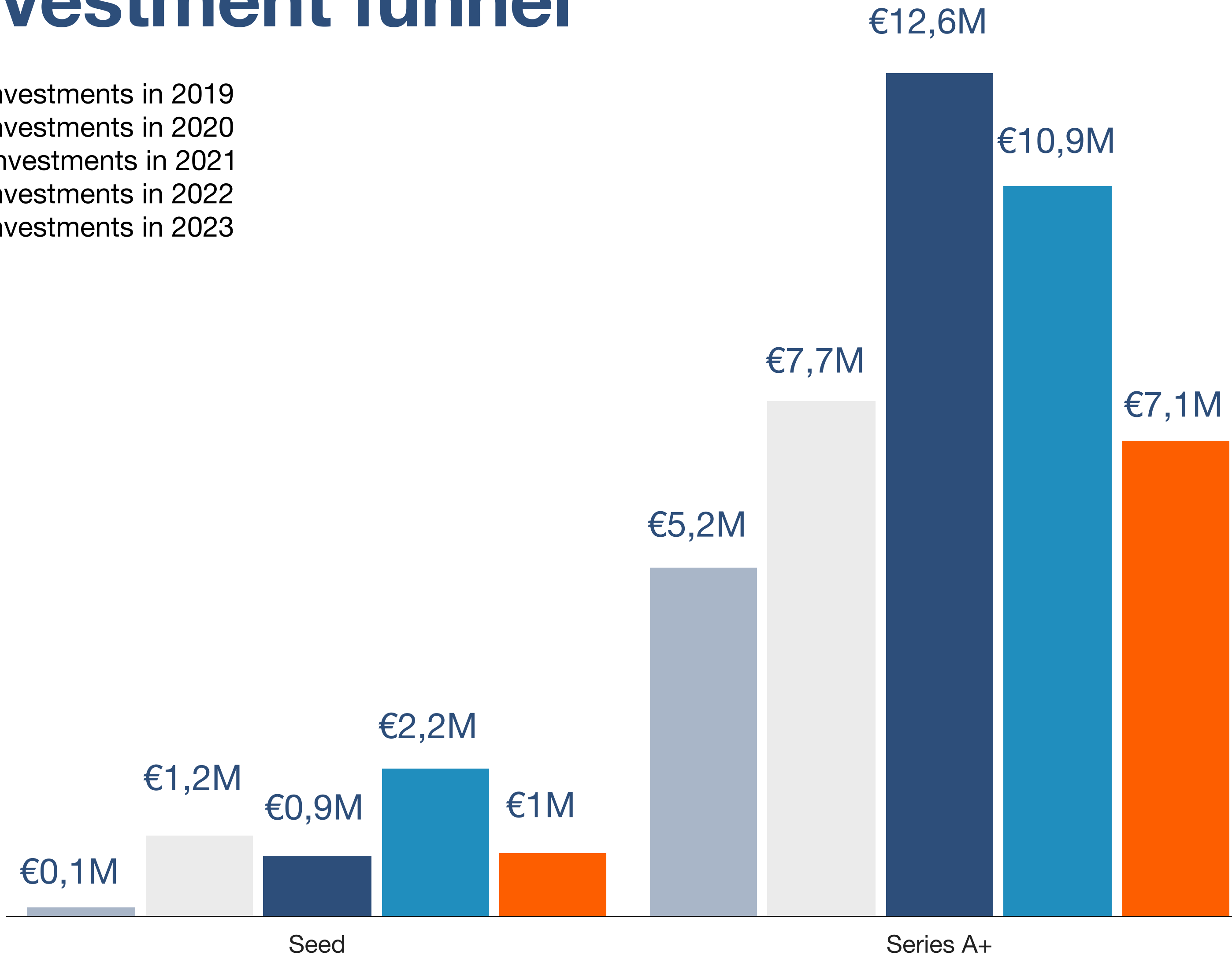
Delivery



Consumer Tech

Median deal size & investment funnel

- Investments in 2019
- Investments in 2020
- Investments in 2021
- Investments in 2022
- Investments in 2023





Seed investment has remained stable during the past four years.

When we look at Series A and beyond, we logically see an evolution that matches the total investments made into Danish startups.

The highs in 2021 and 2022 are consistent with what was also observed in the rest of Europe. Indeed, during and after COVID, investments boomed.

Top investors in Danish FoodTech startups over the 24 last months

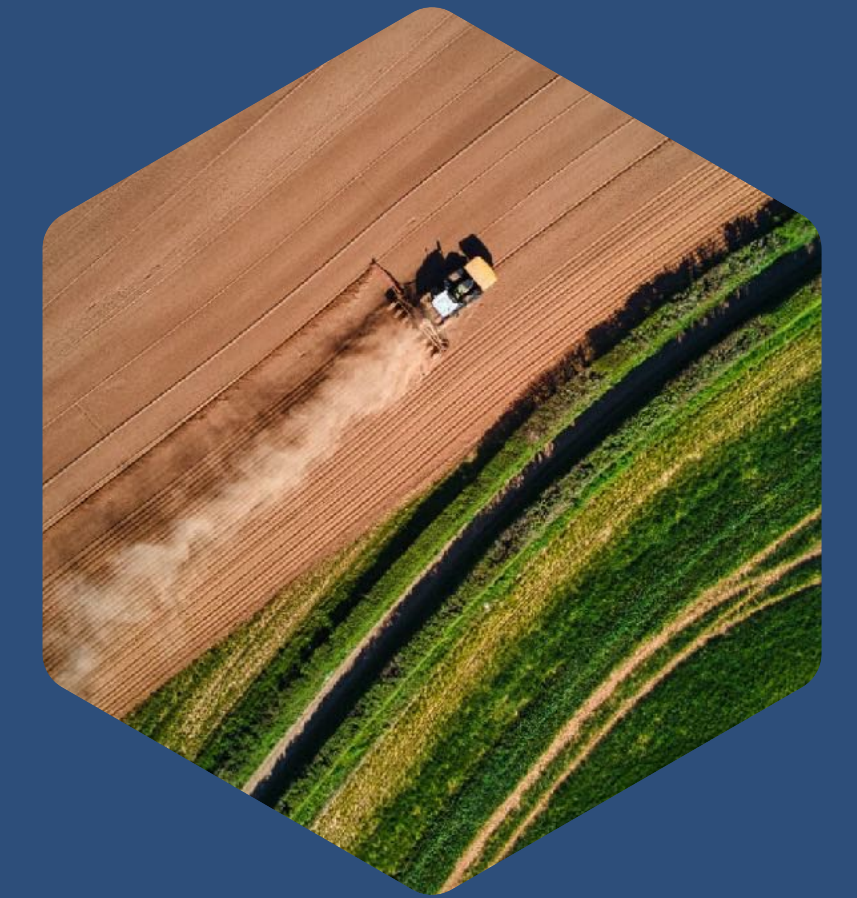
1	BI BioInnovation Institute	<i>11 deals</i>
2	 EIFO	<i>7 deals</i>
3	 Rockstart	<i>4 deals*</i>
4	novo holdings	<i>3 deals</i>

Source: public announcements from startups and funds

* Four Rockstart's deals were publicly announced, but the fund has made a total of 13 investments in 2022 and H1 2023

A STRONGER ECOSYSTEM THROUGH ACCELERATOR PROGRAMS AND PUBLIC SUPPORT

BiInnovation Institute and the Export and Investment Fund of Denmark (EIFO) are the two leading investors in Danish FoodTech startups.



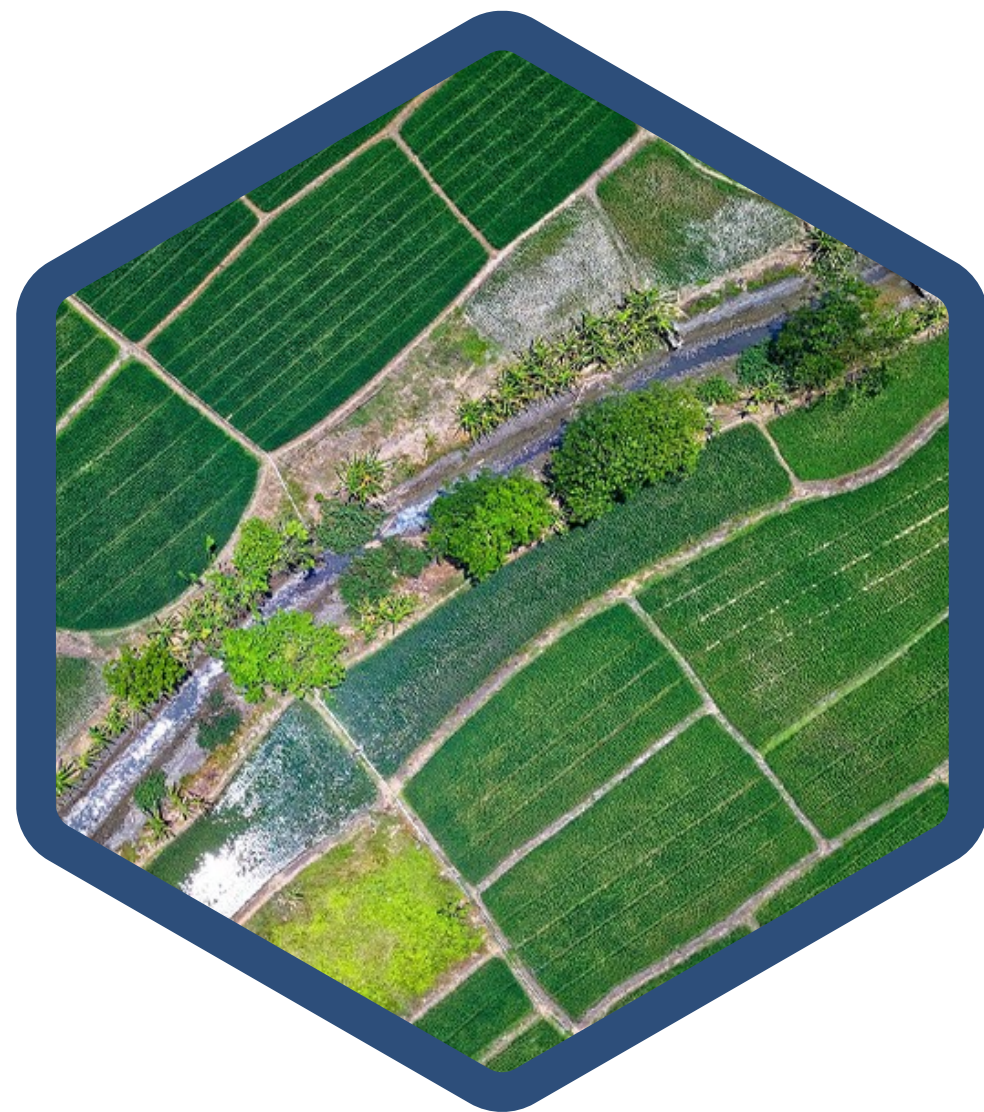
FOCUS ON AGTECH AND FOOD SCIENCE

Three of the four leading investors are focused on AgTech and Food science startups.

Rockstart is a VC fund dedicated to Energy and AgriFood, and Novo Holdings is the CVC of Novo Nordisk and Novozymes, Pharma and Biotech companies.

Focus on AgTech

Denmark is among the most digitized agricultural and food sectors in the world, and precision farming technologies are spreading across Danish fields. According to Statistics Denmark, 70% of all agricultural land in Denmark is cultivated by applying agtech solutions like satellite and drone images, autonomous machinery, precision spraying and farm management software.



Especially, Danish farmers below 40 years of age and bigger farms are fast to invest in and take on new digital methods. This mindset results in a relatively fast uptake of new digital solutions that furthermore creates an ideal user-driven innovative ecosystem, where co-developments and market feedback increase the speed of development.

DRIVERS FOR AGTECH DEVELOPMENT IN DENMARK

- Easy access to strong research activities at universities like Aarhus University - Foulum Campus and the robot cluster around University of Southern Denmark.
- Collaboration between Danish universities, businesses, industry associations and the government is a core pillar of successful innovation
- Significant amounts of non-dilutive softfunding available for innovation activities.
- High salary and lack of labor in the agricultural sector push for higher automation and precision agriculture.
- The presence of global accelerators like Rockstart Agrifood and access to sparring and the right network through Food & Bio Cluster Denmark.



Analysis

The Danish FoodTech ecosystem has become a more and more specialised ecosystem, with a focus on AgTech and Food Science.

Investments were well distributed until 2021, but with the decline of investments in all of Europe that followed, we witnessed a concentration of investments in these two categories: 63% of investments in 2022 were made in AgTech startups.

Logically, the emerging leaders of the ecosystems are from the AgTech sector: ENORM (insects, €50M raised in 2022) and Agreena (carbon marketplace, €46M raised in 2023, following a €20M investment in 2022).

The BioInnovation Institute and the Export and Investment Fund of Denmark are the top investors in Danish FoodTech startups, providing **strong investment support to the ecosystem**.

We also witness this public support for innovation from strong university-industry links and non-dilutive government investments.

Top 10 Danish companies to watch according to Food & Bio Cluster

AgTech: Agrobiomics, TriptoBio, BioOmix, Agrointelli

Food science: MATR Foods, Nordic Virtual Pastures, Myco4Foods

Climtech: Ambient Carbon, Algiecel, MASH Makes.

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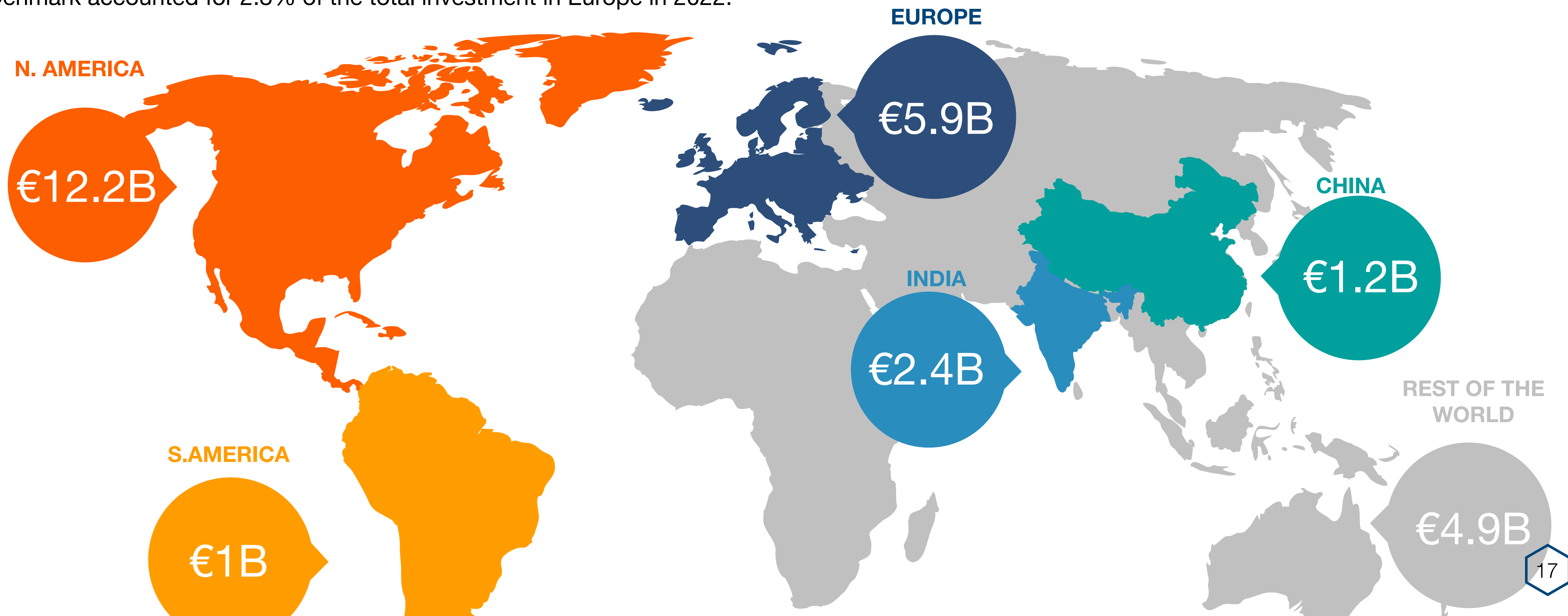
HOW DOES DANISH FOODTECH COMPARE?



Denmark in the world of FoodTech: global investments in 2022

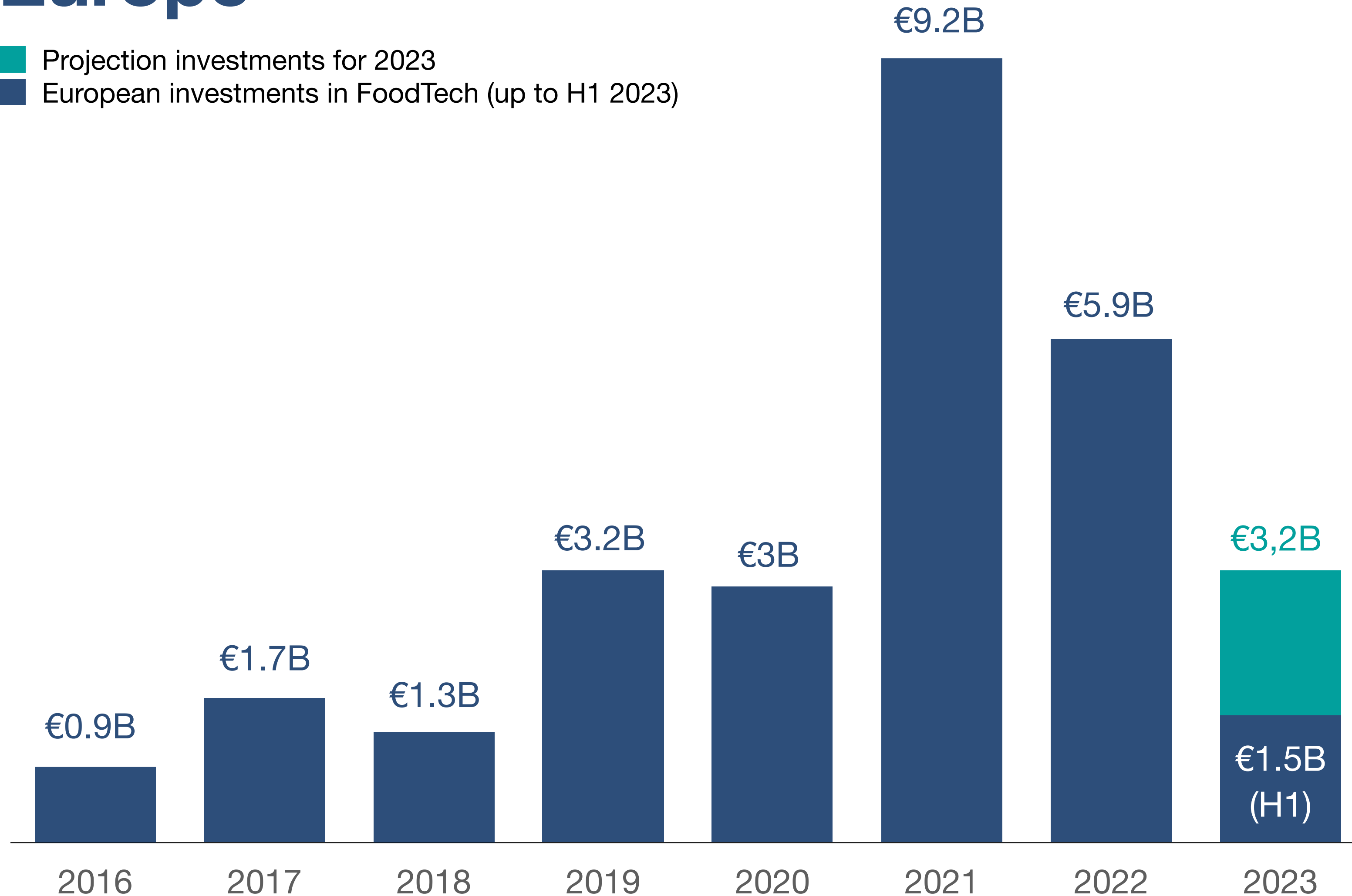
North America is leading the world of FoodTech in terms of investments, with €12.2B invested in 2022, followed by Europe with €5.9B.

Denmark accounted for 2.3% of the total investment in Europe in 2022.



Investments are decreasing in Europe

■ Projection investments for 2023
 ■ European investments in FoodTech (up to H1 2023)



After a boom year, **FoodTech investments decreased by 36% between 2021 and 2022.** Still, €5.9B were invested in European FoodTech startups in 2022, **almost twice as much as in 2019 and 2020.**

Investments in 2023 are still decreasing, with €1.5B invested in H1 2023. However, we expect a bounce back in H2 2023, with large deals to be announced in the following months.

Denmark in Europe Investments in 2023 (projection)

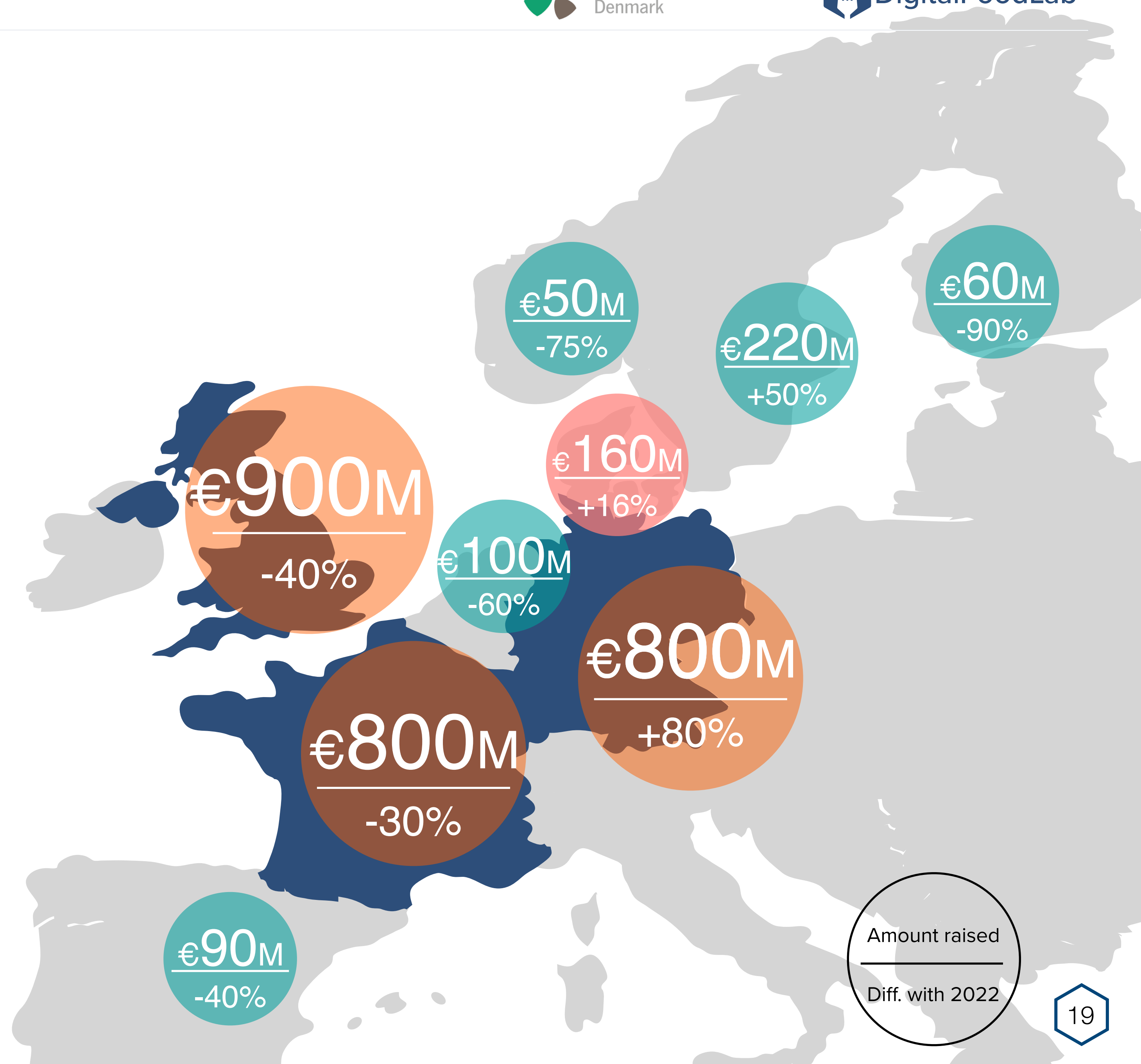
In our projections for 2023, Denmark will be the fifth country in Europe in terms of investments, behind the three leaders (France, UK, Germany) and almost on par with Sweden.

Leaders in Europe's FoodTech (for investments and strenght of the ecosystem).

Denmark: €160M of estimated investment, a small up from 2022

Challengers

Sweden, with an expected growth of investments. Spain, Norway and Finland are expected to see a huge decline in investments.



Amount raised

 Diff. with 2022

Denmark's FoodTech in Europe

We can divide European countries in four buckets depending on the influence of their FoodTech ecosystem:

1. Leaders: the UK, France, Germany: a comprehensive ecosystem made of unicorns and smaller startups active in all of the six categories.
2. Challengers: countries such as Denmark, The Netherlands, Sweden, Finland, and Spain with a strong ecosystem, often one leader, and a presence in at least 2 or 3 FoodTech categories.
3. Single-startup-ecosystems: countries such as the Czech Republic and Estonia, defined mostly by one startup.
4. Followers: countries with smaller ecosystems.



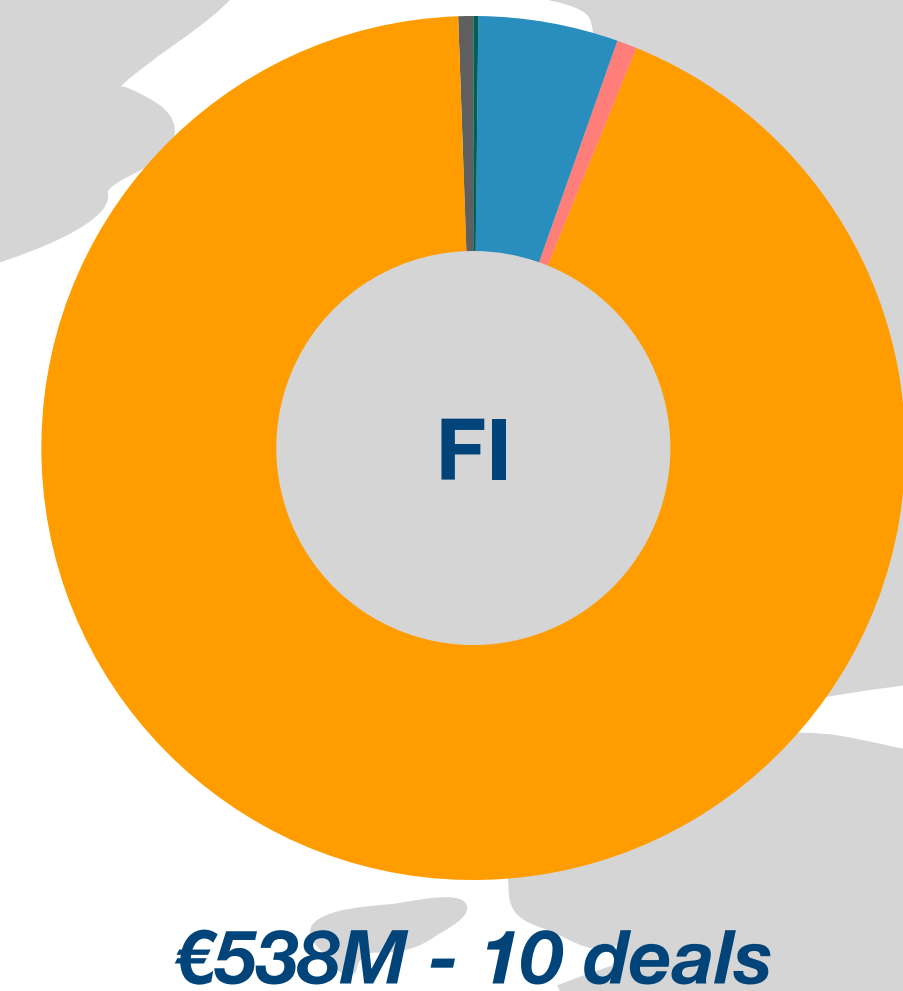
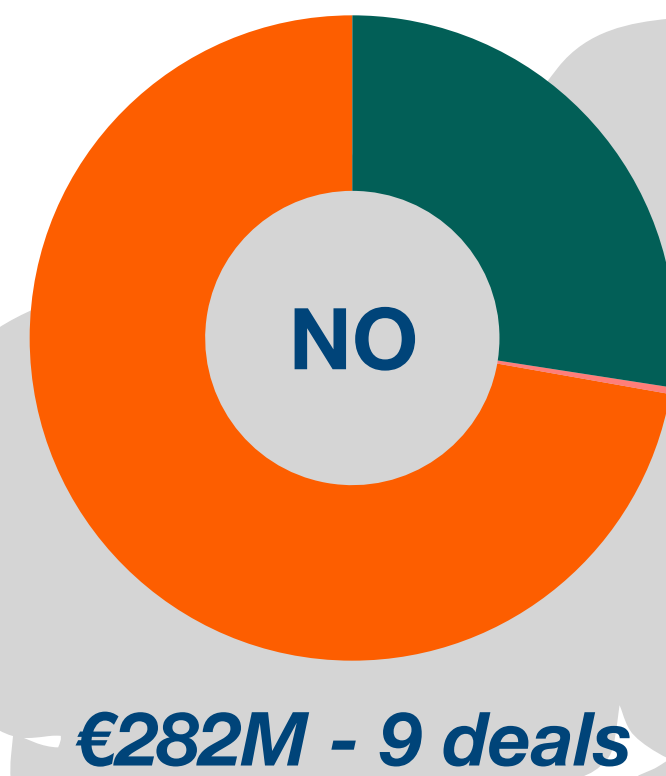
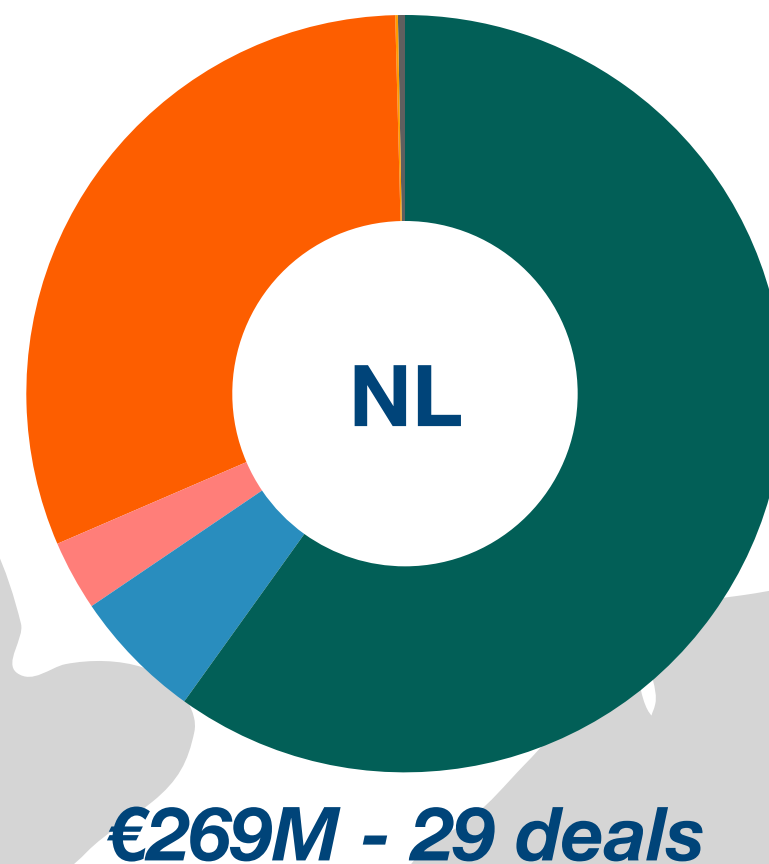
Denmark's FoodTech is in the challenger group with a strong presence in Agtech and food science.

Now, when the Nordic countries are taken together, which is often the case when considered from the outside, it creates a clear leading ecosystem (the 2nd or 3rd in size in Europe). Reinforcing the integration of the different sub-ecosystems and their specialisation could be a winning strategy.

Distribution of investments in 2022 in Northern Europe

Denmark and the Netherlands have a similar distribution of investments, with AgTech leading. Norway depends on the delivery category with Oda. Finland is a singular ecosystem, with some large startups like Relex, which raised €500M in 2022, and a stream of exciting startups created by VTT. Sweden has a more balanced ecosystem in terms of investments.

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

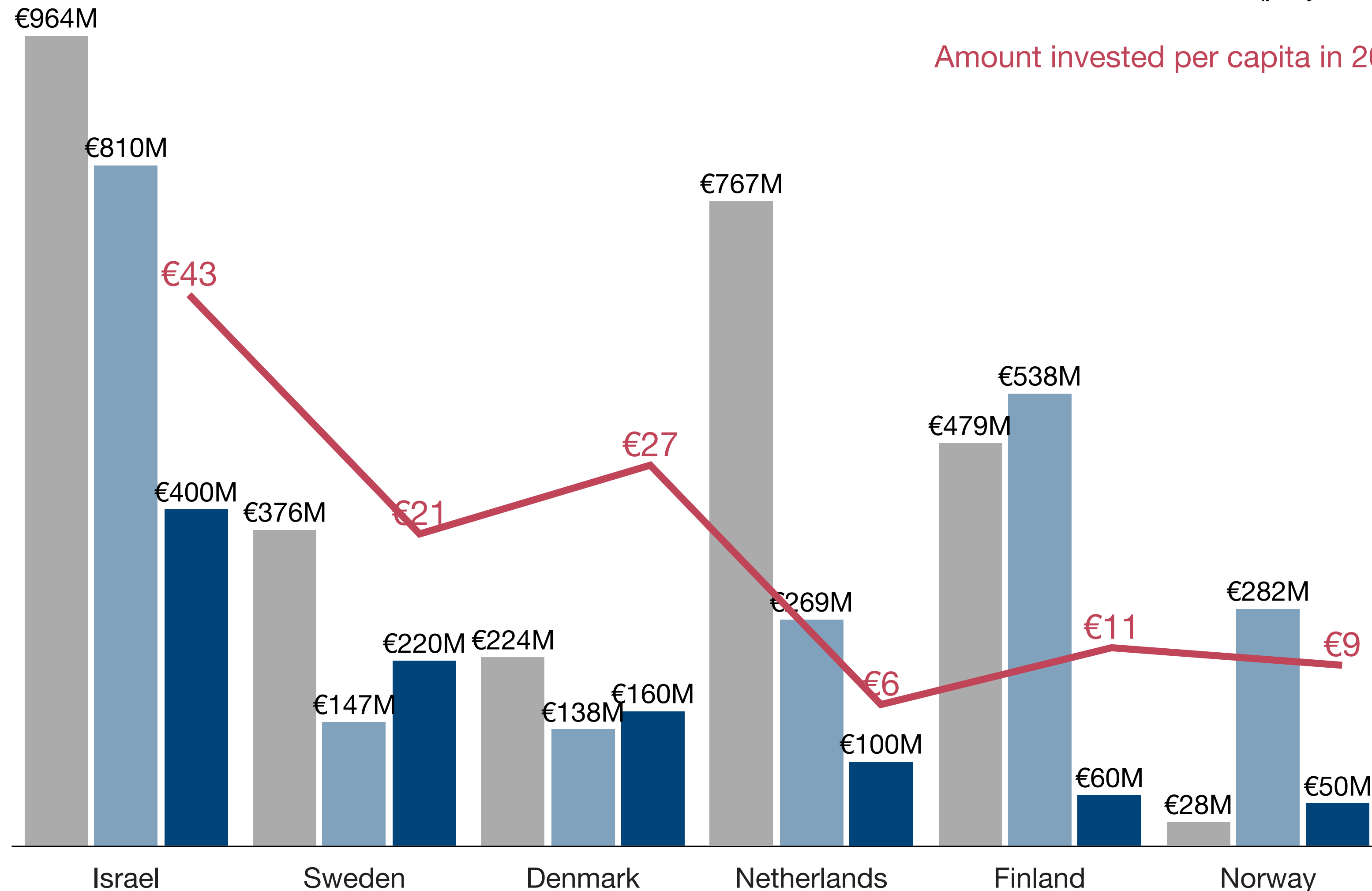


Danish FoodTech compared to its peers

peers

- Investments in 2021
- Investments in 2022
- Investments in 2023 (projection)

Amount invested per capita in 2023



The Danish ecosystem is more stable than others (such as the Netherlands', Finland's, and Norway's).

This shows a better resilience to crisis and independence from big startups.

This should put Denmark in second place among the Nordics in 2023, behind Sweden.

In terms of the amount invested per capita, Denmark should lead the Nordics in 2023.

Compared to Israel, the amount of money invested in the ecosystem is much lower, but per capita, there is only a 37% difference.

FoodTech in Denmark

Strengths

- **Strong AgTech and Food Science ecosystems:**
 - High-ranking universities and easy access to world-class Agtech, FoodTech and biosolution research and talents.
 - Global industry players within areas like protein and ingredients.



- **Strong public support:**
 - Plenty of non-dilutive funding available
 - Strong government commitments to sustainability
 - A strong collaborate spirit between the industry and public institutions.

Weaknesses

- **Small domestic market:**
 - Less than 6M population
 - Startups need to think global (or at least European)
- **No emerging startups in delivery and consumer tech**
- **Difficulties to attract investors:**
 - Not enough business angels to invest in FoodTech.
 - Few serial entrepreneurs in FoodTech.
 - Relative little exposure to international investors



What's next?

As we have seen, Denmark's FoodTech ecosystem is a “challenger” in Europe with strong assets.

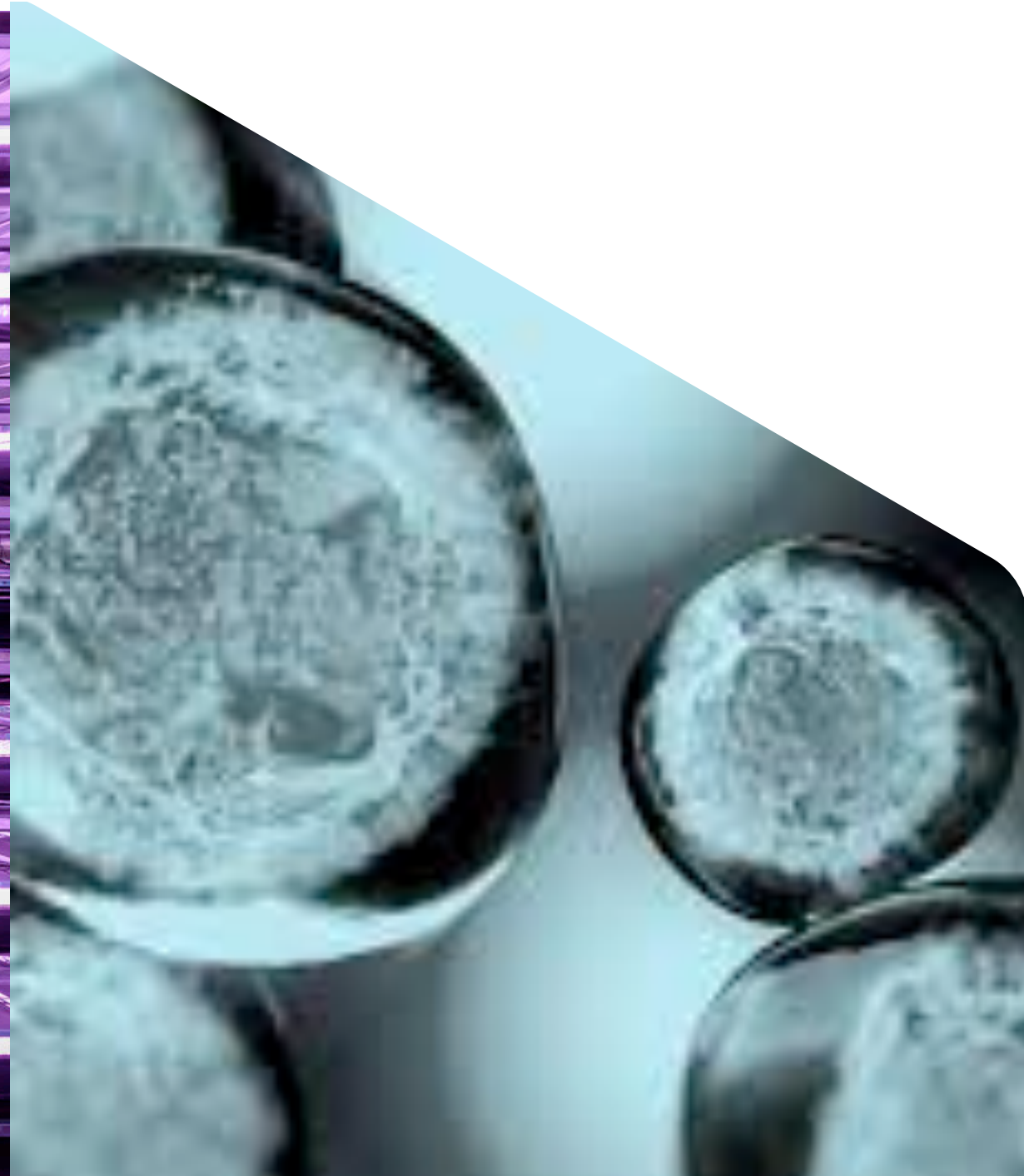
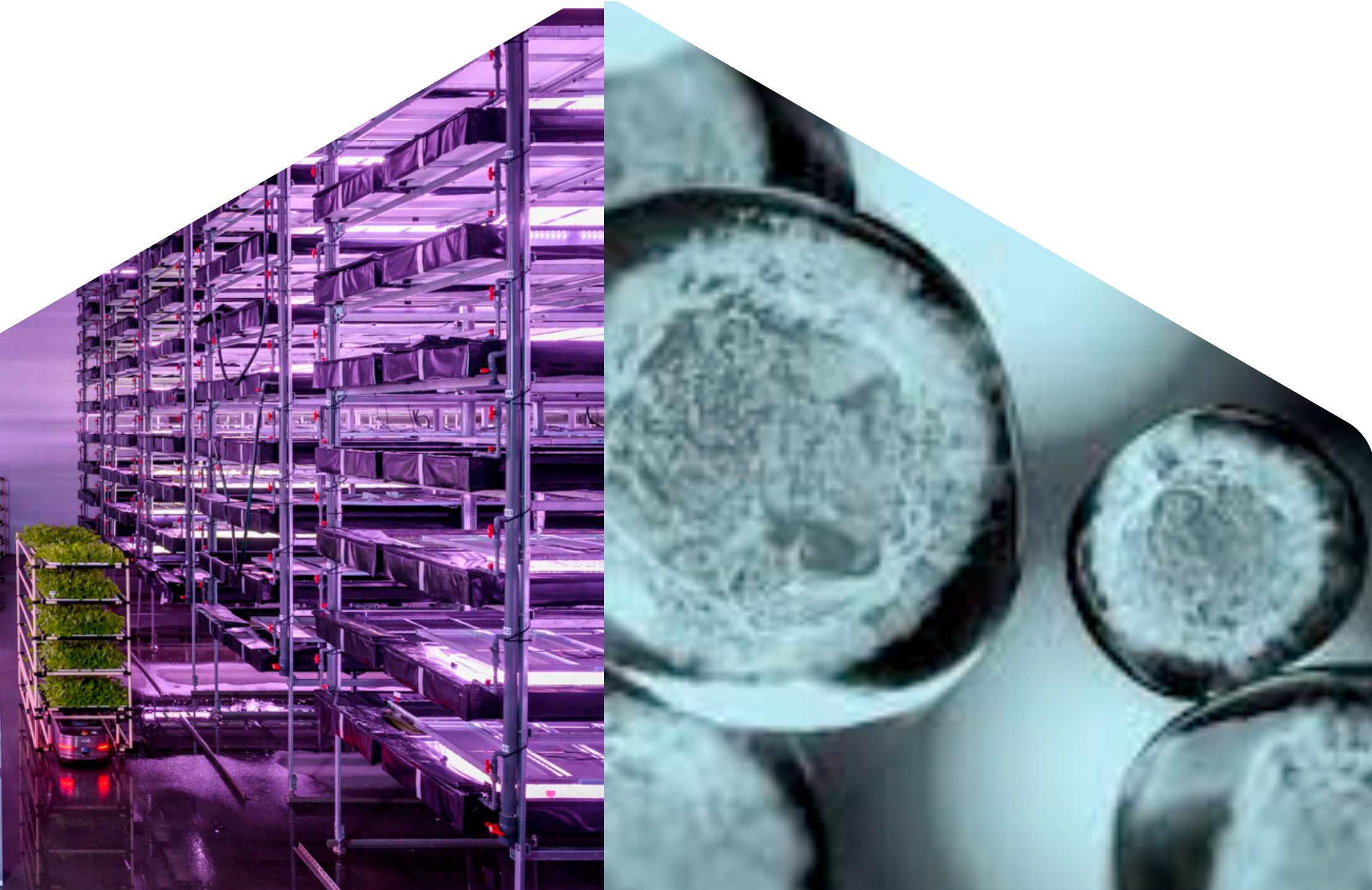
However, its strength in AgTech and bio solutions (supported by universities and public funds) is counterbalanced by its lack of new CPG brands or delivery companies (like in its neighbouring countries).

We could recommend two ways for the future of the Danish FoodTech ecosystem (that would ideally be combined):

#1 - Keep growing on its strengths. As for Israel, Denmark should focus on its leading ecosystems: AgTech and Food Science. The recent emergence of new funds in this sector presents a promising opportunity.

#2 - Positioning Scandinavia as a consistent FoodTech hub with different components, each with its strengths and specialities. As we move forward, FoodTech is becoming increasingly more complicated. It could be relevant to position the different capital regions on different parts of the ecosystem while promoting the whole globally as a single hub to attract investments.





Contacts



Matthieu VINCENT

matthieu@digitalfoodlab.com

+33 6 82 48 92 91



Claus MORTENSEN

cm@foodbiocluster.dk

+45 4030 4820

