



新生代好食品 舌尖改善世界

Shaping Innovative Food Products and Production with Local Characteristics

The Inaugural Healthy Innovation Conference
Dubai, UAE, February 29, 2024

The Name and Origin of Dao Foods



Aside from phonetic similarity of its English name Dao Foods, our Chinese name 道夫子 originates from a sentence in the Chinese masterpiece, The Analects of Confucius, "Confucius' way is loyalty and forgiveness only."

Loyalty and forgiveness are the vital content of Confucianism.

Loyalty means to work for others with a full heart; forgiveness means to consider others in one's place.

This sentence well illustrates the impact logic of Dao Foods, i.e., be loyal to the earth and environment where we live and be kind to the animals living on the planet.

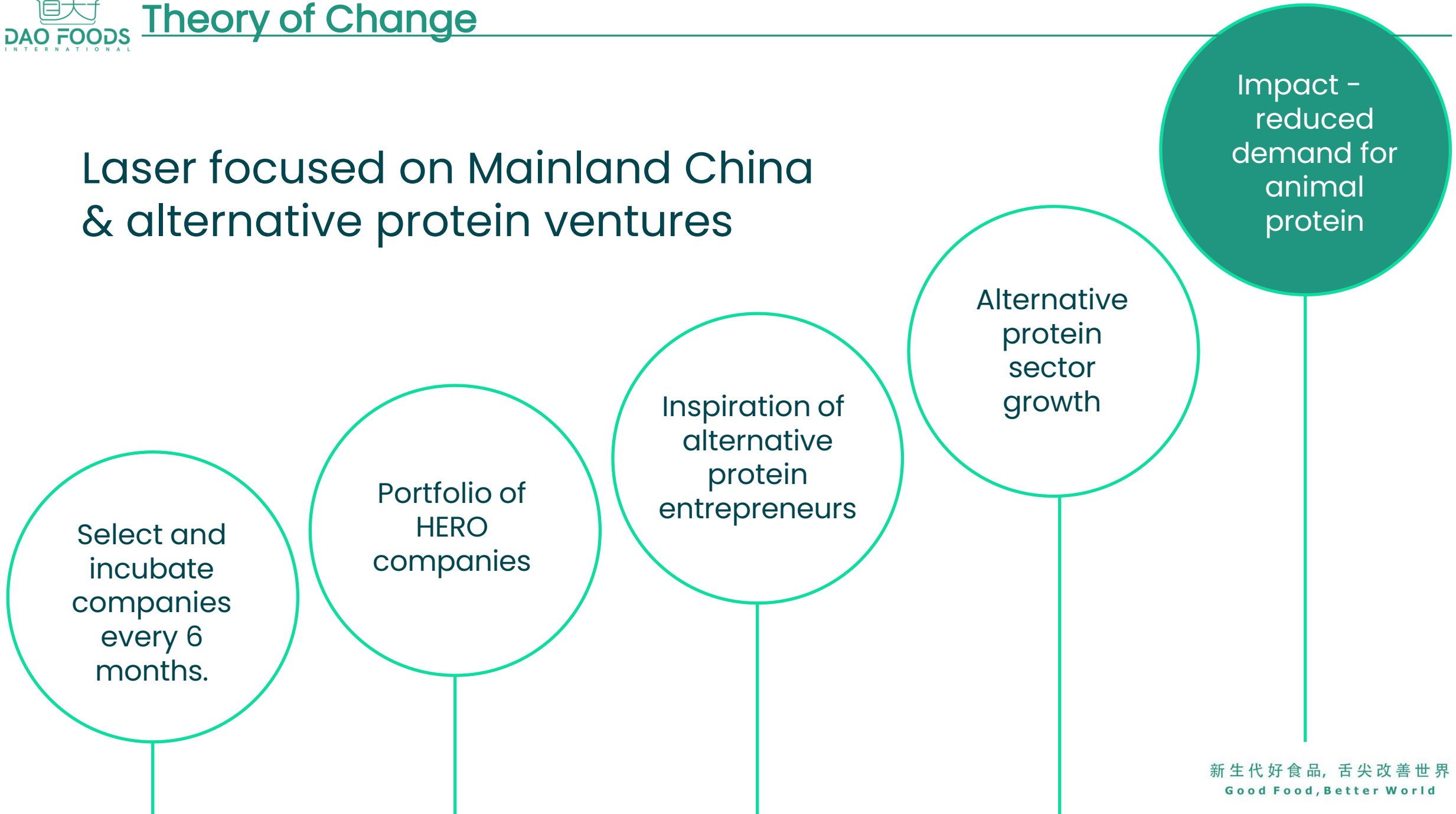
Dao Foods International



- Management company headquartered in Toronto, Canada
- To incubate and invest in Chinese and China-focused ventures and SMEs in the alternative protein space



Laser focused on Mainland China & alternative protein ventures



1

Negative Impacts

Industrialized animal agriculture puts enormous pressure on our planet's natural resources, and is responsible for:

23%

of global fresh water use

45%

of global land occupied

14.5%

of global GHG emissions

**73
BILLION**

land animals slaughtered
for food globally (2020)

33%

of global arable land
use for feed

Source: unep.org, FAO.org

2

Scale of Meat Consumption

China consumes 26% of the world's meat – twice as much as the United States, including almost half of the world's seafood and pork.

CHINA

26%



ALL OTHER
COUNTRIES

CHINA

45%



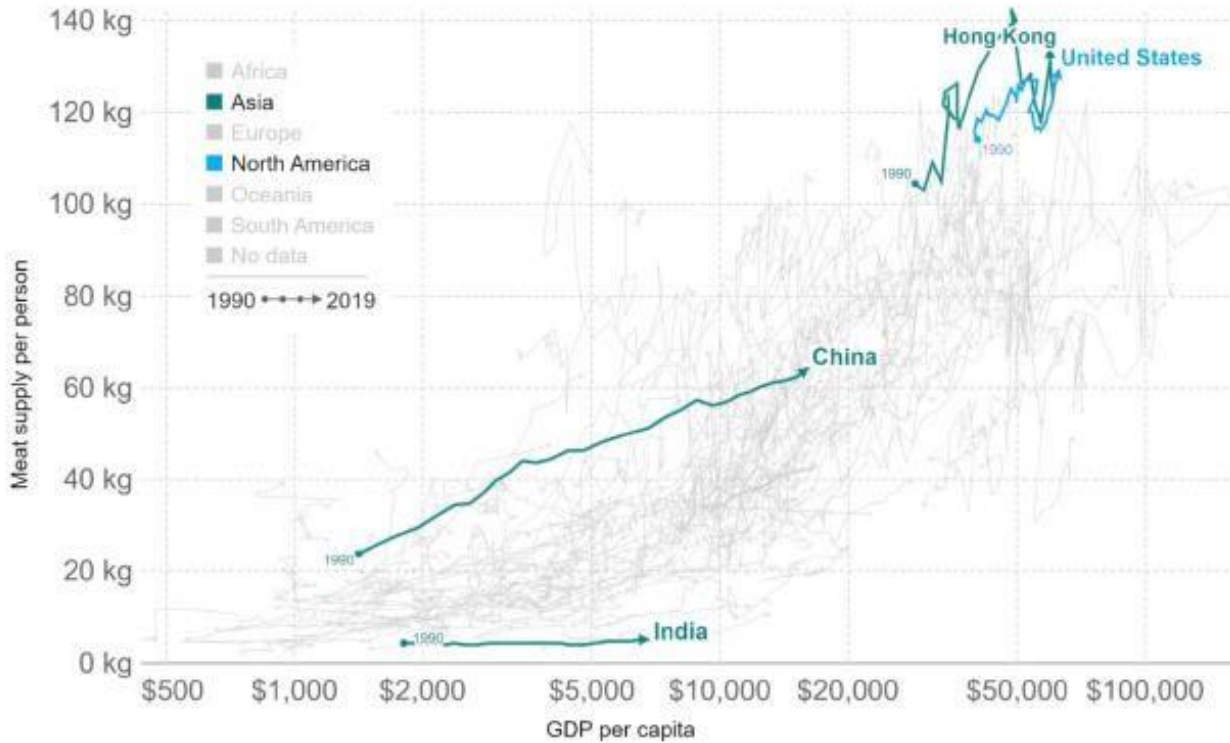
ALL OTHER
COUNTRIES

Source: OECD, sustainablefisheries-uw.org, 2022/23

3

Increasing Consumption

MEAT CONSUMPTION vs GDP PER CAPITA (1990-2019)



Average meat consumption per capita, measured in kilograms per year versus gross domestic product (GDP) per capita measured in constant international-\$. International-\$ corrects for price differences across countries. Figures do not include fish or seafood.

Source: Food and Agriculture Organization of the United Nations; Data compiled from multiple sources by World Bank | ourworldindata.org

Given the sheer size of China's population, **even small increases in individual meat intake will lead to outsized environmental consequences worldwide.**

4

Underinvestment

Investment in alternative protein (AP) is booming globally, **but still nascent in China.**

INVESTMENT IN INNOVATIVE FOODS (2020-2022)

\$10.2 BILLION

ONLY 3.5%

\$362 MILLION

🌐 GLOBALLY

🇨🇳 CHINA

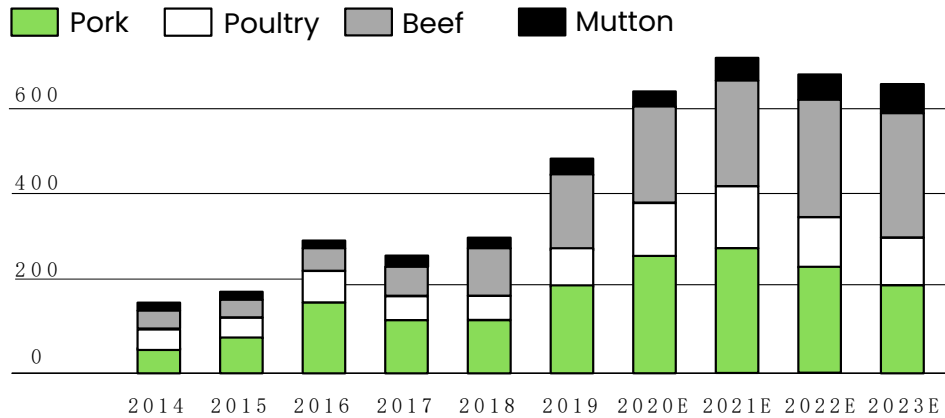
Source: Agfunder

The demand gap for meat products persists

Animal husbandry is easily affected by various epidemic diseases, leading to large fluctuations in output, thus affecting supply and price. In addition, after the occurrence of epidemic diseases, animal-based meat is more prone to virus, which affects food safety in general.

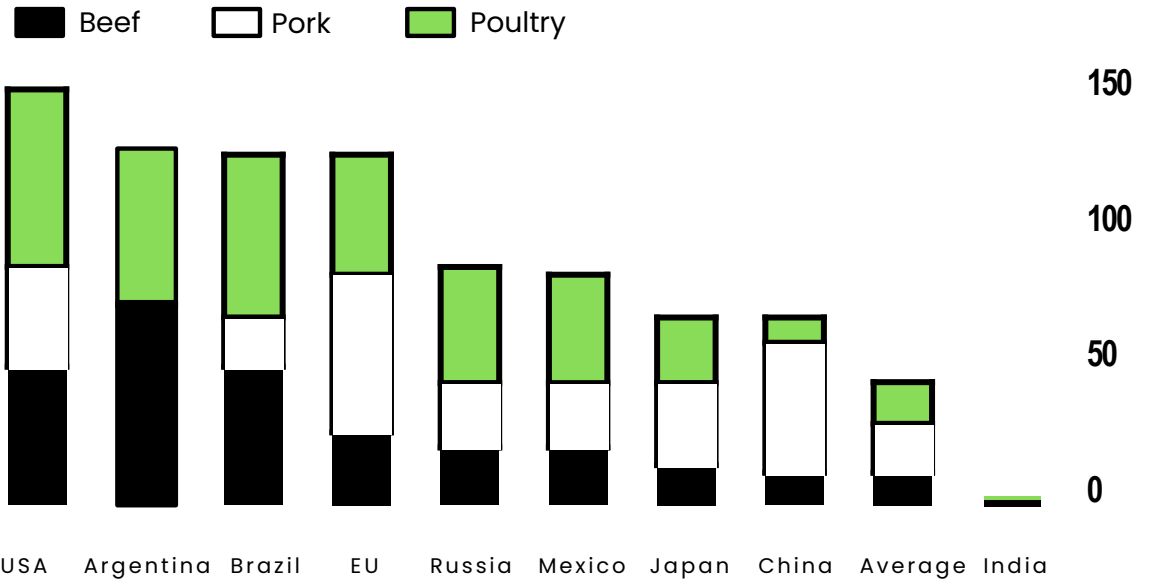
China's Meat Imports and Forecast

(Unit: 10,000tonnes)



Meat products are in great demand

Per capita meat consumption in China has caught up with that of Japan (Unit: kg/year)



(Note: Data on pork consumption in Argentina and India are not available. Beef and pork weights refer to carcasses and poultry meat weights refer to cooked products)

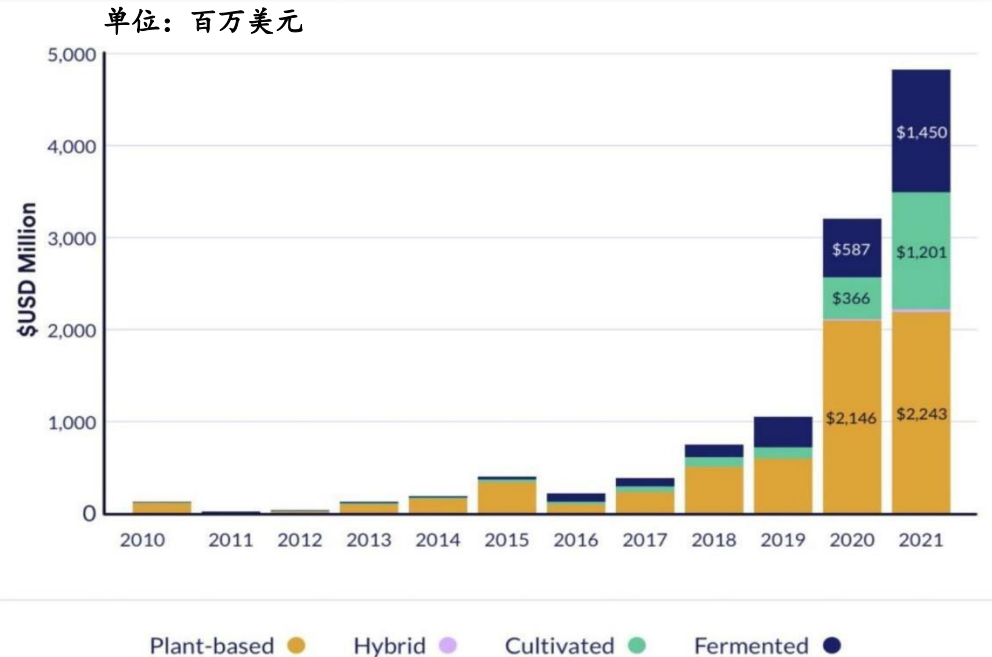
Source of Consolidated Data: Bloomberg Businessweek x Starfield, 2021

Global Investment Trends and Our Observations

Nearly \$5 billion in global new protein investment in 2021
More than the sum of the past 3 years, with an annual growth rate of 58%

Alt protein investments 2010-2021

FAIRR
A COLLIER INITIATIVE



Source: FAIRR Initiative as reported by Financial Times

植物基

- Investments in plant-based continue to rise but slow down
- Emergence of entrepreneurs in various countries
- Cross-border operation and expansion
- Product localization

细胞基

- Cell-cultured meat companies raised more than US\$1.2 billion in financing in 2021, an increase of more than **3 times** compared to 2020
- Increased segmentation in the sector
- Diversification of product applications (up to **15+ types**)

发酵

- In 2021, investments raised by fermentation companies continued to grow, which increased by **2.5 times** compared with 2020, and the total amount exceeded **\$1.4 billion**
- The U.S. and Europe continue to lead, and the Asia-Pacific is catching up (Dao Foods has invested in 6 fermentation ventures so far)

International Trends

- Entrepreneurs emerging worldwide
- Cross-border expansion
- Localization of product applications
- Cell-cultured meat companies raised more money in the first quarter of 2020 than all previous companies as combined
- Entrepreneurs becoming more segmented
- Product apps diversifying (up to 15+)
- In 2019, fermentation companies raised 3.5 times more funds than all cell-cultured meat companies combined
- Investment in fermentation reached an unprecedented high in 2020
- Investments concentrated in the US and Europe



Unovis
Asset Management



Plant-Based

STARFIELD
星期零



Cell-Based

Cultured
Decadence



Fermentation



Unovis
Portfolio Companies



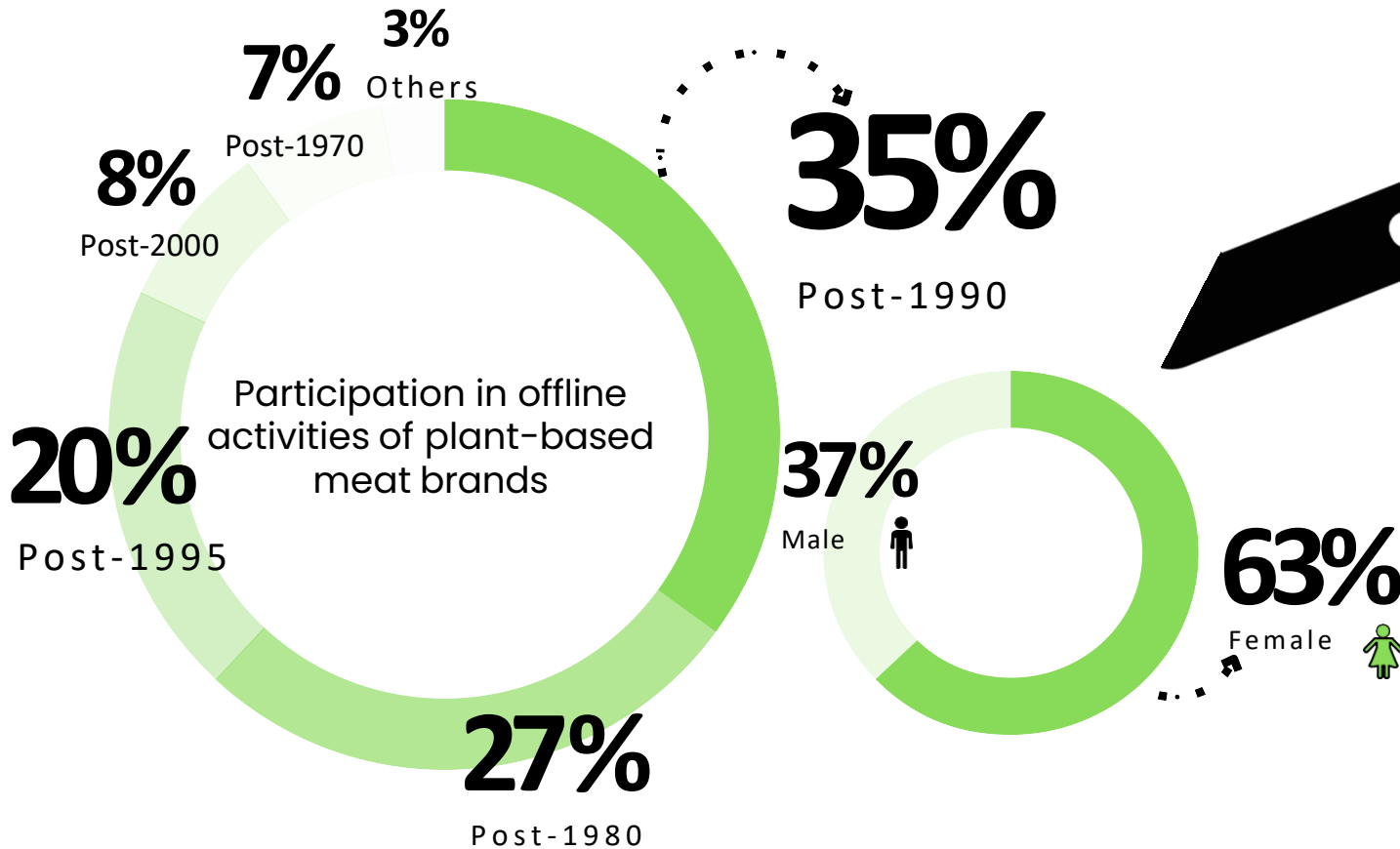
Dao Foods
Portfolio Companies

China Drivers

- Rich product applications
- Curious young consumers
- Vegetarian product tradition & huge flexitarian consumer base
- National Green Development goals
- Government support for protein diversification
- Potential Protein Security challenge
- 14th Five-Year Plan: Tech Independence
- Cross-border collaboration
- Experience in fungi, algae and fermentation
- Strong manufacturing capacity
- Big Food Concept
- Development of big data and AI
- Consumer demand for taste and price

Plant-Based Consumers: Who and What

Young people born after 1980-95 are the main consumer group, and women account for a higher proportion.



Top Key Words

1. Food safety (65%)
2. Price (56%)
3. Experience (34%)
4. Others: health, branding, and means of purchase



There are relatively more female users than male users; the proportion of male and female users in the 18-24 age group is the highest; the main user group is 18-39 years old

China Characteristics – What Make China Unique

“国以民为本，民以食为天，食以安为先。”

To the ruler, the people are heaven; to the people, food is heaven ; for the food, safety is the top priority.

~ Ancient Chinese proverb

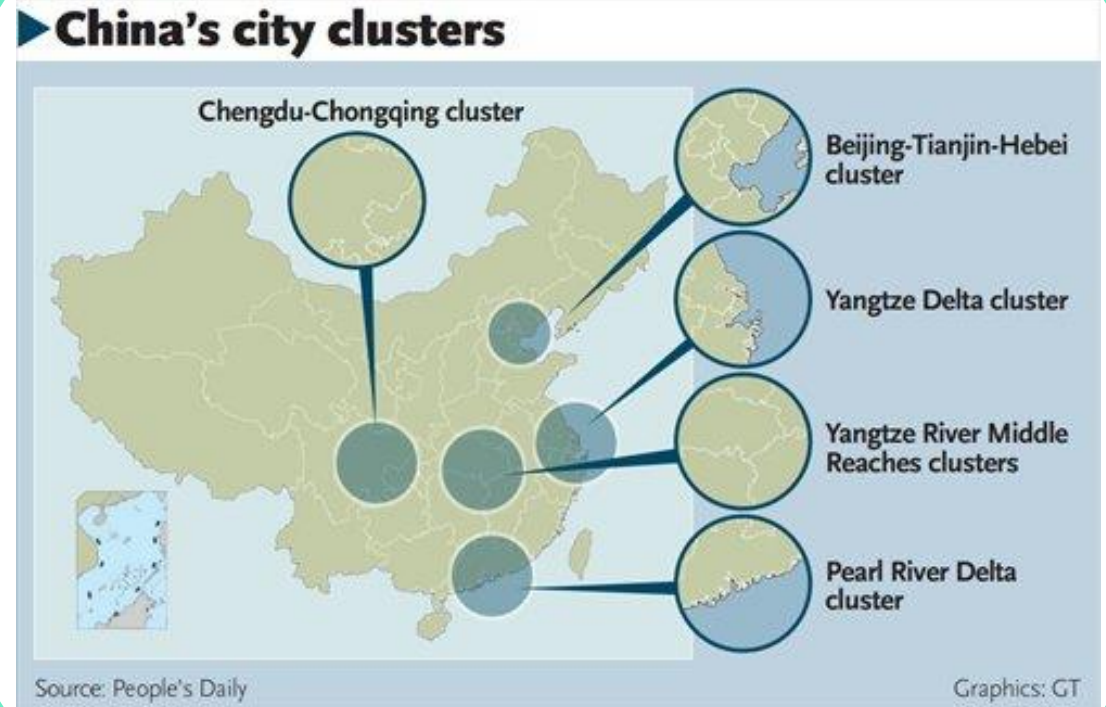


- Mainstream consumer perception of vegans and vegan food
- Limits of the traditional vegan/vegetarian industry
- Vested interests of food industry players
- Ways and means of education and guidance
- Lack of investments, esp. catalytic impact investments
- China’s evolving policies and regulations
- China’s millennials
- Increasing awareness of environmental and health issues
- Long history of Chinese cuisine in plant-based food
- Rich and diverse product applications
- Entrepreneurial DNA in Chinese people

2024 and Beyond: Multi-Region New Protein Initiative

- Expansion and extension of Dao Foods' multi-city Next-Gen Good Food Bootcamp by launching awareness and promotion of new proteins via partnerships with various regional media and industry partners
- Focus: top 5 urban areas of China's planned 19 urban areas: *Beijing-Tianjin-Hebei, Yangtze River Delta, Greater Bay Area, Chengdu-Chongqing, middle reaches of Yangtze River*
- Reasons for these regions: *urbanization, concentration of more educated and younger population, diversity of local food cultures, and better quality of local entrepreneurs*

National Promotion of Alt Proteins Entrepreneurship in China



Beijing-Tianjin-Hebei



The Beijing-Tianjin-Hebei city cluster is China's political and cultural center, as well as an important core area of northern China's economy.

Cities: The concept of the Beijing-Tianjin-Hebei city cluster was developed from the capital economic circle, including the two municipalities of Beijing and Tianjin and Baoding, Tangshan, Shijiazhuang, Langfang, Qinhuangdao, Zhangjiakou, Chengde, Cangzhou, Hengshui, Xingtai, Handan in Hebei Province, and Anyang in Henan Province.

Population: 112.7M

Popular Food & Characteristics:

- Cooked wheaten food
- Peking duck
- Shabu-shabu (mainly lamp)
- Local taste tends to be salty and meaty



Yangtze River Delta



The Yangtze River Delta city cluster has an important strategic position in China's national modernization and opening-up and is one of the most urbanized regions in China.

Cities: The Yangtze River Delta city cluster includes: Shanghai, 9 cities in Jiangsu Province, 8 cities in Zhejiang Province, and 8 cities in Anhui Province

Population: 240M

Popular Food & Characteristics:

- Cuisine in the Yangtze River Delta region tends to be red and bright in color, slightly sweet, and thick in soup
- Well-known dishes and foods: *West Lake vinegar fish*, *Dongpo meat*, *crab powder lion head*, *Shanghai soup dumplings*, *Zhenjiang vinegar*, *Ningbo sweet dumplings*, *Shaoxing rice wine*, *Nanjing salted duck*, etc.



Greater Bay Area



The Pearl River Delta city cluster, also referred as the Greater Bay Area (GBA), is the largest and most populated urban area among the four largest bay areas in the world.

Cities: This area includes nine mega cities in Guangdong province, and two special administrative regions, Hong Kong, and Macau

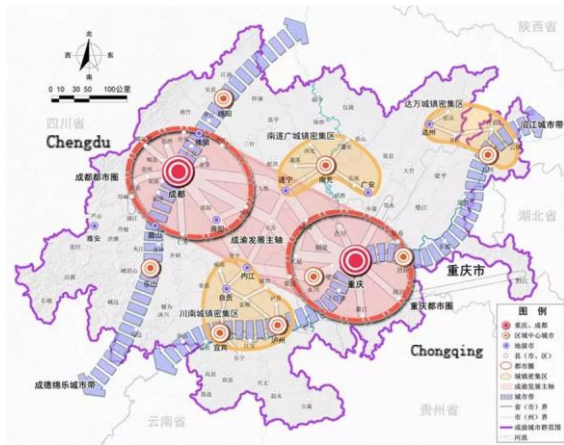
Population: 87 M

Popular Food & Characteristics:

- Cantonese, Hakka and Chaozhou cuisines in the Great Bay Area
- Besides pork, beef and chicken, Cantonese cuisine incorporates almost all edible meats, including chicken feet, duck's tongue, frog legs, and snakes
- Flavors of most local dishes tend to be well-balanced and not greasy



Chengdu-Chongqing



The Chengdu-Chongqing city cluster, centered on Chongqing and Chengdu, is an important platform for the development of China's western region, and an important demonstration area for the country to promote new urbanization.

Cities: This area includes 15 cities in the Sichuan Province and 27 counties under the jurisdiction of Chongqing

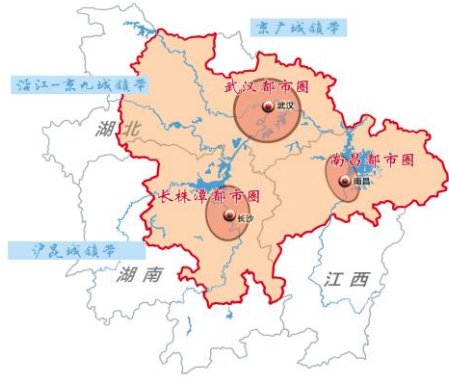
Population: 100M

Popular Food & Characteristics:

- While Chengdu is famous for dishes like mapo (spicy) tofu, the city of Chongqing, its southeastern neighbor, lays its claim to fame for hotpot
- Chengdu and Chongqing share a similar culinary and cultural background, and dishes from both regions are known for their exclusive spicy and pungent flavors



Middle Reaches of Yangtze River



The city cluster in the middle reaches of the Yangtze River, also called Triangle of Central China, connects the east to the west and connects the south to the north. It is an important part of the Yangtze River Economic Belt, and a key area for implementing China's strategy of promoting the rise of the central region and promoting new urbanization.

Cities: This area includes 13 cities in Hubei Province, 8 cities in Hunan Province, and 10 cities in Jiangxi Province

Population: 125M

Popular Food & Characteristics:

- Two major cuisines--Hunan cuisine and Hubei cuisine
- Hunan cuisine tends to be hot and sour, mainly spicy
- Hubei cuisine tends to be salty and fresh, with fish as a key food item



Key Points

- Plant-based drinks and snacks as low-hanging fruits
- Plant-based protein vs. plant-based meat products
- Food as medicine concept
- Investments in long-distance runners
- Tech-driven ventures with government backing
- Production and R&D localization key to success

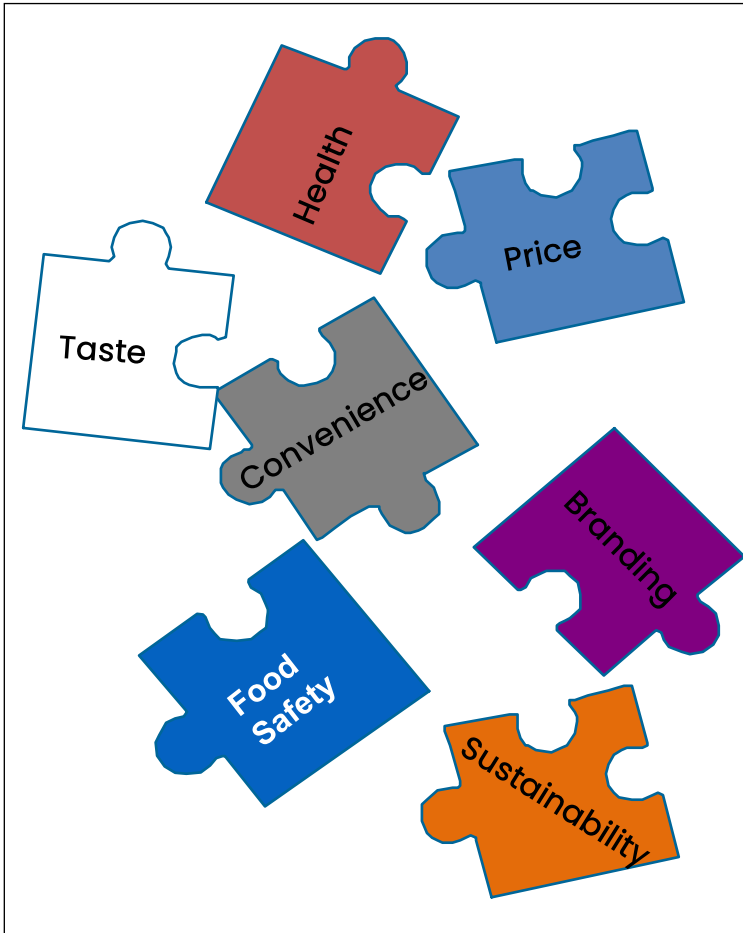
“Our goal is to become an impactful food technology company, bringing healthy and environmentally friendly products to every corner of the world and promoting the development of sustainable food technology globally.”

~ Kiki Wu,
Founder, Starfield



Consumer-Driven vs. Policy-Driven

Consumer Factors



Cell-Based

Fermentation

Plant-Based

Alt Protein Investing
with Chinese Characteristics

Policy Factors

Food Security

Food Safety

Common Prosperity

Peak Carbon, Carbon Neutral

National Health & Nutrition

Anti-Food Waste

Tech Independence

Three Rural Policy

Dao Foods: Investor and Advocate of Next-Gen Good Food for China



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