

Climate Mitigation Opportunity — Financial Impact Analysis of Tetanti’s Carbon Credit Project on Investment Position

Diamond Biofund has invested in Tetanti AgriBiotech Inc. (“Tetanti”). The R&D team of Tetanti possesses over 8,000 strains and 2,500 species of functional microorganisms, enabling the provision of optimized customized enzyme combinations tailored to different types of organic waste. Leveraging its core TTT® technology with targeted enzymes, combined with proprietary equipment, the company can convert organic waste into organic fertilizer within three hours.

Organic waste can be transformed into organic fertilizer, which is not only the source of soil organic matter but also a material for soil carbon sinks. However, in many cases, such waste is mixed with garbage and ends up incinerated or landfilled, releasing carbon dioxide directly into the atmosphere. Consequently, the failure to adopt proper and effective treatment methods has hindered efforts to address global carbon reduction challenges.

Diamond Biofund has engaged with Tetanti to encourage research into integrating carbon credits to enhance product promotion benefits. In May 2025, Tetanti successfully applied for approval under the Ministry of Agriculture’s “Voluntary Greenhouse Gas Reduction Program for Agricultural Facilities” (review passed on May 12, project approval granted on May 29). According to the plan, Tetanti will apply to the Ministry of Environment in 2026 for registration of voluntary carbon credits.

Under the two-year plan submitted to the Ministry of Agriculture, Tetanti will collaborate with farmers to process organic waste and apply for carbon credit registration. In addition to receiving subsidies under the program, the project is expected to generate economic benefits equivalent to NTD 20 million in product sales.

I. Estimation Method and Assumptions

This analysis primarily refers to Tetanti’s original two-year project proposal submitted to the Ministry of Agriculture, including estimated costs and potential revenue benefits. The valuation of Diamond Biofund’s investment in Tetanti is

based on the company’s net asset value and comparable companies’ price-to-book (P/B) multiples. Accordingly, the financial impact of the project on Tetanti’s net value is used to estimate its impact on Diamond Biofund’s investment position. As the project duration is only two years, the estimated impact period is considered short term (two years).

Other assumptions:

1. The valuation of Diamond Biofund’s investment in Tetanti as of August 2025 adopts comparable companies’ P/B multiples.
2. A Discount for Lack of Marketability (DLOM) of 25% is applied in estimating the equity valuation impact.

II. Estimated Impact on Investment Position

Item	Estimated Financial Impact
Net economic benefit (subsidies and revenue minus project costs)	NTD 17,753,819
Impact on Diamond Biofund’s investment value (based on P/B multiple and 25% DLOM)	NTD 4,712,587 (NTD2,356,294 Annually)

III. Conclusion

In summary, Tetanti’s participation in the Ministry of Agriculture’s “Voluntary Greenhouse Gas Reduction Program for Agricultural Facilities” is expected, over the two-year period, to not only secure subsidies but also generate approximately NTD 20 million in product sales benefits, resulting in a net economic benefit of about NTD 17,753,819. Based on the valuation method adopted by Diamond Biofund (comparable company P/B multiples), the estimated impact on Diamond Biofund’s investment position amounts to NTD 4,712,587.

This project represents a small-scale pilot for Tetanti. If the subsequent carbon

credit registration is successful, it will not only enhance carbon reduction outcomes but also facilitate further business expansion opportunities, providing positive long-term potential value for Diamond Biofund's investment position.