



OVER 30 YEARS OF INNOVATION

Sarine Maintains Focus on Strategic Initiatives and Prudent Cost Control in Turbulent Market Conditions

Hod Hasharon (Israel), 22 May 2025 – Singapore Exchange Mainboard and Tel Aviv Exchange listed Sarine Technologies Ltd. (“Sarine” and along with its subsidiaries “the Group”) (U77:SI; SARN.TA), a worldwide leader in the development, marketing and sale of precision technology solutions for the evaluation, planning, processing, measurement, grading and trading of diamonds and gems, wishes to update the public on industry conditions and business developments for the 3 months ended 31 March 2025.

The natural diamond manufacturing industry continues to face significant headwinds with the important (second largest) Chinese retail market still showing no signs of recovery. The lab-grown diamond (LGD) market in the US continued to grow, albeit more slowly, gaining market share (estimated over 50% of items sold) and reducing demand for and prices of natural diamonds. Prices of LGD at retail continue to decline, as production costs and wholesale prices decline, putting pressure on margins and driving retailers to explore ways to more succinctly differentiate between their various retail offerings.

The import tariffs implemented by the US administration in the beginning of April have caused high levels of uncertainty across the supply chain as virtually all diamonds are imported into the US (both natural and LGD). As the tariffs dynamics are in a state of flux, there was an initial burst of importation activity to beat the tariffs followed by a wait-and-see attitude.

On the backdrop of these extremely challenging conditions, the Group generated revenues of US\$ 7.7M in Q1 2025 with a negligible loss of US\$ 0.1M. Notwithstanding the GAAP loss, the Group generated substantial net cash from operations during this period. The challenging market conditions negatively impacted both revenue from capital equipment sales as well as recurring revenues due to lower quantities of rough entering the pipeline (De Beers rough sales for Q1 were \$580M vs \$925M in Q1 2024).

Despite the existing headwinds, we continue to focus on implementing the Group’s strategic initiatives to enable future growth, as well as tightly managing costs. Previously announced plans to shift our manufacturing facilities to our subsidiary in India, as a cost reduction step, have progressed according to plan and should be completed by the end of H1. Our MVP offering continues to gain recognition, expanding in both the number of clients that have adopted the service as well as the quantities of diamonds being planned using this revolutionary service. The number of diamonds planned increased over 40% as compared to Q4 2024, and the average selling price of the service per diamond planned also increased, due to the service’s expansion in late 2024 to

rough stones larger than 40 points. In addition, the adaptation of the MVP paradigm to even larger sizes (2+ carats) is progressing, with initial customer pilots expected in H2. Our LGD offerings, both our LGD planning solution as well as our LGD grading reports, have not been impaired by the market conditions

Looking forward, we do not expect substantial changes to market conditions in the current quarter and believe the second half of the year will be dependent on the evolving expectations for the all-important end-of-year holiday season. Accordingly, we will continue to focus on reviewing our operations and restraining expenses, while still developing our potential growth drivers, for when these turbulent times subside.

The due diligence process related to the possible investment in Kitov.ai, as per the LOI signed and announced, is in process as pertains to their technologies, business model, business forecast, personnel, financials, IP, etc.

About Sarine Technologies

Established in 1988, Sarine Technologies Ltd. is a global leader in developing advanced technologies for modeling, analysis, evaluation, planning, processing, finishing, grading and trading of diamonds. In recent years, Sarine's business has pivoted to deriving mostly recurring revenues from its proprietary Gal3D inclusion and tension mapping (which processes the Galaxy® platforms' output) and Advisor® rough diamond planning cloud-based software packages, along with its other various pay-per-use services. At the heart of Sarine's ecosystem is the Advisor® software, which integrates internal inclusion scanning data and geometrical 3D analyses, to provide rough diamond planning and processing. Sarine's Most Valuable Plan™ (MVP) software, launched in 2024, builds on Advisor® 8.0's capabilities and to provide not only the most advanced but also predominantly automated planning for natural rough diamonds, delivering greater value and enhanced production efficiencies in terms of both time and cost. Sarine's broad array of services, based on data derived from its cutting-edge technologies, also includes Lab-Grown Diamond (LGD) planning, Journey™ provenance and traceability reports, GCAL diamond grading reports and other retail-focused solutions like visualisation and fingerprinting. Sarine continues to develop and sell its world-renowned products, including the Galaxy® family of inclusion and tension mapping systems, rough diamond modelling platforms, laser-marking, inscription and fingerprinting equipment, automated (AI-derived) Clarity, Color, Cut and light performance grading systems and the AutoScan™ Plus for natural rough diamond source registration. For more information about Sarine and its products and services, visit <http://www.sarine.com>.

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