



OVER 30 YEARS OF INNOVATION

PRESS RELEASE

Sarine Stablises Operations in H1 FY2025

Maintains Positive Cashflow Under Difficult Market Conditions

- Demand for natural diamonds continues to be impacted by lab-grown diamonds (LGD) in the United States and weak consumer sentiments in China, the two largest markets for natural diamonds.
- Revenues of US\$15.3 million for H1 2025 are 11% lower than H2 2024 and 30% lower than H1 2024, showing initial stabilisation (as further evidenced by EBITDA of US\$1.6 million being 90% higher than H2 2024 and 49% lower than H1 2024) of operations as new services gain traction and generate more revenue.
- With prudent cost management, the Group maintained positive cashflow and realised only a marginal loss of US\$0.2 million in H1 2025. The just completed relocation of our manufacturing operations to our wholly owned subsidiary in India will further lower overall operating costs in H2 2025.
- Wholesale and retail prices for LGD continued to decline substantially in H1 2025 over H1 2024 due to higher supply and a slowdown in adoption in the US market. With declining absolute profits on low LGD retail prices, diamond jewellery retailers in the US are re-examining the viability of their LGD offerings.
- Continuing growth of recurring revenue streams from new strategic initiatives launched in 2024 are beginning to stabilise operations, with further traction and adoption expected over the next 12 months.

Hod Hasharon (Israel), 10 August 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 announce its financial results for the six months ended 30 June 2025.

Review of H1 2025

The natural diamond manufacturing industry is adjusting to lower global demand caused primarily by the continued expansion of LGD in the United States market, albeit at slower rates, and weak consumer sentiments in China, the two biggest markets for natural diamonds. Diamond manufacturers have delayed or deferred the purchase of capital equipment due to market uncertainties, and with a lower quantity of rough diamonds sold by miners into the polishing pipeline in the first 6 months of 2025, the Group's Galaxy scanning activities were also affected.

However, the Group's new services introduced in 2024, all based on a recurrent revenue model, have gained greater adoption by more manufacturers with revenue growth in H1 2025. The growth of these new services is beginning to stabilise the Group's operations, as evidenced by the revenue of US\$15.3 million in H1 2025 being 11% lower than H2 2024 and 30% lower compared to H1 2024. Notwithstanding the lower revenues, the Group's business streamlining and active cost management have mitigated the impact of the drop in revenues on the overall financial performance of the Group, maintaining positive cashflow and only a marginal loss of US\$0.2 million incurred in H1 2025. Group EBITDA for H1 2025 amounted to US\$1.6 million as compared to US\$0.9 million in H2 2024 and US\$3.3 million in H1 2024.

In H1 2025, we expanded the Most Valuable Plan™ (MVP), our new recurrent revenue service for optimising the planning of natural rough diamonds to cover additional larger stone sizes, with proportionately higher revenues per stone. The adaptation of our rough planning technologies to LGD as well as the opening of a GCAL by Sarine lab in India have expanded our services portfolio to address the needs of additional customers and generated new recurring revenue streams in H1 2025.

Prospects

For the rest of 2025, we expect demand for natural diamonds to remain at around the current levels, though U.S. tariffs, currently set at 50% on Indian exports, may have a destabilising effect. The uncertainty surrounding the tariffs has resulted in delayed ordering by major US retailers ahead of the all-important end-of-year holiday season. This prevailing new norm may change if U.S. diamond jewellers find the lower priced LGD unprofitable to offer, or if there is a pickup in demand from China. The constant erosion in the retail prices of LGD is becoming a challenge for diamond retailers.

In recent years, the Group has shifted its strategic initiative to focus on deriving recurring revenues from its proprietary services, comprising Galaxy® scanning, Gal3D inclusion mapping software (which processes the scans from Galaxy® platforms), the Advisor® rough diamond planning cloud-based solution (MVP) together with the Group's grading and traceability reports which now constitute the vast majority of the Group's revenues.



Our new services launched in 2024 are experiencing an expansion in adoption by the industry. MVP users achieve additional yield from the rough diamonds, as well as benefit from cost savings through the process automation. The expanded application of MVP to additional sizes of rough diamonds should result in significant revenue growth over the next 12 months. Our LGD-focused GCAL grading labs in Surat and New York offer a cost-effective integrated AI-based service that should benefit from the GIA's decision to terminate the grading of LGD using the traditional 4Cs methodologies/ This step was taken both in order to differentiate LGD from natural diamonds and to reduce the cost of their LGD grading services, which had become disproportionate to LGD pricing. Our collaboration with DeBeers' Tracr™ platform, together with our AutoScan™ Plus and Sarine Diamond Journey™ provide scalable cost-effective means to address origin and traceability requirements, and we are seeing adoption by key US retailers, that should result in new revenue streams in the second half of 2025.

The cost reduction benefits arising from the Group's business streamlining should continue to accrue into H2 2025. With the recently completed relocation of the Group's manufacturing facilities to our long established wholly owned subsidiary in India, the Group will benefit from additional operating cost reductions, as well as closer proximity to our major customers in India.

As first announced on 23 February 2025, the Group is in discussions to acquire a stake in Kitov.ai which has developed and sells an AI-based visual inspection platform for many varied industrial applications, ranging from aerospace, automotive and electronics to consumer products. The current preliminary deal structure would involve the Group making an initial cash investment of US\$4.1 million to buy new and vendor shares for a 33% stake in Kitov.ai. The Group will also provide US\$2.6 million in a convertible loan, which it can convert under certain conditions between February 2027 and February 2028 to take its stake up to 51% of the enlarged Kitov.ai. Subject to the revenue and profit performance targets of Kitov.ai, there are conditional earnouts and the existing shareholders may exercise a put option to sell additional vendor shares to the Group. The investment in Kitov.ai would allow Sarine to diversify into additional industries., as noted above,

This press release is to be read in conjunction with Sarine's H1 FY2025 results released to the Singapore Exchange on 10 August 2025.

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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