

**Sarine Technologies Ltd.
and its Subsidiaries**

**(Incorporated in Israel)
(Registration Number: 51-133220-7)**

**Condensed Interim Financial Statements
For the Period ended 30 June 2025**

A. Condensed Consolidated and Company Statements of Financial Position	1
B. Condensed Consolidated Interim Statements of Profit or Loss and Other Comprehensive Income	2
C. Condensed Consolidated and Company Statements of Changes in Equity	3
D. Condensed Consolidated Statements of Cash Flows	4
E. Notes to the Condensed Interim Financial Statements	5
F. Other Information Required by Listing Rule 7.2	11

**Sarine Technologies Ltd.
and its Subsidiaries**

A. Condensed Consolidated and Company Statements of Financial Position as at:

	Group		Company	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
	US\$ thousands			
Assets				
Property, plant and equipment	6,162	6,545	939	1,161
Investment property (Real Estate)	3,860	3,914	--	--
Right-of-use assets	3,629	4,594	1,619	2,267
Intangible assets	7,550	7,044	1,284	801
Long-term trade receivables	973	1,740	162	296
Investment in subsidiaries	--	--	46,761	42,785
Other non-current assets	4,227	2,247	--	--
Deferred tax assets	448	593	--	--
Total non-current assets	26,849	26,677	50,765	47,310
Inventories, see Note 10	5,945	6,731	3,231	4,242
Trade receivables	8,191	9,195	5,961	6,074
Other current assets	2,139	3,006	747	694
Short-term investments (bank deposits)	2,547	8,071	--	2,051
Cash and cash equivalents	24,795	18,229	9,798	7,916
Total current assets	43,617	45,232	19,737	20,977
Total assets	70,466	71,909	70,502	68,287
Equity				
Share capital*	--	--	--	--
Share premium and reserves	35,479	35,396	35,479	35,396
Translation reserve	(4,420)	(4,436)	(4,420)	(4,436)
Dormant shares, at cost	(6,627)	(6,502)	(6,627)	(6,502)
Retained earnings	32,825	32,991	32,825	32,991
Total equity	57,257	57,449	57,257	57,449
Liabilities				
Long-term lease liabilities	3,193	4,165	1,479	2,178
Financial instrument	1,200	1,100	--	--
Other non-current liabilities	188	177	116	107
Total non-current liabilities	4,581	5,442	1,595	2,285
Trade payables	1,350	1,440	1,331	1,433
Other payables	5,784	5,792	9,584	6,114
Current lease liabilities	1,057	1,326	527	788
Current tax payable	159	161	--	--
Warranty provision	278	299	208	218
Total current liabilities	8,628	9,018	11,650	8,553
Total liabilities	13,209	14,460	13,245	10,838
Total equity and liabilities	70,466	71,909	70,502	68,287

* No par value

**Sarine Technologies Ltd.
and its Subsidiaries**

B. Condensed Consolidated Interim Statements of Profit or Loss:

	Group Six Months Ended June 30,		
	2025	2024	change
	US\$ thousands		%
Revenue	15,335	21,871	(29.9)
Cost of Sales	6,666	8,044	(17.1)
Gross profit	8,669	13,827	(37.3)
Research and development expenses	2,856	3,887	(26.5)
Sales and marketing expenses	4,504	5,652	(20.3)
General and administrative expenses	1,805	2,870	(37.1)
Gain from lease termination	(604)	--	NA
Profit from operations	108	1,418	(92.4)
Net finance income	18	123	(85.4)
Profit before income tax	126	1,541	(91.8)
Income tax expense	292	519	(43.7)
(Loss) Profit for the period	(166)	1,022	NA
Other comprehensive income (loss)			
Foreign currency translation differences from foreign operations	16	(28)	NA
Total comprehensive (loss) income for the period	(150)	994	NA
Earnings per share			
Basic (losses) earnings per share (US cents)	(0.05)	0.30	
Diluted (losses) earnings per share (US cents)	(0.05)	0.30	

**Sarine Technologies Ltd.
and its Subsidiaries**

C. Condensed Consolidated and Company Statements of Changes in Equity

Group and Company	Share capital*	Share premium and reserves	Translation reserve	Retained earnings	Dormant shares	Total
	US\$ thousands					
Balance at January 1, 2024	--	35,264	(4,249)	34,488	(5,183)	60,320
Profit for the period ended June 30, 2024	--	--	--	1,022	--	1,022
Other comprehensive income for the period ended June 30, 2024	--	--	(28)	--	--	(28)
Dormant shares, acquired at cost (4,587,874 shares)	--	--	--	--	(1,125)	(1,125)
Share-based payment expenses	--	126	--	--	--	126
Exercise of options	--	4	--	--	--	4
Balance at June 30, 2024	--	35,394	(4,277)	35,510	(6,308)	60,319
Balance at January 1, 2025	--	35,396	(4,436)	32,991	(6,502)	57,449
Loss for the period ended June 30, 2025	--	--	--	(166)	--	(166)
Other comprehensive income for the period ended June 30, 2025	--	--	16	--	--	16
Dormant shares, acquired at cost (758,000 shares)	--	--	--	--	(125)	(125)
Share-based payment expenses	--	83	--	--	--	83
Balance at June 30, 2025	--	35,479	(4,420)	32,825	(6,627)	57,257

* No par value

D. Condensed Consolidated Statements of Cash Flows

	Group	
	Six months ended June 30,	
	2025	2024
	US\$ thousands	
Cash flows from operating activities		
(Loss) Profit for the period	(166)	1,022
Adjustments for:		
Share-based payment expenses	83	126
Income tax expense	292	519
Depreciation of property, plant & equipment and right-of-use assets	1,299	1,520
Depreciation of investment property (Real Estate)	54	69
Amortisation of intangible assets and write off of goodwill	184	246
Revaluation of lease liabilities from exchange rate differences	225	(114)
Gain from lease termination	(604)	--
Change in intangible assets fair value, net	(100)	--
Change in financial instrument liability	100	35
Other net finance income	(296)	(97)
Changes in working capital		
Inventories	786	1,616
Trade receivables	1,771	180
Other current assets	10	(220)
Trade payables	(90)	(68)
Other liabilities	11	1,188
Employee benefits	11	(6)
Income tax paid	(1,172)	(381)
Net cash from operating activities	2,398	5,635
Cash flows (used in) from investing activities		
Acquisition of property, plant and equipment	(250)	(337)
Rent deposit	--	47
Other non-current assets	--	(151)
Proceeds from realisation of property, plant and equipment	10	32
Short-terms investments, net	5,524	(7,905)
Capitalisation of development expenses	(690)	--
Interest received	437	349
Net cash from (used in) investing activities	5,031	(7,965)
Cash flows used in financing activities		
Proceeds from exercise of share options	--	4
Purchase of Company's shares by the Company	(125)	(1,125)
Payment of lease liabilities	(597)	(572)
Interest paid	(132)	(164)
Net cash used in financing activities	(854)	(1,857)
Net increase (decrease) in cash and cash equivalents	6,575	(4,187)
Cash and cash equivalents at beginning of year	18,229	22,351
Effect of exchange rate fluctuations on cash and cash equivalents	(9)	(88)
Cash and cash equivalents at end of period	24,795	18,076

E. Notes to the Condensed Interim Financial Statements as at December 31, 2024

Note 1 – General

Sarine Technologies Ltd. (hereinafter “Sarine” or the “Company”) is a company domiciled in Israel. The address of the Company’s registered office is 4 Haharash Street, Hod Hasharon 4524075, Israel. The condensed interim financial statements of the Company, as at June 30, 2025 and for the six months ended June 30, 2025, comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The Company was incorporated on November 8, 1988. On April 8, 2005, the Company was admitted to the Main Board list of the Singapore Exchange Securities Trading Ltd. and on July 5, 2021, the Company dual listed its shares for trading on the Tel Aviv Stock Exchange.

Note 2 - Basis of Preparation

A. Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS®). The condensed interim financial statements for the six months and year ended June 30, 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed interim financial statements were authorised for issue by the Company’s Board of Directors on August 10, 2025.

B. Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except for the following material items in the condensed interim statement of financial position:

- financial assets measured at fair value through profit or loss;
- assets and liabilities relating to employee benefits;
- deferred tax assets and liabilities;
- and provisions.

C. Functional and presentation currency

These condensed interim financial statements are presented in United States (US) dollars, or US\$, which is the Company’s functional currency. The US dollar is the currency that represents the principal economic environment in which the Company and most Group entities operate. All financial information presented in US dollars has been rounded to the nearest thousand, except where otherwise indicated.

D. Use of estimates and judgments

The preparation of condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Certain accounting estimates used in the preparation of the Group’s condensed interim financial statements may require management to make assumptions regarding circumstances and events that involve considerable uncertainty. Management prepares these estimates on the basis of past experience, known facts, external circumstances, and reasonable assumptions. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

For additional information, refer to Note 10.

E. Changes in accounting policies

The accounting policies applied in these condensed interim financial statements for the six months ended June 30, 2025 are the same as those applied by the Company in the audited financial statements for the year ended December 31, 2024.

Note 3 - Operating Segments

The Group is a worldwide leader in the development, manufacturing, marketing and sale of precision technology products for the planning, processing, evaluation and measurement of diamonds and gems. India is the principal market for these products. In accordance with IFRS 8, the Group determines and presents operating segments based on the information that is provided internally to the CEO, who is the Group's chief operating decision maker. The measurement of operating segment results is generally consistent with the presentation of the Group's condensed interim statements of comprehensive income. The Group operates in only one operating segment. Presented below are revenues broken out by geographic distribution.

<u>Region</u>	Group			
	Six months ended June 30,			
	US\$ thousands			
	2025	2024	\$ change	%
India	7,604	11,158	(3,554)	(31.9)
Africa	2,259	3,001	(742)	(24.7)
Europe	1,178	1,743	(565)	(32.4)
USA	2,006	2,473	(467)	(18.9)
Israel	519	874	(355)	(40.6)
Other*	1,769	2,622	(853)	(32.5)
Total	15,335	21,871	(6,536)	(29.9)

* Primarily Asia, excluding India

Note 4 - Revenue

<u>Composition</u>	Group	
	Six months ended June 30,	
	US\$ thousands	
	2025	2024
Sale of products ¹	10,839	16,326
Maintenance & services ²	4, 496	5,545
Total	15,335	21,871

¹ Includes Galaxy[®] family recurring revenues associated with customer-owned machines.

² Includes annual maintenance contracts, service centers and gemological lab revenues.

Note 5 – Income Taxes

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The decrease in income tax expense was primarily due to consolidated tax reporting initiatives taken by the Group and by the profitability being realised in various entities of the Group, each subject to different jurisdictions, applicable incentives, and income tax loss carry forwards.

The major components of income tax expense in the condensed interim statements of profit and loss and other comprehensive income are:

	Group	
	Six months ended June 30,	
	US\$ thousands	
	2025	2024
Current tax expense	101	515

Sarine Technologies Ltd.
and its Subsidiaries

Taxes in respect of previous years	46	84
Deferred tax	145	(80)
Total income tax expense	<u>292</u>	<u>519</u>

Note 6 – Share Capital – The Company

	June 30, 2025	December 31, 2024	June 30, 2024
	No. of shares	No. of shares	No. of shares
Authorised:			
Ordinary shares of no par value	<u>2,000,000,000</u>	<u>2,000,000,000</u>	<u>2,000,000,000</u>
Issued and fully paid:			
Ordinary shares of no par value	<u>356,836,455</u>	<u>356,836,455</u>	<u>356,836,455</u>
Dormant shares (out of the issued and fully paid share capital):			
Ordinary shares of no par value	<u>(15,465,174)</u>	<u>(14,707,174)</u>	<u>(13,655,774)</u>
Total number of issued shares (excluding dormant shares)	<u>341,371,281</u>	<u>342,129,281</u>	<u>343,180,681</u>

During the six months ended June 30, 2025, no options were exercised into ordinary shares. During the six months ended June 30, 2025, the Company purchased 758,000 of its ordinary shares at an aggregate cost of US\$ 125,000. There was no sale, transfer, disposal, cancellation and/or use of treasury shares by the Company.

As at June 30, 2025, the total number of issued shares excluding dormant shares was 341,371,281 (as at December 31, 2024- 342,129,281 and June 30, 2024 - 343,180,681). As at June 30, 2025, the total number of dormant shares was 15,465,174 (as at December 31, 2024- 14,707,174 and June 30, 2024 – 13,655,774). In accordance with Israeli Companies Law, Company shares that have been acquired and are held by the Company are dormant shares (treasury shares in Singaporean terms) as long as the Company holds them, and, as such, they do not bear any rights until they are transferred to a third party. The issued and fully paid shares as at June 30, 2025, December 31, 2024 and June 30, 2024 included 15,465,174, 14,707,174 and 13,655,774 dormant shares, respectively.

During the year ended December 31, 2024, the Company paid US\$ 2.6 million in dividends.

Note 7 - Share-Based Payments

Details of changes in share options:

	Average exercise price in US\$ per share	Options
At January 1, 2025	0.290	16,308,280
Granted		
Cancelled	0.274	(2,671,000)
Exercised		
At June 30, 2025	0.316	<u>13,637,280</u>

Note 8 – Earnings Per Share

Basic (losses) earnings per share

The calculation of basic earnings per share for the six months ended June 30, 2025 was based on the loss attributable to ordinary shareholders of US\$ 166,000 (six months ended June 30, 2024 – profit US\$ 1,022,000) and a weighted average number of ordinary shares outstanding of 341,744,292 (six months ended June 30, 2024 – 344,017,038), calculated as follows:

	Six months ended June 30,	
	2025	2024
Basic earnings (losses) per share (US cents)	<u>(0.05)</u>	<u>0.30</u>
Issued ordinary shares at beginning of period	342,129,281	347,744,435
Effect of share options exercised	--	12,590
Effect of dormant shares purchased	<u>(384,989)</u>	<u>(3,739,987)</u>
Weighted average number of ordinary shares during period	<u>341,744,292</u>	<u>344,017,038</u>

Diluted earnings per share

The calculation of diluted earnings per share for the six months ended June 30, 2025 was based on the loss attributable to ordinary shareholders of US\$ 166,000 (six months ended June 30, 2024 – profit of US\$ 1,022,000) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 341,744,292 (six months ended June 30, 2024 - 344,019,227), calculated as follows:

	Six months ended June 30,	
	2025	2024
Diluted (loss) earnings per share (US cents)	<u>(0.05)</u>	<u>0.30</u>
Weighted average number of ordinary shares (basic)	341,744,292	344,017,038
Effect of share options on issue	--	2,189
Weighted average number of ordinary shares (diluted) during period	<u>341,744,292</u>	<u>344,019,227</u>

The average market value of the Company's ordinary shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

Note 9 – Leases

	Group		Company	
	June 30,	December 31,	June 30,	December 31,
	2025	2024	2025	2024
	US\$ thousands			
Right-of-use assets	3,629	4,594	1,619	2,267
Current lease liabilities	1,057	1,326	527	788
Long-term lease liabilities	3,193	4,165	1,479	2,178
Total lease liabilities	4,250	5,491	2,006	2,966

Maturity analysis of the Group's and Company's lease liabilities as at June 30, 2025.

	Group	Company
	US\$ thousands	
Less than one year	1,057	527
One to five years	2,609	1,479
More than five years	584	--
Total lease liabilities	4,250	2,006

The Group has lease agreements with respect to office facilities mainly in Israel, USA and India. The Group also has lease agreements in respect to vehicles in Israel. In measurement of the lease liabilities, the Group discounted lease payments using the nominal incremental borrowing rate as at the lease inception.

Note 10 – Inventories

In light of recent changes in the diamond industry, and the increased use for inventory for maintenance services for existing install base, the Company has reassessed the anticipated period of utilization of its inventory. The revised assessment indicates a longer useful life than previously estimated.

As a result, the Company adjusted its estimate related to the determination of inventory useful life used in calculating its net realizable value.

This change in estimate led to a reduction in inventory write down provision expenses in the amount of USD 0.6 million during the first half of 2025.

Note 11 – Subsequent Events

As first advised on 23 February 2025, the Board of Directors of the Company has continued discussions on the potential acquiring of a stake in Kitov.ai, a company engaged in development, integration and sale of AI-based advanced quality inspection and verification systems for use inline in production lines for many varied industries.

The purpose of said investment being the diversification of Sarine's focus to additional industries, also in light of the current challenges the diamond jewellery industry faces, while applying similar technological solutions.

The current deal structure contemplated includes an initial cash investment of US\$4.1 million in consideration of a 33% stake in Kitov.ai, paid in part to the existing shareholders of Kitov.ai and in part infused into Kitov.ai as working capital. There is also an additional US\$2.6 million convertible loan, which under certain conditions can be converted, at Sarine's sole discretion, into shares, not before 01 January 2027 and not after 15 February 2028, bringing Sarine's total stake in Kitov.ai to 51%.

If the Company decides to convert the convertible loan, as explained above, then the following arrangements shall apply:

- The Company may be required to pay (during the second half of 2027 or during the first quarter of 2028) certain shareholders a conditional earnout (triggered by meeting certain profitability goals);
- Kitov.ai, the company itself, not Sarine, may be required to pay (in 2029) certain shareholders an additional conditional earnout payment (triggered by meeting certain sales and profitability goals);
- The current shareholders of Kitov.ai may exercise (during the second half of 2029) a Put Option and sell to the Company all or part of Kitov.ai shares held by them at such time, based on a valuation set by an independent appraiser, at a consideration not to exceed US\$12 million. This Put Option will not be in force, if before mid-2029 an additional third-party investment into Kitov.ai against equity is made or other equity altering events occur, such as a merger, a public offering, etc.

On 5 August 2025 the company granted a US\$200,000 bridge loan to Kitov ai. guaranteed by its parent company RTC Vision Ltd.

F. Other Information Required by Listing Rule Appendix 7.2

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed. The figures presented were prepared in accordance with International Financial Reporting Standards (IFRS).

2. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

3. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended December 31, 2024 have been applied in the preparation for the financial statements for period ended June 30, 2025.

4. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

N/A

5. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	June 30,	December 31,	June 30,	December 31,
	2025	2024	2025	2024
Net asset value (US\$ thousands)	57,257	57,449	57,257	57,449
Net asset value per ordinary share:				
US cents	16.77	16.79	16.77	16.79
Singapore cents*	21.40	21.42	21.40	21.42

As at June 30, 2025, net asset value per share is calculated based on the number of ordinary shares in issue at June 30, 2025 of 341,371,281 (not including 15,465,174 dormant ordinary shares at June 30, 2025). At December 31, 2024, net asset value per share is calculated based on the number of ordinary shares in issue at December 31, 2024 of 342,129,281 (not including 14,707,174 dormant ordinary shares at December 31, 2024).

* Convenience translation based on exchange rate of US\$ 1=S\$ 1.2758 at June 30, 2025.

6. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group's business:

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Overview

The natural diamond manufacturing industry, from which the Group still derives most of its revenues, continues to adjust to the “new norm” caused by the continued disruption of the market by lab-grown diamonds (LGD) offerings and weak consumer demand in China. The LGD segment itself also continues to be affected by over-production and oversupply driving declining wholesale and retail prices.

Notwithstanding challenging industry conditions which impaired our revenues in H1 2025 by 30%, as compared to H1 2024, Sarine has made substantial progress in executing the strategic initiatives announced last year. The aggressive business streamlining, coupled with the transitioning of the manufacturing activities to India have mitigated, to a degree, the effect of the decline in revenues. The expansion of our Most Valuable Plan™ (MVP) for optimising the planning of natural rough diamonds to additional stone sizes, the adaptation of our rough planning technologies to LGD, and the opening of a GCAL by Sarine lab in India, have expanded our services portfolio, attracted new customers and are generating new recurring revenue streams. These initiatives also bolster our strategic position for value growth, when market conditions improve and are expected to foster long-term growth as we expand our offerings for the natural stone and LGD markets alike.

In accordance with our strategy of recent years, the Group's business continues to pivot to deriving mostly recurring revenues from its proprietary services, including the Gal3D inclusion software (which processes the Galaxy® platforms' output) and Advisor® rough diamond planning cloud-based solution, along with other pay-per-use services. Along with the Group's grading and traceability reports, these now constitute most of the Group's revenues.

The Group reported revenues of US\$ 15.3 million in H1 2025, minimal profit from operations of US\$ 0.1 million, and a net loss of US\$ 0.2 million, as compared to revenues of US\$ 21.9 million, profit from operations of US\$ 1.4 million and a net profit of US\$ 1.0 million in H1 2024. The Group EBITDA for H1 2025 amounted to US\$ 1.6 million, as compared to EBITDA of US\$ 3.3 million in H1 2024.

Sarine Technologies Ltd. and its Subsidiaries

The decreased profitability for the six months ended June 30, 2025 compared to the six months ended June 30, 2024, was mainly due to lower sales and the lower gross profit margin, offset by the aforementioned cost reduction steps implemented by the Group, the capitalisation of certain development costs relating to LGD grading technology, due to the Group having achieved the required technological development benchmark, and the positive impact of a lease termination.

Balance Sheet and Cash Flow Highlights

As at June 30, 2025, cash, cash equivalents, short-term investments (bank deposits) (“Cash Balances”) increased to US\$ 27.3 million as compared to US\$ 26.3 million as of December 31, 2024. The increase in Cash Balances was primarily due to cash generated by operating activities, predominantly a decrease of trade and other receivables, to US\$ 11.3 million as at June 30, 2025 (US\$13.9 million as at December 31, 2024), offset by tax deducted at source payments which can be offset against future tax liabilities.

Revenues

Revenues for H1 2025 of US\$ 15.3 million, decreased by 30%, as compared to revenues of US\$ 21.9 million reported in H1 2024. The decrease in revenues, was due to the continued decline in capital equipment sales coupled with decline in recurring revenues due to lower quantities of rough natural diamonds entering the pipeline, a reflection of the turbulent conditions affecting natural diamond industry.

Cost of sales and gross profit

Cost of sales for H1 2025 of US\$ 6.6 million decreased by 17%, as compared to US\$8.0 million reported in H1 2024 (on a decrease in revenues of 30%), with a gross profit margin of 57% in H1 2025 compared to 63% in H1 2024. The decrease in gross profit and the corresponding decrease in gross profit margin were primarily due to decreased overall sales.

Research and development expenses

Due to the Group achieving the required technological development benchmark for capitalisation of some of its LGD grading related development costs, a sum of US\$0.7 million was capitalised in H1 2025. As a result Research and development expenses for H1 2025 totalled US\$ 2.9 million and decreased by 27% (16% including capitalised expenses) as compared to US\$ 3.9 million in H1 2024.

Sales and marketing expenses

Sales and marketing expenses for H1 2025 of US\$4.5 million decreased by 20% as compared to US\$ 5.7 million in H1 2024. The decrease in sales and marketing expenses was due primarily to cost saving steps initiated by the Group and fewer sales commissions.

General and administrative expenses

General and administrative expenses for H1 2025 of US\$ 1.8 million decreased by 37%, as compared to US\$ 2.9 million in H1 2024. The decrease in general and administrative expenses was primarily due to management initiatives, mainly aimed at the reduction of IP-related legal costs, and the successful collection of debts previously classified as doubtful.

Gain from lease termination

During H1 2025 the group terminated an office lease agreement in line with reduced staffing needs, prior to its contractual termination date, resulting in a US\$0.6 million cost savings windfall.

Profit from operations

The Group reported a profit from operations of US\$ 0.1 million in H1 2025 compared to US\$1.4 million in H1 2024. The decrease in sales and in gross profit was offset by cost reductions and the windfall as detailed above.

Net finance income

Net finance income for H1 2025 was nil, as compared to US\$ 0.1 million in H1 2024, mainly due to US\$ 0.2 million exchange rate expenses.

Income tax expense

The Group recorded an income tax expense of US\$ 0.3 million for H1 2025, as compared to US\$ 0.5 million in H1 2024. The income tax expense was primarily due to the profitability being realised in various entities of the Group, each subject to different jurisdictions, various applicable incentives, and income tax loss carryforwards.

Loss for the period

The Group reported a net loss of US\$ 0.2 million in H1 2025 compared to a net profit of US\$1.0 million in H1 2024 as cost saving steps, development capitalisation, and the windfall offset the lower gross profit, all as detailed above.

7. Where a forecast, or a prospect statement, has been previously disclosed to shareholders any variance between it and the actual results.

Not applicable.

8. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

We expect the following industry trends to continue influencing our business (also refer to section 6 above, the Overview commentary):

- a. Demand for natural diamonds is anticipated to overall remain stable at current levels as the new norm, due to the LGD disruption of the retail diamond jewellery market, primarily, but not only, in the U.S. along with the ongoing cutback in consumer spending in China. As the majority of diamonds are manufactured in India, the impact of the recently declared U.S. tariffs of 50% on Indian exports to the U.S., has created significant uncertainty in the market, and has initially caused major U.S. retailers to freeze deliveries from India.
- b. The LGD segment also faces challenges, as wholesale and retail prices continue to decline significantly, posing problems both for manufacturers and retailers.
- c. We continue our aggressive business streamlining and cost cutting, to meet the challenges of the current market conditions. Our manufacturing activities have now been transferred to India, to take avail of our qualified personnel in India to support our worldwide customers, maintaining our historic high-quality standards, while benefitting from the substantially lower cost structure there.
- d. The MVP adoption rate continues to improve, and its application continues to expand to additional sizes of rough natural diamonds. The adoption is driven both by its creation of additional yield realised from the rough material and its automation of the processes, generating cost savings. As our remuneration is based on a per-stone fee, MVP generates new recurring revenues. With the ongoing expansion to larger sized stones, as mentioned, we expect substantial growth of the MVP contribution in the next 12 months.

- e. Our LGD-focused GCAL grading labs in Surat and New York offer a cost-effective venue with integrated AI-based technology for our industry-unique guaranteed grading. We believe an opportunity for substantial expansion of our grading business has been created by the GIA's recent announcement that they are terminating the grading of LGD using the traditional 4Cs methodologies, as a means to differentiate LGD from natural diamonds and reduce the cost of their grading services.
- f. Environmental, social and governance (ESG) issues continue to concern retailers and luxury brands. Our collaboration with DeBeers' Tracr™ platform, which went commercial in June 2025, along with our AutoScan™ Plus and Sarine Diamond Journey™, provide a distinctively scalable cost-effective means to meet any origin and traceability requirements, with minimal overhead or disruption to the diamond value chain. We are witnessing increased interest from key U.S. retailers and expect to announce new adoption during the second half of 2025.

9. Dividend

(a) Current Financial Period Reported

Any dividend declared/recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived.

Not applicable.

(d) Date Payable

Not applicable

(e) Record Date

Not applicable

10. If no dividend has been declared/recommendedd, a statement to that effect.

No dividend has been recommended. an interim dividend of US cents 0.75 per ordinary share for the half-year ended June 30, 2024 was paid in September 2024, more than the stated dividend policy of 80% of net profit of the Group, as the Board decided to return a more-sizable portion of the Group's retained cash to shareholders. As the second half's results do in fact show an operating loss, therefor there is no justification for a final dividend.

11. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions under Rule 920(1)(a)(ii). If no IPT mandate has been obtained a statement to that effect.

The Group has not obtained a general mandate from its shareholders for IPTs.

12. Negative confirmation pursuant to Rule 705(5) (not required for announcement of full year results).

Not applicable.

Sarine Technologies Ltd.
and its Subsidiaries

13. Confirmation pursuant to Rule 720 (1) of the Listing Manual.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual.

On behalf of the Directors

Daniel Benjamin Glinert
Executive Chairman of the Board

10 August 2025