SARINE OVER 30 YEARS OF INNOVATION

PRESS RELEASE

New Recurrent Businesses Recorded Strong Growth in H1 2026 Amid Ongoing Industry Challenges

- **The continuing disruption by lab grown diamonds (LGD) and geopolitical instabilities remain significant challenges for the industry.**
- **Despite the headwinds, new recurrent businesses of MVP and GCAL grading have recorded strong growth.**
- **These new revenue streams were offset by lower revenues from Capital Equipment sales and Galaxy scanning, which serve the struggling natural diamond industry.**
- **Higher operating expenses resulted in a loss for H1 2026, nearly half of which caused by a weaker US dollar against the Israeli Shekel.**
- **With expansion in services and continued adoption by customers, revenue growth by MVP and GCAL grading is expected to continue for the rest of 2026 and in 2027.**

Hod Hasharon (Israel), 10 August 2026 – 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 its financial results for the six months ended 30 June 2026.

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Review of H1 2026

The natural diamond manufacturing industry continued to register lower quantities processed due to competition from LGD. However larger, higher-quality natural diamonds, from which the Group derives a significant portion of its recurring revenues, continue to be less affected by LGD. The competition that smaller rough natural diamonds face from LGD has necessitated the need for automation and other streamlining solutions. Within LGD, price competition and pressures on margins have forced manufacturers and retailers to differentiate their LGD offerings from the mass mainstream market, where possible. The Group's new recurrent services of MVP and GCAL grading have directly capitalised on these issues.

During the half year, the Group made significant progress in gaining traction with these new recurrent services. Our Most Valuable Plan™ (MVP) for optimising and automating the planning of natural rough diamonds has successfully expanded its services to support additional sizes and qualities of rough diamonds. GCAL by Sarine's higher-end grading reports have established themselves as a uniquely efficient tool to differentiate higher-end LGD products from commoditised ones. These two new services have expanded profoundly in H1 2026 - GCAL grading by more than 50% and MVP revenues have more than doubled on a smaller base, thereby mitigating the impact of a significant contraction in rough diamond supply on Sarine's traditional natural rough diamond business. As a result, group revenue in H1 2026 dropped a marginal 6% to US$14.4 million as compared to H1 2025.

Group gross profit was stable but a jump in operating expenses of about 25% or approximately US$2.2 million tipped the Group into a loss in H1 2026. The weakening of the US dollar against the Israeli Shekel alone accounted for nearly 50% of this increase, with other significant factors including the cessation of capitalisation of development costs relating to LGD grading technology following its deployment and the absence of a one-off positive impact of a lease termination recognised in H1 2025. The Group also equity accounted a loss in associate Kitov.ai of US$ 0.5 million. The Group recorded a loss from operations of US$2.2 million, and a net loss of US$3.5 million in H1 2026, including tax related expenses for previous years.

Prospects

Although business conditions in the diamond industry are expected to remain challenging, based on anecdotal reports, the demand for natural diamonds in the retail market appears to be stable. The Group will continue to focus on deriving the bulk of its revenue from recurring revenues from its proprietary services, including the inclusion mapping software (which processes the Galaxy® platforms' output), the MVP rough diamond planning cloud-based solution, LGD rough planning solutions, GCAL's diamond and jewellery grading reports and other pay-per-use services and reports.

The adoption of our revolutionary cloud-based MVP solution for optimising natural rough diamond utilisation significantly accelerated in H1 2026 and, driven by the introduction of enhanced automation features and optimisation capabilities, this growth is expected to continue into H2 2026. The Group is focusing on streamlining its development cycles by bolstering staff and applying AI-based tools.

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The LGD market will remain highly price competitive, and GCAL's higher end grading reports have enabled manufacturers and retailers marketing higher end LGD to differentiate their premium LGD from lower quality mainstream products, fetching higher retail prices. The significant expansion of our grading revenues during H1 2026 will continue to grow as we expect to capture a higher market share with GCAL's reports. Adding to GCAL's existing diamond grading lab in Surat, India, we will be opening a new GCAL jewellery evaluation and documentation service centre in H2 2026 in Mumbai, to complement our grading services, address additional customer needs and support them in streamlining their supply chains.

The revenue of our 33% associate Kitov.ai more than doubled in H1 2026 to US$1.5 million, with growth driven primarily by repeat orders from its core aerospace and defence client base in Israel and abroad. Building on this foundation, Kitov has expanded into the aircraft engine related Maintenance, Repair and Overhaul (MRO) market with an initial order. By early 2027, Kitov is planning to launch its new advanced inspection solution, designed for the highly intricate inspection of single-material parts like jet-engine compressor blades, where every surface feature must be inspected with exceptional precision. Their new solution has generated strong interest in early beta-release pilot projects with leading international aerospace companies.

This press release is to be read in conjunction with Sarine's half year H1 2026 results released to the Singapore Exchange on 10 August 2026.

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 certificates 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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