

Sarine Technologies Ltd.

(Company Registration No. 511332207)
(Incorporated in Israel)
(the "Company")

CLOSING OF THE ACQUISITION OF A MINORITY STAKE IN KITOV.AI LTD.

1. INTRODUCTION

- 1.1. The Board of Directors (the "**Board**") of Sarine Technologies Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce, further to the Company's announcement of 23 February 2025, that it has, effective as of 18 August 2025, closed a Shares Purchase Agreement (the "**Agreement**") to acquire a minority stake in Kitov.ai Ltd., an Israeli limited company ("**Kitov.ai**"), paid in part to the existing shareholders of Kitov.ai (the "**Sellers**") and in part infused into Kitov.ai as working capital, pursuant to which the Sellers and Kitov.ai has agreed to sell and transfer, and the Company has agreed to purchase, minority shares of Kitov.ai, which, following Completion (as defined below), is 33.02% owned by the Company and 66.98% owned by the Sellers (the "**Transaction**").
- 1.2. Under the Agreement the total purchase price paid by the Company to the Sellers and Kitov.ai was US\$ 4.09 million in cash for a 33.02% interest in Kitov.ai (the "**Consideration**"). Please refer to Paragraph 3 of this Announcement for further details.

2. INFORMATION ON THE BUSINESS AND KITOV.AI

- 2.1. Kitov.ai has developed and markets an AI-driven automated visual inspection system that can evaluate multiple points of widely varying natures across entire products in 3D, not just isolated features, and can be implemented, due to its flexible software characteristics, to inspect completely different parts at the same installation point in high-mix/low-volume manufacturing environments. For additional details on Kitov.ai's business and its unique value proposition please refer to the Press Release issued in parallel to this announcement.
- 2.2. Immediately following Completion, Kitov.ai's current principals will continue to run the business, but a new Board of Directors will be established, including a Company appointed director and a Company appointed observer, and a new CEO and a new CFO will be appointed by the new Board.
- 2.3. The Sellers and Kitov.ai are not related to any of the Company's directors or their respective associates (the Company has no controlling Shareholders). As at the date of this Announcement, the Sellers and Kitov.ai do not hold any shares in the capital of the Company directly or indirectly.

3. PRINCIPAL TERMS OF THE AGREEMENT

3.1 Purchase of minority shares

The Transaction involves the purchase of Kitov.ai shares from the Sellers for the amount of US\$ 2.34 million and additional cash infused into Kitov.ai as working capital of US\$ 1.75 million, bringing total investment of US\$ 4.1 million in consideration of a 33.02% stake in Kitov.ai, which was sold to the Company free from encumbrances.

The Company is also lending Kitov.ai an additional US\$ 2.6 million, in the form of a convertible loan, which not before 01 January 2027 and not after 15 February 2028 can be converted, at Sarine's sole discretion, into additional equity shares, bringing Sarine's total stake in Kitov.ai to 51%.

3.2 Consideration

The Consideration was arrived at by the Company, Kitov.ai and the Sellers on a willing buyer willing seller basis, and the terms were commercially negotiated.

The Company intends to fund the cash portion of the Consideration by way of the internal cash resources of the Group.

The Company has conducted legal, financial and business due diligence on Kitov ai.

3.3 Completion

The closing of the sale and purchase of the shares ("**Completion**") was on 18 August, 2025.

3.4 Employees

Substantially all the persons employed by the Kitov.ai prior to Completion have confirmed their consent to continue their employment with Kitov.ai following the closing.

3.5 Non-solicitation and Non-competition

Sarine and the Sellers undertook not to compete with Kitov.ai's business, as long as they act as employees and/or officers of Kitov.ai and/or appoint directors and/or observers to Kitov.ai's Board of Directors, and/or as long as their holdings in Kitov.ai exceed a certain threshold.

3.6 Put/Call Option and other considerations

If, and only if, the aforementioned convertible loan is converted to equity:

- The Company may be required to pay (during 2027 or during the first quarter of 2028) the Sellers a conditional earnout of US\$ 1.0 million, subject to Kitov.ai's meeting certain profitability goals;
- Kitov.ai, (not the Company) may be required to pay (in 2029) Sellers an additional conditional earnout payment of up to US\$ 2.0 million, triggered and calculated upon meeting certain sales and profitability goals;
- Sellers 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 equity altering events occur, such as a merger, a public offering, etc.

If the Company *does not* convert the aforesaid convertible loan, the aggregate consideration payable by Sarine for 33.02% of Kitov.ai's shares shall be ~US\$ 4.1M and the said convertible loan shall bear interest and be payable to the Company.

The transaction documents also include minority-protection provisions effective throughout the various phases of the transaction.

4. RATIONALE FOR THE TRANSACTION

The purpose of this investment is the diversification of the Company focus to additional industries, also in light of the current challenges the diamond jewellery industry faces. Being a company engaged in technologies similar to those employed by the Company (optical inspection, AI, software, etc.), thus "speaking" the same language, Kitov.ai provides the Group with the means to diversify into new fields separate from the diamond industry. Kitov.ai has many industry-leading customers in their many varied industries.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")

5.1. Relative Figures under Rule 1006 of the Listing Manual of SGX-ST

The relative figures for the Transaction computed on the bases set out in Rule 1006 are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profit ⁽²⁾	Loss
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares in the share capital of the Company (excluding treasury shares), including convertible loan.	11.9% ⁽³⁾
(d)	The aggregate number of consideration shares issued by the Company as consideration for the Proposed Transaction, compared with the number of equity securities previously in the issue	Not applicable
(e)	Aggregate volume of proved and probable reserves to be disposed of compared with the Group's proved and probable reserves	Not applicable ⁽⁴⁾

Notes:

- (1) This is not applicable as the Company is not disposing of any assets pursuant to the Proposed Transaction.
- (2) "Net profit" means profit before income tax, based on the Group's H1 2025 unaudited financial statements, loss of US\$ 0.166 million and loss before income tax, based on the Seller's unaudited financial statements prorated 33%, loss of US\$ \$0.245 million.
- (3) Based on 341,371,281 shares outstanding, US\$1 = S\$1.2799 and a closing share price of S\$0.21 on 17.8.2025.
- (4) Rule 1006(e) is not applicable as the Company is not a mineral, oil and gas company.

Since the relative figures computed on the applicable bases as set out in Rule 1006 exceed 5%, the Transaction will be classified as a "Disclosable Transaction."

6. FINANCIAL EFFECTS OF THE TRANSACTION

The unaudited pro forma financial effects of the Transaction on the Group as set out below are purely for illustrative purposes only, and they are neither indicative of, nor do they represent actual financial effects of the Transaction on the net tangible assets ("NTA") per Share or the earnings per Share ("EPS") of the Group, nor do they represent the actual future financial position or financial performance of the Group after Completion of the Transaction.

For illustrative purposes only, the unaudited pro forma financial effects set out below are based on the latest audited accounts of the Group for the financial year ended 31 December 2022, subject to the following bases and assumptions:

- (a) The computations are purely for illustrative purposes only and do not reflect the actual financial result and the financial position of the Company and/or the Group after the Transaction;
- (b) For the purposes of computing the effect of the NTA per Share of the Group, it is assumed that the Transaction was completed on 30 June 2025;
- (c) For the purposes of computing the effect of the Transaction on the EPS, it is assumed that the Transaction was completed on 1 July 2025; and
- (d) The transaction costs incurred for the Transaction are insignificant and ignored for computational purposes.

The pro forma financial effects set out in this Announcement are theoretical in nature and are therefore not necessarily reflective of the results of the Group or the related effects on its financial position that would have been attained had the Proposed Transaction taken place in accordance with the main assumptions set out herein.

6.1. Effect on the NTA per Share

Assuming that the Transaction would have been completed on 30 June 2025, the Group's NTA per share would have been US cents 14.56 (same as the Group's H1 2025 audited financial statements).

6.2. Effect on the EPS

Assuming that the Transaction had been completed on 1 July 2025, the Group's H1 2025 EPS would have been US cents 0.12 loss on a fully diluted basis (as compared to the reported fully diluted EPS

of US cents 0.05 loss, based on the Group's unaudited financial statements).

6.3. Effect on Share Capital

The Proposed Transaction will not have any impact on the issued and paid-up share capital of the Company.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this Announcement, none of the Directors or Shareholders of the Company has any interest, direct or indirect, in the Transaction other than through their respective shareholding interests, direct or indirect, in the Company.

8. NO SERVICE CONTRACT

As at the date of this Announcement, Mr. Uzi Levami and Mrs. Neta Zruya-Hashai both current directors of the Company are proposed to be appointed as a director and an observer, respectively, to the new Board of Directors of Kitov.ai. No service contract is proposed to be entered into between the Company and any such person.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement will be made available for inspection during normal business hours at the Company's registered office 4 Haharash Street, Hod Hasharon, Israel for a period of three (3) months from the date of this Announcement.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement, and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Transaction and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

11. FURTHER UPDATES

The Company will update the Shareholders if there are any material developments and will make the necessary announcements on SGXNet in compliance with the Listing Rules of the SGX-ST.

By Order of the Board

Amir Zolty
Company Secretary
18 August 2025

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.