

ATLAS PEARLS

15 December 2025

Update – Kobe Auction December 2025

Atlas Pearls Ltd (ASX: ATP) (“Atlas Pearls” or “the Company”) is pleased to provide an update on an auction held in Kobe, Japan on 10-11 December 2025.

Highlights:

- Kobe auction in December 2025 sold 64,435 pieces at an average price of \$80/piece.
- Total revenue \$5.1 million.
- Average Index Point per pearl sold was 30.
- Average \$/index point was \$2.61 (down from \$3.50) at the previous auction.

A total of 84,362 pearls were presented, with 64,435 pearls sold at an average price of \$80/piece.

Atlas Pearls employs an internal Index Point system, a proprietary benchmarking tool used to assess the quality of pearls based on shape, grade, size, and colour. This system enables consistent comparison of auction results as the price per piece can differ significantly between pearl grades and shapes.

The composition of goods offered at each auction varies. The December 2025 auction had an average index per piece of 30, up from the average index for the stock presented at the September 2025 auction, which was 18. The dollar per index point achieved was down 26.7% from \$3.56 in September to \$2.61 in Decemberⁱ.

	Oct 24	Dec 24	Apr 25	June 25	Sept 25	Dec 25
Av \$/Pc	\$74	\$73	\$129	\$86	\$60	\$80
Av Index Point	23	21	32	21	18	30
Av \$/Index Point	\$3.20	\$3.50	\$4.00	\$4.08	\$3.56	\$2.61

This event delivered a sell-through rate of 76%. The volume of stock withheld from sale was due to bids not meeting our pricing expectations. These pearls will be directed into our value-add sales channel where we expect to realise higher returns.

The price per pearl achieved at this auction reflected the higher quality of pearls presented, however, the value per Index Point was lower than in prior auctions. This reflects the slightly lower demand from our customers in recent months.

ATLAS PEARLS

Atlas Pearls' Chief Executive Officer, Michael Ricci, commented:

"The December auction was well attended, indicating continued interest in our South Sea pearls. The sales outcome at this auction reflects the higher index point of the products offered, however the average dollar per index point was lower than that at the September auction. As reported following the September auction and Hong Kong Jewellery Fairⁱ, demand was somewhat softer compared to previous exhibitions, with some customers retaining higher inventory levels than usual. There is continuing caution from our auction attendees regarding the soft market, particularly in Asia, and most stated that they were holding more stock than they would like.

"We have also experienced a lower harvest quality index for H1 26 below the FY25 index, due to some weaker harvest results, particularly the first harvest from Sumba. The H1 FY26 harvest index of 13.6, our lowest since H2 FY23, compares with 16.0 in H2 FY25, and has contributed to lower realised prices. We do expect the quality to improve in the near term as we harvest a higher proportion of pearls from our better performing farm locations.

"The softer market demand, and lower quality have also influenced our private sale customers, with several customers reducing their recent spending compared to prior years due to slower downstream demand and elevated stock holdings.

"Considering these factors, we consider the December auction results as satisfactory. "

Atlas Pearls thanks all the customers who attended the auction physically and virtually, and who continue to put their trust in Atlas Pearls' consistency of product and quality.

The next major auction will be held in Kobe in March 2026. Atlas Pearls continues to sell and expand its sales into wholesale, value-added, and a small, but growing, retail channel.

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This ASX announcement was approved for release by the Board of Atlas Pearls Ltd.

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ⁱ Refer ASX announcement of 3 October 2025 'Update - Kobe Auction September 2025'.