



Sarine Technologies Ltd.

שרין טכנולוגיות בע"מ

מס' חברה 511332207

(להלן: "החברה")

מסמך רישום

רישום למסחר בבורסה לניירות ערך בתל אביב בע"מ (להלן: "הבורסה") של: 353,672,126 מניות רגילות ללא ע.ג. (להלן: "המניות הרגילות"), מונפקות ונפרעות במלואן, מתוכן 4,190,200 מניות רדומות המוחזקות על-ידי החברה, ועד 52,474,788 מניות רגילות אשר תנבענה ממימוש של אופציות (options) שאינן רשומות למסחר.

המניות הרגילות של החברה רשומות למסחר ברשימה הראשית של בורסת סינגפור Singapore Exchange Mainboard (SGX) (להלן: "בורסת סינגפור").

סימון ניירות ערך של החברה בבורסה: בעברית "שרין", ובאנגלית "SARN".

סימון ניירות ערך של החברה בבורסת סינגפור: U77.

ניירות הערך של החברה ירשמו למסחר לפי הוראות פרק ה'3 לחוק ניירות ערך, התשכ"ח-1968 ("חוק ניירות ערך"). לפיכך, דיווחי החברה יהיו בשפה האנגלית ותוכנם יהא בהתאם למתכונת הדיווח שלה בחו"ל.

תאריך: 28 ביוני, 2021

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חלק שני – נספחים בשפת המקור (אנגלית)

- A. Annual Report for 2020
- B. General announcement (posted on the SGXNET on April 5, 2021): Extraordinary/ Special General Meeting.
- C. General announcement (posted on the SGXNET on April 5, 2021): Annual General Meeting.
- D. General announcement (posted on the SGXNET on April 8, 2021): Amendments to: Annual Reports and Related Documents.
- E. General announcement (posted on the SGXNET on April 13, 2021): Amendments to: Annual Reports and Related Documents.
- F. General announcement (posted on the SGXNET on April 20, 2021): Response to SGX Queries.

- G. General announcement (posted on the SGXNET on April 22, 2021): Responses to questions from Shareholders for the AGM scheduled for 27 April 2021.
- H. General announcement (posted on the SGXNET on April 27, 2021): Employee Stock Option/ Share Scheme: Disclosure in compliance with Rule 704 (29) - Grant of Employee Stock Options.
- I. General announcement (posted on the SGXNET on April 27, 2021): Resolutions passed at the Annual General Meeting held today.
- J. General announcement (posted on the SGXNET on April 27, 2021): Resolutions passed at the Extraordinary General Meeting held today.
- K. General announcement (posted on the SGXNET on April 28, 2021): Update of the Company's announcement re Cash Dividend/ Distribution.
- L. General announcement (posted on the SGXNET on April 29, 2021): Update on Covid-19 Outbreak in India.
- M. General announcement (posted on the SGXNET on April 30, 2021): Response to SGX Queries.
- N. General announcement (posted on the SGXNET on May 3, 2021): Update of the Company's announcement re Cash Dividend/ Distribution.
- O. General announcement (posted on the SGXNET on May 5, 2021): Sarine Technologies to Present at the 16th Annual Needham Virtual Technology and Media Conference.
- P. General announcement (posted on the SGXNET on May 6, 2021): HB Antwerp and Sarine Enter into a Unique Partnership for Technology Solutions.
- Q. General announcement (posted on the SGXNET on May 9, 2021): Press Release: Update on Business Conditions.
- R. General announcement (posted on the SGXNET on May 9, 2021): Employee Stock Option/ Share Scheme::Disclosure in compliance with Rule 704 (29) - Grant of Employee Stock Options.
- S. General announcement (posted on the SGXNET on May 10, 2021): Sustainability Report for the year ended on 31 December 2020.
- T. General Announcement: Sarine's activities are not affected by current conflict.
- U. General Announcement: Sarine Technologies and Constell Group Announce Strategic Collaboration.
- V. General Announcement: Minutes of the AGM held on 27 April 2021.
- W. General Announcement: Press Release: Grib Diamonds adopts the Sarine Diamond Journey traceability program.
- X. General Announcement: Press Release: Further Update on Effects of Indian Covid-19 on Group.
- Y. Share Buy Back - Daily Share Buy-Back Notice::Daily Share Buy-Back Notice - 21 June 2021

חלק ראשון

1. שם החברה: שרין טכנולוגיות בע"מ; ובאנגלית: Sarine Technologies Ltd.
2. מקום התאגדות החברה: ישראל.
3. תאריך התאגדות החברה: 3 בנובמבר 1988.
4. סוגי ניירות הערך שהנפיקה החברה:
 - 4.1 מניות רגילות ללא ע.ג., הרשומות למסחר בבורסת סינגפור.
 - 4.2 מניות רגילות שינבעו ממימושן של אופציות (options) שהוקצו לעובדים, דירקטורים ונושאי משרה של החברה וחברות הבת שלה.
5. מקום רישום ניירות הערך למסחר: בורסת סינגפור¹.
6. כמות ניירות הערך הרשומה למסחר:

הון החברה מורכב מניירות ערך כדלקמן:

 - 6.1 353,672,126 מניות רגילות מונפקות ונפרעות במלואן, מתוכן 4,190,200 מניות רדומות המוחזקות על-ידי החברה. מניות רגילות כאמור הינן חופשיות מחסימה בהתאם לדינים הרלוונטיים בסינגפור.
 - 6.2 52,474,788 מניות רגילות שינבעו ממימוש אופציות (options) תחת תוכנית האופציות משנת 2015 של החברה (להלן: "תוכנית האופציות"), אשר מיועדות להענקת לעובדים, דירקטורים ונושאי משרה של החברה וחברות בת שלה בארץ ובחו"ל. המניות הרגילות שינבעו ממימוש האופציות תרשמנה למסחר ולא תהיינה מוגבלות או חסומות על-פי הדין בסינגפור. נכון למועד מסמך הרישום, מתוך 52,474,788 אופציות הניתנות למימוש ל-52,474,788 מניות רגילות הנכללות בתוכנית האופציות, הוקצו על-ידי החברה 22,473,161 אופציות שטרם מומשו למניות, ואילו 30,001,627 אופציות טרם הוקצו וניתן יהיה להקצותן בעתיד.

תוכנית האופציות אושרה על-ידי האסיפה הכללית של החברה ביום 20 באפריל 2015, ועל-פיה ניתן להעניק, בכפוף לקבלת האישורים הנדרשים על-פי דין, אופציות הניתנות למימוש למניות רגילות, לעובדים, דירקטורים ונושאי משרה של החברה וחברות בת שלה בארץ ובחו"ל. האופציות המוענקות מכוח תוכנית האופציות ניתנות למימוש בהתאם לתנאי תוכנית האופציות, תנאי הסכם האופציות הרלוונטי ולהוראות כל דין החל על החברה ו/או על הניצעים, לרבות סעיף 102 לפקודת מס הכנסה [נוסח חדש] התשכ"א – 1961 (ככל שרלוונטי) ודיני המס הרלוונטיים.

¹ המנויה בתוספת השלישית לחוק ניירות ערך.

לפי תנאי האופציות, לא ניתן לבצע מימוש של האופציות למניות החברה ביום הקובע לחלוקת מניות הטבה, להצעה בדרך של זכויות, לחלוקת דיבידנד, לאיחוד הון, לפיצול הון או להפחתת הון (להלן: "אירוע חברה"). בנוסף, אם חל יום האקס של אירוע חברה לפני היום הקובע של אירוע חברה, לא יבוצע מימוש ביום האקס כאמור.

7. **התאריך שבו נרשמו ניירות הערך לראשונה למסחר בבורסת סינגפור** : 8 באפריל 2005.

8. **פרטים אודות החברה** :

8.1 **פרטי התקשרות בישראל**

מען רשום: אזור התעשייה נווה נאמן, רחוב החרש 4, הוד השרון 4524075.

מספר טלפון ומספר פקסימיליה: 09-7903500 ; 09-7903501.

8.2 **פרטי התקשרות בסינגפור**

לחברה אין משרדים בסינגפור. להלן יובאו פרטי ההתקשרות של ה- Share Registrar של החברה בסינגפור:

M & C Services Private Limited
112 Robinson Road #05-01, Singapore 068902
Tel : (65) 6228-0530, Fax: (65) 6225-1452

9. **סימון ניירות הערך** :

9.1 **בבורסת סינגפור** : U77.

9.2 **בבורסה** : בעברית "שרין", ובאנגלית "SARN".

10. **אנשי הקשר של החברה** :

10.1 **איש הקשר עם גופי הפיקוח והאכיפה של הדין והזר ועם הבורסה ורשות ניירות ערך**
מר ביל קסלר, סמנכ"ל הכספים של החברה.

מען: אזור התעשייה נווה נאמן, רחוב החרש 4, הוד השרון 4524075.

מספר טלפון: 09-7903518 ; מספר פקסימיליה: 09-7903501.

דואר אלקטרוני: bill.kessler@sarine.com.

10.2 **Share Registrar**

M & C Services Private Limited
112 Robinson Road #05-01, Singapore 068902
Tel : (65) 6228-0530, Fax: (65) 6225-1452

11. **תיאור המניות הרגילות** :

11.1 **הון רשום** : הון המניות הרשום של החברה הינו 2,000,000,000 מניות רגילות ללא ערך נקוב (להלן: "המניות הרגילות").

11.2 **הון מונפק** : הון המניות המונפק של החברה מורכב מ-353,672,126 מניות רגילות, מתוכן 4,190,200 מניות רדומות המוחזקות על-ידי החברה.

11.3 אופציות הניתנות למימוש למניות רגילות: החברה 52,474,788 אופציות, הניתנות למימוש עד ל-52,474,788 מניות רגילות נוספות, כמפורט בסעיף 6.2 לעיל.

11.4 מספר המניות שיירשמו למסחר בבורסה: 353,672,126 מניות רגילות, מתוכן 4,190,200 מניות רדומות המוחזקות על-ידי החברה, וכן 52,474,788 מניות רגילות שינבעו ממימוש אופציות כמפורט בסעיף 6.2 לעיל.

11.5 למועד מסמך רישום זה לחברה, הונה של החברה כולל סוג אחד בלבד של מניות ואין מניות בכורה מניות מסוג מיוחד בהון הרשום או המונפק של החברה.

11.6 החברה מתחייבת כי כל עוד מניותיה רשומות למסחר בבורסה היא לא תקצה ולא תנפיק מניות מסוג שונה מזה הרשום למסחר בבורסה (דהיינו המניות הרגילות), למעט בהקצאה המקיימת את הוראות סעיף 46ב(א)(1) לחוק ניירות ערך והנחיות הבורסה, ככל שיהיו מעת לעת. כמו כן, מתחייבת החברה כי כל עוד מניותיה רשומות למסחר בבורסה, כל מניותיה המונפקות תהיינה נפרעות במלואן.

12. עיקרי הזכויות הנלוות למניות הרגילות:

החברה התאגדה על פי חוקי מדינת ישראל וכפופה לחוק החברות, השתנ"ט-1999 (להלן: "חוק החברות") והתקנות על פיו.

להלן תיאור עיקרי הזכויות הנלוות למניות הרגילות של החברה על פי תקנון החברה ותזכיר ההתאגדות שלה (להלן ביחד: "מסמכי ההתאגדות").

האמור להלן הינו תיאור כללי, שאינו מתיימר להיות תיאור ממצה או פרשנות מוסמכת של הדין ואינו מהווה תחליף לעיון במסמכי ההתאגדות של החברה ו/או לקבלת ייעוץ מקצועי אחר, לרבות ייעוץ משפטי בנוגע לדין הישראלי ו/או כל דין אחר. בנוסף, תקציר זה אינו מתאר את כלל החוקים החלים על החברה מכוח רישומה למסחר בבורסת סינגפור, לרבות ה-SGX Mainboard Rules או מקורות נורמטיביים אחרים החלים על החברה ו/או על בעלי מניותיה. לפרטים בדבר מלוא הזכויות הנלוות למניות החברה, ראו תקנון ההתאגדות של החברה, כפי שיפורסם במגנ"א עם רישומן למסחר של מניות החברה בבורסה.

12.1 שוויון בזכויות ובחובות: כל המניות הרגילות הינן זהות בזכויותיהן ובחובות המוטלות עליה. החברה היא חברה בעירבון מוגבל ובהתאם ההתחייבות של כל אחד מבעלי המניות כלפי החברה מוגבלת לתשלום הערך הנקוב של המניות המוחזקות על ידי בעל מניות כאמור, בכפוף להוראות חוק החברות.

12.2 חלוקת דיבידנד: החלטת החברה בדבר חלוקת דיבידנד תתקבל על ידי האסיפה הכללית של בעלי מניות החברה, בכפוף להמלצת דירקטוריון החברה ולעמידת החברה במבחני החלוקה בהתאם להוראות חוק החברות. כל בעל מניה יהיה זכאי להשתתף בחלוקת דיבידנד באופן יחסי למספר המניות המוחזקות על ידו.

12.3 פירוק: מקרה של פירוק החברה יחולקו נכסיה בין בעלי המניות באופן יחסי למספר המניות המוחזקות על ידם.

12.4 מנגנון למניעה או עיכוב של השתלטות עוינת: תקנון החברה קובע כי הדירקטוריון יהיה רשאי, בכל עת ועל-פי שיקול דעתו הבלעדי, לאמץ מנגנונים לעיכוב או מניעה של השתלטות עוינת (גלולת רעל). החברה התחייבה כלפי הבורסה כי היא ובעת אימוץ מנגנונים כאמור על-ידי הדירקטוריון, מניות החברה יהיו רשומות למסחר בבורסה, אזי המניות ימחקו ממסחר בבורסה, אלא אם אימוץ של מנגנונים כאמור יתאפשר על-פי דין.

12.5 אסיפה כללית

12.5.1 סמכויות האסיפה הכללית: החלטות מסוימות של החברה תתקבלנה באסיפה הכללית, ובכלל זה שינוי תקנון החברה (לרבות הזכויות הצמודות למניות החברה), מיזוג (כהגדרתו בחוק החברות), מינוי והפסקת כהונתו של רואה החשבון המבקר של החברה, שינויים בהון החברה, חלוקת דיבידנד ועוד. בנוסף, האסיפה הכללית רשאית להפקיע סמכויותיו של אורגן אחר בחברה לצורך קבלת החלטה בנושא מסוים, בהתאם להוראות חוק החברות.

12.5.2 זכויות הצבעה: כל בעל מניה זכאי לקול אחד עבור כל מניה רגילה המוחזקת על ידו בכל אסיפה כללית.

12.5.3 זימון לאסיפה הכללית: החברה תפרסם זימון לאסיפה הכללית בהתאם להוראות חוק החברות והוראות הבורסה שבה רשומות ניירות הערך שלה למסחר, לא תימסר הודעה פרטנית לבעלי המניות. הזימון יכלול, בין היתר, פרטים בנוגע לסדר יום האסיפה, ההחלטות המוצעות והסדרי הצבעה בכתב.

אסיפה כללית שנתית תתקיים אחת לכל שנה קלנדארית בתוך תקופה שלא תעלה על חמישה עשר חודשים (15) ממועד קיום האסיפה הכללית האחרונה במועד ובמקום, בין אם בתוך או מחוץ למדינת ישראל, כפי שעשוי לקבוע הדירקטוריון. סדר היום באסיפה הכללית השנתית יכלול דיון בדוחות הכספיים, דיווחי הדירקטוריון ככל הנדרש על-פי דין, מינוי דירקטורים, מינוי רואה חשבון מבקר, וכל נושא אחר בהתאם להוראות חוק החברות. הדירקטוריון בחברה רשאי כל אימת שימצא לנכון, לכנס אסיפה כללית מיוחדת ויהא חייב לעשות כן לדרישת דירקטורים ו/או בעלי מניות המחזיקים לפחות אחוז אחד (1%) מזכויות ההצבעה בחברה, בהתאם להוראות חוק החברות.

12.5.4 המועד הקובע: המועד הקובע לעניין הזכאות להשתתף ולהצביע באסיפה הכללית ייקבע על ידי דירקטוריון החברה בהתאם להוראות חוק החברות.

12.5.5 מניין חוקי ואסיפה נדחית: שני בעלי מניות או יותר, הנוכחים באופן אישי או באמצעות מיופה כוח, והמחזיקים במצטבר לפחות עשרים וחמישה אחוז (25%) מכוח ההצבעה בחברה, בתוך שעה מהזמן שנקבע לאסיפה. לא נכח בתום שעה מהמועד שנקבע לתחילת האסיפה מניין חוקי, אזי האסיפה תידחה לאותו יום בשבוע הבא, באותה שעה ובאותו מקום, או, אם מועד ומקום

האסיפה הנדחית לא צוין בזימון האסיפה, למועד ולמקום כפי שיושב הראש של האסיפה הכללית יקבע בהסכמת רוב מחזיקי זכויות ההצבעה הנוכחים. לא יידונו עניינים כלשהם באסיפה נדחית כלשהי למעט עניינים שניתן היה כדין לדון בהם באסיפה כפי שכונסה במקור. לא נמצא מנין חוקי באסיפה הנדחית כעברור חצי שעה מהמועד שנקבע לה, כל שני (2) בעלי מניות הנוכחים באופן אישי או באמצעות מיופה כוח, יהיו מניין חוקי באסיפה הנדחית. על אף האמור לעיל, באסיפה שכונסה בהתאם להוראות סעיפים 63-64 לחוק החברות, המנין החוקי יהיה בהתאם להוראות חוק החברות והתקנות שהותקנו על-פיו.

12.5.6 הצבעה בכתב: בהתאם להחלטת דירקטוריון החברה או להוראות חוק החברות, בעל מניה יהיה רשאי להצביע באסיפה באמצעות כתב הצבעה.

12.5.7 הרוב הנדרש לקבלת החלטות: החלטות האסיפה הכללית תתקבלנה ברוב רגיל של בעלי זכויות ההצבעה, אשר נוכחים באסיפה בעצמם או באמצעות שלוח או באמצעות כתב הצבעה, אלא אם נדרש רוב מיוחד לפי חוק החברות או לפי התקנון. ליו"ר האסיפה לא יהיה קול מכריע או נוסף במקרה של שוויון בקולות.

12.6 דירקטוריון החברה

12.6.1 מבנה הדירקטוריון: מספר הדירקטורים בחברה לא יעלה על 9 דירקטורים ולא יפחת מ-4 דירקטורים.

12.6.2 מינוי והפסקת כהונה: הדירקטורים בחברה (למעט דירקטורים חיצוניים, כהגדרתם בחוק החברות) ימונו וכהונתם תופסק על ידי בעלי המניות באסיפה הכללית השנתית של בעלי המניות. תקופת הכהונה של דירקטור תפקע במועד האסיפה הכללית השלישית הבאה לאחר האסיפה הכללית בה מונה. כהונתו של דירקטור תופסק טרם פקיעתה כאמור בהתאם להוראות חוק החברות או להוראות התקנון. ככל שמספר הדירקטורים יהא נמוך ממספר הדירקטורים המקסימלי כאמור בסעיף זה לעיל, או במקרה של דירקטור אשר הפסיק לכהן, רשאים הדירקטורים המכהנים להמשיך לפעול בכל עניין, אלא אם פחת מספר הדירקטורים מהמספר המינימלי, שאז לא יהיה הדירקטוריון הנוטר רשאי לפעול אלא לשם מינוי דירקטורים נוספים כאמור לעיל, ו/או לשם כינוס, של אסיפה כללית למטרת מינוי דירקטורים נוספים. הדירקטוריון רשאי למנות דירקטור למילוי מקום פנוי בדירקטוריון, ובמקרה כזה משך כהונתו של הדירקטור שמונה יהא עד לתום האסיפה הכללית השנתית הבאה שלאחר מינויו. הדירקטוריון יהא רשאי להפסיק את כהונתו של דירקטור שמונה על-ידו.

13. אישור הבורסה לניירות ערך בתל אביב בע"מ

הבורסה נתנה את אישורה לרישום למסחר של המניות והמניות שתנבענה ממימוש האופציות (כמפורט בסעיף 6 לעיל) הנרשמות על פי מסמך רישום זה, כאמור לעיל.

אין לראות באישור כאמור של הבורסה אישור לפרטים המובאים במסמך רישום זה או לשלמותם, ואין בו משום הבעת דעה על החברה או על טיבם של ניירות הערך הנרשמים על פי מסמך רישום זה.

14. שונות

14.1 הצבעה באסיפות כלליות: הצבעה באסיפות כלליות של החברה תיעשה בדרך של קבלת כתבי הצבעה ואישורי בעלות למועד הקובע להצבעה באסיפה מבעלי מניותיה. בסמוך לקביעת מועד לאסיפה כללית של בעלי מניות החברה, תפנה החברה למסלוקת הבורסה (להלן: "**המסלוקה**") בבקשה לקבלת היתרה בפועל של המניות הרשומה לזכות כל אחד מחברי המסלוקה במועד הקובע ולקבלת ייפוי כח מהמסלוקה, והכל בהתאם להוראות סעיף ד'1 לחלק ב' לחוקי העזר של מסלוקת הבורסה.

14.2 דיבידנד

14.2.1 תשלום דיבידנד: הדיבידנד ישולם על-ידי החברה ויחולק לבעלי המניות במטבע דולר סינגפורי, באמצעות חשבון המסלוקה בבנק יורוקליר ובהתאם להוראות חוקי העזר של המסלוקה.

14.2.2 ניכוי מס במקור במקרה של חלוקת דיבידנד: בהתאם להסכמה עם רשות המיסים בישראל, החברה תנכה במקור 20% מכל דיבידנד שיחולק לבעלי מניותיה (בכפוף לכל דין), ותפקידו אצל אי.בי.אי ניהול נאמנויות אשר תשמש כנאמן עבור בעלי המניות (להלן: "**נאמן המס**"), והיתרה תועבר ישירות לבעלי המניות. כל בעל מניה שהינו תושב ישראל או תושב של מדינה שהינה צד לאמנה למניעת כפל מס עם מדינת ישראל והינו זכאי לקבלת דיבידנד, יהיה רשאי לפנות לנאמן המס בצירוף אסמכתאות מתאימות, בבקשה כי המס שיחול על תשלום דיבידנד כאמור הינו נמוך מ-20%. לפרטים נוספים, ראו דיווח החברה מיום 27 באפריל 2021, בקישור שלהלן:

[לחץ כאן לפרטים לעניין ניכוי מס במקור בעת חלוקת דיבידנד](#)

14.3 העברת מניות בין הבורסות: העברת מניות בין הבורסה לבין בורסת סינגפור ולהיפך תעשה בהתאם להוראות חוקי העזר של מסלוקת הבורסה. יצוין כי המניות יועברו מ-The Central Depository (CDP) (המסלוקה של בורסת סינגפור) לחשבון מסלוקת הבורסה ב-Euroclear Bank SA/NA (להלן: "**יורוקליר**"), כאשר המסלוקה תנהל מרשם מקביל אשר ישקף את מספר המניות בחשבון המסלוקה ביורוקליר.

חלק שני – נספחים בשפת המקור (אנגלית)

Filing Description	Date Filed
Annual Report for 2020	April 5, 2021
General announcement: Extraordinary/ Special General Meeting.	April 5, 2021
General announcement: Annual General Meeting.	April 5, 2021
General announcement (posted on the SGXNET on): Amendments to Annual Reports and Related Documents.	April 8, 2021
General announcement (posted on the SGXNET on): Amendments to Annual Reports and Related Documents.	April 13, 2021
General announcement: Response to SGX Queries.	April 20, 2021
General announcement: Responses to questions from Shareholders for the AGM scheduled for 27 April 2021.	April 22, 2021
General announcement: Employee Stock Option/ Share Scheme: Disclosure in compliance with Rule 704 (29) - Grant of Employee Stock Options.	April 27, 2021
General announcement: Resolutions passed at the Annual General Meeting held today.	April 27, 2021
General announcement: Resolutions passed at the Extraordinary General Meeting held today.	April 27, 2021
General announcement: Update of the Company's announcement re Cash Dividend/ Distribution.	April 28, 2021
General announcement: Update on Covid-19 Outbreak in India.	April 29, 2021
General announcement: Response to SGX Queries.	April 30, 2021
General announcement: Update of the Company's announcement re Cash Dividend/ Distribution.	May 3, 2021
General announcement: Sarine Technologies to Present at the 16th Annual Needham Virtual Technology and Media Conference.	May 5, 2021

General announcement (posted on the SGXNET on): HB Antwerp and Sarine Enter into a Unique Partnership for Technology Solutions.	May 6, 2021
General announcement: Update on Business Conditions.	May 9, 2021
General announcement: Employee Stock Option/ Share Scheme: Disclosure in compliance with Rule 704 (29) - Grant of Employee Stock Options.	May 9, 2021
General announcement: Sustainability report for the year ended on 31 December 2020.	May 10, 2021
General Announcement: Sarine's activities are not affected by current conflict.	May 21, 2021
General Announcement: Sarine Technologies and Constell Group Announce Strategic Collaboration	May 25, 2021
General Announcement: Minutes of the AGM held on 27 April 2021	May 27, 2021
General Announcement: Press Release: Grib Diamonds adopts the Sarine Diamond Journey traceability program.	June 2, 2021
General Announcement: Press Release: Further Update on Effects of Indian Covid-19 on Group	June 16, 2021
Share Buy Back - Daily Share Buy-Back Notice: Daily Share Buy-Back Notice - 21 June 2021	June 21, 2021

בכבוד רב,

שרין טכנולוגיות בע"מ

באמצעות ביל (זאב אריה) קסלר, סמנכ"ל כספים



הבורסה לניירות ערך תל אביב
TEL AVIV STOCK EXCHANGE

27 ביוני, 2021
392656

לכבוד
שרין טכנולוגיות בע"מ
אזור התעשייה נוה נאמן
רחוב החרש 4
הוד השרון 4524075

נכבדי,

הנדון: אישור לרישום ניירות ערך למסחר בבורסה

1. ניתן בזה אישור לרישום בבורסה של ניירות הערך הבאים:
 - א. 353,672,126 מניות רגילות ללא ערך נקוב, שבהן החברה, מתוכן 4,190,200 מניות רדומות המוחזקות על ידי החברה.
 - ב. 22,473,161 מניות רגילות ללא ערך נקוב שתנבענה ממימוש אופציות (לא רשומות). מניות המימוש תהיינה חופשיות מחסימה.
 - ג. עד 30,001,627 מניות רגילות ללא ערך נקוב, שתנבענה ממימוש אופציות (לא רשומות) שיוקצו בעתיד, בהתאם לתוכנית האופציות של החברה לשנת 2015. מניות המימוש תהיינה משוחררות מחסימה.
2. תוקפו של אישור זה מותנה בהגשת מסמך הרישום תוך 60 יום מיום 27.6.21.
 - בנוסף, תוקף האישור לרישום של המניות שתנבענה ממימוש כתבי אופציה (לא רשומים) כמפורט בסעיף 1.ג לעיל, מותנה בהקצאת האופציות תוך 12 חודשים מיום 27.6.21.
3. אישור זה ניתן על סמך הבקשה מיום 18.5.21 טיוטת מסמך הרישום מיום 18.5.21 ותיקונים לו עד ליום 24.6.21 שהמצאתם לנו, על סמך חוות הדעת של משרד עו"ד Drew & Napier מיום 3.6.21 שהגשתם לנו, וכפוף לאישורים הדרושים על פי דין.
4. אין לראות באישור זה של הבורסה אישור לפרטים המובאים בטיטוט מסמך הרישום או למהימנותם או לשלמותם ואין בו משום הבעת דעה כלשהי על החברה או על טיבם של ניירות הערך הנרשמים למסחר.
5. נבקשכם לבוא עמנו בדברים לשם קביעת המועד בו ירשמו ניירות הערך למסחר בבורסה. מועד הרישום בבורסה לא יקדם מיום המסחר השלישי שלאחר יום הגשת מסמך הרישום ולא יאוחר מחודש ימים לאחר הגשתו.
6. בעתיד, כל אימת שהדבר יתחייב, הנכם מתבקשים להודיע לנו מהם השינויים ביתרת המניות, האופציות (הלא רשומות), כתוצאה מהוראות מימוש שיתקבלו בחברה.
7. אישורנו זה מחליף את אישורנו מיום 24.6.21 סימוכין 391847 ובא במקומו.

בכבוד רב,

הבורסה לניירות ערך תל-אביב בע"מ

ת.ש.

הבורסה לניירות ערך תל אביב בע"מ

רח' אחוזת בית 2, תל אביב 6525216 • ת"ד 29060, תל אביב 6129001 • טל': 076-8160411, פקס: 03-5105379
www.tase.co.il

L/W	W 5.00	L 5.00
Height	61.8%	3.08mm
Table	65.1%	3.28mm
Crown†	31.45°	
Crown H	10.7%	0.53mm
Girdle	11.57%	0.28mm
Pavil.†	42.26°	
Pavil. H	45.4%	2.27mm
L / W	1.00	Most Accurate
Tilt	18°	
Star/Half	43.9%	62.6%
Culet	0.00mm	0.0%
Rough	L 5.87 W 5.42 H 4.15	
	L 5.65 W 5.75 H 4.90	
Planning Type	inter	
Rough	2.200ct (2.200ct)	
Angle	Rev-Align	
Price	\$5,9474	\$9,876 (2.1012)
Part Name	Grading	
Polish	Rough	Yield (%)

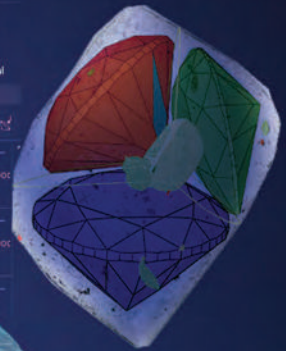
user	1
Symm	
180 deg	Manual
GA	Excellent
Symm	dsd
180 deg	Manual
Planes	
Screen	FastView
1.005ct	
Saw2-1	GIA Very Good
48.244	0.0%
0.360ct	0.726ct
Saw2-2	GIA Very Good
\$1,011	GIA Very Good
0.187ct	0.461ct
PW2-1	user 1
D	IF Basic
0.187ct	0.461ct
PW3-1	user 1
D	IF Basic
0.367ct	0.761ct
Saw3-1	GIA Very Good
\$2,011	0.0%

SHAPE
ROUND

CARAT
1.23

COLOR
8

CLARITY
VS2



SARINE ANNUAL REPORT 2020

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CAUTIONARY STATEMENT

This Annual Report may contain "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance and typically contain words such as "anticipate", "believe", "expect", "foresee", "hope", "intend", "may", "might", "plan", "seek", "target", "will" or "would". Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as expected revenues, margins, expenses and profits; cash flows, return on capital, capital expenditures, capital allocation or capital structure; and dividends. Actual results may differ materially. Particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: changes in law, regulations and regulatory requirements; global economic and financial conditions, including interest and exchange rate volatility, commodity and equity prices and the value of financial assets; diamond industry conditions including rough and polished diamond prices and conditions in the financial and credit markets for the industry in which we operate; the impact of potential information technology or data security breaches and our exposure to counterparties; the impact of investigative and legal proceedings and legal compliance risks; the adequacy of our cash flows and earnings and other conditions which may affect our ability to pay dividend at the planned level or to repurchase shares at planned levels; our capital allocation plans, as such plans may change including with respect to the timing and size of share repurchases, acquisitions, joint ventures, dispositions and other strategic actions; our success in integrating acquired businesses and operating joint ventures; our ability to realise anticipated earnings and savings from announced transactions, acquired businesses and joint ventures; global pandemics, as indeed occurred in 2020; and the other factors that are described in "Risk Factors" in this Annual Report for the year ended December 31, 2020. These or other uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

CORPORATE PROFILE

Sarine Technologies Ltd. develops, manufactures, markets and sells precision technology products for the processing, grading and trade of diamonds, utilised throughout the diamond industry value chain. Following is a brief profile of our offerings. For additional information, please refer to the Business Review section of this Annual Report.

Rough Stone Evaluation (the "Upstream")

We assist diamond mining companies, also termed "producers", to evaluate their rough stones. Our DiaExpert® family of platforms accurately model a rough diamond's external geometry. The revolutionary Galaxy® family of internal inclusion mapping systems for rough diamonds, based on patented technology, provides high resolution (optionally at microscopic-level), fully automated, fast and comprehensive identification and mapping of a rough stone's internal features – inclusions, cracks, etc. By utilising these two systems and optional software tools, a producer can fully assess the intrinsic value of its rough material and provide prospective customers with comprehensive information pertaining to the stones offered for sale. Disclosing this information, and thus reducing the risk associated with buying the offered rough stones lacking full knowledge of their characteristics, allows bidders to offer a higher premium for the offered goods, thus increasing the producer's profitability. In addition, the provision of such data in a digital form enables producers to reach a broader group of potential buyers.

Alrosa, the primary Russian producer and largest miner of diamonds worldwide in carat terms, Grib, another Russian producer, Lucara, a Canadian-based producer operating in Botswana, and Star Gems, a leading rough stone secondary wholesaler in Dubai, have already adopted these technologies for various categories of their rough inventory, subsequently offered for sale via digital tenders. We expect other producers and wholesalers to also adopt this paradigm, having already evaluated it in 2020 in light of its inherent benefits during Covid-19 travel and related restrictions.

Rough Diamond Polishing (the "Midstream")

Our products and services provide industry-leading automated solutions for every stage of the rough diamond polishing process, from high-precision geometrical modelling and internal inclusion and tension mapping of the rough stone, through determining the optimally derivable polished gems based on true dollar value and market trends, through laser cutting and shaping, to the inline quality control of the actual making and faceting of the polished jewel.

Our aforementioned DiaExpert® family of platforms and the copyrighted Advisor® software are the de-facto worldwide standard for planning the optimal utilisation of rough diamonds. These systems assist the manufacturer in the planning, cutting and polishing process of the rough stones in order to achieve polished gems with the highest possible values based on optimisation of the four "C" parameters (Carat, Clarity, Color and Cut) and light performance parameters in accordance with market trends and prices.

The Galaxy® family of internal inclusion mapping systems for rough diamonds allows for the optimisation of the Clarity grade of the resultant polished stones, which could only be roughly estimated prior to this technology's introduction in 2010. To allow the industry to fully benefit from this cutting edge technology, various models (see the Business Review section) offer inclusion mapping of rough stones across the entire spectrum of sizes – from below 10 points (0.10 carats) to over 200 carats. To further affordability and flexibility, we offer per-use inclusion scanning services at wholly-owned or affiliated service centres in all the major diamond polishing and trading centres - Mumbai and Surat (India), Antwerp (Belgium), Dubai, Gaborone (Botswana), Johannesburg (South Africa), Moscow, New York, Ramat-Gan (Israel) and Windhoek (Namibia). As of 2019, our Galaxy® systems can be upgraded with an add-on hardware kit, which enables the mapping of the internal tension (stress) of the rough stone's crystal structure, reducing the risk of damage or breakage during the subsequent cutting and polishing stages.

Our third-generation Quazer® 3 green-laser system, integrated with our planning systems by way of the Strategist® setup station, is the industry's most cost-effective high-end solution for the laser

cutting and shaping of rough stones, as well as for the processing of CVD-type lab-grown (so called "synthetic") diamonds. The Quazer® 3's main advantage is its ability to perform complicated non-linear cutting, like pie sawing, with a single setup, giving more accurate results and saving significant time. We offer rough diamond cutting and shaping services on a per-use basis at our service centres in India.

The Instructor® software assists in real-time quality control and optimisation of the actual diamond faceting processes. It can provide for corrective polishing, when deviations from the original planned optimal polishing solution are discerned, by re-analysing the semi-polished stone and proposing alternative solutions, including utilisation of unique asymmetrical methods. Here too, as in planning, conventional 4Cs optimisation can be enhanced by light performance optimisation for ultimate polishing results.

The combination of these technologies has redefined the art of diamond polishing into a science. It has raised the optimally achievable yield of the polished stones combined weights from historically under 40% of the rough stone's original weight to over 50%, a 25% benefit. But no less important, it allows the manufacturer to select planning options which best suit actual demand at any given time for any specific geographic market (e.g., trading off between weight, typically a key criterion in US markets, and quality, more emphasised in Asia Pacific (APAC) markets) or any individual retailer's needs for specific lines of jewellery, so called "programmes". These technologies are equally effective on natural and lab-grown diamonds (LGD).

Polished Diamond Grading and Trade (the "Downstream")

Having pioneered the technology-derived automated grading of a polished diamond's Cut in 1992, and having introduced the industry's most accurate system for measuring a polished diamond's actual light performance in 2013, the Sarine Light™, we now also provide automated grading of a polished diamond's Clarity, a world first, and Color. Our Sarine Technology Lab provides the world's first (and currently only) artificial intelligence ("AI") based, technologically-derived objective and consistent grading of a polished diamond's 4Cs and light performance, as well as authentication of the diamond's source (natural or lab-grown) and identification of any treatments to which it has been submitted.

We launched the DiaMension® family of products in 1992 for the accurate measurement of a polished diamond's proportions, in order to derive its Cut and Symmetry grades. The DiaMension® HD (High Definition) and the Instructor® software are today the industry's de-facto standard for measuring proportions and Cut grading worldwide. The newest model, the DiaMension® Axiom 3, based on revolutionary technology with micron level accuracy, was originally developed to meet and exceed Tiffany & Company's ("Tiffany") most stringent requirements for extra-fine diamond quality assessment including symmetry grading. Our polished stone proportion measuring and Cut/Symmetry grading systems are driven by the Instructor® software package.

The Sarine Light™ introduced in 2013 has today become the most widely used system for light performance analysis and grading in the Asia Pacific (APAC) market, and has all but become the fifth "C" in Japan. We offer light performance grading services independently or as a key element in the Sarine Profile™, detailed below. The Sarine Light™ enables the automatic, accurate, consistent and quantified measurement of a polished diamond's light performance, in order to provide additional criteria by which to appreciate the diamond's quality:

- o **Brilliance** - the intense bright light that shines from the diamond.
- o **Sparkle** - the dramatic flashes that burst out of the diamond.
- o **Fire** - the vivid colours of the rainbow that radiate from within the diamond.
- o **Light symmetry** - the equal distribution of the light that reflects from the diamond.

CORPORATE PROFILE

Since mid-2018, we offer comprehensive polished diamond 4Cs grading, utilising our groundbreaking AI-derived technology and two dedicated hardware platforms - the Sarine Clarity™ and Sarine Color™. The ability to provide technologically-derived automated grading of a polished stone's Clarity is an industry first. Clarity grading is a very complex multi dimensional classification, derived from the number of inclusions, their sizes, types and locations as well as other parameters, and has always been a subjective and manual labor-intensive process. Typically two graders would manually grade each stone, and it is not unusual for a third expert opinion to be required. Even so, Clarity grading is not consistent, and it is not uncommon to have significant disparities in the prescribed grade, often resulting in it being contested. Our tests have shown that when a statistically significant reference team of proficiently trained graders assesses a stone's Clarity, variances can be spread over two or sometimes even three different grades. The utilisation of technology enables objective, consistent grading, which, as the AI-based algorithms are self-learning, continuously improves over time. We are currently working with Tiffany to adapt our automated AI-based grading technology to Tiffany's stringent grading guidelines and criteria. We have also entered into a joint initiative with China's largest and most important gemmological laboratory the National Gemstone Testing Center (NGTC), in order to develop automated grading standards for a polished diamond's 4Cs and its light performance for the Chinese trade.

In 2020 we announced the next revolution of polished diamond grading - e-Grading™. Currently in beta-testing in India, the use of our above-mentioned hardware platforms and AI-based software, enhanced by unique in-process inter-system control and verification software, will allow on-site grading, replacing the need to send stones offsite to third-party gemmological laboratories. This will bring a number of key benefits to the midstream diamond manufacturing industry - significantly less direct costs, virtually no indirect costs (e.g., shipping, insurance, etc.), a substantially shorter process (minutes to hours vs. days to weeks) and operational flexibility (enabling a manufacturer to independently prioritise his stones' grading sequence and schedule). It is our aim to ultimately also enable the automated on-site fine-sorting of a diamond's Clarity in accordance with customer-specific sub-grades pertaining to the diamond's actual appearance (e.g., "eye-clean", "no black inclusions", "no inclusions under the table"), so as to facilitate more accurate matching to the retail customer's needs, reducing rejects and bolstering profitability. e-Grading™ is uniquely suitable to LGD grading, as its lower cost allows application to the lower-valued LGD, and what is more natural than grading a stone created by technology using technology!

Retail Trade

We also provide technologically advanced standard-setting solutions for key aspects of the polished diamond retail trade, whether natural stones or LGD. In today's changing retail world, channel and product branding and differentiation, as well as providing a captivating digital experience on an online portal, are key to a retailer's success. In the 2020 holiday season in the U.S., online sales grew by almost 50%, also as a solution to Covid-19 related impediments to traditional retail channels. The ability to tell the polished gem's "story" online, and demonstrate its unique features, differentiating it from near-commoditised standard cuts and stones, are becoming universal goals amongst e-tailers and in-store retailers alike. Non-intuitive data, as formulated in the historic 4Cs, are no longer sufficient for the younger generation of internet and social media savvy buyers.

Our pioneering Sarine Profile™ addresses the retailers' needs for differentiation by providing engaging imagery and video information pertaining to the offered diamond's appearance, beauty and quality. Sarine Profile™, a toolbox of various technologies, allows the wholesaler and retailer to display their inventory according to their own specific branding goals, as best suited to the merchandise being sold and the market in which it is sold. Each user, whether wholesaler or retailer, online or brick and mortar, can create its unique branding message by utilising various imaging technologies as provided by the Sarine Loupe™, at various levels of 3 to 40 times magnification and from various simulated distances and perspectives, along with light performance analyses and grading, as provided by the industry-leading Sarine Light™. Other graphic information such as Hearts and Arrows depictions, Cut proportions in 2D or 3D, laser inscription viewing, etc. can also be presented to the prospective consumer. Sarine Profile™ of course also provides the stone's gemmological laboratory report and can accommodate the retailer's promotional

branding material and even the end-consumer's personalisation message (e.g., proposal) to the ultimate recipient of the jewellery.

Sarine Profile™ is unique in that it caters to the new generation of buyers' engrossment with their mobile devices and their passion for social media, allowing retailers to connect with them and engage them on their media of choice. Doing so enables online transactions with a completely new level of confidence. But it also enhances the in-store buying experience by empowering the consumer to make a truly informed decision.

In 2019 we introduced an additional tool for the jewellery retailer, a unique cost-effective technology for the imaging and optional creation of virtual derivatives of jewellery pieces - Verto™. Verto™ generates high quality video displays, derived from but a handful of images captured by any common smartphone. Verto™'s solution enables jewellery manufacturers, wholesalers and retailers to provide their customers with exceptionally high-quality video renditions of offered jewellery items. It also has the capability to generate multiple options of the settings and the types, sizes, and colours of stones set in the piece, etc. All this with no need for capital investment in high-end devices, expensive professional photographers or exhaustive manual finishing. The combination of the imagery's high quality, the system's ease of use, its attractive cost and fast delivery creates an offering that is far superior to any currently available market alternatives.

In today's conscientious, even "activist", marketplace, responsible and sustainable sourcing and manufacturing are also key to a retailer's success. The Sarine Diamond Journey™ uniquely provides concrete reliable documentation of the rough diamond's provenance and its audited journey from rough stone to polished jewel. Critical to its unique proposition as a provenance solution is Sarine Diamond Journey™'s access to actual verifiable data from end to end of the polishing process, enabled by Sarine's uniquely extensive presence in the diamond industry's midstream, wherein the critical transition from rough to polish occurs. In 2020 just under 19 million stones were scanned for inclusion mapping using our systems and over 60 million stones were planned using our online Advisor® cloud-based software which, optionally, records the actual planning stages for the Sarine Diamond Journey™. Thus, we can exclusively provide a conclusive certified testimonial of the polished stone's derivation, with no need to rely on declaratory information provided by the audited parties. The mined rough stone's source data is optionally provided by the producer. If not, key data pertaining to its weight, form, inclusions, etc. can be derived independently by our technologies, and its source verified by official data (e.g., customs manifests). Already today Alrosa, the world's largest miner by carat volume, and Lucara collaborate with us to provide mine/source information for various categories and sizes of their rough stones. The rough stone's form is retained in high-resolution mathematical model and video formats, for authentication at the manufacturing venue and presentation to the consumer. As an option, a realistic 3D-printed model of the rough stone can be derived from these data and provided for the consumer's fascination - the 3D-Origin™. Subsequently through various stages of the stone's processing, to the level desired, accurate graphic/video data are collated. Beyond offering consumers insight into the sophisticated technology and painstaking craftsmanship that went into creating their gem in an engaging visual format, the Sarine Diamond Journey™ verifies for the consumer where their diamond was mined and how and by whom it was polished, even if by multiple parties, reinforcing their confidence in the sustainable value of their unique natural jewel.

Upon the polishing process's completion, proprietary technology for "fingerprinting" the polished stone, TruMatch™, can also be engraved on the stone without denigrating from its beauty or value. TruMatch™ can subsequently be used to singularly verify the identity of the polished stone in the retail outlet, whether it is loose or mounted in a setting. A so-called digital twin for the authentication of the purchased item is readily retrievable, which can also be utilised by retailers offering extended warranties, providing cleaning and repair services or proposing "buy-up" exchanges, as well as by financial institutions or insurers in need of reliable unequivocal identification of the item.

OUR MILESTONES



2020

Sarine introduces concept of e-Grading™ - self-executed polished diamond 4Cs grading by value-chain industry players (manufacturers, wholesalers and even retailers) on-site at their own facilities utilising Sarine's AI-driven cloud-linked technologies. By enhancing our technology-based AI-derived 4Cs grading with additional functionality for process control and intra-process verification, e-Grading™ provides a time-saving, cost-cutting, in-house automated solution for the 4Cs grading of most polished stones, without necessitating the inefficient, time-consuming and costly process of sending goods offsite to a third-party grading facility (lab).

Sarine announces that it has expanded its collaboration with Clara Diamond Solutions Corporation, a subsidiary of mining producer Lucara Diamond Corp., to extend provenance traceability to Clara's diamonds through the Sarine Diamond Journey™.

Due to Covid-19 impediments ALROSA, the world's largest producer by carat volume, expands its digital tenders enabled by Sarine's technologies, a safe and efficient alternative distribution channel, to their "special" rough stones sized 10.8 carats and up, having previously offered only smaller stones through this paradigm (view their Digital Stones video to prospective buyers posted publicly and viewable at <https://youtu.be/rEVXGfks8oA>).

Sarine expands its comprehensive diamond traceability Sarine Diamond Journey™ solution to diamonds sourced from ALROSA, the world's largest miner of rough diamonds by carat volume. The cooperative solution provides global retailers end to end traceability from mine to consumer, documenting the sustainable supply chain throughout the process from rough to polish for ALROSA sourced diamonds, however traded and polished by multiple midstream entities.

Sarine launches a co-branded light performance report with the National Gemstone Testing Center (NGTC) of China, China's largest gemmological lab, for Yuanyumei (Y & M) Jewelry, a leading high-end Chinese jewellery designer, manufacturer and wholesaler for their Rose D'Amour line.

Following the signing of the peace and normalisation agreements with the United Arab Emirates, Sarine opens a Galaxy® service centre in Dubai, an evolving key trading centre for rough and polished diamonds, in cooperation with TRIGEM DMCC. Dubai, already home to a key trading bourse of rough diamonds, which is forecast, due to geopolitical and cost base evolution, to emerge as the most important global trading hub for rough diamonds second to none, is also expected to further expand to become an important trading centre for polished diamonds.

2019

Sarine launches the 3D-Origin™, a 3D-printed accurate model of the rough diamond from which the polished diamond was derived. The 3D-Origin™ model is identical in its geometrical dimensions and features to the actual rough diamond, scaled for consumer convenience, and is generated as an optional tangible add-on to the Sarine Diamond Journey™ rough-to-polish diamond report.

New Art Ltd. (previously CIMA), a leading bridal diamond jewellery chain in Japan, is the first customer to adopt the Sarine Diamond Journey™, including the 3D-Origin™ option, as a centrepiece of its new marketing campaign and consumer experience.

Sarine launches Verto™, an innovative imaging solution that generates exceptionally high-quality video displays, derived from but a handful of images captured by any common smartphone and enables jewellery manufacturers, wholesalers and retailers to provide their customers with interactive capabilities to view the piece from multiple perspectives and personalise the setting as well as the types, sizes, and colours of stones, etc. All this with no need for capital investment in high-end devices, expensive professional photographers or exhaustive manual finishing. The system's ease of use, its attractive cost and fast delivery creates an offering that is far superior to any currently available market alternatives.

Sarine signs a strategic framework with the National Gemstone Testing Center (NGTC) of China, the leading gemmological laboratory in China. The strategic framework aim is to advance diamond grading standards in China to the highest level and to implement the industry's most consistent grading, by combining Sarine's developments in the areas of artificial intelligence (AI) for the grading of a polished diamond's 4Cs to NGTC's extensive gemmological research and diamond testing expertise. The cooperation specifically aims to set new standards for light performance grading, diamond traceability and fingerprinting as well as digital solutions suitable for the retail diamond trade in China.

Sarine participates in the key technology panel at the Fourth Dubai Diamond Conference (DDC), focusing on technology disruption and its positive potential for the diamond industry.

Sarine announces that it is working with Tiffany & Co. ("Tiffany") to adapt its automated AI based grading technology to Tiffany's discriminating grading standards for Color and Clarity. Sarine's automated grading technology substantially removes subjective human error and bias from the grading process, thus enabling a new level of reliability and consistency. Sarine's and Tiffany's cooperation is aimed at refining Sarine's solution to meet Tiffany's requirements and "enable the Tiffany Gemmological Laboratory's graders to continually employ the best technology available in the industry to objectively, consistently and efficiently measure and uphold [Tiffany's] demanding grading standards for Tiffany diamonds".

Sarine announces cooperation with ALROSA, the world's largest diamond miner by carats, implementing Sarine's DiaExpert® 3D-mapping, Galaxy® inclusion scanning and other technology to augment ALROSA's rough Digital Tenders with detailed information pertaining to the offered rough stones. The information is provided in standard Sarine Advisor® diamond planning software input format, readily usable by clients' personnel to evaluate possible polished output solutions, each according to their own needs, preferences and price lists, thus empowering the procurement personnel to leverage the expertise of the companies' specialist planners in order to come up with better informed procurement decisions.

OUR MILESTONES

Sarine develops an add-on for its Galaxy® inclusion mapping system to map the internal tension (stress) of a rough diamond – its location, structure / direction and estimated magnitude. Having completed beta-testing on 15,000 stones, the technology now needs to be integrated into the next version of our planning software, Advisor® 8.0, to be released in mid-2020.

Sarine ends the year with record deliveries of 145 Galaxy® systems, bringing its Galaxy® installed base, as of 31 December 2019, to 555. Our Galaxy® family of inclusion mapping systems scan 17 million stones in aggregate worldwide in 2019 and just over 60 million stones are planned on our cloud-based Advisor® software (several tens of millions of additional stones are also planned during 2019 on our earlier offline versions of the Advisor®, from which no online reporting is directly available to us).

2018

Sarine sets a new standard in rough diamond planning accuracy, efficiency and yield with its introduction of an added-value upgrade for existing or new DiaExpert® platforms – the DiaExpert® Edge. The DiaExpert® Edge, uses advanced LED technology to achieve radically more accurate modelling, capturing even the most minute surface features and texture with incredible precision, allowing for much faster and efficient planning and increasing the yield and beauty of the polished stone with reduced risk.

Sarine's wholly owned subsidiary, Sarine Polishing Technologies, Ltd., opens the first Sarine Technology Laboratory in Ramat Gan, Israel, utilising Sarine's breakthrough artificial intelligence based technological solutions for the automated, accurate, consistent and objective grading of a polished diamond's Clarity and Color.

Sarine's wholly owned subsidiary Galatea, Ltd. launches the Meteorite™ system for the cost-effective inclusion mapping of very small rough stones, under 0.40 carats.

Leveraging on its extensive presence in the diamond industry's midstream (with tens of millions of rough stones polished annually utilising its rough planning platforms), Sarine launches the Sarine Diamond Journey™, highlighting the provenance of the diamond. The rough stone is traced through all its stages from unique rough stone to one-of-a-kind jewel.

Dominion Diamond Mines ULC ("Dominion"), Canada's largest independent diamond producer, introduces an enhanced CanadaMark™ website incorporating the new Sarine Diamond Journey™. The CanadaMark™ hallmark programme is Dominion's strategic initiative to assure the integrity of the supply chain of Canadian diamonds from mine to retail. Dominion's new CanadaMark™ documents the polished stone's audited journey from mine to retail and also includes Sarine Profile™ imagery and light performance data.

K-Uno, renowned Japanese retailer of bespoke made-to-order diamond jewellery becomes the first retailer in the world to adopt the new Sarine 4Cs diamond report – the world's first AI-based, technology driven, automated grading report.

Berkshire Hathaway's Borsheims selects the Sarine Profile™ to accompany each of Mr. Warren Buffett's very limited series of Signature Diamonds sold at their flagship store during the annual Berkshire Hathaway Shareholders Meeting in Omaha, Nebraska. Each stone was engraved on-site by Sarine's DiaScribe™ system with Mr. Buffett's signature, its certificate number and a personalised commemoration or message of affection of the buyers' choice.

Sarine's wholly-owned Indian subsidiary, Sarin Technologies India Pvt. Ltd., opens second Sarine Technology Laboratory in Mumbai, India, servicing this key Indian polishing centre. The Sarine Technology Laboratory offers reports on the broadest range of a polished diamond's parameters, including AI-based, technology-driven, automated 4Cs grading, diamond authentication, treatments verification, light performance and the Sarine Diamond Journey™ rough to polish provenance documentation, as well as advanced interactive diamond imaging of various magnifications and perspectives.

Sarine opens a new Galaxy® service centre for the scanning and mapping of internal inclusions in rough diamonds in the Sha Wan Jewellery Park in the Panyu District of Guangzhou, servicing the rough diamond trade and diamond manufacturers there and in China, in general.

Sarine opens a new service centre for the issuing of Sarine Profile™ reports for polished diamonds in Tokyo, servicing retailers and the polished diamond trade in Japan.

Sarine enters into an agreement with Clara Diamond Solutions Corporation ("Clara"), a subsidiary of Lucara Diamond Corp. ("Lucara"), a Vancouver-based diamond mining producer which aims to change the way rough diamonds are sold. Clara proposes to sell diamonds directly to jewellery manufacturers via a digital platform backed by secure blockchain technology developed by Clara. Sarine's Galaxy® inclusion mapping technology and its Advisor® rough planning will be applied to the rough stone to generate possible cutting and polishing solutions as per polished diamond manufacturers' retail customers' pre-defined orders. Optimisation of the sorting process in this manner will match available rough material with manufacturers' and retailers' current market demand, allowing them to search for the exact stone(s) they need at the price they want, thus optimising the process, to both seller's and buyer's benefit.

2017

Sarine and GGTL Laboratories (Switzerland) sign a cooperation agreement to address the detection of lab-grown diamonds of all sizes.

Sarine's wholly-owned Indian subsidiary, Sarin Technologies India Pvt. Ltd., opens a self-owned new facility in Surat, India, "Sarin House", consolidating all the Group's Surat-based activities for the Indian diamond manufacturing industry under one roof. Located in India's primary diamond manufacturing hub, the facility comprises 55,000 square feet (5,100 square meters) over six floors, and houses approximately 400 staff members. Sarin House is the home for our pre- and post-sales Customer Care and Support as well as for the Galaxy®, Quazer® and Sarine Profile™ service centres.

K-Uno, renowned Japanese retailer of bespoke made-to-order diamond jewellery becomes first retailer in Japan to adopt the complete Sarine Profile™ solution.

Aurora Group, an established jewellery chain in Thailand with over 200 retail stores nationwide, becomes the first customer in Thailand to adopt Sarine's light performance report to enhance customers' experience and confidence.

Sarine releases the seventh generation of its industry-leading rough planning software tool. Advisor® 7.0 includes numerous innovations that advance rough planning to further streamline the process and optimise the yield. Advisor® 7.0 includes Centralised Automated Planning (CAP), enabling the definition of automated planning paradigms (by shapes, proportions, cut grades, lab specifications, etc.) set to run in the background, so staff can quickly filter hundreds and even thousands of planning solutions according to market demand. Advisor® 7.0 supports customised pricing, directly integrating with the manufacturer's proprietary criteria, so that pricing of the polished stones adheres to the manufacturer's own internal controls. Another key feature analyses the planned stone using various criteria, including Sarine Light™, Hearts and Arrows and Photo Real, modifiable on a per facet basis, to meet retailers' most stringent demands, beyond the traditional 4C's. Advisor® 7.0 also provides graphic indications of any internal stress in the rough diamond, enabling the planning process to avoid danger during subsequent processes, which could endanger the stone's integrity.

Golden Dew, becomes our South Korean launch customer for the Sarine Profile™ in its 72 stores and adopts the Sarine Connect™ diamond/jewellery search and display app.

OUR MILESTONES

Singapore Exchange Mainboard-listed Soo Kee Group Ltd. (42G:SI), extends its adoption of the Sarine Profile™ to China for its Love & Co.'s brand's Lovemark diamond collection, introducing the first fully digital diamond report entirely in Chinese with a powerful visual and experiential 'story' of the diamond. The brand aims to establish 550 points-of-sale in China and Hong Kong by the end of its fifth year of operation.

Our Galaxy® family of inclusion mapping systems scan 10 million stones in aggregate worldwide, in a single year, in 2017.

2016

Sarine's wholly owned subsidiary, Sarine Color Technologies Ltd., announces that it acquired the technology and assets of DiaMining Ltd., an established developer of Point of Sale (POS) applications for diamonds, gemstones and jewellery, and renames it Sarine Connect™.

The Soo Kee Group, Singapore's leading established jeweller, also listed on the Singapore Exchange (42G:SI), announces they have adopted the Sarine Profile™ diamond display paradigm, including Sarine's unique light performance grading, for Love & Co., their bridal specialist brand, and will launch the Sarine Profile™ as a cornerstone of their in-store and online customer experience.

Sarine announces that it has developed new and groundbreaking technology that will provide automated, objective and consistent inclusion mapping in polished diamonds and Clarity grading – a first for the diamond industry, as well as a system for automated objective and consistent Color grading.

Sarine ends the year with record deliveries of 84 Galaxy® family inclusion mapping systems, bringing its Galaxy® installed base, as of 31 December 2016, to 299.

2015

Sarine shares held by founding entities are distributed vertically to next level, without effecting any change in beneficial holdings. Similarly, no change in directors' beneficial holdings was affected.

HRD Antwerp, the leading Belgian gemmological laboratory owned and operated by the Antwerp World Diamond Center (AWDC), and Sarine announce plans to facilitate interoperability between Sarine's Advisor® diamond planning software and HRD Antwerp's EOS Fancy bruting and girdling (i.e., shaping) systems.

Gemmological Science International (GSI) adopts Sarine's DiaMension® Axiom as a high-end proportion measuring system.

Gemmological Institute of America (GIA) verifies Sarine's DiaMension® Axiom's unmatched accuracy as per announced specifications and adopts Instructor® as a standard software package for polished diamond proportion measuring and Cut grade derivation.

Sarine pioneers the Sarine Profile™, offering succinct image and video information of a diamond's quality and beauty, to enable online transactions with a completely new level of confidence and cost effectiveness, and enhancing the in-store buying experience by empowering the consumer to make a truly informed decision. Sarine Profile™ allows jewellery chains to offer any stone from their entire (virtual) inventory, regardless of its availability in a specific outlet. The Sarine Profile™ is unique in that it allows each retailer, whether online or brick and mortar, to select its preferred imagery from a toolbox of options including the various levels of imagery produced by the Sarine Loupe™, light performance grading and video generated by the Sarine Light™, hearts and arrows graphics, Cut proportions graphics, laser inscription viewing and the like.

Sarine Loupe™ service centres open in Los Angeles and Hong Kong in collaboration with Brink's Global Services.

Sarine celebrates 10 million stones being scanned by its Galaxy® inclusion mapping solution since the system's introduction in 2009.

Sarine releases the Advisor® 6.0 planning software, with additional features and a new level of intellectual property protection based on the utilisation of cloud architecture, constituting an additional layer in the penetration barrier to would-be competition to our industry-leading rough diamond processing solutions.

Sarine launches the Meteor™ small stone inclusion mapping system, for stones ranging from 20 to 89 points, an addressable segment of some 50 million stones annually, capable of almost double the throughput of previously introduced inclusion mapping systems of the Galaxy® family.

2014

The English spelling of the Company's name is corrected to Sarine Technologies Ltd.

Sarine launches the Instructor® 3.0, a new and significantly enhanced version of its polished-diamond quality assurance and polishing process control software. The new software runs on Sarine's rough and polished diamond modeling platforms and significantly improves the accuracy of polished diamond modeling, in particular for fancy-shaped diamonds, and the tools provided for in-process polishing decisions.

Sarine launches the Quazer® 3, offering a completely new control system with unique advantages, including an enhanced fully automated pie cutting feature, facilitating accurate sawing of highly advanced sawing profiles. The Quazer® 3 supersedes the original Quazer® and second generation Quazer® II, introduced in 2005 and 2010 respectively, both based on green laser technology, which themselves pioneered multiple breakthroughs in the sawing, cutting and shaping of rough diamonds and became the de-facto standard high-end market-leading solutions.

Rapaport's RapNet® industry-leading web-based platform selects our subsidiary's Sarine Loupe™ as first de-facto standard imaging system and provides enhanced seamless integration to the Sarine Loupe™ imagery to empower online trade.

DiaMension® Axiom's accuracy is verified by Tiffany & Co, and selected to formalise Tiffany's new and more robust standards of Symmetry. In 2012 Tiffany challenged Sarine to measure the facet symmetry features of a polished diamond with unprecedented high accuracy, as previously these features could not be determined by any existing device and were manually evaluated by gemmologists using microscopes. Sarine's DiaMension® Axiom thus sets a new bar for polished diamond analysis and grading.

Sarine Color Technologies Ltd. launches Real View, an upgrade to the Sarine Loupe™, adding a stunning rendition of the polished diamond's actual appearance. The enhanced Sarine Loupe™ comprises three complementary layers of imaging. The first provides a dazzling presentation of the diamond's appearance (Real View), the second a table-only view of the diamond, as inspected when using an actual physical loupe (Top Inspection), and the third shows minute details of the diamond's Cut workmanship and internal Clarity characteristics (3-D Inspection).

Sarine North America Inc., Sarine's wholly-owned US subsidiary, opens a Sarine Loupe™ service centre for diamond imaging at its offices in New York's Diamond District on 47th Street.

2013

Sarine launches the DiaExpert® Atom rough planning and marking system for the smallest of rough diamonds – 0.01 through 0.27 carats in size, which offers higher processing speeds and more competitive pricing than the DiaExpert® Nano system, launched in late 2007.

Sarine's wholly-owned US-based subsidiaries close on the purchase of approximately 500 square meters of office in the new International Gem Tower in New York City (on 47th Street - Diamond Way) for the Group's North American base.

OUR MILESTONES

Sarine Color Technologies Ltd., a wholly-owned subsidiary of Sarine, launches the Sarine Light™ with launch customer CIMA, one of Japan's leading bridal diamond jewellery chains with nearly 60 outlets nationwide, for certification of the light performance of all its solitaire diamonds measuring one quarter carat and up.

Galatea introduces the Galaxy® Ultra system for the inclusion scanning of a rough diamond at microscope level magnification. The Ultra enables the detection of inclusions with single-micron resolution, including the detection of clouds of inclusions of single micron size, to determine whether a user can achieve an Internally Flawless (IF) Clarity grade.

2012

Sarine launches the Diamond Assay Service (DAS), an online subscription service for diamond wholesalers, retailers and appraisers, to automatically appraise polished diamonds and their potential for re-cutting and re-polishing so as to derive greater value.

Galatea launches the Galaxy® XL system, doubling the size of rough diamonds that can be scanned for internal inclusion mapping purposes to 32mm, allowing rough diamonds weighing up to 200+ (record 220) carats to be processed.

The Gemological Institute of America (GIA) concludes that the DiaMension® HD (High Definition) has the necessary accuracy and repeatability to be used to evaluate symmetry. The GIA found that "[the] DiaMension® HD tested by GIA, demonstrated an apt capacity to deliver accurate and repeatable symmetry results" and that "improvements in the operation and accuracy ... now enable us to also measure ... symmetry parameters during the grading process". Sarin Technologies India Private Limited purchases land measuring approximately 2,400 square meters in Surat, Gujarat, India for its new facilities for customer service and technical support and training, as well as its service centres and other logistics infrastructure.

Sarine launches the Advisor® 5.0 version of its best-selling rough-diamond planning software to further improve the value of the polished diamonds derivable from the rough raw material and the software's productivity and ease of operation.

2011

The American Gem Society Laboratory ("AGSL") concludes an evaluation of the DiaMension® HD and, based on the system's superior performance in 3D modeling of polished diamonds, decides to augment its existing DiaMension® systems with the newer HD model.

Sarine Color Technologies Ltd., a wholly-owned subsidiary of Sarine, debuts its light performance system, the Sarine Light™, which quantifies a polished diamond's appearance by accurately measuring its light performance characteristics.

Sarine launches the DiaMark® HD system, equipped with a super-fine laser, complementing the DiaMension® HD and Instructor®.

Sarine Color Technologies Ltd, a wholly owned subsidiary of Sarine, acquires the D-See technology, a revolutionary imaging method to capture realistic, accurate and objective imagery of a polished diamond, including its internal features. Derived from this technology, the Sarine Loupe™ system enables the electronic transmission of comprehensive imagery from seller to buyer, providing a means to truly assess a polished diamond from a multitude of angles and at various magnifications without having it physically in hand.

2010

The Gemological Institute of America (GIA) concludes an in-depth comparative evaluation between their internal methods of round brilliant diamond Cut grade determination and Sarine's implementation of the Facetware® database in Sarine's measuring systems, which shows highly compatible results between the two

methods. Following on this achievement, GIA also concluded an initial evaluation of the DiaMension® HD system and commenced the phased upgrading of their existing DiaMension® systems to the newer HD product.

Sarine launches the DiaExpert® Nano 6.5 for the fast processing of small rough diamonds from 0.15 to 0.70 carats in weight, an enhanced model of the DiaExpert® Nano, introduced in 2007, for slightly larger small stones.

Galatea Ltd., a wholly owned subsidiary of Sarine, launches the Solaris™ 100 inclusion mapping system for smaller rough diamonds from 0.9 to 2.5 carats in weight, based on the same technology utilised in the Galaxy® 1000 system, to offer customers who specialise in smaller sized rough diamonds the same benefits of the Galaxy® system in a more cost-effective package.

Sarine launches the Strategist® saw-plane planning system, which integrates the rough planning, and, specifically, its saw-plane planning process, and the actual Quazer® sawing process, into a computer controlled and coordinated process, to help avoid sawing perils such as cracks, fissures and bubbles, and allowing for a safer and higher yield laser cutting plan.

Sarine Color Technologies Ltd., a wholly owned subsidiary of Sarine, acquires light performance technology (LPT) from Overseas Diamonds Technology.

2009

Galatea Ltd., a wholly-owned subsidiary of Sarine, launches the Galaxy® 1000 and 2000 systems for the automated inclusion mapping of rough diamonds. These systems revolutionise the planning and production of diamonds by allowing complete optimisation based on Clarity as well as Carat weight and Cut, a leap forward from the DiaExpert® Eye. Service centres are opened in India and Israel, in which the technology is offered for use at a low carat-based fee. An initial system is delivered to a launch customer towards year's end.

Sarine launches the Instructor®, a new software package that runs on our polished diamond measuring equipment (DiaMension®, DiaMension® Lab Edition, DiaMension® HD and DiaScan® S+), for improving the yield and assuring the quality manufacturers can attain while polishing diamonds.

Sarine launches the DiaMension® HD, an advanced high-precision system, offering even more accurate 3D modelling for the measurement of polished and semi-polished diamonds. The precise 3D model allows users to evaluate not only the diamond's proportions, but also the stone's symmetry – including "naturals", facet misalignments, facet junctures, extra facets, and other fine cut and symmetry parameters.

2008

Sarine acquires 100% of the issued share capital of Galatea Ltd., which then becomes a wholly-owned subsidiary of the Company. At the time of the acquisition, Galatea was in the final testing stages of an automatic inclusion (Clarity) mapping system for rough diamonds, which is later known as the Galaxy® system.

Sarine acquires 23% of IDEX Online SA, an operator of a B2B polished diamond traders' network, a web portal for news, analyses and polished diamond price indices and publisher of a leading trade magazine. Shortly after the acquisition, IDEX Online launches an attempt to create a polished diamond spot market.

2007

Sarine introduces DiaExpert® Eye for the semi-automated inclusion charting of rough diamonds, supporting the need for considering inclusions (Clarity) in the planning and production of diamonds.

OUR MILESTONES

After Sarine evaluates the important market niche of small stone manufacturers, the DiaExpert® Nano, a unique product for the planning and marking of small stones, is launched.

2006

Sarine Color Technologies Limited, a wholly-owned subsidiary of Sarine, introduces Colibri™. Colibri™ is a state-of-the-art colour grading product for polished diamonds, which calculates and grades the colour of the diamond as well as its fluorescence.

The Group's subsidiaries, GCI and Romedix, are renamed Sarine Color Technologies Limited and Sarine Polishing Technologies Limited, respectively. New subsidiaries, Sarin Hong Kong Limited and SUSNY LLC, are established.

2005

Sarine launches the Quazer® advanced green-laser system for sawing, cutting and shaping diamonds, establishing a new product line and climbing another rung on the ladder towards being a one-stop shop for the diamond manufacturing industry.

We introduce Facetware®, a software upgrade product for the Company's DiaMension® and DiaExpert® product lines (and installed base), for the analysis of a polished stone's Cut grade, in cooperation with the Gemological Institute of America (GIA).

8 APRIL 2005 Sarine Technologies Ltd is listed on the Mainboard of the Singapore Exchange.

2004

Sarin Technologies India Private Limited is incorporated as a wholly-owned subsidiary in India. Sarin India provides pre-sale, post-sale and technical support services to our Group's customers in India, Sri Lanka, and neighbouring countries, supplanting our dependence on a local distributor.

2001

Sarine acquires the entire share capital of Gran Computer Industries (subsequently renamed to Sarine Color Technologies Ltd.), a private company incorporated in Israel. The company develops, manufactures and markets devices for the identification and classification of a diamond's colour.

2000

Sarine introduces the patented DiaMark®. This product allows the DiaExpert® product to automatically inscribe, using laser markings on the rough stone's surface, the optimal sawing plane suggested by the DiaExpert® and accepted by the user, making the utilisation of the planning solution by the actual stone cutting artisans more reliable.

1996

Sarine introduces the use of laser scanning in order to create three-dimensional concave modelling of rough stones. The ability to accurately complement our modelling with the rough stone's concavities provides the user with a complete and accurate model of the rough stone. This feature is complementary to, and increases the effectiveness of, the DiaExpert®.

1995

Sarine develops the DiaExpert®, an automated computerised planning system for the maximum utilisation of rough stones. The diamond manufacturing industry is revolutionised by the introduction of this computer-based technology which substitutes person-based expertise, and thus contributes to the geographic shift of the diamond industry to new centres of manufacture such as India, PRC and Africa.

1994

The Company is renamed Sarin Technologies Ltd.

1992

The DiaMension®, a pioneering grading product for determining the Cut of polished diamonds, is introduced - an automated computerised product for accurately assessing a diamond's proportions, the key parameter in the grading of a diamond's Cut. A significant advancement for the diamond industry, the DiaMension® changed the way polished diamonds are bought and sold by providing the first-ever accurate means of measuring the proportions and deriving the Cut grade.

1989

Our Company changes its name to Sarin Research, Development and Manufacture (1988) Ltd.

1988

Our first product, the Robogem™, an automated production system for producing polished gemstones from rough gemstones, is launched. Robogem™ was sold in limited numbers to semi-precious gemstone manufacturers in Israel, Europe and the Far East (India and Myanmar).

8 NOVEMBER 1988 Our Company is incorporated in Israel as a private company limited by shares under the Companies Ordinance (New Version) 1983 of Israel, under the name of Borimer Limited.



CHAIRMAN'S STATEMENT



"We ended 2020 profitably, notwithstanding the challenging worldwide economic business conditions, for which our management deserves full credit!"

Dear Fellow Shareholders,

Putting 2020 in Perspective while Looking Ahead to 2021

Well, 2020 certainly was not the year we expected it to be!

The year actually started with positive sentiment, following the challenges our industry had faced from the second half of 2018 through the third quarter of 2019. A sharp drop of some 40% in DeBeers' 'sights' volumes coupled with rough price reductions in late 2019 eased excess inventories, and the industry value chain stabilised during the fourth quarter holiday season of 2019. With the easing in inventory overhang, working capital issues in the midstream manufacturing segment of the diamond industry value chain also eased. The Group thus started 2020 on a positive note. Indeed, we realised increased revenues from all product lines, including delivery of a record 50 Galaxy® family systems in the first quarter of 2020, and finished the quarter very profitably.

And then the outbreak of the Covid-19 coronavirus started impacting business. Initially restricted to China, the lockdowns there somewhat disrupted supply of some of our components. More importantly, the efforts in China to contain the virus shut down retail activity, effectively eliminating the key Chinese New Year buying season, which in a normal year might have had a ripple effect throughout the value chain. But as the pandemic spread elsewhere, lockdowns became the norm globally, severely impairing retail activity on a rolling basis from east to west and all but shutting down entire economies worldwide in the second quarter. In India, lockdowns effectively shuttered all midstream polishing activity from late March through June, with lingering restrictions continuing into July. This, coupled with travel restrictions, effectively curtailed the usual cycles of rough stone buying for much of the year, reducing the number of rough stones entering the pipeline by some

CHAIRMAN'S STATEMENT

30%. Towards year's end, governments eased restrictions and retail activity in general recovered, particularly so leading up to the year-end holiday season. This drove a very strong fourth quarter recovery in the diamond industry, especially so in the midstream, which went into overdrive in an effort to replenish depleted polished inventories and meet wholesale and retail demand. Notwithstanding this late-year recovery, for the first time since 2009, luxury spending in general decreased in 2020 by over 20%, including diamond jewellery sales, which retracted from sales nearing US\$ 80 billion annually to an estimated US\$ 62-63 billion.

Faced with these stark realities, the Group's management took decisive actions in the second quarter to significantly cut expenses, making avail of Israeli government support where possible. The main cost-cutting measures were the cessation of virtually all marketing and manufacturing activities (there was no one to sell anything to, anyway) and the furloughing of non-essential employees (the Israeli government paid them relief pay directly), along with staggered pay reductions for all other employees, compensated for by option grants. Though the second quarter resulted in a very substantial burn of cash and a less substantial loss, due to the inertia of the business cycle (e.g., taking delivery of orders placed in the first quarter), the profit from the first quarter was sufficient to result in a profitable first half year. We also took advantage of Israeli government guaranteed Covid-19 relief loans on very favorable terms to augment our cash reserves. The third quarter played out quite well, bearing in mind the prevailing negative business conditions, ending with a very minimal loss and a still negative cash flow, but much less than in the second quarter. With the robust industry recovery in the fourth quarter, our business improved substantially and we returned to profitability and significant positive cash flow, even though our capital equipment sales were still lagging. We ended 2020 profitably, notwithstanding the challenging worldwide economic business conditions, for which our management deserves full credit!

During 2020, notwithstanding the 30% decrease in rough stones entering the pipeline, we scanned a new record of just under 19 million stones through our installed base of Galaxy® inclusion mapping systems, 5% more than our record performance in 2019. During 2020 we delivered 76 Galaxy® family systems to customers, mostly Meteor™ (15) and Meteorite™ (50) models, but also 6 Solaris™ systems and 5 Galaxy® machines. This is just over half the previous year's delivery of 145 systems, the decrease being directly attributable to the Covid-19 pandemic disruption. The Group had an installed base of 631 Galaxy® family systems as of 31 December 2020. Following the midstream's fourth quarter robust recovery, and carrying on into the initial months of 2021, we have seen utilisation of our installed base of scanning systems surge 40% over pre-pandemic usage to a run rate equating, on an annualised basis, 27 million stones, with daily peaks of 100,000 stones. To further fuel this growth in 2021, we have launched aggressive marketing offerings with exceptionally attractive terms targeted for specific sub-segments of the midstream. Our new marketing promotions are aimed at enabling smaller businesses to acquire our systems on extremely cost-effective terms - e.g., a package specifically offered to polishers of very small stones a tenth of a carat rough and under. We expect these promotions will drive significant sales of our Meteorite™ and Meteor™ systems. We are also launching an aggressive new initiative aimed at reestablishing substantial demand for our Solaris™ model for mid-sized rough stones (from 1 to 2 carats in weight).

We estimate that during 2020, again close to a hundred million stones were planned utilising our DiaExpert® family of planning platforms and our Advisor® software, of which over 60 million stones were planned on systems running the online Advisor® 6.0/7.0 software. This is key as these systems provide the data, which are directly retrievable for our unique Sarine Diamond Journey™ verifiable provenance/traceability offering. We will continue to leverage our technological lead and widen the gap between the older discontinued planning software (Advisor® 5.x), which is that being infringed upon by the illicit competition. The new Advisor® 8.0 with enhanced features and superior infringement protection will be launched during the year. In addition, we are leveraging our best-in-class provenance/traceability solution, the Sarine Diamond

Journey™, and its expanding adoption by producers and retailers alike, as detailed below, to induce midstream players to upgrade to our newer solutions. All these steps should continue to contribute to the curtailment of the IP piracy in India.

In 2020 we broadened our cooperation with the mining/producing upstream of the diamond industry. Our cooperation with Dominion Diamond Mines ULC ("Dominion"), Canada's largest independent diamond producer, who were first to adopt our Sarine Diamond Journey™ for their enhanced CanadaMark™, has, regrettably, not expanded, due to their having sought bankruptcy protection as their financial condition worsened during the pandemic. However, our collaboration with Lucara, a Canadian miner operating in Botswana, renowned for their finds of extremely large rough diamonds, has broadened. Beyond providing the rough diamond evaluation technology on which the supply side of their Clara initiative is based (technology also adopted by Grib, a smaller Russian producer), in 2020 Lucara also adopted our Sarine Diamond Journey™ to provide verifiable provenance documentation for their Clara diamonds. Most importantly, our relationship with Alrosa has bloomed. Alrosa's digital tenders initiative, based on our Galaxy® and Advisor® technologies, was launched late in 2019, uncannily timely right before the pandemic outbreak all but prevented the sales of rough diamonds through conventional channels. This initiative significantly expanded in 2020, both in the quantities and in the size ranges of rough stones tendered by Alrosa, and is expected to double in volume in 2021. During 2020 Alrosa partnered with Sarine in offering retailers and midstream polishers alike the Sarine Diamond Journey™, as a preferred solution for provenance and traceability. We have initiated dialogs with additional producers, who are now in various stages of evaluating both our rough diamond evaluation / digital tenders technology and our unique provenance/traceability solutions, some already having run successful pilot programmes. We expect to be able to announce more on these collaborations as 2021 unfolds.

The Sarine Diamond Journey™ is indeed gaining recognition as the industry's most robust solution for polished diamonds provenance and traceability documentation. Leveraging on our aforementioned growing partnering with producers, as well as on the near-ubiquitous utilisation of our industry-leading technologies in the diamond industry's midstream, wherein the rough stone is transformed into a polished one, we have the unique ability to provide an actual verifiable testimonial of the polished stone's derivation, with no need to resort to subjective declaratory input. Critically, this is done with minimal disruption to the work-flow, causing virtually no indirect additional cost and overhead, making it a winning proposition. The Sarine Diamond Journey™ concurrently provides a captivating video imagery paradigm for showing the consumer the entire actual process that his/her very own diamond underwent. It can optionally be augmented with a real 3D-printed model of the original rough stone for the consumer's fascination. High-end retailers with a global presence and regional market leaders have expressed interest in our unique offering, and successful pilot programmes were, indeed, concluded in 2020. Unfortunately, additional pilot tests were delayed by the pandemic, though we fully expect them to come to fruition in 2021. Retailers in China, Japan, other APAC markets and the U.S. have adopted the story-telling facet of our Sarine Diamond Journey™ paradigm. 2021 will see leading retailers offering the provenance and traceability aspects of the Sarine Diamond Journey™ as well. These developments are driving midstream suppliers to join our Sarine Diamond Journey™ Official Partner Program. They opt to enable us to collect the necessary data and imagery during the stone's manufacture and to store them in our cloud-based repository. This shortens their response time to a retail customer's request to adopt the Sarine Diamond Journey™ service. Notably, this process incurs no direct cost and virtually no indirect cost to our midstream partners, while creating new sales channel opportunities for them. We are remunerated when the actual Sarine Diamond Journey™ report is generated at the retailer's request. The Sarine Diamond Journey™ may be further augmented by our proprietary technologies for "fingerprinting" the polished stone, which can easily be ascertained in the retail outlet by our TruMatch™ device.

CHAIRMAN'S STATEMENT

During 2020 we further refined our AI-based polished diamonds grading capabilities. We continued our long-term collaboration with China's leading gemmological institute, the National Gemstone Testing Centre (NGTC). This collaboration's initial outcome was the launch of a new light performance grading standard for China. In 2021 we intend to continue our cooperation as per the framework agreement signed in 2019, including issues pertaining to our automated AI-based 4Cs grading, our polished diamond fingerprinting and the general issue of digitising information relating to polished diamonds for more ubiquitous dissemination to consumers. Additional customers are also adopting our technology-driven 4Cs grading solution, including, as an example, Japan's major television retailer QVC. We are continuing our longer-term effort to be able to provide advanced fine-sorting of Clarity and Color per varied retailer-specific requirements. We expect an initial version of fine-sorting on a number of parameters to be launched later in 2021.

Most excitingly, in 2020 we announced our new e-Grading™ initiative - our intent to revolutionise the way polished diamond grading is done. e-Grading™ is a time-saving cost-cutting on-site solution for 4Cs grading, without necessitating the time-consuming and costly process of going offsite to a gemmological laboratory. The systems utilised for the grading process are all cloud linked and the grading results are automatically uploaded to the cloud. Thus, the 4Cs grading results are derived without any human intervention and immediately available for online B2B access and subsequent B2C consumer report generation. Our new grading paradigm enables truly objective and consistent grading at a fraction of the time currently required (measured in minutes to hours vs. days to weeks) and with none of the indirect costs of shipping, insurance, customs handling, etc. associated with having the grading done at an external lab. Furthermore, as our e-Grading™ paradigm is implemented by the manufacturer's own personnel, with no need for highly skilled gemmologists, most likely the direct cost will also be reduced compared to that commonly paid to a lab, today often on a par with the overall cost of polishing the stone(!). e-Grading™ also offers a completely new level of operational flexibility, as the polishers can prioritise their stones' sequence of grading to best meet their delivery schedules. Late in 2020 we began initial beta-testing of this new concept in India. The first half of 2021 will be dedicated to the ongoing refinement of the solution and implementation of the necessary operational cloud infrastructure. Broader introduction to midstream polishers is scheduled for later in 2021.

Lastly, the continued market acceptance of lab-grown diamond (LGD) jewellery in 2020, with nearly half of polled retailers in the U.S. intending to offer LGD jewellery alongside their natural diamond offerings in 2021, has created, as we have in the past professed, a new opportunity for the Group. We have demonstrated that the Galaxy® inclusion mapping and Advisor® planning technologies can contribute to the optimal utilisation of the manufactured LGD raw material. We are now complementing the Galaxy® software with pattern recognition capabilities, in order to automatically discern between natural and LGD rough material and automatically adjust the billing for the scanning service. Our Quazer® 3 has proven to be the most cost-effective offering for dicing the LGD wafer into the cubes from which the gems are polished. And our AI-based e-Grading™ is especially applicable to LGD grading, as it allows grading of the less expensive finished LGD gem at a much more affordable cost than that charged for grading services by common gemmological laboratories. In addition, e-Grading™ also lends itself conceptually to LGD grading - a stone created by technology should naturally be graded by technology. We will in 2021 extend our efforts to penetrate this rapidly growing market and are already evaluating possible partnering with leading players in this new industry segment.

Intellectual Property (IP) Infringement

Although the Covid-19 pandemic triggered closures of patent offices and courts in various geographies throughout the year, as well as causing periodic delays in administrative functions, the Company experienced only minor disruptions regarding its ongoing efforts to protect and enforce its intellectual property rights. The Company filed new patent and divisional applications in various countries including Israel, India and the United States, and received grants of already pending applications. The enforcement activities against the infringements of the Company's technology suffered only minor delays, and we were able to instigate new lawsuits in India and in Israel against infringing products. The courts in India widely adopted the use of video conferencing to hold hearings and move matters forward, and our primary lawsuits have progressed quite satisfactorily. We expect the courts to render decisions on several matters within a few months.

However, we are not only relying on judicial recourse or other third-party intervention. We are also leveraging the numerous technological and commercial advantages we have. The Advisor® version that the infringing parties are using is over five years old, while as the newer Advisor® 7.0 release, soon to be replaced by Advisor® 8.0, offers incomparably better planning, especially critical for larger, high-value stones. We are also leveraging our expanding relationships with major producers and retailers, primarily as relating to the digital tenders and the Sarine Diamond Journey™, to include in the Official Partner Program only suppliers who have upgraded to Advisor® 7.0 and are not involved in IP infringement. As a further impediment to our illicit competition, we are continuing and broadening our aggressive sales promotions of the Solaris™, Meteor™ and Meteorite™ systems, so as to tailor cost-effective business models to all sizes and types of polishers.

Dividend

The Board of Directors has recommended that a final dividend of US 0.5 cent per ordinary share (approximately US\$ 1.75 million) be distributed for FY2020. This sum is in line with our net profit generated this year and demonstrates the Board's and Management's faith in the Group's business recovery and the new initiatives' potential as future growth drivers.

Acknowledgements

On behalf of the Board of Directors, I would like to first and foremost thank our truly devoted management team and employees for their ongoing support of and commitment to the Group. Without this commitment we could not have weathered the Covid-19 pandemic afflicted 2020 as successfully as we have. We would also like to thank our loyal customers and business partners who enhanced their level of partnership with us this past year, as well as our conscientious suppliers, who worked with us during these trying times, often spreading the pain between our Group and themselves. We believe that these long-term relationships will continue to foster the means by which we will bring innovation and value to the global rough and polished diamond trade in 2021 and beyond, as we strive to continue to launch initiatives that benefit all the industry's value chain and its global consumers. Lastly, I thank our loyal shareholders for the continued trust they extend to Sarine and its management.

Respectfully Yours,



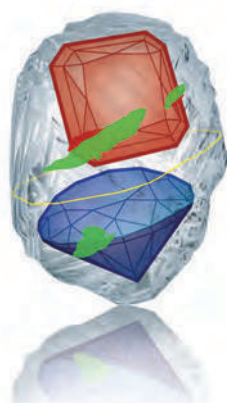
Daniel Benjamin Glinert
Executive Chairman of the Board



ADVANCED AI-POWERED TECHNOLOGIES:



INCLUSION MAPPING



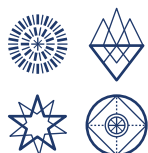
PLANNING



SAWING & SHAPING



POLISHING & FINISHING



For over 30 years, Sarine has developed and supplied breakthrough technologies covering the entire diamond pipeline. Sarine products are known and used worldwide in leading diamond manufacturing plants, wholesalers' offices, gem labs, and jewelry retail stores.



FROM ROUGH STONE TO POLISHED DIAMOND



**LASER INSCRIBING
& FINGERPRINTING**



GRADING & IMAGING



CUSTOMER ENGAGEMENT

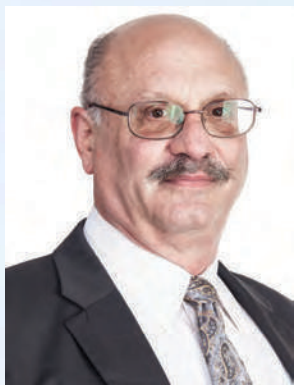


DIAMOND REPORTS



Sarine is leading the next technological era with the World's First AI-powered Automated Diamond Grading Lab. Through Sarine reports, Sarine Labs provide the world's most accurate and reliable diamond grading information, together with an interactive digital display that is redefining the retail industry and the consumer experience.

BOARD OF DIRECTORS



DANIEL BENJAMIN GLINERT

Executive Director and Chairman of the Board

Daniel Benjamin Glinert has been an Executive Director and the Chairman of the Board of the Group since 1999 and is a member of the Nomination Committee. He is also a Director in the Group's subsidiaries Galatea, Sarine Color Technologies, Sarine Polishing Technologies, Sarin India, Sarin Hong Kong, Sarine Holdings USA, Sarine North America and Sarine IGT 10H, Sarine IGT 10I and Sarine IGT 10JKL. Mr. Glinert holds a Bachelor's degree in Computer Sciences (cum laude) from the Technion - Israel Institute of Technology. He has just under 50 years of experience in various high-technology industries (military, semiconductor, medical and industrial applications) in research, development and management positions in Israel and the USA. Mr. Glinert founded Interhightech Ltd. (then named TICI Software Systems, Ltd.), a founding shareholder of the Sarine Group, in 1982 and was its CEO and then Chairman since its inception. Prior to that, from 1977 through 1982 Mr. Glinert worked for E-Systems Inc. (now a division of Raytheon) in the U.S. on a development programme for the Israel Air Force, which was awarded the prestigious Israel Defence Award. From 1972 to 1977 Mr. Glinert served in the Israel Air Force and attained the rank of Major.



AVRAHAM ESHEDE

Non-Executive Director

Avraham Eshed is a Non-Executive Director of the Group, having been appointed to the Board in April 2006. Between 2010 and 2014 Mr. Eshed was an Executive Director of the Group. Mr. Eshed has over 50 years of experience in the diamond and gemstone industries. He is the founder of Gemstar Ltd. and Eshed Diam Ltd., and serves as the President of both companies. Mr. Eshed is also a founding member of the International Colored Gemstone Association (ICA), where he served as a Director. He was President of the Israel Emerald Cutters Association and the Vice President of the Israel Diamond Manufacturers Association (IsDMA) as well as a member of its Executive Committee. Mr. Eshed has been recognised as an outstanding exporter by the State of Israel and was presented with awards by President Ephraim Katzir in 1977 and again in 1989 by President Chaim Herzog. In 2011 he was recognised and cited as an outstanding exporter to Asia. In 2019 he was recognised as an Israel Diamond Industry Dignitary by the Israel Diamond Manufacturers Association for his life-long contribution to the industry.



UZI LEVAMI

Non-Executive Director

Uzi Levami is a Non-Executive Director of the Group, as of January 2018, and is a member of the Remuneration Committee. Prior to that he had been an Executive Director since December 2008 and was CEO of the Group from February 2009 through April 2017. He is also a Director in the Group's subsidiary Sarin Hong Kong. Mr. Levami completed his studies towards a Master's degree in Computer Sciences from the Weizmann Institute of Science and holds a Bachelor's degree in Electrical Engineering (cum laude) from the Technion - Israel Institute of Technology. He is one of the original founders of Sarine and has a long history of founding high-tech companies - Compulite Ltd., Shalev Computer Systems Ltd. and EquipNet Ltd., a start-up spin-off of Interhightech (1982) Ltd. Prior to serving as CEO of the Group, Mr. Levami held the position of Director of Business Development at MKS Instruments Inc., a publicly-traded US company supplying in excess of \$700M of capital equipment to the semiconductor industry, after the company he founded, EquipNet Ltd., was acquired by MKS. In 1992, while at Shalev Computer Systems, Mr. Levami was personally awarded the prestigious Israel Defence Award by then President Chaim Herzog for his endeavours on a development project for the Israel Defence Forces. From 1973 to 1980 Mr. Levami served in the Israel Army Intelligence Corps and attained the rank of Major.

BOARD OF DIRECTORS

VARDA SHINE

Lead Independent Director

Ms. Varda Shine is an Independent Director of the Group, having been appointed to the Board in April 2017. As of Ms. Shine's reelection to the Board in June 2020, she also serves as the Lead Independent Director and is the Chairperson of the Remuneration Committee and a member of the Audit and Nomination Committees. Ms. Shine has had a career spanning over 30 years in the diamond industry at De Beers, culminating with her serving from 2006 through 2014 as the CEO of De Beers' Diamond Trading Company, the arm of De Beers which is responsible for the sale of the majority of its rough diamonds (US\$ 5-6 billion annually) through the sightholder paradigm. During her tenure at DeBeers, she attended courses in Advanced Management at Templeton, Oxford, and Marketing Channels at Insead. Ms. Shine currently serves as a Board member of the Mineral Development Company of the Government of Botswana and as the Senior Independent Director on the Board of Petra Diamonds PLC. She is also a Board member and executive mentor at Merryck & Co., working with C-suite executives of listed companies, a director at Niron Ltd., a private company, and is the CEO of her own company, Sky Ink Ltd., which counsels businesses from concept development through to execution and commercialisation. In addition, Ms. Shine is a Trustee of the Teenage Cancer Trust (UK).



NETA ZRUYA HASHAI

Independent Director

Ms. Hashai was elected to our Board of Directors as an Independent Director and appointed Chairperson of the Audit Committee and Member of the Remuneration Committee in June 2020. Prior to joining our Board, Ms. Hashai served, commencing 2000, as an Audit Partner at Price Waterhouse Coopers (PWC) Israel and audited firms publicly traded on the U.S. and Israeli exchanges, as well as Israeli subsidiaries of international companies and domestic private firms from many varied sectors, including bio-technology and life sciences, industrial manufacturing, retail, finance and holding companies. Ms. Hashai has performed these audits in accordance with IFRS, US GAAP and US / Israel SOX standards. Ms. Hashai has also worked on IPOs of equity and debt issuances. From 2012 through 2018, Ms. Hashai also served as the CEO of PWC Israel's Trust Company. As of January 2021 Ms Hashai serves as the Chief Financial Officer of Raphael Hospitals Ltd., a new private hospital organisation in Israel specialising in surgical procedures in various disciplines. Ms. Hashai holds a BA in Accounting and Communications and an MBA in Finance Management, both from Tel Aviv University, and is a Certified Public Accountant (Israel).



LIM YONG SHENG

Independent Director

Mr. Lim was elected to our Board of Directors as an Independent Director and appointed a Member of the Audit and Nominating Committees in June 2020. Mr. Lim is Group Chief Executive Officer and an Executive Director of SK Jewellery Group Ltd., a leading Singaporean retail jewellery chain with over 60 branches across Singapore, China and Malaysia. Mr. Lim Yong Sheng is one of the group's founders, and has been the group's CEO since 2015. Since the group's establishment, Mr. Lim has been a critical contributor to the group's growth and continued success. As group CEO, he is responsible for the overall strategic planning, management, and business development of the group, monitoring the development and performance of the group's operations, driving the operational efficiency of the group's work processes, and identifying new opportunities for the group's expansion. In particular, the group's brand management and marketing strategy are spearheaded by Mr. Lim. Mr. Lim is also a non-executive director of the MoneyMax Financial Group, which is listed on the Catalist Board of the Singapore Exchange. Mr. Lim holds a Bachelor of Science in Electrical Engineering from the National University of Singapore.



SIN BOON ANN

Independent Director

Mr. Sin was elected to our Board of Directors as an Independent Director and appointed Chairperson of the Nominating Committee and Member of the Audit and Remuneration Committees in June 2020. Mr. Sin has had a legal career in Singapore spanning over 30 years. From 1992 through 2018 he was with Drew & Napier, one of Singapore's leading legal firms, becoming a partner in 1994. Prior to his retirement in 2018, he was the Deputy Managing Director of the Corporate & Finance Department and the Co-head of the Capital Markets Practice in Drew & Napier LLC. He has been prolific in handling corporate finance transactions, particularly in the area of initial public offerings in Singapore. He has also acted as counsel to listed companies on secondary equity offerings and debt offerings and has advised companies on regulatory compliance. He also specialised in mergers and acquisitions. Mr. Sin is recognised in industry publications as an industry leader and for his expertise in capital markets. Between 1996 and 2011 Mr. Sin was a member of the Singapore Parliament representing the Tampines GRC. Principle 4 of the Corporate Governance section lists all of Mr. Sin's other directorships. Mr. Sin holds a Bachelor of Arts and a Bachelor of Law (Cum Laude) both from the National University in Singapore, and a Masters of Law from the University of London. He is admitted to practice law in Singapore.



NOTE: - In June 2020, at the virtual Annual General Meeting postponed from April due to the Covid-19 pandemic circumstances, Chan Kam Loon, Yehezkel Pinhas Blum and Valerie Ong Choo Lin stepped down from our Board of Directors, after having served as Independent Directors since March 2005. We salute and thank them for their long fruitful years of service to the Group.

KEY MANAGEMENT



DAVID BLOCK is the Group's CEO as of May 2017. He is a Director in the Group's subsidiaries, Galatea, Sarin India, Sarine Color Technologies, Sarine Polishing Technologies, Sarine Hong Kong, Sarine Holdings USA, Sarine North America, Sarine IGT H, Sarine IGT I and Sarine IGT JKL. Prior to his appointment as CEO he was Deputy CEO and Chief Operating Officer (COO) since 2012, with responsibility for worldwide operations, worldwide sales, including the network of distributors / resellers, and customer care. Prior to that appointment, from June 2009, Mr. Block was Deputy CEO and VP of Sales responsible for overseeing the Group's worldwide sales, including its network of distributors / resellers and subsidiaries. Beginning January 2006, for a period of three years, Mr. Block was the CEO of Sarin India in charge of the overall management of the operations and business in India, responsible for over 70% of the Group's revenues and the supervision of over 200 employees. Before being assigned to Sarin India, Mr. Block was a Product Manager responsible for all the products aimed at the diamond manufacturing market, commencing 2001. Prior to joining the Group, Mr. Block worked at several major Israeli high technology companies in the management of large-scale development projects, computer programming, quality assurance and technical writing positions. Mr. Block holds a Master of Business Administration (MBA) from the Kellogg-Recanati School of Business, a joint degree from Northwestern University in the USA and Tel Aviv University in Israel, and a Bachelor's degree in Computer Science from the Tel Aviv-Jaffa Academic College in Israel.



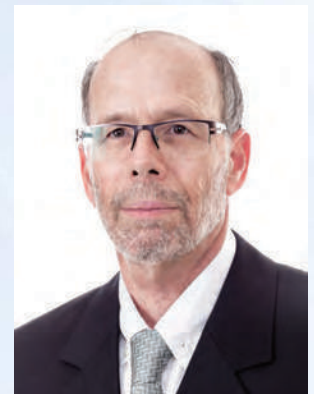
RON BEN-ARI is the Group's Deputy CEO (as of 2018) and Vice President of Product Management, responsible for all of the Group's products' definition, marketing and timely development since 2016. From 2013 through 2016 he was first the Director, and then Vice President, of Diamond Manufacturing Activities for the diamond industry midstream, including the Galaxy® family of inclusion scanning solutions, rough diamond planning products, laser sawing and shaping systems, polishing quality aids and polished diamond Cut finishing and grading solutions. From 2005 to 2013 Mr. Ben-Ari acted as the Product Manager of the rough diamond planning group of products (the DiaExpert® and Advisor® product lines) and managed the Galaxy® family of products during their first two years and spearheaded their launch, initial marketing drive and acceptance, ongoing development, etc. Prior to that, since joining Sarine in 2003, Ron Ben-Ari managed the Quality Assurance team in Sarine, responsible for testing all of Sarine's products. Mr. Ben-Ari holds an MBA from the Kellogg-Recanati School of Business, a joint degree from Northwestern University in the USA and Tel Aviv University, and a Bachelor's degree in Computer Science from the IDC College in Israel.



WILLIAM KESSLER has served as the Group's Chief Financial Officer (CFO) since May 2009. He is also a Director in the Group's subsidiaries, Galatea, Sarin India, Sarine Color Technologies, Sarine Polishing Technologies, Sarine Holdings USA, Sarine North America, Sarine IGT H, Sarine IGT I and Sarine IGT JKL. He has over 30 years of corporate and Wall Street experience, working with publicly-traded and private companies in Israel and the United States. From 2006 until 2009 Mr. Kessler served as the Principal Finance and Accounting Officer (CFO) of XTL Biopharmaceuticals Ltd. (Nasdaq: XTLB; LSE: XTL and TASE: XTL) and was previously its Director of Finance commencing January 2006, having served as a financial consultant to XTL during 2005, when he spearheaded the process of listing XTL for trading on the Nasdaq. From late 2003 through 2005, he also served as a financial consultant to Keryx Biopharmaceuticals, Inc. (Nasdaq: KERX), following the relocation of its headquarters to New York, after having served as their Controller in Israel from 2001 until September 2003. From 1996 to 2000, Mr. Kessler served as Chief Financial Officer for Interhightech (1982) Ltd. (founded by Mr. Glinert, the Group's current Chairman), one of the founding groups of Sarine. While on Wall Street, he worked as a research analyst at Wertheim Schroder & Co., covering media and entertainment companies. Mr. Kessler holds a Bachelor's degree (magna cum laude) in Economics and Mathematics from Yeshiva University and an MBA from Columbia University, both in NY, USA.

KEY MANAGEMENT

ABRAHAM MEIR KERNER is the Group's Vice President of Research and Development since 2009 and was its Chief Technological Officer since 2004. He is primarily responsible for developing our technological base, as well as overseeing the development of new products. Prior to 2004, Mr. Kerner was our R&D manager for nearly a decade, having joined the Group in 1995. Prior to joining the Group Mr. Kerner worked for companies related to the Group, where he accumulated 15 years of engineering experience and was involved for ten of those years in the development of precision motion control systems and accurate measuring machines for diamonds. Between 1989 and 1995 Mr. Kerner worked for Shalev (founded by Mr. Levami, the Group's non-executive director) and then Interhightech (founded by Mr. Glinert, the Group's current Chairman, into which Shalev was merged in 1993) on the original DiaMension® and the DiaCenter™, the first automated computerised centering system for rough diamonds for bruting (a now discontinued product of the Group). From 1986 through 1989 while at Shalev, Mr. Kerner participated in the Group's original development project – the Robogem™, an automated system for planning and shaping non-diamond gemstones. Before that, from 1980 through 1986 Mr. Kerner worked for another of Mr. Levami's start-ups – Compulite. Mr. Kerner holds a Bachelor's degree in Electrical Engineering from the Technion - Israel Institute of Technology.



OREN BEN-KOHAV joined Sarine in 2017 as the Group's Vice President for Global Operations. He is responsible for Sarine's procurement, production, customer care, Information Technology (IT), including the Management Information Systems (MIS), and the operation of our global service centres. In this role, Oren is focusing on improving and optimising the services the Group provides its customers, along with implementing customer-centric paradigms. Prior to joining Sarine, from 2010 through 2017, Oren served as the Executive Director of Customer Operations and the Israeli branch COO for McKesson (Nasdaq:MCK), supporting McKesson's customer services for its digital imaging and diagnostic solutions, used by cardiologists and IT professionals working for hundreds of healthcare providers and imaging centres worldwide. From 2002 to 2010 he served as a Director of Product Operations at Medcon, an Israeli healthcare IT company, responsible for customer support and implementation teams, providing services globally to their customers and resellers. From 1999 to 2002 Oren led the project management and information services groups in Gamatronic, a publicly traded Israeli company (TASE:GAMT) and was responsible for executing large scale projects for governmental customers, both military and civilian. Mr Ben-Kohav holds a Bachelor's degree in Business Management, with specialisation in information systems, from Touro College in New York.



TZAFRIR YEHUDA ENGELHARD has been the Group's Vice President of Business Development since 2017, responsible for development of new business lines and strategic cooperation with other parties. Tzafir earlier served as the Group's Vice President of Business Development Polished Diamonds Trade from 2013 through 2016, and the Director of Business Development since 2010. During 2009 (cut short for personal reasons), Mr. Engelhard was the CEO of Sarin India in charge of the overall management of the operations and business in India, and, specifically, the launch of Sarine's first Galaxy® inclusion mapping service centre there. Prior to that, Mr. Engelhard served as a Product Manager, responsible for several of the Group's products. Prior to joining Sarine, from 2007 to 2008, Mr. Engelhard worked at eTouchware, a software company that provides solutions for secure and efficient file transfers over the Internet, and, from 2004 to 2007, at Cognitens Ltd. (later purchased by Hexagon Metrology Inc.), a company that developed and sold high precision non-contact measurement devices to the worldwide automotive market. Mr. Engelhard holds an MBA from the Hebrew University of Jerusalem, with specialisation in marketing strategy, and a Bachelor's degree in Optomechanics Engineering from the Technion – Israel Institute of Technology.



WILLIAM WEISEL is the Group's General Counsel, having joined the Company in mid-2016. In his role, Mr. Weisel is responsible for the Group's legal matters, with an emphasis on its core business transactions, new business development, intellectual property protection and employment issues. Prior to his employment by Sarine, Mr. Weisel served in Israel from 2007 to 2014 as VP & General Counsel of Lumenis Ltd. (Nasdaq: LMNS), a global medical device manufacturing company, from 2001 to 2004 as VP & General Counsel of Gilat Satellite Networks Ltd. (Nasdaq: GILT), a global satellite telecommunications company, from 1999 to 2001 as General Counsel of ADC Teledata Israel Ltd., a telecommunications hardware manufacturer and from 1992 to 1999 as General Counsel of Scitex Corporation Ltd. (Nasdaq: SCIX), an innovator and manufacturer of digital printing graphics equipment. From 1982 to 1986 William practiced law as a litigator in Los Angeles, California at the firm of Jeffer, Mangels, Butler & Marmaro. In addition, since 2013 Mr. Weisel has been a lecturer at the Haifa University Graduate School of Management and teaches a course called "Business & Law Convergence" to MBA students. Mr. Weisel is the author of an article entitled "Deal Breaker to Deal Maker" published in 2015 by The Legal 500 in its publication, GC-General Counsel Magazine. Mr. Weisel holds a Bachelor of Arts degree in political science from the University of California, Los Angeles (UCLA) and a Juris Doctor (JD) degree from Loyola University School of Law in Los Angeles. Mr. Weisel is admitted to practice law in California and Israel.



KEY MANAGEMENT



RAN ZISKIND is General Manager of Sarine's subsidiary, Galatea Ltd. acquired in 2008. Ran has been its General Manager since 2004, having been one of its founding entrepreneurs. Mr. Ziskind is in charge of the ongoing development and manufacturing activities at Galatea on the Galaxy® family of inclusion mapping and tension detection systems. Prior to founding Galatea, Ran accumulated 12 years of experience in high-tech industries at various positions, from design engineer to management. Between 2001 and 2003 Mr. Ziskind served as the General Manager of Atomic Hydrogen Technologies Ltd., a company which develops equipment for the semiconductor industry. Prior to that, from 1997 through 2001, Mr. Ziskind worked for Eureka, a company that did subcontracting of mechanical design services. At Eureka he held a plurality of positions, from Design Engineer to Project Manager. Mr. Ziskind is a graduate of the Mechanical Engineering programme from Zur Teffen, an academic institute founded by the world-renowned industrialist, Mr. Stef Wertheimer, and holds a Bachelor's degree in Chemistry and Management from the Open University of Israel.



YOAV EFRAT was the Managing Director of Sarin India from mid-2017 until year-end 2020 (see note below). Prior to his relocation to India, Mr. Efrat served for two years as the Group's Director of Programme Management, responsible for global operations of Sarine's trade and retail solutions. From 2011 through 2015 Mr. Efrat was the Product Manager responsible for Sarine's line of diamond manufacturing products, working closely with manufacturers and gemmological labs. During these two periods, Mr. Efrat garnered a wealth of knowledge relating to polished diamonds and their retail branding as well as to the Indian manufacturing sector and its processes, economics, etc. Prior to joining Sarine, from 2008 to 2011, Mr. Efrat managed communications projects at R.T.Com, including development and set-up of satellite networks for governmental agencies. Mr. Efrat also possesses extensive experience in software development, having worked at Paieon Medical Inc. as the lead software / system engineer from 2005 to 2008. Mr. Efrat holds a Bachelor's degree in Computer Science from Ben Gurion University, and an MBA from Bar-Ilan University, with specialisation in marketing.

Note: Mr. Efrat's contractual employment as Sarin India's Managing Director ended year-end 2020. Mr. Ben Finkelstein, whose brief bio immediately follows this paragraph, will assume Mr. Efrat's responsibilities in 2021 upon receipt of the necessary authorisations from the appropriate authorities in India.



BEN FINKELSTEIN has been designated as the next Managing Director of Sarin India to assume this role in 2021. Prior to his designated reassignment, Mr. Finkelstein served for four years as a Product Manager, responsible for Sarine's polished diamonds wholesale and retail trade-related solutions and services. During this period, Mr. Finkelstein garnered a wealth of knowledge relating to polished diamonds and their retail branding. Prior to joining Sarine, from 2013 to 2016, Mr. Finkelstein was a Project Manager at Signature-IT, where he defined and managed e-commerce and product-line projects. Mr. Finkelstein also has experience as a professional Olympic coach - from 2009 through 2013 he was part of Israel's team to the London 2012 Olympic Games. During this period the professional athlete he coached in windsurfing won the world championship three times! Mr. Finkelstein holds a Bachelor's degree in Computer Engineering from the Ruppin College in Israel.



BEENITA RITESH CHAURASIA is the Vice President of Sales, Sarin India, having been appointed to this position in 2010. Ms. Chaurasia is responsible for all pre- and post-sale activities relating to the Group's products in India. Prior to this appointment, Ms. Chaurasia had been employed by Sarin India since 2004, initially as a junior sales person and over time with ever increasing managerial responsibilities. Prior to her employment with Sarin India, from 2001 through 2003 she was employed by Pyramid Exports in various positions pertaining to business administration, manufacturing administration and exports of cosmetics, skin care and personal care and perfumery products to international markets. She holds an MBA with distinction, having finished first in her class, from the Jamnalal Bajaj Institute of Management Studies (Mumbai University), with a specialisation in marketing. She also holds a Master's degree in Commerce from Mumbai University, also with distinction. Ms. Chaurasia holds a Bachelor's degree in Commerce from K.P.B Hinduja College in Mumbai.

KEY MANAGEMENT

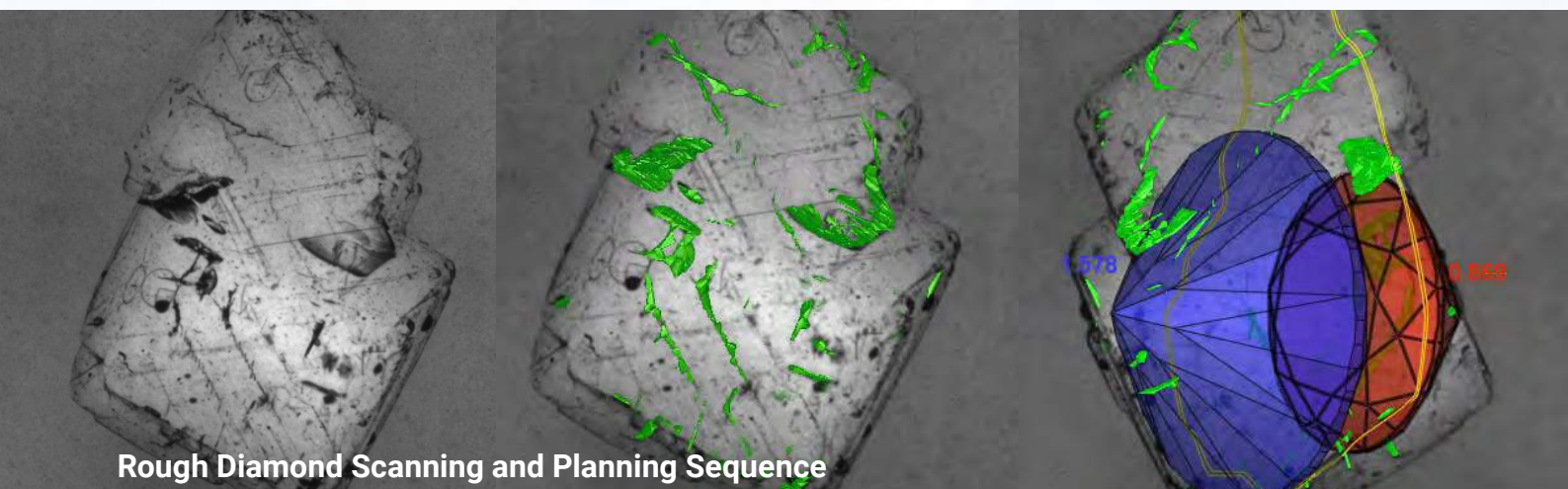
SUDHIR NARASINGA RAO has been Vice President of Finance, Sarin India, since July 2012. He has over 30 years of corporate finance experience, working with local conglomerates and multinational companies in India. From January 2000 through June 2012, Mr. Rao served as Director of Finance (and on the Board of Directors) of Firmenich Aromatics (India) Private Limited, an Indian subsidiary of a Swiss multinational company in the flavour and fragrance industry, where he led the finance and accounting team. He was part of the core team which set up the first chemical plant in India for the Firmenich group in the special export zone in the state of Gujarat (where Surat, India's primary diamond manufacturing industry hub, is also located). Prior to that, from 1998 through 1999 he served as General Manager of Finance for Mphasis (India) Limited, a software development company, now a part of the Hewlett Packard group, where he was also part of the core team which set up the start-up company in India. From mid-1987 through 1998 Mr. Rao served as Divisional Manager of Finance for KEC International Limited, a tower manufacturer and transmission line turnkey project contractor, where he began his career as a management trainee. Mr Rao is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and holds a Bachelor's degree in Commerce from Mumbai University.



GILAD HASSID was appointed Vice President Operations of Sarin India in mid-2018. Prior to that Mr. Hassid was Head of Operations of Sarin India commencing 2013. In these roles he is and was responsible for post-sales services provided to our customers in India as well as the operation of Sarin India's Galaxy® and Quazer® service centres. During 2018 Mr. Hassid was responsible for the establishment of the Sarine Technology Lab in India, which became operational in May 2018. From 2015 through 2017 he led the "Sarin House Surat" building project to completion and relocated all the activities in Surat to one location at Sarin House. Prior to joining Sarin India, Mr. Hassid served in several sales and marketing executive/management positions in Europe, India and Israel. From 2011 to 2013, he was the CEO of Yes Imported Solutions India, importing architectural solutions from Italy and Switzerland to India. From 2008 to 2011 he was the CEO of Barkan Mounts Italy and Europe Division Manager, distributing throughout Europe mounting solutions for TV and other consumer electronics. From 2005 till 2008 Mr. Hassid managed the regional sales teams in Israel for Motorola Israel Mirs Communications division. From 1999 through 2005 he held sales and marketing positions in Tnuva Israel. Mr. Hassid holds a Bachelor's degree in Marketing and Economics from the Academic Institute Rishon Le-Zion, Israel.



NOY ELRAM is the Managing Director of Sarin Hong Kong as of June 2018, with responsibility for expanding the penetration of Sarine's polished diamond solutions for retailers and suppliers in the Asia-Pacific region excluding India. Mr. Elram has just under 20 years of experience in development, integration and providing customer support and service for complex solutions in various industries in various territories globally. Between 2014 and 2018 Noy served as Head of Professional Services for Verint (Nasdaq:VRNT), stationed in Singapore, providing pre- and post-sales support to the Singaporean law enforcement authorities, while building and training the local teams to provide on-site services. Prior to that, from 2012 to 2014, Noy worked in Israel as Lead Software Engineer analysing and implementing security protocols at Verint. From 2006 to 2011 Noy managed the R&D at Marvell Semi-Conductors (Nasdaq: MRVL), developing full system solutions for the mobile cellular industry. Mr. Elram started his career at Intel Corporation (Nasdaq: INTC) in 2001, as a real-time, embedded, mobile network protocol developer. Noy holds a Bachelor's degree in Computer Science from the Academic College of Tel Aviv-Yafo in Israel.

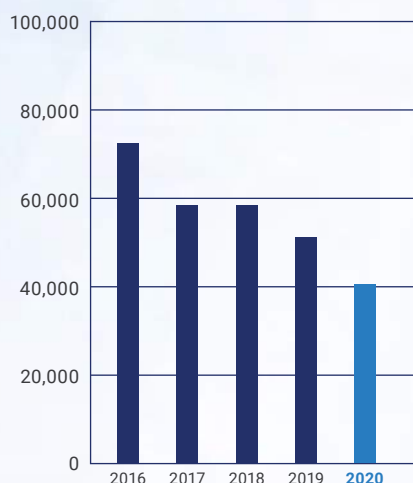


Rough Diamond Scanning and Planning Sequence

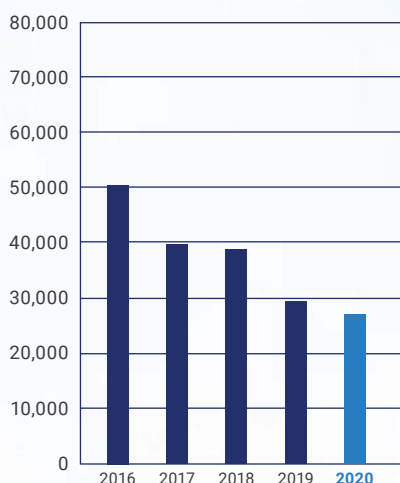
FINANCIAL HIGHLIGHTS

(US\$ '000)	2016	2017	2018	2019	2020
Revenues	72,524	58,644	58,504	51,323	40,968
Gross Profit	50,289	39,346	38,568	29,584	27,070
Net Profit	17,980	5,764	7,602	(1,372)	2,365
Gross Profit Margin	69.3%	67.1%	65.9%	57.6%	66.1%
Net Profit Margin	24.8%	9.8%	13.0%	-2.7%	5.8%
Cash and Investments	37,987	29,117	28,853	29,474	27,555
EPS (US cents, fully diluted)	5.14	1.64	2.17	(0.39)	0.68
Dividend Per Share (US cents)	4.50	3.50	3.00	0.80	0.50
EBITDA	25,070	12,931	13,661	5,496	8,794

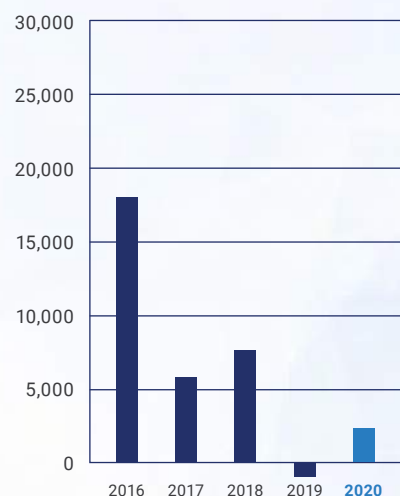
Revenues
(US\$ '000)



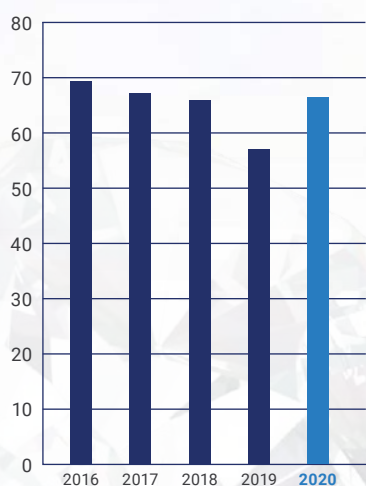
Gross Profit
(US\$ '000)



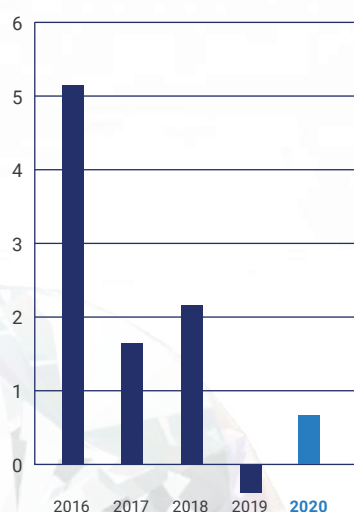
Net Profit
(US\$ '000)



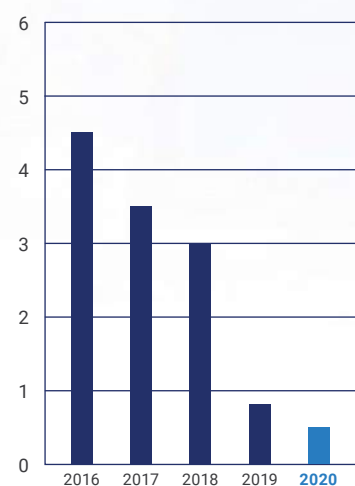
Gross Profit Margin
(%)



EPS
(US cents)



Dividend Per Share
(US cents)



MANAGEMENT'S BUSINESS, OPERATION & FINANCIAL REVIEW

The Diamond Industry

Diamonds have long been entwined in culture as symbols of love, commitment and eternity. Advertising campaigns by key diamond industry players have consistently reinforced these notions among consumers. This consumer demand drives an extensive industry of mining, polishing, grading and wholesale and retail trading, on which our Group capitalises.

Rough Stone Evaluation (the "Upstream")

Rough diamonds are extracted from the earth in extremely varied qualities and sizes. Of the average 125-140 million carats mined annually, only 25-30% are considered gem quality and are polished for gem-set jewellery purposes. Within the gem quality rough diamonds segment, qualities further differ significantly as discerned by the stones' actual shapes (e.g., cubes, octahedrons or dodecahedrons as symmetrical forms are worth more than amorphous stones), their internal characteristics, if visibly discernable (e.g., internal grain direction, internal strain ["tension"], internal imperfections ["inclusions"], etc.) and their assessed colour. Sizes of the mined rough diamonds can range from fractions of a carat up to hundreds and even thousands of carats (the Cullinan Diamond was the largest gem-quality rough diamond ever found, weighing 3,106.75 carats - 621.35 gr). Typically 5% or so of a mine's output is over 2 carats (0.4 gr.) in weight, a further 7-8% is between 1.5 and 2 carats and nearly 90% of a mine's output is stones below 1.5 carats in weight.

We assist the so-called upstream diamond mining companies, also termed "producers", to evaluate their rough stones as per their varied qualities. Our DiaExpert® family of platforms, accurately model a rough diamond's external geometry. The revolutionary Galaxy® family of internal inclusion mapping systems for rough diamonds, based on patented technology, provides high resolution (optionally at microscopic-level), fully automated, fast and comprehensive identification and mapping of a rough stone's internal inclusions and tension. By utilising these two systems and associated software tools, a producer can more fully assess the intrinsic value of its rough material and provide prospective customers with comprehensive information pertaining to the stones offered for sale. Disclosing this information, and thus reducing the risk associated with buying rough stones lacking full knowledge of their characteristics, allows bidders to offer a higher premium for the offered goods, thus increasing the producer's profitability. In addition, the provision of such data in a digital form enables producers to reach a broader group of potential buyers, without necessitating any travel, a critical issue during periods of Covid-19 related travel restrictions.

Alrosa, the main Russian producer, and largest miner of diamonds worldwide in carat terms, Grib, another Russian producer, and Lucara, a Canadian-based producer operating in Botswana, utilise our technologies for certain categories of their rough production, subsequently offering them for sale via digital tenders or other focused sale paradigms. The scope of these tenders offered by existing customers is expected to significantly grow in 2021 and additional key producers will also be adopting this paradigm in 2021. Rough stone secondary wholesalers also use this business model – e.g., in late 2020 Stargems concluded the largest tender on record in Dubai, by value of goods sold, after introducing this practise.

Rough Stone Polishing (the "Midstream")

Rough diamonds go through a prescribed series of processes, commencing with their evaluation, as discerned from their external and internal inspections, through planning, sawing (colloquially referred to as "cutting"), shaping (sometimes, if round, referred to technically as "bruting"), polishing (faceting) and fine-polishing, to turn them into retail-ready polished gems. Traditionally, an elite group of artisans, mostly within families, executed these processes manually.

Sarine has revolutionised the diamond polishing/manufacturing industry, often referred to as the "midstream", by introducing computer-based technologies to automate many of the processes of this highly specialised expertise.

The cost of rough diamonds is high. They are typically paid for upon receipt. Yet it often takes six to twelve months to sell the polished output, often on credit terms. The cost of financing this cycle adds to the direct expense incurred by the complexity of the process (and the errors and accidents incurred along the way) driving polishers to normally realise only single digit margins. Hence, any yield increases, cost savings, cycle shortening or risk reduction benefits are critical and have significant impact on the manufacturers' profits. The diamond industry's midstream's turnover was valued at approximately US\$ 17.0 billion in 2019 (the latest full year for which data are available), with added value of some US\$ 4.5 billion.

Sustained by these basic industry value-chain economics, our Group has been successful over the years in introducing innovative, reliable and efficient yield-increasing, cost-cutting, time-saving and risk-reducing technologies. The global diamond industry has readily adopted these technologies, many of which have become de-facto industry standards. The combination of these technologies, as described below, has redefined the art of polishing diamonds. They have pushed the optimally achieved yield of the polished stone(s) weight from under 40% of the rough stone's original weight to over 50%, a benefit in excess of 25%. Our solutions also allow the manufacturer to produce goods which best suit actual market trends at any given time, e.g., trading off between Carat weight and Clarity grade quality, to best respond to North American or Asia Pacific demand. Notably, these technologies are applicable to both natural and lab-grown diamonds (LGD).

MANAGEMENT'S BUSINESS, OPERATION & FINANCIAL REVIEW

Historically, the Group has focused on the following products and services for the analysis, assessment, optimal planning, sawing, shaping and polishing of rough diamonds for the midstream manufacturing segment of the diamond industry:

- The Galaxy® family of internal inclusion identification and mapping of rough diamonds with the various models, the Meteorite™, Meteor™, Solaris™, Galaxy® and Galaxy® XL systems, covering a broad range of sizes of rough diamonds from below 10 points (0.1 carat) to over 200 carats in weight. In addition, the Galaxy® Ultra offers high resolution microscopic-level inspection for very high quality stones. Commencing in 2019, the Galaxy® systems can also be equipped with optional hardware allowing the mapping of the internal stress ("tension") of a rough diamond, allowing for its safer planning, cutting and polishing. The Galaxy® family of products generate a significant recurring revenue stream (just over 40% of overall Group sales in 2020), due to the unique business model we have implemented based on an ongoing per-carat use charge (for very small stone sizes the per-carat use fee is replaced by a flat monthly charge for machine utilisation).
- The Advisor® software and the DiaExpert® family of platforms for planning the optimal utilisation of rough diamonds - DiaExpert®, DiaExpert® Atom, DiaExpert® Nano, DiaExpert® XL, DiaExpert® Eye, DiaExpert® Edge, DiaScan® S+, DiaMobile® XL / XXL and DiaMark® Z for varying sizes and qualities of rough stones from hundreds of carats down to several points;
- The third-generation Quazer® 3 green-laser system and its Strategist® setup station - the industry's most cost-effective high-end solution for the laser cutting and shaping of rough diamonds; and
- Our Instructor® software and DiaMension® family of platforms, which assist in the real-time quality control and optimisation of the actual diamond faceting. These also provide for corrective polishing, when deviations from the original planned optimal polishing solution are discerned, by re-analysing the semi-polished stone and proposing remedial solutions, including utilisation of unique asymmetrical resolutions.

We believe that our introduction of technology to the diamond polishing industry has converted it from an artisan-based industry to a technology-driven one. Today, the diamond industry midstream is concentrated in India. Though polishing facilities can also be found in China, Vietnam and the southern African countries (mainly Botswana, Namibia and South Africa), India is by far the leading diamond manufacturing centre, accounting for some 90% of all stones polished worldwide by stone count and some 80% by value. Due to the resources which have been invested in the development of domestic polishing industries, Botswana has become the second most important polishing centre globally.

Sarine has a market presence in both established and emerging diamond manufacturing centres. A key strategic decision was the establishment in 2004 of Sarin Technologies India Private Limited, our wholly-owned Indian subsidiary. Having taken direct responsibility for the pre- and post-sales operations in the diamond industry centres of Mumbai and Surat, we now have better feedback from and more direct support of the marketing of our products in the key Indian market. In 2009, we opened a service centre in Surat, India, which provides our customers in India with Galaxy® inclusion mapping and Quazer® laser cutting services. In the beginning of 2012 we opened a second service centre in India - in Mumbai. In 2017 we opened "Sarin House", a wholly-owned state-of-the-art new facility in Surat, India, consolidating all the Group's Surat-based activities for the Indian diamond industry under one roof. Located in India's diamond manufacturing hub, the facility comprises 55,000 square feet (5,100 square metres) over 6 floors, and houses approximately 400 staff members.

Sarine has also taken the requisite steps to strengthen its presence in the Southern African markets. The appointment of an agent in South Africa in 2005 was followed by expansion in 2008 into the strategic Botswana market (whose importance has grown markedly since DeBeers relocated its activities there from London) and the appointment of a dedicated agent in Namibia in early 2012. During 2011 and 2012 service centres for automated inclusion mapping and planning services were opened in all these countries, as well.

Diamond Grading

Because of the high value of polished diamonds, adhering to the established standards of quality, as measured by a diamond's 4Cs (Carat, Clarity, Color and Cut) is important. The results obtained from the typically manual grading inspection of a diamond often vary, depending on the level of expertise of the gemmologist conducting the evaluation. As a result of the subjectivity inherent in manual inspections, technology has evolved as a major contributor to the standardisation of a diamond's grading, and the Group has been at the forefront of developing and introducing polished diamond grading technologies for thirty years.

We pioneered the first technology ever for grading a polished diamond in 1992, with the launch of the DiaMension®, which introduced automated grading of a polished diamond's Cut. Following the DiaMension®, the DiaMension® HD (High Definition) was introduced in 2009 and is today the industry's standard for measuring proportions and grading Cut worldwide. The Axiom™ 3, our newest development, is based on revolutionary technology with micron level accuracy. The first generation of the Axiom™ was developed in 2015 to meet (it actually exceeds) Tiffany & Company's most stringent requirements for Cut and Symmetry grading. Our polished diamond proportion measuring and Cut/Symmetry grading systems operate using our proprietary Instructor® software, which was the first proportion and Cut grading software to be evaluated and adopted by the Gemological Institute of America (GIA) in 2004, having been certified as being accurate and compliant to the GIA's standards in excess of 98% of the tested cases.

Next, in 2013, we introduced the Sarine Light™, the industry's most accurate system for measuring a polished diamond's actual light performance. This system has become the accepted standard for light performance grading of higher quality stones in the Asia Pacific (APAC) market. Our light performance grading has been adopted by the National Gemstone Testing Centre (NGTC), China's largest gemmological testing laboratory, which introduced a new grading standard for China based on it in 2020. Our light performance standard has also had broad success in Japan and has virtually become the fifth C in that market.

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In 2018, we launched the world's first system for the automated grading of a polished diamond's Clarity, along with the introduction of leading-edge technology for the automated grading of Color. Our groundbreaking automated grading of a polished diamond is driven by artificial intelligence ("AI") algorithms and is realised on two unique devices - the Sarine Clarity™ and Sarine Color™. Clarity grading has always been, and is still, done manually. As it is a very complex multi-dimensional classification, based on the number of inclusions, their sizes, types and locations within the polished stone, and other parameters, the subjective judgment call is complex. The norm is that two gemmologists grade each stone, and it is not unusual for a third expert opinion to be required. Even so, Clarity grading is not consistent, and it is not uncommon to encounter significant variations in grading, often resulting in the grading being contested. Tests have shown that a statistically meaningful reference team of proficiently trained graders assesses the same stone's Clarity across up to two (occasionally even three) different grades. Utilising technology enables much more consistent grading, and, as the AI-based software is self-teaching, consistency continually improves over time. It is our aim to augment our grading with the fine-sorting of a diamond's Clarity and Color in accordance with various industry-accepted sub-grades pertaining to the diamond's actual appearance (e.g., "eye-clean", "no black inclusions", "no inclusions under the table" for Clarity and issues such as "tinge" and "milky" for Color). Already today our Sarine Technology Labs in Israel and India provide the world's first technology-based, AI-driven, objective and consistent grading of all of a polished diamond's 4Cs. Our labs also apply cutting-edge technology to ascertain whether the diamond is natural or lab-grown and whether treatments have been applied to them.

In 2020 we introduced the concept of e-Grading™. By enhancing our technology-based AI-derived 4Cs grading with additional functionality for process control and intra-process verification, we are implementing a completely new grading paradigm we have named e-Grading™. e-Grading™ will provide manufacturers and other industry players with a time-saving cost-cutting in-house solution for the 4Cs grading of polished diamonds, without necessitating the inefficient and costly process of going offsite to a gemmological laboratory (hence the "e-Grading™" term, just like e-Learning is from the comfort of your home). The systems utilised for the grading process are all cloud linked and the grading results are automatically uploaded to the cloud. Thus, the 4Cs grading results are derived without any human intervention and are immediately available for online B2B access and subsequent B2C consumer report generation. Intra-process automated verification of the polished diamond at each station will ensure reliable and accurate data flow, optionally verifiable by our TruMatch™ fingerprinting.

Currently in beta-testing, our new grading paradigm enables truly objective and consistent grading at a fraction of the time currently required (hours or a day max vs. weeks) and with none of the indirect costs of shipping, insurance, customs handling, etc. associated with having the grading done at an external third-party lab. Furthermore, as our e-Grading™ paradigm will be implemented by the polisher's own personnel, it most likely will also reduce the direct cost to the polisher, typically today on a par with the overall cost of the actual polishing of the diamond(!). Furthermore, this paradigm enables a completely new level of operational flexibility, as well – the polisher can prioritise the stones sequence of grading to best meet delivery schedules. Because of its significantly lower cost, e-Grading™ is especially applicable to the grading of LGD, as the value of LGD is far less than natural diamonds, and the current grading by labs is simply prohibitively expensive (~10% of the value of the polished gem). Furthermore, what is more natural than grading by technology a stone created by technology.

e-Grading™ also seamlessly connects with our diamond provenance traceability offering, the Sarine Diamond Journey™, the only provenance solution offered today based on verifiable data collected by technological means throughout the diamond's path from mine to retail (with no necessity for declaratory input). Commercial launch is scheduled for the second half of 2021.

Polished Diamond Trade (the "Downstream")

A key decision taken in 2010 was to expand our product and service offerings into the wholesale and retail trade of polished diamonds, the "downstream", targeting this industry segment as our primary market for strategic expansion and growth. While as the midstream typically adds some US\$ 5 billion in value, the downstream's added-value is nearly a dozen times that figure – nearly US\$ 59 billion in 2019. And, whereas the average profit margin in the midstream is single-digit percentages, the margins realised by retailers start in the low double-digits and are often substantially higher for high-end exclusive jewelers. The downstream overall generates over half of the profits realised in the entire industry value-chain. As the downstream portion of the industry comprises much more volume in absolute dollar terms and with notably higher profitability, it epitomises a market with considerable growth potential for the Group. The international diamond retail jewellery trade in 2019 amounted to some US\$ 76 billion, with the U.S. and China being the two key markets, roughly 38% and 19% respectively of global sales.

The 19th edition of Bain & Company's Luxury Study, dated 18 November 2020, relating to the Covid-19 pandemic impact on the luxury market, notes that the global personal luxury goods retail trade contracted in 2020 for the first time since 2009 and decreased by an unprecedented 23%. However, as the pandemic's effects dissipate in 2021, Bain forecasts a very strong rebound of between 10-12% to 17-19%, depending on the actual macroeconomic conditions. It is projected to continue growing at a more typical 3-5% annually thereafter for a full recovery to pre-pandemic levels by late 2022 or early 2023. The only bright region globally was China (with the exception of Hong Kong and Macau, which contracted by 35%, making them one of the worst hit areas globally), where sales grew in 2020 by 45%. Chinese consumers thus cemented their status as the single largest market for personal luxury goods, still on track to account for nearly half of the global luxury market by 2025. Europe bore the brunt of the collapse in global tourism with regional luxury item sales imploding by 36%. The Americas fared slightly better than Europe with a contraction of 27%, and the rest of the world, Japan, the Middle East, etc. contracted by 21% to 24%.

Online sales of luxury items expanded dramatically in 2020, by nearly 50%(!), due to the changes in our lifestyles during the pandemic. The share of luxury item purchases online almost doubled(!) in 2020 from 12% in 2019 to 23% in 2020. "Brands will need to adjust their footprints to the new map of luxury buying, [and] evolve the store role and maximise the customer experience" commented Claudia D'Arpizio, a Bain partner and co-author of the study. Online and mobile shopping experiences are putting the role of physical channels at risk. In addition, sustainability and environmental issues, as well as diversity and inclusion, have become core considerations, with younger consumers, placing an unprecedented emphasis on these issues to alleviate social and racial injustice. "Activist" consumers are seeking brands that can demonstrate their alignment with this vision. Federica Levato, a Bain partner and co-author of the report, noted that "By 2030 [the luxury] industry will be drastically transformed... In this new enlarged space, the winning brands will be those that build on their existing excellence while reimagining the future with an insurgent mindset. Luxury players will need to think boldly and rewrite the rules of the game".

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As noted in the previous paragraph, retail chains must more than ever reinvent themselves to enhance customers' in-store experiences and create an ongoing engagement with their customers. The challenges faced by the retail diamond trade are:

- "Branding" – a growing trend in retail to differentiate one's products from other commoditised ones. Typically, in the retail diamond environment this is proffered either by introducing non-standard cuts and shapes or otherwise creating an engaging story around the offered stones, e.g., by emphasising their strong light performance, tracing them from mine to consumer, noting their exceptional manufacture, the jewellery's renown designer, etc.
- The "Experience" – today's internet-savvy consumers surf the internet and query social media before buying. Though actual sales are still, predominately, in stores, Bain & Company believe this may not be the case by 2030. By using sophisticated technologies, retailers can create a more exciting experience both on their website and subsequently in their stores.
- The "Sale" – what a retailer needs to do to actually close the sale of a specific stone (jewellery piece) at a specific price. Today, the branding and the experience, and the confidence inspired by these, are often no less important than the quality of the goods offered and their pricing.

Non-intuitive, often even cryptic, data, as formulated in the historic 4C's, no longer connect to, nor convince, the new generations of internet-savvy buyers. Digitally enhanced experiences based on imaging and video technologies are already being adopted by e-tailers and retailers alike as essential marketing and sale tools, as a means of branding and of generating the necessary attention, engagement and passion necessary for closing the sale.

To support this 21st century evolution of retail, we launched the Sarine Profile™ in 2015. Utilising an assortment of various technologies further detailed below, the Sarine Profile™ provides precise and expansive image and video information pertaining to the offered diamond's origin, manufacture, quality, beauty and other unique characteristics. By providing a wealth of additional information, the Sarine Profile™ enables significantly more informative online searches, whether B2B or B2C, at a completely new level of transparency. The Sarine Profile™ also enhances the in-store buying experience and empowers the consumer to make a truly informed decision on the offered stone, as the varied information is presented in an intuitive and engaging visual format. Sarine Profile™ is specifically designed to cater to the "millennial mindset", their engrossment with their mobile devices and their enthusiasm for social media, allowing retailers to connect with them and engage them on their media of choice.

The Sarine Profile™ is unique in that it allows each retailer, whether online or brick and mortar, to select its preferred imagery/video presentations from a toolbox of options, which are described below in greater detail. These options include imagery at various levels of magnification produced by the Sarine Loupe™, light performance grading and video generated by the Sarine Light™, Hearts and Arrows graphics, Cut proportions graphics, laser inscription viewing, etc., all as derived from our diverse cutting-edge systems enumerated below. Of course, our provenance certification provided by Sarine Diamond Journey™ and our AI-based 4Cs grading are also available as an option of the Sarine Profile™ package. We also support the importation of retailer-provided data, such as retailer promotional material, as well as the customer's own personalisation message to the intended recipient of the diamond, e.g., his proposal.

The technologies that provide these varied data are:

- The DiaMension® HD / Axiom 3™ proportion and symmetry measuring systems provide geometrical proportions, Cut grade and Hearts and Arrows analyses;
- Sarine's Sarine Clarity™ and Sarine Color™ systems and their AI-based algorithms provide objective and consistent Clarity and Color grading.
- The Sarine Light™ enables the accurate, consistent and quantified measurement of a polished diamond's actual light performance (appearance), as a new more intuitively meaningful means by which to assess the diamond's beauty:
 - o Brilliance - the intense bright light that is reflected from the diamond;
 - o Sparkle - the dramatic flashes that burst out of the diamond as it moves;
 - o Fire - the vivid colours of the rainbow that radiate from within the diamond due to its prismatic effect;
 - o Light symmetry - the equal distribution of the light that reflects from the diamond.
- The Sarine Loupe™ imaging system creates high quality video imagery, at varying magnifications (from 3 to 40 times) and from various perspectives and simulated distances, so that a potential buyer of a polished diamond, whether a qualified wholesale trader or a consumer, can truly assess both its beauty and internal features without having the polished diamond physically in hand.
- The Sarine Connect™ - provides a digital inventory platform that allows retail chains to showcase any stone from their entire inventory, regardless of its physically being in a specific outlet or not, as well as create virtual inventory, by reaching back to their suppliers' inventories of stones and settings, pursuant to the necessary authorisations.
- The Sarine Diamond Journey™ – The Group has an extensive industry-leading presence in the diamond industry's midstream, wherein the critical transition from rough to polished stone occurs. In 2020, despite the ~30% reduction in rough stones entering the pipeline, some 19 million stones, 5% more than the 18 million in 2019, were scanned for inclusion mapping using our installed base of 631 Galaxy® family systems. Annually, close to a hundred million rough stones are planned using our DiaExpert® family of platforms, of these over 60 million stones are planned using our online Advisor® cloud-based software, from which, optionally, the actual planning, cutting and shaping stages can be recorded on our cloud infrastructure. These data allow us to subsequently provide full traceability of the stone's transition from rough to polished, using conclusive certified factual imagery. All this is accomplished with no disruption to the normal workflow and no meaningful overhead or cost. This augments the stone's provenance origin documentation, provided by our growing cooperative arrangements with major diamond producing miners (already Alrosa and Lucara, with others to join in 2021) to create the only comprehensive solution for provenance and traceability based on actual verifiable data with no need for

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declaratory complimentary assertions (if the rough stone's source data is not provided by the producer through their technological linkup with our cloud database, the information is derived manually from import/export and Kimberly Process documentation). Beyond offering consumers insight into the sophisticated technology and painstaking craftsmanship that went into creating their unique gem in an engaging visual format, the Sarine Diamond Journey™ is the only solution which provides the consumer with factual evidence confirming both its sustainable and socially responsible sourcing as well as its manufacture, issues of growing importance to younger "activist" consumers, as noted by Bain & Company.

- **3D-Origin™** - A unique offering, made possible by the data generated by the Sarine Diamond Journey™, provides a realistic 3D-printed model of the original rough diamond from which the polished gem was derived. This feature adds to the consumer's experience and bolster his/her connection with the purchased gem.
- **TruMatch™** - Our proprietary technology for "fingerprinting" a polished stone, can be used to augment the Sarine Diamond Journey™ report to singularly mark the identity of the polished stone. This allows subsequent verification of the stone for the consumer in the retail outlet, whether it is still loose or already mounted in a setting. A so-called digital twin for the authentication of the purchased item is readily retrievable, which can be utilised by retailers offering extended warranties, providing cleaning and repair services or proposing "buy-up" exchanges, as well as by financial institutions or insurers in need of reliable unequivocal identification of the item.
- **Verto™** - an innovative imaging solution that generates high quality video displays, derived from but a handful of images captured by any common smartphone. Verto™'s solution enables jewellery manufacturers, wholesalers and retailers to provide their customers with exceptionally high-quality video visualisation of offered jewellery items, along with the capability to generate multiple options of settings and the types, sizes, and colours of stones set in the piece, etc., with no need for capital investment in high-end devices, expensive professional photographers or exhaustive manual finishing. The combination of the imagery's high quality, the system's ease of use, its attractive cost and fast delivery create an offering that is significantly more cost and time effective than other currently available market alternatives.

The commercialisation of all the aforementioned services for the polished diamond trade is based on recurrent revenue models, based on the size of the stone profiled and the scope of the services provided (e.g., grading, imagery, provenance, digital inventory, fingerprinting) as is the norm in the industry.

To facilitate the marketing and sales of our polished diamond trade offerings, we opened an office in North America in 2014 on New York's so-called Diamond Way (47th St. between 5th and 6th Avenues), the heart of the U.S.'s polished diamond trade. In 2015 we opened an office in Hong Kong, the primary hub of the polished diamond trade in the APAC market. We have since expanded our regional presence in the APAC market, and have employed additional staff in Shenzhen (HQ), Beijing and Shanghai in China, in India (vis-a-vis both midstream and retail segments), in Japan and in Singapore, as a regional sub-hub for neighbouring countries, as well.

Sarine Products by Application and Customer Type

ACTIVITY	TARGET CUSTOMER	SARINE PRODUCTS
Rough diamond evaluation	Producer and Wholesaler	Galaxy®, Galaxy® XL, Galaxy® Tension, DiaExpert®, DiaExpert® XL, DiaScan® S+, DiaMobile® XL / XXL and Advisor®
Planning optimal cutting of rough diamonds into polished ones	Manufacturer	Galaxy®, Galaxy® Ultra, Galaxy® XL, Galaxy® Tension, Solaris™, Meteor™, Meteorite™, DiaExpert®, DiaExpert® Atom, DiaExpert® Nano, DiaExpert® XL, DiaExpert® Eye, DiaExpert® Edge, DiaScan® S+, DiaMark® Z and Advisor®
Cutting rough diamonds	Manufacturer	Quazer® 3 and Strategist®
Shaping rough diamonds	Manufacturer	Quazer® 3
Optimal polishing of diamonds for best Carat / Cut trade-offs	Manufacturer	DiaMension® HD, DiaMension® Axiom 3, DiaMark® HD and Instructor®
Diamond finishing optimisation	Manufacturer	DiaMension® HD, DiaMension® Axiom 3, DiaScan® S+ and Instructor®
Polished diamond grading according to the 4 Cs and light performance	Manufacturer / Gemmological Laboratory / Polished Wholesaler and Retailer	DiaMension® HD, DiaMension® Axiom 3, DiaScan® S+, Sarine Light™, Sarine Clarity™, Sarine Color™
Polished diamond branding and wholesale / retail trade online and in-store	Manufacturer / Gemmological Laboratory / Polished Wholesaler and Retailer	DiaScribe®, Sarine Light™, Sarine Loupe™, Sarine Profile™, Sarine Diamond Journey™, 3D-Origin™, Sarine Connect™, TruMatch™ and Verto™

Intellectual Property

The products we develop are proprietary in nature. Hence, our ability to remain competitive in the market is also dependent on our ability to protect our intellectual property (IP), both hardware and software. To facilitate the protection of our IP rights, we have registered numerous patents and trademarks in countries key to our business and additional patent and trademark applications are pending in various phases in various countries. As is normal, several of our patents and trademarks have been disputed by competing players in the industry, just as we dispute patent applications filed by our competitors. We have initiated litigation in India against certain competitors, who we believe infringe our patents on laser marking (as used in the rough planning process), as well as against others, who we allege have infringed on or otherwise fraudulently made use of our Galaxy® inclusion mapping technology and Advisor® planning software.

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In addition to our IP copyright and patent applications and enforcement actions, we have designed and are continuing to design protective technological features into our systems, based on cloud computing technology. The image processing software of our Galaxy® family of inclusion scanning systems and components of our newer Advisor® rough planning software releases (Advisor® 6.0 and up), our Sarine Light™, Sarine Loupe™, Sarine Profile™, Sarine Connect™, Sarine Clarity™ and Sarine Color™, are all protected from non-authorised use by having key components remotely located on cloud servers. Using proprietary in-house developed cyber protection creates a higher level of defence than that provided by using off-the-shelf commercially available protection, which is targeted per se by professional hackers. Due to this approach, though attempts have been ongoing for over five years to first hack our Advisor® 6.0 and now 7.0 planning software releases, success to date has been very limited with no discernible impact on our business. Future releases of our Advisor® (e.g., Advisor® 8.0 due for release in mid-2021) will have further improved IP protection through additional use of cloud-based features.

As mentioned, we are aggressively pursuing legal actions against infringements, primarily in India. In addition, we are leveraging our technological advantages, as manifested in our newest Advisor® versions and other new developments (e.g., the Galaxy® Tension), as well as other commercial benefits, to incentivise customers to refrain from using infringing technologies. Very significantly, the Sarine Profile™'s and, more importantly, the Sarine Diamond Journey™'s adoption by upstream producers and downstream retail customers for the branding and traceability of polished diamonds, creates a tangible incentive for midstream manufacturers' loyalty to our technological solutions, as the related programmes generate immediate, often premium, revenues.

Objectives

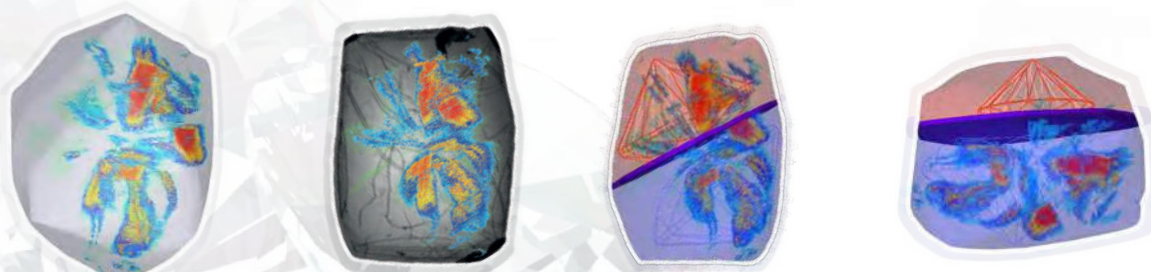
The Group's main objectives for 2021 are:

- Assertively drive the expanding market penetration of our Galaxy® family of inclusion mapping systems;
- Continue developing advanced features and thus maintain the overall value proposition and our market share of rough diamond planning solutions, as embodied in the DiaExpert® platforms and Advisor® software. Together with our Galaxy® family of inclusion mapping systems and our Quazer® 3 high-end green laser for cutting and shaping, we will continue to set the industry standard for rough diamond manufacturing technology;
- Continue our aggressive campaigns against IP infringement by legal means, technological innovation and commercial leveraging;
- Accelerate the market adoption of our unique polished diamond trade supporting products – the Sarine Profile™, Sarine Diamond Journey™ and AI-based 4Cs grading, with primary focus on the APAC market.
 - o We see growing emphasis on and interest in provenance and traceability solutions, as for key high-end retailers and producers issues of sustainability and responsible sourcing and polishing are becoming more important due to the growing awareness of today's consumers. As detailed above, due to our systems' near-universal utilisation in the manufacturing midstream, we are uniquely positioned to provide actual verifiable solutions to these concerns with minimal disruption and cost to all the players across the value chain.
 - o Having commenced beta-testing of our unique e-Grading™ paradigm enabling the grading of polished diamonds in-house, without necessitating the timely and costly outsourcing of this process to third-party external labs, we will continue with its refinement and the implementation of the necessary process monitoring cloud infrastructure, aiming for its broader introduction to manufacturers later in 2021.
- Increase our presence in the lab-grown diamond (LGD) segment of the diamond industry (growing at 25% a year), having proven the applicability of both our midstream rough polishing optimisation technologies (Galaxy® scanning, planning, laser cutting, etc.) and downstream polished diamond grading and marketing solutions to LGD (we are already generating initial revenues from this expanding segment).

These objectives will both increase our recurrent revenue stream and balance our business more evenly between the midstream manufacturing segment, mostly in India, and downstream trading segment, mostly in the U.S. and APAC regions.

GALAXY® TENSION MAPPING

ROUGH STONE SCANNED AND PLANNED ACCORDING TO INTERNAL TENSION MAPPING DETECTED BY GALAXY® SYSTEM.



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Strategy

To realise these objectives, the Group plans to execute these strategies:

Focus the Group's research and development initiatives as follows:

- Midstream products:
 - o Continue optimising our Advisor® planning proposition and bolster its IP protection features, to be released as Advisor® 8.0;
 - o Continue refining our e-Grading™ AI-based technology, introducing second generation Clarity and Color grading solutions, and implement the necessary cloud-based process management and monitoring infrastructure;
 - o Enhance our Clarity grading with fine-sorting of a diamond's inclusion characteristics in accordance with customer-specific industry-accepted sub-grades pertaining to the diamond's actual appearance (e.g., "eye-clean", "no black inclusions", "no inclusions under the table", etc.) as well as by its Color in accordance with tinting (brownish, greenish, etc.) and other relevant criteria;
 - o Develop LGD-friendly derivatives of our systems, to allow their cost-effective application to LGD manufacturing.
- Downstream products and services:
 - o Continue refining our provenance (Sarine Diamond Journey™) offering;
 - o Adapt our AI-based grading solutions to LGD requirements and price points.

Focus the Group's marketing efforts on:

- Continuing our aggressive marketing campaigns on our Galaxy® family Meteor™ and Meteorite™ models and expand the initiative to the Solaris™ model as well;
- The broader adoption of the Group's Sarine Profile™ and Sarine Diamond Journey™, especially broadening our cooperation with additional producers, also through the expansion of the adoption of our digital tenders paradigm;
- The commercial rollout of our e-Grading™ innovation;
- Establishing strategic cooperations with leading players in the LGD segment;
- Enhancing the Sarine brand recognition at the retail and end-consumer level through targeted social media and similar initiatives.

Performance Indicators

Non-financial Indicators

We use the following non-financial indicators to assess our Group's performance year-on-year and against our competition's performance:

INDICATOR	PERFORMANCE
Technological Leadership	Our technological leadership, as measured by the innovation embodied in our new and enhanced products and services, as well as by our existing and pending patents worldwide, remains strong. No other company in our field holds a broader portfolio of products and intellectual property for the rough and polished diamond industries.
Estimated Market Share*	We have clear indications that we have expanded our market share in the midstream manufacturing segment of the diamond industry. In 2020 - we scanned just under 19 million stones, 5% more than the near 18 million in 2019, with our inclusion mapping family of systems, and over 60 million were planned on our online Advisor® 6.0/7.0 software installations, despite the ~30% reduction in the overall number of rough stones entering the pipeline! We have gained traction for our Sarine Profile™ in the APAC region. Notably, our Sarine Light™ has become the most widely accepted light performance analysis and grading system in use in the APAC market, and the largest gemmological laboratory in China, NGTC (the National Gemstone Testing Centre), has launched their light performance standard based on it. We are seeing extensive interest in our Sarine Diamond Journey™ story-telling and provenance/traceability offerings. We have established cooperative programmes with Alrosa and Lucara and are in talks with numerous additional producers. We have had initial commercial successes and are expanding awareness of the potential benefits of our AI-based grading. We have an ongoing initiative with Tiffany & Co. to adapt our technology to their stringent grading criteria, and are working with NGTC to derive new technology-based standards for them.
Product and Service Offerings	During the year in review we continued research and development of new products and services and enhancements to existing ones across all our product lines. We will continue this strategy into 2021 and beyond. The thrust in the midstream will be the continued enhancement of the rough diamond inclusion scanning and planning processes for the manufacturing industry. At the junction of the midstream and downstream segments ongoing R&D will enhance the capabilities of our unique AI-based grading solutions and infrastructure to allow commercial rollout of our e-Grading™ initiative for grading polished diamonds on-site. We will also continue development of our Clarity and Color fine sorting propositions. In the downstream, we will continue enhancing our provenance/traceability capabilities, the Sarine Diamond Journey™, as well as our polished stone identification and verification TruMatch™ fingerprinting technology.
Brand Strength	Our brand strength allows us to leverage our distribution channels to market and sell complementary products to our existing customers, as well as to seek out new customers. We believe our brand continued to strengthen during the year in review, especially gaining recognition in the upstream mining and the downstream wholesale/retail industry sectors. We intend to continue strengthening our brand in 2021 with additional initiatives with producers and high-end global or regional leading retail brands, as well as in social media and by other means to boost consumer recognition of our brand.

* **Note:** The fact that all other players in our industry are privately-held companies hampers our ability to collect and collate accurate sales data; additionally, no well-known international analysts regularly cover our market for technological tools for the diamond industry, making accurate assessments hard to substantiate.

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Financial Indicators

During 2020 the Covid-19 pandemic disrupted much of the diamond industry value chain, as it did many other industries. Key effects were the preclusion of the historic methods of rough stone sales activities due to travel restrictions, the locking down of major midstream manufacturing centres - e.g., in India from late March through June, with lingering limitations in effect into July, and the curtailment of retail activity worldwide for much of the year – rolling lockdowns from China during the key Chinese New Year season through Europe to the Americas. As a result of travel restrictions impeding the usual rough sales cycles and reduced manufacturing activity for significant periods of the year, rough production was reduced and some 30% fewer rough stones entered the pipeline, as compared to 2019, and at discounted prices. Ultimately, with renewed retail activity towards the end of the year for the key holiday season, polished stone inventories were significantly diminished. This drove polished prices up, concurrent with rough prices having been reduced, enhancing polishers' margins significantly. Indeed, the last quarter of 2020 saw a strong recovery in the midstream, with Galaxy® family scans reaching an all-time record of daily peaks of 100,000 stones. The run rate of scanning in the fourth quarter of 2020 (and the initial months of 2021) was such that, if continued throughout all of 2021, would translate to a 40% growth in the number of stones scanned. Though Covid-19 vaccinations have become available, and aggressive inoculation efforts are underway worldwide, Covid-19 related issues are not behind us, as social distancing, lockdowns, travel restrictions and other limitations are still affecting the global economy going into 2021.

We use the following financial indicators to assess our Group's performance year-on-year.

INDICATOR	PERFORMANCE
Revenues	Revenues for FY2020 dropped by 20% to US\$ 41.0 million from US\$ 51.3 million in FY2019 due to the global Covid-19 pandemic, which dramatically reduced midstream polishing activity during extended periodic lockdowns (~30% fewer rough stones entered the pipeline) and impaired capital equipment sales (including Galaxy® family systems). Galaxy® family related per-carat usage revenues were down 18%, due to a near dormant second and still weak third quarters, affected by full and partial lockdowns, offset by a strong first quarter, before the pandemic hit India, and a strong fourth quarter recovery. In FY2020 we delivered only 76 Galaxy® family systems to customers, again due to the pandemic's impact after Q1 2020, during which we delivered a record 50 machines. The delivered systems were mostly Meteorite™ (15) and Meteorite™ (50) models, but also 6 Solaris™ systems and 5 Galaxy® models. As of 31 December 2020, the Group had an installed base of 631 Galaxy® family systems. Indeed, despite the reduction in rough stones entering the pipeline, we scanned slightly (5%) more stones FY2020 than FY2019 – just under 19 million as compared to just under 18 million. Overall recurring revenues, including Galaxy® family related per-carat usage, Quazer® services, annual maintenance contracts and the polished-diamond retail-related offerings (i.e., our Sarine Profile™ and Sarine Diamond Journey™), constituted approximately half of overall FY2020 revenues (in line with FY2019). Sarine wholesale and retail trade related services grew slightly to just over 5% of our reduced revenues as compared to just over 4% in FY2019, primarily due to the growing adoption of our digital tenders related services. We expect these revenues will expand meaningfully in FY2021 due to: • The continued expansion of the usage of our digital tenders paradigm to additional producers and its application to extended ranges of rough stones; • The growing interest in our Sarine Diamond Journey™ provenance/traceability solution and our partnering with additional producers; and • The commercial rollout of our new e-Grading™ offering, along with our specific efforts vis-à-vis the NGTC lab in China and leading wholesalers and retailers (e.g., Tiffany & Co. and Japan's QVC).
Gross Profit	Gross profit for FY2020 decreased by 8.5% to US\$ 27.1 million, as compared to US\$ 29.6 million for FY2019, primarily due to lower revenues. For FY2020 the Group recorded a gross profit margin of 66%, significantly more than the 58% realised in FY2019, due mainly to the product mix and cost containment measures.
Operational Profit	Due to our aggressive cost cutting dictated by the Covid-19 pandemic, our profit from operations for FY2020 grew significantly by 333% to US\$ 4.8 million, as compared to US\$ 1.1 million in FY2019. For FY2020 the Group's operating margin was 11.6% as compared to only 2.1% for FY2019.
Net Profit	For FY2020 the Group reported a net profit of US\$ 2.4 million as compared to a net loss of US\$ 1.4 million realised in FY2019. This was due to our higher operational profitability, despite the pandemic.

NOTE: The Notes to our Financial Statements provide additional detail.

Operating Review

Opportunities

Market-driven Opportunities:

The global personal luxury goods retail trade contracted in 2020 for the first time since 2009 and decreased by an unprecedented 23% due to the Covid-19 pandemic. With vaccinations now available and aggressive inoculation programmes being launched by governments worldwide, it is expected that the pandemic's effects will become less acute in 2021. Bain forecasts a very strong rebound in luxury goods spending of between 10-12% to 17-19% in 2021, depending on the actual macroeconomic conditions (e.g., success of inoculation rollout vs. new mutations). As luxury dollars are not spent on travel or entertainment, due to lingering restrictions, it is forecast that there will be, as was witnessed in the last quarter of 2020, a strong rebound in spending on jewellery, in general, and diamond jewellery, in particular. It is projected that following 2021 diamond jewellery spending will continue growing at a more typical 3-5% annually, reaching 2019 levels for a full recovery to pre-pandemic levels by late 2022 or early 2023.

Due to the changes in our lifestyles during the pandemic, online sales of luxury items expanded dramatically in 2020, by nearly 50%. The share of luxury item purchases online almost doubled in 2020 from 12% in 2019 to 23% in 2020. "Brands will need to adjust their footprints to the new map of luxury buying, evolve the store role and maximise the customer experience" commented Claudia D'Arpizio, a Bain partner and co-author of the study. Online and mobile shopping experiences are putting the role of physical channels at risk. In addition, sustainability and environmental issues, as well as diversity and inclusion have become core considerations, with younger consumers

MANAGEMENT'S BUSINESS, OPERATION & FINANCIAL REVIEW

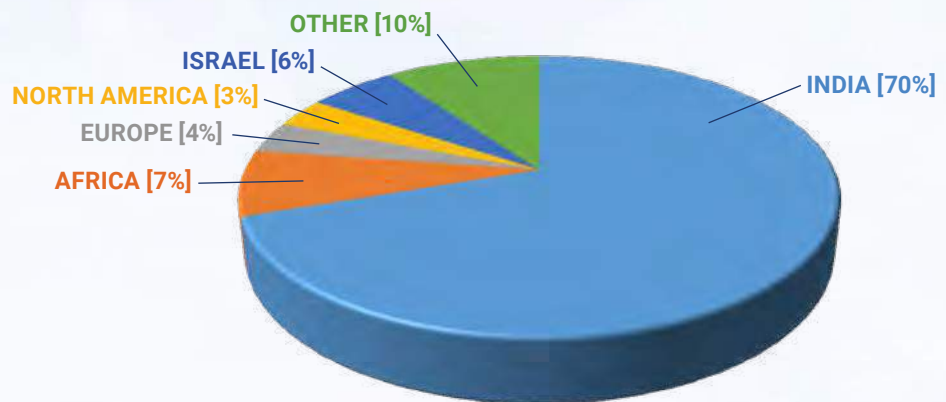
placing an unprecedented emphasis on these issues to alleviate social and racial injustice. "Activist" consumers are seeking brands that can demonstrate their alignment with this vision.

Our polished diamond retail trade oriented solutions, the Sarine Profile™, Sarine Diamond Journey™, 3D-Origin™, Sarine Connect™, TruMatch™ and Verto™, as well as our AI-based grading methodology which generates digital reports integrated into the Sarine Profile™, specifically address both these evolving needs – the growing prominence of digital online trade and coincidentally the enabling of an enhanced in-store experience, on the one hand, and the ability to demonstrate to the younger generation of consumers your brand's alignment with sustainability, environmental and social responsibility concerns. All our technologies generate cloud-based data for immediate anytime anywhere accessibility on mobile devices, a key factor for appealing to the new 21st century consumer. We intend to leverage this trend, and its forecasted growth throughout the upcoming years through 2025, to accelerate our market penetration and broaden our market share. We have significantly expanded our sales staff in the key APAC market and are investing in end-market retailer and consumer recognition of our Sarine brand.

Because of the travel restrictions induced by the Covid-19 pandemic, an opportunity has arisen to expand the utilisation of our digital tenders paradigm by both producers and wholesale tender houses. We intend to continue leveraging this new awareness of the benefits of all-digital tenders (no travel required; immediate broader audience; lower execution costs and participation costs; etc.) to expand our cooperation with additional producers, as this also opens doors for cooperation on our Sarine Diamond Journey™ provenance solution.

Lab-grown diamonds (LGD) continued to expand in 2020 with an estimated growth of around 25%. Market studies indicate that fully half of U.S. retailers will offer LGD products in their stores or online in 2021, alongside their natural diamond inventories. LGD are no longer viewed as a disrupting factor in the retail segment worldwide, but rather as a lower-priced complementing product. The market acceptance of lab-grown diamond (LGD) jewellery has created, as we have in the past forecast, a new opportunity for the Group. Having verified the adaptability of our various technologies to LGD manufacturing, grading and trade, we will now extend our efforts to penetrate this rapidly growing market. We have shown that the Galaxy® inclusion mapping and Advisor® planning technologies can contribute to the optimal utilisation of the manufactured LGD raw material. We are now complementing the Galaxy® software with pattern recognition capabilities, in order to automatically discern between natural and LGD rough material and adjust the billing for the scanning automatically. Our Quazer® 3 has proven to be the most cost-effective offering for dicing the LGD wafer into the cubes from which the gems are polished. And our AI-based e-Grading™ is especially applicable to LGD grading, as it allows grading of the less expensive finished LGD gem at a much more affordable cost than that charged for existing grading services by prevailing gemmological laboratories. In addition, e-Grading™ also lends itself conceptually to LGD grading – stones created by technology should naturally be graded by technology.

Revenue by Geographic Segment



Company-driven Opportunities:

With deliveries in 2020 of 76 Galaxy® family systems to customers, the Group had an installed base of 631 Galaxy® family systems as of 31 December 2020. We delivered significantly fewer systems in 2020 than in 2019 (145), due to the impact of the Covid-19 virus on all segments of the diamond industry value chain, and particularly so on the manufacturing midstream. Notwithstanding the full-year decrease, the first quarter of the year, pre-pandemic impairment, showed exceptionally strong demand for our Galaxy® family systems, with a record 50 quarterly deliveries. We believe this is indicative of the overall success of our aggressive efforts against the illicit IP-infringing competition on the legal front, but even more so from the perspective of our new aggressive marketing.

Looking forward to 2021 we intend to be even more aggressive in offering attractive terms for acquiring our systems for smaller stones, tailoring our offerings to all types and sizes of manufacturers – e.g., a business model specifically for polishers of stones only 10 points and less. We intend to focus especially on new business models for our Solaris™ model, where the competition still holds sway. We expect significantly stronger sales as a result of these targeted efforts. We will also continue to leverage our technological lead and widen the gap between the older planning paradigms, which are those being infringed by the competition, and the new Advisor® 8.0 with enhanced features including initial tension mapping utilisation, to be launched during the year. In addition, we are leveraging our best-in-class provenance/traceability solution, the Sarine Diamond Journey™, and its expanding adoption by producers and retailers, to induce midstream players to abandon their use of the illicit solutions.

Marketing programmes utilising the Sarine Profile™ and Sarine Light™ by retailers, primarily in the APAC region, continue to expand, in line with the expanding trend of branding and merchandise and experience differentiation. Our Sarine Diamond Journey™ story-telling and provenance solution is generating new channels of penetration into the retail markets in APAC, and we expect it will also gain traction in North America. As responsible sourcing gains importance amongst high-end retailers catering to concerned consumers, our provenance solution, based on actual documented information, garnishes more attention. We believe that our partnering with key producers, such as Alrosa and Lucara,

MANAGEMENT'S BUSINESS, OPERATION & FINANCIAL REVIEW

has already boosted interest in our Sarine Diamond Journey™ paradigm, and are already in the process of enlisting additional producers to our partnering programme. Along with our uniquely extensive online technological presence in the midstream polishing process, these partnerships create an exceptional proposition, supplementing our provenance report with actual verifiable traceability documentation, with minimal disruption to the polisher's work flow and virtually no indirect additional cost and overhead. We have concluded pilot programmes with key high-end retailers with a global presence. Additional pilots have been delayed due to the pandemic outbreak. We expect these other test programmes to now move forward. Retailers in Japan, China, other APAC markets and the U.S. have already adopted the Sarine Diamond Journey™ traceability for enhancing the consumer's experience, including the 3D-Origin™ option. As a result, midstream suppliers are seeing demand for "Journey-ready" stones and are joining our Sarine Journey™ Official Partner Program. They have opted to enable our software to collect the appropriate data and imagery during the various stages of manufacture and to store same in our cloud-based database, so as to be able to offer their retail customers this option and allow the retailers to handily subscribe to the Sarine Diamond Journey™ service based on data already available in our cloud repository. This incurs no direct cost to them, and we are remunerated when the actual Sarine Diamond Journey™ report is generated at the retailer's request. Following initial positive market penetration, we have expanded our sales staff to support our retail customers, and in 2021 we intend to add additional staff, as warranted (e.g., in west China and the U.S.).

e-Grading™ enables truly objective and consistent grading at a fraction of the time currently required (minutes or hours vs. days or weeks) and with none of the indirect costs of shipping, insurance, customs handling, etc. associated with having the grading done at an external third-party lab. Furthermore, as our e-Grading™ systems are operated by the polishers' own personnel, most likely the direct cost to the polisher will also be less than that commonly paid today to an external lab for the same service, often on a par with the overall cost of the actual stone's polishing. e-Grading™ also offers a completely new level of operational flexibility, as well – the polisher can prioritise its stones' sequence of grading to best meet delivery schedules. Late in 2020 we began initial beta-testing of this new concept in India. The first half of 2021 will be allocated to the ongoing refinement of the solution and implementation of the necessary operational cloud infrastructure. Broader introduction to the midstream polishers is scheduled for later in 2021.

Risk Factors

As of this writing, we are still witnessing effects of the global Covid-19 virus pandemic. Though the lingering effects on the APAC market seem to be minimal at this time, Europe and the key U.S. market are still facing pandemic-related issues. Notwithstanding the new administration in the U.S. having set audacious targets for their inoculation drive, the health infrastructure in the U.S. is less centralised and the population's willingness to be vaccinated is less certain, which may slow the process. Notably, the new U.S. government is again taking significant steps to stimulate economic activity. A recovery in global consumer demand for luxury goods is expected this year, and China has, indeed, experienced a vibrant Chinese New Year season. However, the possibility of mutant strains of the virus emerging is a possibility to be considered.

Our success and ability to compete are substantially dependent on our intellectual property (IP), proprietary patented technology and copyrighted software. The steps that we have taken and are taking to protect our IP rights may not be adequate, and we might not prevail and be able to prevent others from using what we regard as our technology. If we have to resort to more extensive legal proceedings to enforce our IP rights, for instance in the U.S., the proceedings could be significantly more costly, and we may not be able to recover our expenses. We may be subject to claims by others regarding infringement of their proprietary technology. In addition to ongoing legal proceedings, as noted above under Intellectual Property, we may in the future be involved in additional proceedings, initiated either by us or in response to claims by third parties.

We provide retailers with reports and depictions of certain diamond qualities and parameters, including, but not limited to, light performance, the diamond's provenance, its 4Cs, Hearts and Arrows, etc. If a retailer's end customer, or another third party, even if we are not contractually bound to such end customer or third party, alleges that our report is incorrect, or it is improperly relied upon, and we are held responsible, we could be subject to monetary damages.

We are and may continue to be subject to product liability and/or other claims, if people are harmed or their stones or other properties damaged by the products we sell or the services we offer.

Disruptions, failures or breaches of our information technology and cloud computing infrastructure could have a negative impact on our operations and sales.

As part of our business plan, we are developing new product lines for new industry segments and new products in existing product lines, and are expanding our marketing and sales efforts in new and existing market segments and geographical areas. There is no assurance that such expansion plans will be commercially successful. If we fail to achieve a sufficient level of revenue, or if we fail to manage our costs effectively, we may not be able to recover our expenditures, and our future financial position and performance may be materially and adversely affected.

The location of the Company in Israel, and the concentration of its management, research and development and manufacturing activities there is a geopolitical risk factor.

Risk Management & Internal Control

The Audit Committee and Management have, through the years, analysed these and many more risk factors and have compiled a matrix of risks pertaining to the Group's business and performance, financial management, information technology (IT) and regulatory compliance issues, delineating the severity of their potential negative impairment to the Company and their probability of being realised. Thus, a comprehensive weighted prioritised risk factor list has been derived, which is being revisited in 2021.

The Audit Committee has periodically reviewed the Group's internal controls and their adequacy at addressing the aforementioned risks in general, and has engaged the services of the Internal Auditor for in-depth analyses of key issues on a routine basis. The primary areas that were so audited in FY2020, and the internal controls fine-tuned appropriately as per the findings of said audits, were again Galaxy® recurring revenue billing cycle and purchasing, in the latter part of the year. In previous years the areas audited were Sarine Technology Lab and

MANAGEMENT'S BUSINESS, OPERATION & FINANCIAL REVIEW

Galaxy® service centre procedures, process, security and billing, payment to vendors, payroll, work place safety, collection of receivables, IP protection, quality control, customer service, inventory management and purchasing, the sales cycle, payment security and information security in Israel, and the Surat building project, Sarine Technology Lab procedures, Galaxy® recurring revenue billing cycle, pre- and post-sale standard operating procedures, payment to vendors, collection of receivables, information security, spare parts inventory, customer credits, attendance and payroll and the implementation of the ERP system in India, as well as information control and integration between Sarin India and Sarine Israel. All the findings of said audits have been reviewed by the Board, with appropriate enhancements to the internal controls agreed upon with Management. In many instances (e.g., service centre operations, IT information security and integration, purchasing, inventory and attendance and payroll), repeat reviews have been executed to verify the necessary corrective actions' due implementation.

The Board of Directors of the Company with the concurrence of the Audit Committee is of the opinion that the current internal controls and risk management system are adequate and effective in addressing the financial, operational, compliance and IT risks, while noting that no system of internal control can provide absolute assurance against the occurrence of errors, cyber-attacks, fraud or other irregularities. A renewed assessment of these issues has been scheduled by the Audit Committee to be executed by the Internal Auditor in 2021. The results of this effort will be reviewed by the Audit Committee, and the necessary adjustments to the internal controls and risk management system will be presented to and adopted by the Board.

The Board of Directors has engaged KPMG to analyse issues pertaining to the sustainability of our business. The Group's most recent Sustainability Report pertaining to FY2019 was published on 25 May 2020. A further update and enhancement pertaining to FY2020 will be issued and posted by 31 May 2021, as required by the Listing Rules.

Financial Review

Cash Flow

As at 31 December 2020, cash, cash equivalents and short-term investments (bank deposits) ("Cash Balances") decreased to US\$ 27.6 million as compared to US\$ 29.5 million as of 31 December 2019. Despite our profitability in FY2020, the negative operating cash flow of US\$ 1.8 million and the resultant decrease in Cash Balances was primarily due to increased trade receivables of US\$ 22.8 million as at 31 December 2020 (US\$15.4 million as at December 31, 2019) driven by extended credit terms provided to certain customers and somewhat prolonged collection times associated with the Covid-19 pandemic, reduced trade payables and increased inventory levels associated with our continued procurement of parts and subsystems, based on expectations of renewed capital equipment sales in 2021. Cash balances also benefited from the receipt of US\$ 3.2 million in Covid-19 related Israel government sponsored bank loans (details in Note 30 of the financial statements), offset by the payment of a US\$ 1.0 million final FY2019 dividend in July 2020.

Cash Management and Liquidity

Throughout 2020 the Group maintained cash reserves higher than needed for the financing of ongoing operating activities. The policy dictated by the Board of Directors for the management of these cash surpluses is to invest them in low-risk short-term interest-bearing accounts and instruments with high liquidity, in our working currencies- primarily US Dollars, but also New Israeli Shekels and Indian Rupees. Financial instruments held are classified as current assets. When the cash and investment (short-term deposits) balances are analysed and compared to the annual cash requirements needed for the financing of the ongoing business activities of the Group, it is apparent that the Group has strong liquidity.

Accounting Policies

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards - IFRS. The preparation of financial statements, in conformity with the IFRS, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The financial statements are presented in United States Dollars, which is the Company's functional currency, rounded to the nearest thousand. The accounting policies set out in our yearly financial reports have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently to all Group entities.

For more detailed information on our accounting policies and related explanations, please refer to our Consolidated Financial Statements.

Shareholder Return

Sarine returned to profitability in FY2020, notwithstanding the extremely challenging global macroeconomic conditions. This was primarily due to the higher margin revenue mix and timely and very aggressive cost cutting measures, and also by taking avail of Israeli governmental support programmes. Having successfully weathered a very difficult year for all segments of the industry in FY2020, the Group earned US\$ 2.4 million (compared to a US\$ 1.4 million loss in FY2019), equivalent to basic profit per share of US cents 0.68 (US cents 0.39 loss per share in FY2019) and fully diluted earnings per share of US cents 0.68 (US cents 0.39 loss per share in FY2019).

For FY2020 the Group's dividend policy provided for the distribution of US cents 1.0 on a semi-annual basis as a dividend to its shareholders. In light of the Covid-19 pandemic being at its zenith in the second and third quarters of 2020, the Company paid no interim dividend in August 2020, and will pay (subject to approval at the Annual General Meeting on 27 April 2021) a final dividend of US cents 0.5 per share, an estimated US\$ 1.75 million for the year. This sum is in line with our net profit for the year.

As per the Board of Directors' decision of 28 February 2021, the dividend policy for 2021 will remain US cent 1.0 every six months (subject to market conditions and at the Board of Directors' discretion).

CORPORATE SOCIAL RESPONSIBILITY



SARIN INDIA FOOD STAPLES FOR DONATION TO FURLOUGHED WORKERS DURING COVID 19 PANDEMIC SHUTDOWN

Being a global leader in our field, Sarine is committed to excellence and leadership in research and development, in quality manufacturing, in sales ethics and in customer service and support. It is our sincerest belief that we can and do contribute to the entire industry value chain: the upstream producers, the midstream manufacturers and the downstream retail customers as well as to the consumer public, by conceiving and producing systems and services that optimise the value chain and inspire confidence in the quality and value of the polished diamonds produced and offered for sale.

As a responsible member of the modern business environment, we have adopted a Code of Ethics to guarantee that we create and maintain appropriate relationships with our business partners, customers and employees, based on all relevant legal statutes, mutual respect, fair play, transparency and sustainable long-term business practises.

Following are the key tenets of our Code of Ethics on which we base our everyday business execution:

- We treat our business partners, customers and employees with fairness and dignity.
- To the best of our ability, we create a safe and protective work

environment for our employees, and we offer our customers safe products, with which to similarly create a safe work environment for their employees.

- In order to ensure operator safety, our products and services undergo strict inspections, which are constantly revisited by our own engineers and by third-party experts. Operating instructions and/or training are provided, as applicable, with regard to the proper and safe use of our products and, where necessary, built-in safeguards are provided to prevent inadvertent unsafe operation.
- Wherever applicable, we ourselves employ, and we instruct our customers as to how to similarly take, all necessary measures for the safe and environmentally friendly use and disposal of even marginally hazardous materials, as per directions from appropriately authorised expert consultants.
- We believe our business does not impact the ecological balance of our environment and does not have any influence on the sustainability of the industry or the human/natural fabric in which we operate.
- Our human resources policies protect the rights and interests of the Group's employees, as dictated by all applicable laws in

CORPORATE SOCIAL RESPONSIBILITY



HYGIENIC MASKS PACKED AT HK HEADQUARTERS FOR SHIPPING TO CHINA AT OUTBREAK OF COVID-19 PANDEMIC

all the jurisdictions in which we have a permanent established presence. Moreover, we go beyond statutory requirements to ensure a beneficial employment environment for our employees. In India, for example, the Group's Indian subsidiary actively ensures that all its employees and their immediate families receive an annual expanded medical checkup, on the company's premises and at its expense, during working hours, with a view to promote their healthcare. Additionally, since the Covid-19 outbreak, the Group has taken every necessary measure and precaution to ensure the employees' health and welfare by enabling employees to work from home or by providing a safe and healthy working environment at the office, adhering to all applicable government mandates and guidelines, in all relevant jurisdictions.

- We maintain strict policies with regard to equality in the workplace, regardless of sex, age, religion, ethnicity, disability or other personal traits or beliefs, including the strict and swift treatment of any sexual harassment incidents, so as to provide a fair, safe and amicable workplace.
 - o We actively seek to employ individuals living with various disabilities in order to promote equal opportunity in the workplace.
 - o We strive to offer our employees engaging career paths, advancing them professionally with appropriate training.
 - o We maintain open communication lines between all our employees and the various levels of management, encouraging our employees to comment on, improve, and critique the Company's activities. We have put in place a formal whistleblower policy, encouraging employees and business partners to report on any illegal, improper or unfair practices they may encounter in their dealings with Sarine.
 - o We reward our employees for their contribution to the Group's success, either with cash bonuses, grants of stock options or otherwise.
 - o The Group organises multiple annual sports and leisure activities for the employees and their families, so as to enhance the team spirit of our employees and reward them for their performance.

The Group and its employees see great importance in giving back to the community. In recent years we have participated in local, and national and international programmes for the support of the disadvantaged and less privileged segments of our society.

On the international level, when Covid-19 initially hit China, the team at our Sarine Asia Pacific headquarters in Hong Kong coordinated the donation of thousands of protective masks and distributed them to our Chinese partners and customers.

In India, our most significant market, we have also adopted and implemented an active corporate social responsibility policy. In 2020 we continued our ongoing programme in Lalita Chokadi and Katargam localities in Surat, India's diamond manufacturing centre, where we have 'adopted' two government primary schools serving over 3,950 children. As part of our ongoing support, over the past year, Sarin India has paid the salaries of two teachers in the field of Information Technology (IT) and of two cleaning staff. In addition, during the Covid-19 lockdown, Sarin India supplied essential food packages to indigent workers in the diamond industry.

In Israel during 2020, the projects undertaken included:

- o Our continued cooperation with the Amal Sharonim High School, which consisted of lectures and workshops intended to promote active and proactive social involvement among the students.
- o Projects for the Mental Health Center in Safed (the "Clinic"), especially for the children's wards, have included over the years the creation of three extensive gardens and the renovation of two clinics. During 2020, we built five large outdoor tables and benches for the benefit of the children attending the Clinic's schooling programmes, in order to provide additional study areas allowing for better social distancing. Furthermore, one of our employees met with one of the children at the Clinic on a weekly basis teaching him light carpentry and furniture painting and restoration.



STUDY AND PICNIC TABLE DONATED TO THE CHILDREN'S CLINIC OF THE MENTAL HEALTH FACILITY IN SAFAED ISRAEL

GROUP STRUCTURE

The following chart accurately depicts the Group's structure at the time of this report.



1. Galatea Ltd. – The developer of proprietary technology for the automated detecting and mapping of internal inclusions and tension in rough diamonds (the Galaxy®, Galaxy® Ultra, Galaxy® XL, Solaris™, Meteor™ and Meteorite™ products).

2. Sarin Technologies India Private Ltd. – The provision of pre- and post-sales and technical support for our Group's products in India and Sri Lanka and such other territories as may be agreed by our Company and Sarin India from time to time. The operation of the service centres in India providing customers with inclusion and tension detection and mapping for rough diamonds, laser sawing/cutting services and the grading of the 4Cs and light performance as well as various methods of visualisation of polished diamonds.

3. Sarine Color Technologies Ltd. – The development, manufacture and marketing of instruments for assessing and grading the light performance and for various methods of visualisation of polished diamonds. The development of artificial intelligence algorithms for the grading of Clarity and Color of polished diamonds.

4. Sarine Polishing Technologies Ltd. – The operation of service centres in Israel providing customers with inclusion and tension detection and mapping for rough diamonds and 4Cs and light performance grading and various methods of visualisation of polished diamonds.

5. Sarin Hong Kong Ltd. – The provision of pre- and post-sales and technical support for our Group's products in the Asia Pacific region, including Australia, China, HK, Indonesia, Japan, Korea, Malaysia, Singapore, Taiwan and Thailand.

6. Sarine Holdings USA Ltd. – An Israeli holding company for the Group's North American subsidiaries.

7. Sarine North America Inc. – The Group's operating company for Sarine's North American operations.

8. Sarine IGT 10H Inc. – A real estate holding company for one of the three office units in the International Gem Tower.

9. Sarine IGT 10I Inc. – A real estate holding company for one of the three office units in the International Gem Tower.

10. Sarine IGT 10JKL Inc. – A real estate holding company for one of the three office units in the International Gem Tower.

11. IDEX Online SA. – A publisher of a leading trade magazine and an operator of a web portal for news, analyses and polished diamond price indexes, including a business-to-business (B2B) polished diamond trading e-commerce platform and a business-to-consumer (B2C) polished diamond web site.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Daniel Benjamin Glinert
Executive Director and Chairman of the Board

Avraham Eshed
Non-Executive Director

Uzi Levami
Non-Executive Director

Varda Shine
Lead Independent Director

Neta Zruya Hashai
Independent Director

Lim Yong Sheng
Independent Director

Sin Boon Ann
Independent Director

AUDIT COMMITTEE

Neta Zruya Hashai – Chairperson
Lim Yong Sheng
Varda Shine
Sin Boon Ann

NOMINATING COMMITTEE

Sin Boon Ann - Chairperson
Daniel Benjamin Glinert
Lim Yong Sheng
Varda Shine

REMUNERATION COMMITTEE

Varda Shine – Chairperson
Neta Zruya Hashai
Uzi Levami
Sin Boon Ann

REGISTERED OFFICE

Sarine Technologies Ltd.
4 Haharash Street
Hod Hasharon 4524075
Israel
Tel: +972-9-7903500
Fax: +972-9-7903501
www.sarine.com
Israel Registration Number: 51-133220-7

COMPANY SECRETARY

Amir Jacob Zolty (Adv.)

SHARE REGISTRAR

M&C Services Private Limited
112 Robinson Road #05-01,
The Corporate Office
Singapore 068902
Singapore

JOINT AUDITORS OF THE GROUP

Somekh Chaikin Certified Public Accountants (Isr.)
Member firm of KPMG International
KPMG Millennium Tower
17 Ha'arba'a Street
Tel Aviv 6473917 Israel
Partner-in-charge: Guy Anavi
(appointed with effect from 1 January, 2019)

Chaikin, Cohen, Rubin and Co.
Certified Public Accountants (Isr.)
Kiryat Atidim Building No. 4
Tel Aviv 6158002 Israel
Partner-in-charge: Dani Aviram
(appointed with effect from 1 January, 2017)

INTERNAL AUDITOR

Doron Cohen (CPA, CIA)
Fahn Kanne Control Management Ltd.
Subsidiary of Fahn Kanne and Co.
Certified Public Accountants (Isr.)
Member firm of Grant Thornton International
Hamag 32
Tel Aviv 6721118 Israel

PRINCIPAL BANKERS

Bank Leumi Le-Israel Ltd.
Dan Business Center
7 Menachem Begin Street
Ramat Gan 5268102
Israel

Bank Hapoalim Ltd.
Herzliya Business Center
15 Hamenofim Street
Herzliya 4672566
Israel



THE DIAMOND INDUSTRY, REIMAGINED™

Sarine Technologies Ltd. Israel
+972-9-7903500
info@sarine.com

Sarin Technologies India Ltd.
+91-226655555
info@sarinindia.com

Sarine North America Inc.
+1-646-7274286
info@sarineus.com

Sarin Hong Kong Limited
+852-3753-7590
info@sarinehk.com

www.sarine.com

EXTRAORDINARY/ SPECIAL GENERAL MEETING::VOLUNTARY

Issuer & Securities

Issuer/ Manager

SARINE TECHNOLOGIES LTD.

Security

SARINE TECHNOLOGIES LTD - IL0010927254 - U77

Announcement Details

Announcement Title

Extraordinary/ Special General Meeting

Date & Time of Broadcast

05-Apr-2021 17:55:36

Status

New

Announcement Reference

SG210405XMETPW6V

Submitted By (Co./ Ind. Name)

Amir J. Zolty

Designation

Company Secretary

Financial Year End

31/12/2020

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please see attached an Extraordinary General Meeting Notice as well as a Circular.

Event Dates

Meeting Date and Time

27/04/2021 16:00:00

Response Deadline Date

26/04/2021 16:00:00

Event Venue(s)

Place

Venue(s)	Venue details

Meeting Venue	The meeting will be held by way of electronic means only. See circular and EGM Notice and the Circular for further details.
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Attachments

[Sarine Circular 2021 Final.pdf](#)

[Sarine EGM Notice.pdf](#)

Total size =543K MB

ANNUAL GENERAL MEETING::VOLUNTARY**Issuer & Securities****Issuer/ Manager**

SARINE TECHNOLOGIES LTD.

Security

SARINE TECHNOLOGIES LTD - IL0010927254 - U77

Announcement Details**Announcement Title**

Annual General Meeting

Date & Time of Broadcast

05-Apr-2021 17:59:01

Status

New

Announcement Reference

SG210405MEETKFON

Submitted By (Co./ Ind. Name)

Amir J. Zolty

Designation

Company Secretary

Financial Year End

31/12/2020

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please see attached an AGM Notice.

Event Dates**Meeting Date and Time**

27/04/2021 15:00:00

Response Deadline Date

26/04/2021 15:00:00

Event Venue(s)**Place**

Venue(s)	Venue details

Meeting Venue

The meeting shall be held by electronic means only.

Attachments

[Sarine AGM Notice.pdf](#)

Total size =293K MB

REPL::ANNUAL REPORTS AND RELATED DOCUMENTS::**Issuer & Securities****Issuer/ Manager**

SARINE TECHNOLOGIES LTD.

Securities

SARINE TECHNOLOGIES LTD - IL0010927254 - U77

Stapled Security

No

Announcement Details**Announcement Title**

Annual Reports and Related Documents

Date & Time of Broadcast

08-Apr-2021 17:33:26

Status

Replacement

Report Type

Annual Report

Announcement Reference

SG210405OTHRBDXW

Submitted By (Co./ Ind. Name)

Amir J. Zolty

Designation

Company Secretary

Effective Date and Time of the event

05/04/2021 17:00:00

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please note that the proxy form which was included in the Company's annual report included few clerical errors. Shareholders are kindly advised to use the amended proxy form attached hereto.

Additional Details**Period Ended**

31/12/2020

Attachments[Sarine AR2020 - Final.pdf](#)[Sarine AR2020 - Amended Proxy Form 8Apr2021.pdf](#)

Total size =5987K MB

Related Announcements

Related Announcements

[13/04/2021 15:22:39](#)

[05/04/2021 17:39:37](#)

REPL::ANNUAL REPORTS AND RELATED DOCUMENTS::**Issuer & Securities****Issuer/ Manager**

SARINE TECHNOLOGIES LTD.

Securities

SARINE TECHNOLOGIES LTD - IL0010927254 - U77

Stapled Security

No

Announcement Details**Announcement Title**

Annual Reports and Related Documents

Date & Time of Broadcast

13-Apr-2021 15:22:39

Status

Replacement

Report Type

Annual Report

Announcement Reference

SG210405OTHRBDXW

Submitted By (Co./ Ind. Name)

Amir J. Zolty

Designation

Company Secretary

Effective Date and Time of the event

05/04/2021 17:00:00

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please note that, further to our announcement of 5 April 2021, and to the correction of a clerical mistake in the proxy form which was included in the Company's annual report, we discovered an additional clerical mistake (in page 52 of the Company's annual report for the year 2020, "consolidated statements of profit or loss and other comprehensive income", the headings mistakenly referred to the years 2019 and 2018, instead of 2020 and 2019).

We therefore attach herewith, in addition to the revised proxy form, a corrected version of the Company's annual report for the year 2020 (except as aforesaid, no other changes were made).

We apologize for any inconvenience caused.

Additional Details**Period Ended**

31/12/2020

Attachments

[Sarine AR2020 - Amended Proxy Form 8Apr2021.pdf](#)

[Sarine AR2020 - 13Apr2021.pdf](#)

Total size =5923K MB

Related Announcements

[Related Announcements](#)

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Sarine Technologies Ltd
(Incorporated in Israel)
(Israel Registration No. 51 1332207)

**RESPONSES TO THE QUERIES FROM SINGAPORE EXCHANGE
SECURITIES TRADING LIMITED ON ANNUAL REPORT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Sarine Technologies Ltd (the “Company”) wishes to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 16 April 2021, with reference to the Company’s annual report for the financial year ended 31 December 2020 (the “Annual Report”), as follows:

SGX's Query:

Provision 9.2 of the Code of corporate governance 2018 (the “Code”) states that, “The Board requires and discloses in the company’s annual report that it has received assurance from: (a) the CEO and the Chief Financial Officer (“CFO”) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.”

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code, the provision from which it has varied, explain the reason for variation and provide an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 9.2 of the Code with regard to the receipt of assurance from (a) the CEO and the Chief Financial Officer (“CFO”) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

Please disclose whether and how the recommendations of provision 9.2 have been complied with.

Company's response:

Such statement appears, verbatim, in page 42 of the Company’s Annual Report for the year 2020:

“The Board has received assurance from the Company's CEO and CFO:

1. that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finance; and
2. regarding the effectiveness of the company's risk management and internal control systems.”

Please note also the following statements:

Page 29:

The Board of Directors of the Company with the concurrence of the Audit Committee is of the opinion that the current internal controls and risk management system are adequate and effective in addressing the financial, operational, compliance and IT risks, while noting that no system of internal control can provide absolute assurance against the occurrence of errors, cyber-attacks, fraud or other irregularities.

Page 41:

indeed, the Audit Committee and Board are of the opinion, upon consultation with the Company's External Auditors and the Internal Auditor of the Company (who conducted a follow up review, based on previous findings) and based on ongoing discussions with the Management, that the Internal Control procedures of the Group are adequate.

Page 43:

The Audit Committee and Board are of the opinion, upon consultation with the Company's CEO, the Company's CFO, the Company's External Auditors and the Internal Auditor of the Company, that:

- (a) the Company's financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the Internal Control procedures and risk management of the Group are adequate.

Page 45:

The Directors are of the opinion, in concurrence with and based on Audit Committee review that the internal control procedures addressing financial, operational and compliance risks of the Group are adequate.

SGX's Query:

Provision 2.4 of the Code states that, "The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report."

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code, the provision from which it has varied, explain the reason for variation and provide an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 2.4 of the Code as you have not disclosed your board diversity policy and progress made towards implementing the board diversity policy, including objectives, and there were no explanations were provided for in your FY2020 annual report on how it is consistent with the intent of Principle 2 of the Code. Please state if

the Company has a formal board diversity policy and clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

Company's response:

We believe that such subject has been adequately discussed and disclosed in the Company's Annual Report for the year 2020. The Company discussed and disclosed the general criteria formed by the Company's Nominating Committee in January 2020, and the actual composition of the Board (as elected in June 2020, based on such criteria). The Company also noted, that as the current members of the Board were elected in 2020 for a three-year term, the Board composition and diversity matters shall be revisited later on – prior to the re-election/replacement of the current Board members.

See, for example, the following statement:

Page 38:

“The Nominating Committee of the Board, in its meeting of 5 January 2020, opined that the following general criteria should be applied to the Board of Directors composition:

- The Board should comprise 7 to 9 directors. The current structure (7 directors) is sufficient and effective. The Board may consider adding additional directors, on a case by case basis, giving proper weight to the potential contribution of the additional member/s vis-à-vis the effects on the effectiveness of the Board.
- The majority of the Board should be comprised of independent directors.
- The Board should be comprised of directors having appropriate expertise and experience in areas related to the operations of the Group. Specifically, if 7 directors, preferably three from the diamond industry, preferably from the various segments thereof (upstream production (mining), midstream polishing and wholesale trade, and downstream retail trade), preferably two with relevant technological background, at least one with accounting / financial review and reporting expertise and at least one with corporate governance expertise. If 9 directors, an additional one from the diamond industry and an additional one with relevant technological background.
- The Board should be gender diversified.

As noted below (under the discussion re Principle 4), according to the Articles, each director shall serve, unless the Annual General Meeting appointing him or her provides otherwise, until the third Annual General Meeting following the Annual General Meeting at which such director was appointed, or his or her earlier resignation or removal pursuant to the provisions of the Articles. The current directors were elected in 2020 and are expected to serve until 2023. Therefore, the Nominating Committee has resolved that succession and Board diversity matters shall be discussed in 2021-2022, prior to the retirement of the current members of the Board.

The Board draws from a broad spectrum of backgrounds, ages, genders, competencies and disciplines: from the diamond and gemstones industry (including “upstream”, “midstream” and “downstream” segments of the industry) the high-tech industry, the business community, legal practice and management. As noted above, the Company is also considering seeking additional directors who will enrich and diversify the Board.”

SGX's Query:

Provision 8.2 of the Code states that, “The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code, the provision from which it has varied, explain the reason for variation and provide an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.2 of the Code with regard to the disclosure of names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a substantial shareholder of the company and whose remuneration exceeded S\$100,000 during the year. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Company's response:

Please note that during 2020 the Company had no employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year.

SGX's Query:

Listing Rule 1207(19) states that the annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including a statement whether and how the issuer has complied with the following best practices on dealings in securities:—

- (a) A listed issuer should devise and adopt its own internal compliance code to provide guidance to its officers with regard to dealing by the listed issuer and its officer in its securities;
- (b) An officer should not deal in his company's securities on short-term considerations; and
- (c) A listed issuer and its officers should not deal in the listed issuer's securities during the period commencing two weeks before the announcement of the company financial

statements for each of the first three quarters of its financial year and one month before the announcement of the company's full year financial statements (if the issuer announces its quarterly financial statements, whether required by the Exchange or otherwise), or one month before the announcement of the company's half year and full year financial statements (if the issuer does not announce its quarterly financial statements).

Please disclose whether and how Listing Rule 1207(19) has been complied with.

Company's response:

The following statement was erroneously omitted from the Company's Annual Report. We hereby confirm as follows:

DEALINGS IN SECURITIES

The Company has complied with the following best practices on dealings in securities:

- (a) The Company has adopted its own internal compliance code to provide guidance to its officers with regard to dealing by the Company and its officers in its securities;
- (b) According to such code an officer of the Company should not deal in the Company's securities on short-term considerations; and
- (c) According to such code the Company and its officers and employees do not deal in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year financial statements.

By order of the Board

Amir Zolty

Company Secretary

Sarine Technologies Ltd

(Incorporated in Israel)

(Israel Registration No. 51 1332207)

RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS FOR ANNUAL GENERAL MEETING TO BE HELD ON 27 April 2021

The Board of Directors (the “Board”) of Sarine Technologies Ltd. (the “Company”) refers to the announcement dated 5 April 2021 on the Live Webcast of Annual General Meeting on 27 April 2021 (the “Announcement”). Further to the Announcement, the Board and Management have received questions from shareholders during the period between 5 April 2021 to 20 April 2021 (“Questions”). The Company and the Board wishes to provide its responses to those questions as set out in the Appendix A. The Company would like to thank all shareholders for questions submitted in advance.

BY ORDER OF THE BOARD

Daniel Benjamin Glinert, Chairman of the Board

22 April 2021

APPENDIX A

AGM QUESTIONS

I. TASE Dual Listing

- a. How is Sarine going to generate investors (both institutional and retail) interest in Sarine shares traded in TASE?

The Company intends to conduct an NDR (Nob-Deal Roadshow) in Israel commencing late-May. Such NDR will be based on publicly available data about the Company.

- b. How does Sarine provide the liquidity such that there is trading activities in TASE instead of it being just a "seldom traded" ticker? ***It is estimated that there will be liquidity in Israel due to interest already being expressed and the existence of indices into which we expect Sarine to be added, due to its field of activity (technology) and market cap. Also – as Sarine is an Israel-based company, it may be assumed that it will attract Israeli investors (institutional investors and otherwise).***

- c. The way I see it, only existing shareholders who are Israel based will want to transfer their shares to TASE and sell there. The vast majority of these are the founding shareholders and their associates.

The shares are not transferred to TASE at all. TASE trades are executed via Euroclear by CDP itself, so that traders in Tel-Aviv can buy shares from and sell shares to Singapore (or any other locality) based traders.

- d. Will the company be issuing new shares for this dual listing? **No**
e. What's the time line for the dual listing? **May 2021**
f. Singapore shareholders are unfamiliar with the TASE. For similar small cap stocks like Sarine, what are the general valuations like on the TSE vs Sarine valuation in SGX?

By Israeli standards Sarine is a medium-size company and is expected to be included in several leading indices. Valuation shall be set according to actual supply and demand. The share price may be affected due to increased exposure to investors. We do not expect substantial arbitrage between TASE and SGX. .

- g. Post Covid, will we still have AGMs held in Singapore after this dual listing for Singapore investors to interact with the board members.

Yes, as SGX will remain our primary listing venue.

II. Other

- a. Please allow me to go back to a few years ago. We know in 2017-2018, there was a major fraudulent scandal involving big diamond traders Gitanjali Gems and Firestar Diamond. Has Sarine now written off all its liabilities and cut all ties with the fraudulent entities in the case?

Sarine had no exposure to and no liabilities from these entities and therefore nothing to write off. Sarine has no current business with them.

SARINE TECHNOLOGIES LTD

(Israel Registration No. 51 1332207)

Disclosure In Compliance With Rule 704(29) - Grant of Employee Share Options

Sarine Technologies Ltd. (the "Company") hereby discloses in accordance with Rule 704(29) the details of the grant of employee share options as follows:

1.	Date of grant	27 April 2021
2.	Exercise price of options granted	S\$ 0.60
3.	Number of options granted	1,000,000
4.	Market price of its securities on the date of grant	S\$ 0.62
5.	Number of options granted to directors and controlling shareholders (and their associates), if any	300,000
6.	Validity period of the options	27 April 2021 – 26 April 2027

By Order of the Board

Sarine Technologies Ltd.

Submitted by Amir Jacob Zolty, Company Secretary, on 27.4.2021 to the SGX

Sarine Technologies Ltd.
(Israel Registration No.511332207)

RESOLUTIONS PASSED AT ANNUAL GENERAL MEETING

Pursuant to Clause 704(16) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of Sarine Technologies Ltd. (the “Company”) wishes to announce that the following resolutions put to the Annual General Meeting of the Company held on 27 April 2021 were duly passed:-

Resolution No. and Details	Total Number of Shares represented by voted for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1. Adoption of reports and accounts	135,233,827	135,233,827	100.00%	0	0.00%
2. Declaration of final dividend for the year ended 31 December 2020	135,233,827	135,233,827	100.00%	0	0.00%
3. Re-appointment of Somekh Chaikin Certified Public Accountants (Isr.), Member firm of KPMG International and Chaikin, Cohen, Rubin and Co., Certified Public Accountants (Isr.) as external auditors	135,233,827	135,233,827	100.00%	0	0.00%
4. Approval of the Company's 2021 Remuneration Policy					
i) All participating shareholders	135,233,827	135,233,827	100.00%	0	0.00%
ii) Independent participating shareholders	121,099,575	121,099,575	100.00%	0	0.00%

Resolution No. and Details		Total Number of Shares represented by voted for and against the relevant resolution	For		Against	
5. Approval of the remuneration package for the Executive Chairman, Mr. Daniel Benjamin Glinert						
	i) All participating shareholders	135,233,827	135,232,627	100.00%	1,200	0.00%
	ii) Independent participating shareholders	121,099,575	121,098,375	100.00%	1,200	0.00%
6. Approval of the remuneration package for the Chief Executive Officer, Mr. David Block						
	i) All participating shareholders	135,233,827	135,232,627	99.99%	1,200	0.00%
	ii) Independent participating shareholders	121,099,575	121,098,375	99.99%	1,200	0.00%
7. Approval of grant of 300,000 options to the Executive Chairman, Mr. Daniel Benjamin Glinert						
	i) All participating shareholders	132,531,278	132,530,078	100%	1,200	0.00%
	ii) Independent participating shareholders	121,099,575	121,098,375	100%	1,200	0.00%
8. Approval of grant of 700,000 options to the Chief Executive Officer, Mr. David Block						
	i) All participating shareholders	132,531,278	132,530,078	100.00%	1,200	0.00%
	ii) Independent	121,099,575	121,098,375	100.00%	1,200	0.00%

Resolution No. and Details		Total Number of Shares represented by voted for and against the relevant resolution	For		Against	
	participating shareholders					
9.1	Authority to issue shares	135,233,827	90,047,927	66.59%	45,185,900	33.41%
9.2	Authority to grant options pursuant to the Sarine Technologies Ltd 2015 Share Option and issue shares pursuant to the Sarine Technologies Ltd 2005 and 2015 Share Option Plans	132,531,278	131,530,078	100.00%	1,200	0.00%

TS TAY Public Accounting Corporation (Central Management Services Pte Ltd) was appointed as scrutineer for the purpose of the poll taken in the aforesaid Annual General Meeting.

Amir Jacob Zolty
Company Secretary
27 April 2021

Sarine Technologies Ltd.
(Israel Registration No.511332207)

RESOLUTIONS PASSED AT EXTRAORDINARY GENERAL GENERAL MEETING

Pursuant to Clause 704(16) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of Sarine Technologies Ltd. (the "Company") wishes to announce that the following resolutions put to the Extraordinary General Meeting of the Company held on 27 April 2021 were duly passed:-

Resolution No. and Details	Total Number of Shares represented by voted for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1. To approve the proposed renewal of the Share Buy-Back Mandate	62,223,707	62,223,707	100.00%	0	0.00%

1. The members of the "New Concert Party Group" (as such term is defined in the Company's circular of 5 April, 2021) abstained from voting on the above resolution. The holdings of such members are detailed in the aforesaid circular.
2. The trustee under the Company's Share Option Plan holds 7,886,827 shares of the Company on behalf of directors and employees of the Company.

TS TAY Public Accounting Corporation (Central Management Services Pte Ltd) was appointed as scrutineer for the purpose of the poll taken in the aforesaid Annual General Meeting.

Amir Jacob Zolty
Company Secretary
27 April 2021



27 April 2021

Taxation of the Dividend Payable on 14 May 2021

Further to the Company's announcement made on 28 February 2021, with respect to the contemplated payment of final dividend for the year 2020, we would like to elaborate about the new procedure which shall apply the deduction of taxes from such dividend payment subject to the new instructions issued by the Israeli tax authorities (the "**ITA Instructions**"):

1. The Company has appointed IBI Trust Management from Ehad Ha'am 9 Tel Aviv (Shalom Tower); e-mail address IBI-CM@IBI.co.il; phone number +972 506 209 410 (the "**Tax Trustee**"), in compliance with the ITA Instructions.
2. At the payment date of any dividend from now and on, the Company shall deduct at source from any payment made through the CDP 20% (twenty percent) of the gross amount of such dividend and shall transfer such amount to the Tax Trustee. The remaining amount of such dividend (80%) shall be transferred to the shareholders through the CDP.
3. Any shareholder of the Company who is a resident of a country which is a party to a treaty for the avoidance of double taxation with Israel (An "**Eligible State**") and who has an equitable right to receive such dividend from the Company (an "**Applicant**"), may apply to the Tax Trustee, within 30 days from the date of the dividend payment, and request that the tax rate which shall apply to such payment shall be lower than 20% (the "**Application**").
4. In order to establish such Application, the Applicant shall submit to the Tax Trustee the following documents:
 - a. A bank statement relating to the bank account to which such dividend was to be paid (the "**Designated Account**"), as of the Books Closure Date, specifying the name of the bank, the name of the branch of the bank, the account number, the name of the registered owner of such bank account and the number of the Company's shares held through such account.
 - b. A bank statement relating to the Designated Account, as of the date of payment of such dividend, specifying the name of the bank, the name of the branch of the bank, the account number, the name of the registered owner of such bank account and the amount of dividend which was actually paid to such account.
 - c. A copy of the Applicant's certificate of identity:
 - i. If the Applicant is an individual – a clear scanned copy of the Applicant's passport or formal national identity card issued by the respective Eligible State.
 - ii. If the Applicant is a corporate entity – a copy of the Applicant's certificate of incorporation, issued by the Eligible State.
 - d. A letter issued by the tax authorities of the Eligible State, confirming that the Applicant is a resident of such Eligible State.
 - e. The Applicant shall state in the form attached as **Appendix A** that:
 - i. he/she/it is not a resident of Israel.



- ii. he/she/it is the equitable owner of the dividend and any other fruits of the shares of the Company.
 - iii. he/she/it has not invested in the Company's shares through his/her/its permanent establishment in Israel.
- f. A shareholder who is a corporate entity shall attach its shareholders' register updated as of the Books Closure Date and shall attach a statement of at least 75% of its direct shareholders who are individuals and residents of the same Eligible State.
- 5. The Tax Trustee shall review all of the Applicant's documents, as well as any other document which may be required in order to establish the Applicant's eligibility to a reduced tax rate.
- 6. Upon the completion of the Tax Trustee's review, the Tax Trustee shall either transfer to the Designated Account any tax refund due to the Applicant under the applicable tax regime and/or pay the balance amount to the Israeli tax authorities. Such payments shall be made within 30 days from the original payment date of the dividend.



Appendix A

Sarine Technologies Ltd. Dividends Distribution

CLAIM FOR REDUCED RATE OF WITHHOLDING TAX IN ISRAEL ON DIVIDEND PAYMENTS TO A NON-ISRAELI TAX RESIDENT

You are receiving this "Declaration of Status for Israeli Income Tax Purposes" form as a holder of ordinary shares of no par value (the "**Shares**") of Sarine Technologies Ltd. Ltd., in connection with the payment of dividends to the shareholders of Sarine Technologies Ltd.

By completing this form in a manner that would substantiate your eligibility for a reduced rate of Israeli withholding tax with respect to this dividend distribution, you will allow Shrine Technologies Ltd. and its Israeli tax agent, to withhold tax in Israel from the dividend distribution made to you at a reduced tax rate.

This form should be completed and signed by the recipient of the dividend or by an authorized officer or representative of the recipient.

This claim is made pursuant to the Double Tax Convention between Israel and the country of residence of the recipient of the dividend.

PART A: RECIPIENT DECLARATION

RECIPIENT INFORMATION

Full name of the recipient:	For Individuals: Identity Number, Social Security No., or Passport No./ For Legal Entities: Registration No. /Corporation No.	Type of Investor: Legal Entity ☐ Individual ☐ Trust Beneficiary ☐
With respect to an individual		With respect to a legal entity
Date of birth:		The country in which it was incorporated: The country in which control and management are conducted:
Country of residence:		
Country of citizenship:		
Country issuing passport:		
Income Tax File number of recipient in place of residence: _____		



Address of local income tax assessing office in recipient's place of residence: _____	
The recipient is a fiscal resident of (insert country) _____ since (insert date)._____ .	
Permanent Address (country, city, street, house or apartment number):	
Mailing Address:	Investor's Telephone number:
	Telephone number of authorized signatory:

With regard to an Individual:

I declare that I am not an Israeli resident because (please mark all applicable boxes):

☐	1.	The State of Israel is not my permanent place of residence.
☐	2.	The State of Israel is neither my place of residence nor my family's place of residence.
☐	3.	My ordinary or permanent place of activity is not within the State of Israel, and I do not have a permanent establishment in the State of Israel.
☐	4.	I do not engage in any occupation within the State of Israel.
☐	5.	I do not own a business or part of a business within the State of Israel.
☐	6.	This year, I did not stay and I do not intend to stay in Israel for 183 days or more.
☐	7.	This year, I did not stay in Israel and I also do not intend to stay in Israel for 30 days or more and my total stay in Israel this year and in the two preceding years will not reach 425 days.
☐	8.	I am not insured with the National Insurance Institute in the State of Israel.
☐	9.	I am the sole beneficial owner of the dividend income.

With regard to a Legal Entity:

I declare that the Legal Entity is a non - Israeli resident because (please mark all applicable boxes):

☐	1.	Over 75% of the shareholders are individuals with the same residency as the Legal Entity (attached declaration of shareholders)
☐	2.	It is not registered /incorporated with the Registrar of Companies in Israel.
☐	3.	It is not registered with the Registrar of non profit organizations in Israel. (Amutot)
☐	4.	The control of the legal entity is not in Israel.
☐	5.	The management of the legal entity is not in Israel.
☐	6.	The legal entity does not have a permanent enterprise in Israel and the entity does not have



		a permanent establishment in the State of Israel
☐	7.	No Israeli resident holds, directly or indirectly via shares or through a trust or in any other manner, alone or with another who is an Israeli resident, one or more of the means of control of the legal entity, as specified below, at a rate exceeding 25%. The term "means of control" refers to the following: (a) the right to participate in profits; (b) the right to appoint a director; (c) the right to vote; (d) the right to share in the assets of the entity at the time of its liquidation; (e) the right to direct the manner of exercising one of the rights specified above.
☐	8.	The legal entity is the sole beneficial owner of the dividend income.

DETAILS OF INCOME RECEIVED

Place of receipt (country, city, bank account number, Amount)

Country	City	Bank name and account number	Amount

The recipient declares that all the information provided above is accurate and complete.

Date of Signature

Signature of Recipient



**PART B: CERTIFICATION OF FOREIGN INCOME TAX
AUTHORITY**

This part shall be completed and signed by the income tax authorities of the recipient's place of residence

1. I certify that:

- a. the recipient of the income is a fiscal resident of (insert country) _____;
- b. the recipient regularly reports his income as required, the most recent income tax return filed being for the year _____;
- c. the income concerned ☐ is/ ☐ is not subject to tax in (insert the recipient's country of residence)_____.

Date of
Signature

Signature

Official
Stamp

2.Address of certifying official:_____

3.Position or Title of certifying official: _____

4.Name of Income Tax Authority official making this certification: _____



PART C: DOCUMENTATION

With regard to an Individual - List all documents attached –:

1. Copy of passport or identity card issued by the country of tax residency of shareholder
2. Bank statement from the date of entitlement to the dividend including bank account details of the account holder, bank name and account number and the number of listed shares held by the shareholder.
3. Bank statement from the date of payment of the dividend, including bank account details of the account holder, bank account number and the amount of the dividend received.

With regard to a Legal Entity - List all documents attached:

1. Copy of Certificate of Incorporation issued by the country of tax residency of shareholder
2. List of shareholders of the Legal Entity and declarations regarding their state of residency for tax purposes.
3. Bank statement from the date of entitlement to the dividend including bank account details of the account holder, bank name and account number and the number of listed shares held by the shareholder.



OVER 30 YEARS OF INNOVATION

PRESS RELEASE

FOR IMMEDIATE RELEASE

Update on Covid-19 Outbreak in India

-Currently no material impact on Group's business activities

Hod Hasharon (Israel), 29 April 2021 - Singapore Exchange Mainboard listed Sarine Technologies Ltd ("**Sarine**" and along with its subsidiaries "**the Group**") (**U77:SI**), a worldwide leader in the development, manufacturing, marketing and sale of precision technology products and services for the evaluation, planning, processing, measurement, grading and trading of diamonds and gems, wishes to update its investing public on the ramifications of the current Covid-19 outbreak in India.

The latest outbreak of Covid-19 in India has not yet had any material effect on our business. Though Mumbai, the centre of the polished diamond trade in India, is currently under lockdown, the diamond trade and bourse have been exempted. As for Surat, where the diamond cutting and polishing operations are located, there have not yet been any new official directives pertaining to the diamond industry, beyond the nighttime curfew, which has been in force from before the current outbreak. The curfew has had little to no effect, as the manufacturers' night shifts typically start before the curfew and end afterwards. The only marginal impact on our business has been the very minor absence (around 5%) of workers who are either ill or in quarantine, having been exposed to sick or possibly sick persons. There is no impairment to our global operations due to these absent employees, beyond the effect on their local responsibilities, which are, essentially, support of our local Indian customers. During May there is a seasonal shutdown in India for the summer vacation, which typically lasts 2-3 weeks. Thus, we currently do not foresee any significant impact on our business going forward into May, as well. We note that if the current health situation is not alleviated,

the May summer break may be extended for the entire month's duration, or, possibly, beyond.

The current situation in India is very dynamic and, though we follow developments closely on a daily basis, we have little insight into how or what future developments will be. There is, however, an ongoing global response underway to assist the Indian authorities control the outbreak. We are strictly adhering to all health directives issued by the authorised Indian local, state and federal authorities. We are, of course, curtailing all travel by our staff to or from India and are utilising, to the utmost possible, online support measures implemented last year to support our customers, so as to minimise the exposure of our staff to possible contagion. We would like to emphasise that, contrary to last year, when the entire industry came to a virtual standstill due to global lockdowns and the cessation of retail activities essentially worldwide, the current crisis, from the diamond industry perspective, is limited to India, as the appetite for diamond jewellery remains strong in key consumer markets in the U.S. and the Asia-Pacific region (together roughly two thirds of total global demand).

About Sarine Technologies:

Established in 1988, Sarine Technologies Ltd. is a worldwide leader in the development and manufacturing of advanced modeling, analysis, evaluation, planning, processing, finishing, grading and trading systems for diamonds. Sarine products include the Galaxy® family of inclusion and tension mapping systems, rough diamond planning and optimisation technologies, laser cutting and shaping tools, laser-marking, inscription and finger-printing equipment, automated (AI-derived) Clarity, Color, Cut and light performance grading systems and traceability, visualisation and retailing services. Sarine systems have become standard tools in every modern manufacturing plant, properly equipped gemology lab and diamond appraisal business, and are essential aids for diamond polishers, dealers and retailers. For more information about Sarine and its products and services, visit <http://www.sarine.com>.

Contact:

APAC IR

Mr. Lee Teong Sang
Tel: +65-96339035
teongsang@cyrus.com.sg

North America IR

Ms. Miri Scharia-Segal
Tel: +1-917-607-8654
msegal@ms-ir.com

Sarine Technologies Ltd.

Ms. Romy Gakh-Baram
Tel: +972-9-7903500
romy.gakh-baram@sarine.com

Sarine Technologies Ltd
(Incorporated in Israel)
(Israel Registration No. 51 1332207)

**RESPONSES TO ADDITIONAL QUERIES FROM SINGAPORE EXCHANGE
SECURITIES TRADING LIMITED ON ANNUAL REPORT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Sarine Technologies Ltd (the “Company”) wishes to respond to the follow-up queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 28 April 2021, with reference to the Company’s annual report for the financial year ended 31 December 2020 (the “Annual Report”) and to the Company’s response (dated 20 April 2021) to the SGX-ST’s queries of 16 April 2021 (the “Announcement”), as follows:

SGX-ST’s Query:

Provision 9.2 of the Code of corporate governance 2018 (the “Code”) states that, “The Board requires and discloses in the company’s annual report that it has received assurance from: (a) the CEO and the Chief Financial Officer (“CFO”) that the financial records have been properly maintained and the financial statements give a true and fair view of the company’s operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company’s risk management and internal control systems.”

With regard to the Company’s response to query (a) as set out in the Announcement, please clarify as to whether the Board has received assurance from the Company’s CEO and other key management personnel who are responsible, regarding the adequacy of the company’s risk management and internal control systems.

Company’s response:

We hereby confirm that the Board has received assurance from the Company’s CEO and other key management personnel who are responsible, regarding the adequacy of the company’s risk management and internal control systems.

SGX ST’s Query:

With regard to the Company’s response to query (b) as set out in the Announcement, please state if the Company has a formal board diversity policy and disclose the progress made towards implementing the board diversity policy, including objectives.

Company’s response:

The Company views the recommendations of the Nominating Committee as of 5 January 2020 (as described in page 38 of the Annual Report) as its formal diversity policy. Such policy was implemented in the Board’s recommendations with regard to the election of the Board members in 2020 (eight candidates were submitted for the shareholders’ approval – 5 men and 3 women, 2 Singaporean candidates, 5 Israeli candidates and one UK candidate, of different age groups (2 below 50, 2 below 60 and

4 above 60) and with diverse professional and academic background – as specified in the Company annual report for the year ended on 31 December 2019 and in the Announcement). Indeed – the Board’s current structure reflects such diversity as well. As noted the Announcement, as the current members of the Board were elected in 2020 for a three-year term, the Nominating Committee and the Board have resolved that the Board composition and diversity matters (as such shall be addressed in the Company’s diversity policy) shall be revisited later on (in 2021-2022)– prior to the re-election/replacement of the current Board members.

By order of the Board

Amir Zolty

Company Secretary

30 April 2021

REPL::CASH DIVIDEND/ DISTRIBUTION::MANDATORY**Issuer & Securities****Issuer/ Manager**

SARINE TECHNOLOGIES LTD.

Security

SARINE TECHNOLOGIES LTD - IL0010927254 - U77

Announcement Details**Announcement Title**

Mandatory Cash Dividend/ Distribution

Date & Time of Broadcast

03-May-2021 21:15:13

Status

Replacement

Corporate Action Reference

SG210228DVCA1SIN

Submitted By (Co./ Ind. Name)

Amir J. Zolty

Designation

Company Secretary

Dividend/ Distribution Number

Not Applicable

Dividend/ Distribution Type

Final

Financial Year End

31/12/2020

Declared Dividend/ Distribution Rate (Per Share/ Unit)

USD 0.005

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please see attached an announcement with regard to the procedure of submitting a request for applying for a lower tax rate.

Event Dates**Record Date and Time**

04/05/2021 17:00:00

Ex Date

03/05/2021

Dividend Details

Payment Type

Payment Rate in Gross

Taxable

Yes

Tax Rate (%)

20

Gross Rate (Per Share)

SGD 0.006632

Net Rate (Per Share)

SGD 0.005305

Pay Date

14/05/2021

Currency Pair

USD/SGD

Issuer Declared Exchange Rate

1.3263

Gross Rate Status

Actual Rate

Country of Income

Israel

Attachments

[Announcement re Dividend Taxation 27 April 2021.pdf](#)

Total size = 178K MB

Related Announcements

Related Announcements

[28/04/2021 01:30:55](#)

[28/02/2021 23:40:28](#)

Applicable for REITs/ Business Trusts/ Stapled Securities



OVER 30 YEARS OF INNOVATION

FOR IMMEDIATE RELEASE

PRESS RELEASE

Sarine Technologies to Present at the 16th Annual Needham Virtual Technology & Media Conference

Hod Hasharon (Israel), 5 May 2021 – Singapore Exchange Mainboard listed Sarine Technologies Ltd (U77:SI), a worldwide leader in the development, manufacturing, marketing and sale of precision technology products for the evaluation, planning, processing, measurement and grading of diamonds and gems, is pleased to announce that David Block, the Group's Chief Executive Officer, will present virtually at the 16th Annual Needham Virtual Technology & Media Conference on Wednesday, May 19, 2021 at 8:00 am ET.

Mr. Block will be available for one-on-one investor meetings during the conference. To schedule a meeting, please contact your Needham salesperson or Miri Segal at msegal@ms-ir.com.

About 16th Annual Needham Virtual Technology & Media Conference:

The 16th Annual Needham Virtual Technology & Media Conference (NTMC) is scheduled for May 17-20, 2021 and will feature presentations from over 350 public and private company management teams, arranged in the following formats: 1-on-1 meetings, small group meetings, fireside chats, general presentations, and keynote addresses. Meetings will be scheduled for qualified institutional, private equity, and venture capital investors throughout the week, based on company availability and investor interest. For more information, please contact your Needham Sales Representative or contact conferences@needhamco.com.



THE DIAMOND INDUSTRY, REIMAGINED™

4 Haharash St., Neve Neeman
Hod Hasharon, Israel 4524075
Tel. +972-9-7903500
www.sarine.com

About Sarine Technologies:

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Contact:**APAC IR**

Cyrus Capital Consulting
Mr. Lee Teong Sang
Tel: +65-96339035
teongsang@cyrus.com.sg

North America IR

MS-IR LLC
Ms. Miri Segal
Tel: +1-917-607-8654
msegal@ms-ir.com

Sarine Technologies Ltd.

Marketing & Communications
Ms. Romy Gakh-Baram
Tel: +972-9-7903500
romy.gakh-baram@sarine.com



Sarine Technologies Ltd.

Corporate Presentation

May 2021



Disclaimer



This presentation may contain statements regarding the business of Sarine Technologies Ltd and its subsidiaries (the “Group”) that are of a forward looking nature and are therefore based on management’s assumptions about future developments. Such forward looking statements are typically identified by words such as ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, and ‘project’ and similar expressions as they relate to the Group. Forward looking statements involve certain risks and uncertainties as they relate to future events. Actual results may vary materially from those targeted, expected or projected due to numerous factors. The reader is cautioned to not unduly rely on these forward-looking statements. We do not undertake any duty to publish any update or revision of any forward looking statements.

Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, interest rate changes and regulatory developments. Such factors that may affect the Group’s future financial results are detailed in our listing prospectus / circulars, listed in this presentation, or in the management discussion and analysis section of the company’s result report and filing with the SGX. We will announce all material information about the Group on the SGXNET in accordance with the rules of the SGX-ST Listing Manual.

The information contained in this presentation has not been independently verified. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither Sarine Technologies nor any of its affiliates, advisers or representatives shall have any liability whatsoever for any loss arising, whether directly or indirectly, from any use or distribution of this presentation or its contents.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in Sarine Technologies.



Diamond Industry Value Chain



Our products increase profits at all stages of the diamond trade from purchase of rough stones to sale of polished diamonds

Value of Market Segments in USD (2019)



Our Technologies Span Entire Value Chain

Sarine Technologies, through its application of patented solutions (proprietary mechanics, electronics, optics, lasers and sophisticated software) is a global leader in the development of systems used throughout the entire diamond value chain, from mine to retail, from rough diamonds evaluation, planning and polishing to polished diamonds grading and trade.

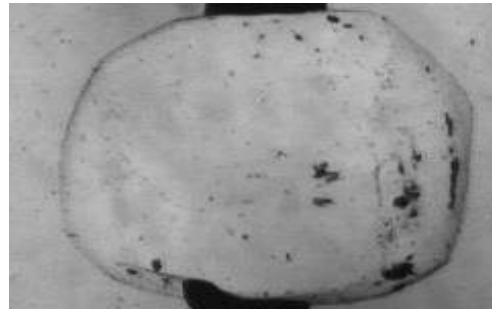
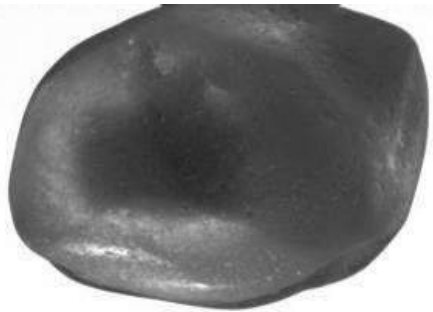


Our Revolution of Diamond Polishing



- ◆ Traditionally based on worker skill and experience: long training process and inconsistent results from different workers
- ◆ Low utilization of valuable material: ~35%
- ◆ Typically limited to simple solutions: single sawing plane with two polished stones
- ◆ Significant human error in execution of planned solutions

Traditional Diamond Planning

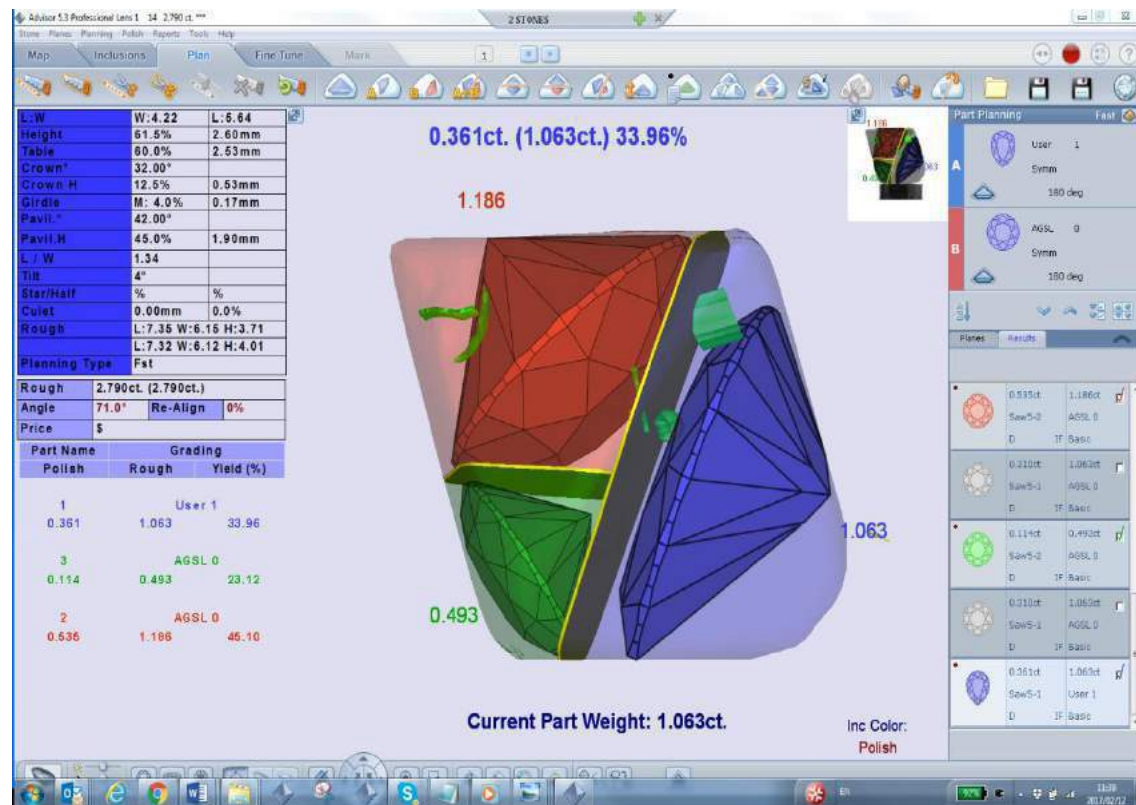


Revolution – Phase I



1999 - 2009

- ◆ Computerized planning eliminates most guesswork and risk and enables better utilization of rough diamond material
- ◆ Multiple polished diamonds from a single rough diamond (manually almost never more than two)
- ◆ From 2006 initial use of manually indicated inclusions (very rudimentary diamond Clarity solution)

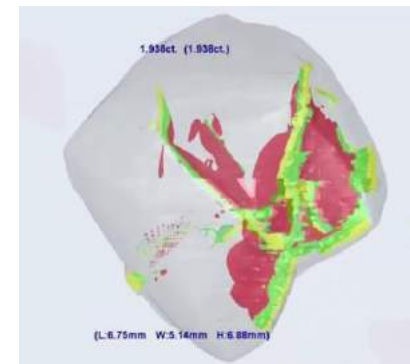


Phase II - Advisor® Meets Galaxy®

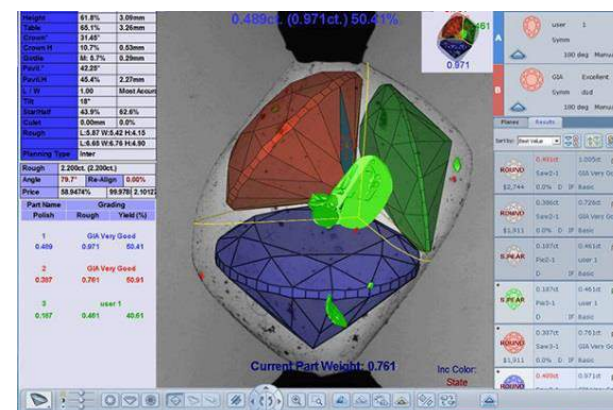


- ◆ Optimal planning is enabled by integrating with Galaxy® inclusion scanning as it enables planning including Clarity criteria for true best value.
- ◆ Advisor® is the most widely used rough planning software - **over 25,000 installations processed some 100 million stones in 2019.**
- ◆ Super fast analyses of single-point sizes to high accuracy multi-stone planning of large complicated diamonds up to 200 carats, based on real-time market trend data.
- ◆ **Optimal use of rough stone weight increased by more than 25% from 35-40% to over 50%.**
- ◆ Integration with inclusion mapping creates higher penetration barrier; also integrated with our best-in-class Quazer® laser cutting system.

Galaxy “CT” of Rough Internals

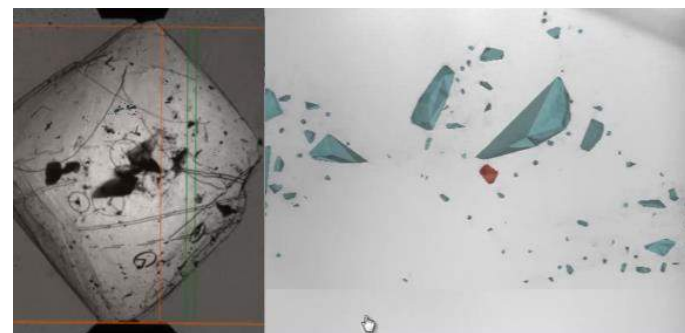


Multiple Diamonds Planning



Galaxy[®] Family

- ◆ Introduced in 2010 with Galaxy[®] 1000
- ◆ Subsequent Galaxy[®] models provide solutions for higher clarities (VVS), for extra large diamonds up to 200 carats and for optimal processing of small and very small sizes to achieve cost-effective operations
- ◆ ***Price Per Carat model with ~80% gross margin; recurring revenue drives today ~45% of Group top line!***
- ◆ Total installed base of 643 systems (as of end Q1 2021)
- ◆ No meaningful legitimate competition for Group's patented technology.
- ◆ ***Stone scanning run rate in Q1 2021 indicates annual increase in 2021 of >40% over 2019; 2020 scans were just over those of 2019 despite Covid-19 and ~30% fewer stones in pipeline.***



Trade & Retail Downstream Revolution



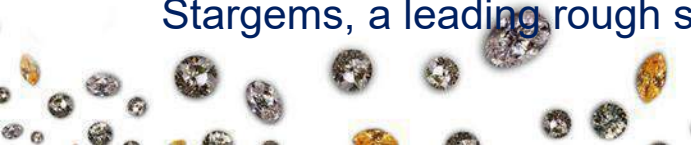
- ◆ What are the challenges?
 - ◆ B2B challenges – current manual Clarity and Color grading subjective, dictating necessity for actual visual inspection at sourcing and leading to significant rejection of delivered polished diamonds.
 - ◆ Consumer transparency – 4C's primarily define rarity; consumers want additional information pertaining to beauty and quality of workmanship as well as documentation of sustainable and socially responsible mining, sourcing and polishing of stones.
 - ◆ Today's consumer wants information presented in intuitive and engaging digital formats enabling support of social media for peer-to-peer communications.
 - ◆ Lab-grown diamonds creating entire new market of lower valued goods, dictating need for differentiation and requiring documentation of quality and sustainability at a completely different cost level.



Traceability with Diamond Journey™



- ◆ Provides captivating visualization of the entire history of the rough stone – from mine to polished gem. Actual real-time generated imagery tracks stone through key stages from modeling at mine through polishing, culminating in its final polished form; captivates consumer with insight into painstaking craftsmanship of creating his/her unique gem.
- ◆ Documents the responsible sourcing and manufacture of the diamond – key to concern of consumers and other industry players (governments, banks, insurers and social groups – e.g. Human Rights Watch) for tracing of diamonds' sources; ***not based on declaratory information but on actual data collected throughout the process.***
- ◆ Leverages our extensive presence in the midstream to implement ***solution with minimal overhead, disruption or cost to manufacturers*** based on existing installed base of Sarine's aforementioned industry-leading technologies.
- ◆ Supported by Alrosa, world's largest diamond producer by carats and Lucara, Canadian miner operating in Botswana renown for large stones; additional key miners running pilot tests.
- ◆ Leading polishers in India and Israel have adopted paradigm to be "Journey-ready" for retail demand; High-end sustainability-minded retailers among probable early adopters.
- ◆ As a benefit to miners, adding Galaxy® derived information to source scan enables digital e-tenders of rough stones. Adopted by Alrosa, Lucara and Grib, as well as Stargems, a leading rough secondary wholesaler in Dubai.



e-Grading™ Revolution: Clarity and Color by Artificial Intelligence Technology



- ◆ Groundbreaking Artificial Intelligence (AI) - based Clarity technology provides automated, objective Clarity grading – a first for the diamond industry. More consistent than manual process, refines Clarity grading and enhances polished diamond sorting by manufacturers and sourcing by retailers. Similarly, AI-based Color evaluation technology provides automated, objective and more precise Color grading.
- ◆ The integration of these new technologies with in-process control and verification software enables polished diamonds grading on site at suppliers, wholesalers and major retailers – e-Grading™. The shift from manual grading in diamond labs to automated technology-based grading on-site significantly reduces time (hours vs. weeks) and eliminates indirect costs (e.g. shipping and insurance). Also significantly reduces direct costs as lowers both quantity and skill levels of manpower required for grading. In initial beta-testing in India.
- ◆ Business model for e-grading will be industry-standard per-carat charge (optionally packaged with light performance grading and Sarine Diamond Journey™ traceability). Should significantly expand the Group's recurring income and improve margins.
Addresses over US\$500M annual market of diamond grading. A successful rollout of e-Grading should result in gross margins similar to Galaxy® margins - ~80%.
- ◆ Working with Tiffany & Co. and signed with NGTC* to adapt to each's respective criteria.

• (*) National Gemstone Testing Centre – China's largest gemmological laboratory



Lab-Grown Diamonds



- ◆ Growing market acceptance of lab-grown diamonds (LGD) with ~50% of US retailers expected to be offering LGD in 2021.
- ◆ Shutdown of key Argyle mine, historically major producer of low-quality smaller diamonds, to contribute to expansion of LGD demand.
- ◆ Lab-grown diamonds are thus poised for rapid growth creating a new expanded market *concurrently* with and beyond today's US\$ ~80 billion natural diamond jewellery market.
- ◆ Have demonstrated applicability of our manufacturing technologies to LGD and already generating revenues from this evolving market segment. Entered into technology-based processing-related service partnership.
- ◆ Due to prohibitive direct and indirect costs of third-party lab grading for LGD goods, e-Grading™ evolving as natural alternative. Also addresses 21st century technology factor – “diamonds produced by technology - graded by technology”.



Q1 2021 –Recovery Drives Business



- ◆ Revenues US\$ 17.3M; best first quarter since 2014.
- ◆ Gross margin unusually high at 76.9%, due to product mix including sale of inventory previously written-off.
- ◆ Operational expenses in R&D and G&A nearly back to pre-pandemic levels, but S&M still lagging 25% due to travel restrictions and trade-show cancellations. Operating margin over 40% with Profit from Operations of US\$ 7.3M.
- ◆ Preferential tax rates drive Net Profit to US\$ 6.7M.
- ◆ Cash and short term deposits back to US\$ 35.1M against which US\$ 3.3 M outstanding pandemic-related Israeli government-subsidized loans.
- ◆ Receivables increased modestly to US \$24.9 million, with most due receivables having been collected.



Going Forward



- ◆ Continued market domination of inclusion scanning and mapping, rough planning and related manufacturing products and services. 2021 will see launch of Advisor[®] 8.0 with enhanced features, widening technological gap with piracy.
- ◆ The Group remains confident in expanding its market penetration of the Galaxy[®] family of inclusion mapping systems to smaller and smaller stones, as evidenced by record setting 50 deliveries in Q1 of 2020, prior to pandemic, ongoing record setting usage and a significant backlog of orders delayed due to lingering pandemic-related logistical issues.
- ◆ Digital tenders due to Covid-19 obstacles opening doors for cooperation with key miners (Aloosa, Lucara, etc.) as well as with wholesale rough traders. Driving significant growth in Galaxy[®] per-stone revenues from high-end 10+ carat diamonds. Paradigm to remain after pandemic as it reduces costs, improves margins and enables nimbler moving of inventory. Key indirect benefit is enabling Sarine to establish critical anchors for traceability.
- ◆ Sarine Profile[™], Sarine Diamond Journey[™], light performance grading and AI-derived 4Cs e-Grading[™] address the wholesale and retail trade of polished diamonds – the segments of the diamond value chain with highest margins. ***Optimally, these combined offerings should capture double-digit share of US\$ 500M+ market with high ~80% gross margins.*** Currently still only less than 3% of revenues.
- ◆ Our manufacturing-related, grading and retail/branding technologies are all applicable to LGD. Already generating revenues. Being evaluated and adopted by key players in midstream and downstream segments of LGD pipeline.





OVER 30 YEARS OF INNOVATION

PRESS RELEASE

FOR IMMEDIATE RELEASE

Recovery in Last Quarter of 2020 Continued into 2021

**US\$ 17.3M Revenues and High Gross Margin of 76.9%
Generated Net Profit of US\$ 6.7M**

Hod Hasharon (Israel), 09 May 2021 - Singapore Exchange Mainboard listed Sarine Technologies Ltd (“**Sarine**” and along with its subsidiaries “**the Group**”) (**U77:SI**), a worldwide leader in the development, manufacturing, marketing and sale of precision technology products and services for the evaluation, planning, processing, measurement, grading and trading of diamonds and gems, wishes to update its investing public on business conditions during the initial months of 2021.

As previously reported, the global diamond industry started on a path of recovery in the second half of 2020 driven by the reopening of diamond jewellery retail activities. The recovery culminated in a stronger than expected end-of-year holiday season in the crucial U.S. market, as well as a strong Chinese New Year season in early 2021 throughout most of the Asia-Pacific market. On the backdrop of reduced inventories stemming from the curtailed and diminished polishing capacities during the Covid-19 pandemic lockdowns and restrictions in India for most of the first half of 2020, the renewed demand propelled a strong resumption of diamond manufacturing activities. This trend continued in the first quarter of 2021. Appropriately, DeBeers' initial four sights in 2021 included its strongest selling cycle in three years in January, totaling US\$ 650 million, followed by a higher than average sight of US\$ 550 million in February, US\$ 440 million in March and an estimated US\$350-400 the first week of May. May's selling cycle numbers have not yet been formally released, but DeBeers commented that demand was stronger (by some estimates by as much as 20%) than the offered supply, which was limited due to only half as many carats having been mined as sold in the first quarter of 2021, production having been hampered by operational issues at various sites.

This strong resurgence in manufacturing activities has driven the utilisation of our inclusion mapping systems to averages approaching 95,000 stones daily, 40% higher than 2019 volumes. However, logistical issues stemming from the still lingering Coronavirus pandemic restricted our deliveries of Galaxy®-family systems in the first quarter to only 12 systems. The breakdown by model was 3 Galaxy® Ultras, 2 Galaxy® models, 2 Solarises™ and 4 Meteors™, the latter six sold under the one-off business model with no follow-on per-use revenues, and a single Meteorite™. As of 31 March 2021, our installed base was 643 Galaxy®-family systems. We are continuing aggressive sales



programmes of our systems for smaller stones, the Solaris™, Meteor™ and Meteorite™ models, and currently have numerous customers interested in taking avail of the offered terms. However, it should be noted that the current pandemic conditions in India have created immediate-term uncertainties.

On the backdrop of these overall positive business conditions, the Group realised revenues of US\$17.3 million in the first quarter of 2021, its best first quarter since 2014. Due to the product mix including the sale of inventory previously written-off, as well as a relatively high number of high-end and one-off Galaxy® systems, our gross margin was unusually high – 76.9%. Our Research and Development and General and Administrative activities are nearly back to pre-pandemic levels, but we are still spending some 25% less than previously on Sales and Marketing, as pandemic-related restrictions still hamper travel, trade shows have not yet re-commenced and we are still ramping up our Marcom activities. With still lower than fully operational activities and commensurately lower expenditures, our Operational Profit was US\$ 7.3 million, and, with beneficial tax rates, our Net Profit was US\$ 6.7 million. Cash and short-term deposits tallied some US\$ 35.1 million at quarter's end, against which the Group has pandemic-related Israeli-government-subsidised bank loans of US\$ 3.3 million. Receivables increased modestly to US \$24.9 million, with most due receivables having been collected.

We are continuing to gain recognition across all industry segments for our Sarine Diamond Journey™ provenance and traceability solution. We are working both with additional producers and several leading global luxury brands (as well as with additional APAC retailers) on pilot runs, which should, upon successful completion, lead to commercial fruition. Hopefully, as the year unfolds we will be able to announce significant developments. Both the story-telling and the sustainability/responsibility aspects of the Journey concept are driving its adoption, with miners, wholesalers and retailers captivated by differing aspects of the offering.

Our on-site E-Grading™ is currently in beta-testing with two leading Indian manufacturers, and we are on track for its introduction to the market later in 2021, with contribution to our top-line revenues expected to commence in 2022. The Japanese television retailer QVC has adopted our AI-based grading paradigm, and the Antwerp-based HB initiative has integrated these technologies into their innovative mine-to-retail supply ecosystem, as recently announced. Pilot tests are being initiated with additional leading global brands, often in conjunction with their evaluation of our Sarine Diamond Journey™, as the two offerings are mutually complementary.

In the sub-market of Lab-grown diamonds (LGD) we are also gaining traction with our various technologies. We are entering a partnership integrating our various technological solutions into a manufacturing facility that will, on a contract basis, process LGDs from rough to finished gems. Our e-Grading solution will, optionally, be an added-value offering. These initiatives, although not yet expected to significantly generate income this year, give us exposure to and an entry into the expanding LGD market.



As noted in our announcement of 29 April 2021, we are closely monitoring the ongoing outbreak of Covid-19 in India and the challenging conditions arising from it. Currently, the midstream manufacturing segment of the diamond industry value chain centred in Surat, India, is continuing to operate, for the most part, normally, as a result of strong global demand for polished diamonds. Polishing has declined somewhat due to absences of ill or quarantined workers, more so for the producers of smaller stones, whose facilities are less conducive to the required social distancing. The situation is very dynamic and the Indian epidemic is definitely creating uncertainties, which may affect the value chain over the next 2-3 months. Sarine is, of course, standing by its employees and extending essential support to them and their families during these challenging times.

About Sarine Technologies:

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Contact:

APAC IR

Mr. Lee Teong Sang
Tel: +65-96339035
teongsang@cyrus.com.sg

North America IR

Ms. Miri Scharia-Segal
Tel: +1-917-607-8654
msegal@ms-ir.com

Sarine Technologies Ltd.

Ms. Romy Gakh-Baram
Tel: +972-9-7903500
romy.gakh-baram@sarine.com



OVER 30 YEARS OF INNOVATION

FOR IMMEDIATE RELEASE

PRESS RELEASE

HB Antwerp and Sarine Enter into a Unique Partnership for Technology Solutions

Sarine integrates multiple technologies into HB's innovative ecosystem

Hod Hasharon, (Israel), 6 May 2021 – Singapore Exchange Mainboard-listed Sarine Technologies Ltd ("**Sarine**" or "**the Company**" and together with its subsidiaries "**the Group**") (U77:SI), a worldwide leader in the development, manufacture and sale of precision technology products for the evaluation, planning, processing, grading and trading of diamonds and gems, is pleased to announce that it has joined with HB Antwerp as a technology partner.

HB is a company based in Antwerp focused on technology driven sourcing, analysing, cutting and polishing of diamonds. HB is applying an innovative methodology designed to simplify the complexities and challenges of the global diamond supply chain and enhance transparency. HB Antwerp authenticates each stage of its value chain, made in Antwerp, using its own unique block chain and traceability proprietary technologies combined with Sarine's traceability solution. This allows HB to offers luxury brands and private consumers a customised product.

Under this new partnership with HB Antwerp, Sarine will also be providing its industry-leading Galaxy® scanning, planning and AI-grading technologies, which will be fully integrated with HB's proprietary technologies throughout the process, from rough sourcing to the final polished result.

The partnership aims to demonstrate that transparency and open collaboration can benefit all the stakeholders throughout the value-chain. In addition, the two companies have also agreed to explore co-development of new technologies based on their R&D centers in Israel and Belgium.

HB Antwerp will remunerate Sarine based on a percentage of the value of the produced polished diamonds.

Mr. Rafael Papismedov, HB Antwerp's Strategy Director, commented, "HB Antwerp and Sarine have a solid foundation for cooperation, given Sarine's advanced technology and solutions, which synergize with HB Antwerp's unique capabilities and vision for streamlining the value-chain and

providing the end consumers with the quality products they desire, along with the transparency and confidence they now demand. We welcome Sarine into our ecosystem and are looking forward to leverage on our combined capabilities".

David Block, Sarine Group CEO, remarked, "HB Antwerp's ecosystem is a significant step towards the much-needed optimisation of the diamond industry value chain. This new paradigm combining producers, manufacturers and retailers underpinned by the latest technologies has the potential to revolutionise our industry. We are proud to be a partner in this new paradigm and are very excited about the potential of this new and innovative ecosystem."

About HB Antwerp:

HB Antwerp is a technology company focused on diamonds. HB Antwerp turns the diamond supply chain upside down starting with the customer. Using technology, HB Antwerp brings simplicity and transparency to a typically complex supply chain. Everything happens in a closed loop called Signum in Antwerp, backed with the latest technologies and tracked with blockchain, making it 100% transparent from diamond mine to market, whilst also significantly reducing the carbon footprint. For more information about HB visit <https://hbantwerp.com> and <https://www.diamonds.net/news/NewsItem.aspx?ArticleID=65526>

About Sarine Technologies:

Established in 1988, Sarine Technologies Ltd. is a worldwide leader in the development and manufacturing of advanced modeling, analysis, evaluation, planning, processing, finishing, grading and trading systems for diamonds. Sarine products include the Galaxy® family of inclusion and tension mapping systems, rough diamond planning and optimisation technologies, laser cutting and shaping tools, laser-marking, inscription and finger-printing equipment, automated (AI-derived) Clarity, Color, Cut and light performance grading systems and traceability, visualisation and retailing services. Sarine systems have become standard tools in every modern manufacturing plant, properly equipped gemology lab and diamond appraisal business, and are essential aids for diamond polishers, dealers and retailers. For more information about Sarine and its products and services, visit <http://www.sarine.com>.

Contact:

APAC IR

Cyrus Capital Consulting
Mr. Lee Teong Sang
Tel: +65-96339035
teongsang@cyrus.com.sg

North America IR

MS-IR LLC
Ms. Miri Scharia-Segal
Tel: +1-917-607-8654
msegal@ms-ir.com

Sarine Technologies Ltd.

Marketing & Communications
Ms. Romy Gakh-Baram
Tel: +972-9-7903500
romy.gakh-baram@sarine.com

SARINE TECHNOLOGIES LTD

(Israel Registration No. 51 1332207)

Disclosure In Compliance With Rule 704(29) - Grant of Employee Share Options

Sarine Technologies Ltd. (the "Company") hereby discloses in accordance with Rule 704(29) the details of the grant of employee share options as follows:

1.	Date of grant	9 May 2021
2.	Exercise price of options granted	S\$ 0.577
3.	Number of options granted	890,000
4.	Market price of its securities on the date of grant	S\$ 0.575
5.	Number of options granted to directors and controlling shareholders (and their associates), if any	---
6.	Validity period of the options	9 May 2021 – 8 May 2027

By Order of the Board

Sarine Technologies Ltd.

Submitted by Amir Jacob Zolty, Company Secretary, on 9.5.2021 to the SGX



SARINE TECHNOLOGIES LTD.

Sustainability Report

2020

Note: Welcome to our 2020 Corporate Sustainability Report. As our objective is to provide readers with pertinent information in a concise non-tedious manner, we have referenced, where applicable, specific information already publicly available in Sarine's Annual Report and on its website.

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BOARD OF DIRECTORS STATEMENT

On behalf of the Board of Directors, it is my pleasure to present our fourth Sustainability Report for Sarine Technologies Ltd. ("Sarine" or the "Company" and along with its subsidiaries the "Group"), for the year ended 31 December 2020.

This report sets forth our perceptions relating to sustainability issues and their integration into our activities and efforts that we, as a company, make for continuous improvement of our impact on customers, employees and the community around us. We encourage all stakeholders to share their ideas and concerns with us regarding these issues and hope to continue our efforts over time to further enhance sustainability in our business.

Daniel Benjamin Glinert
Executive Chairman of the Board

ABOUT THIS REPORT

This is our Group's fourth year of issuing a sustainability report. This report is in compliance with the requirements of the SGX Listing Rules 711A and 711B and in accordance with the GRI Standards: Core Option.

In defining the scope of the data disclosed in this report, we focused on the sustainability and performance of entities and assets over which we have financial and operational control. All data contained in this report, unless specifically stated otherwise, refers to the Sarine Group, including operations at sites in Israel, India, Hong-Kong and North America, and does not apply to any independent service or sales representative locations or activities outside the Sarine Group.

This report reflects Sarine's performance for the period from 1 January to 31 December 2020, and the data is updated as of its reference date – 31 December 2020 (note: as for financial information included in this report, the information is as published in Sarine's Annual Report for 2020).

Relevant targets and goals of the Company are addressed below including the status of their respective achievements.

The material issues covered in this report are the result of analyses summarised in the final matrix presented herein. The relative effect of each material issue set forth therein is subject to its significance to the Company's various internal and external stakeholders.

We welcome all feedback to help us improve our sustainability practices.

Please send your comments or feedback by e-mail to sustainability@sarine.com

ABOUT SARINE

Sarine is a world leader in the development and manufacturing of advanced modelling, analysis, evaluation, planning, processing, finishing, grading and trading systems for diamonds. Sarine products include the Galaxy® family of inclusion and tension mapping systems, rough diamond planning and optimisation technologies, laser cutting and shaping tools, laser-marking, inscription and finger-printing equipment, automated (AI-derived) Clarity, Color, Cut and light performance grading systems and traceability, visualisation and retailing services. Sarine systems have become standard tools in every modern manufacturing plant, properly equipped gemology lab and diamond appraisal business, and are essential aids for diamonds polishers, dealers and retailers.

SARINE'S RESPONSE TO THE COVID-19 CRISIS

In March 2020 the World Health Organization declared the Coronavirus outbreak (Covid-19) as a global pandemic. Since then, the virus has continued to spread across the world at varying rates, introducing significant business and economic uncertainty and instability to global markets.

At the beginning of the year, the world was forced into preventative lockdowns. This resulted in a standstill of the diamond industry in general and in India in particular, which is the global hub for rough to polished diamond manufacturing. This ultimately affected the Group, since business with India generates approximately 70% of our revenues.

The Group has taken the Covid-19 crisis seriously and has endeavored to actively support our employees, customers and suppliers to better weather the pandemic. We have adhered to applicable government mandates and guidelines in relevant jurisdictions, including the suspension of operations at our facilities. We also enabled our employees to work from home or provided them a safe and healthy working environment at our facilities. Throughout the year, our routines changed and underwent the necessary adjustments to better manage the complex situation.

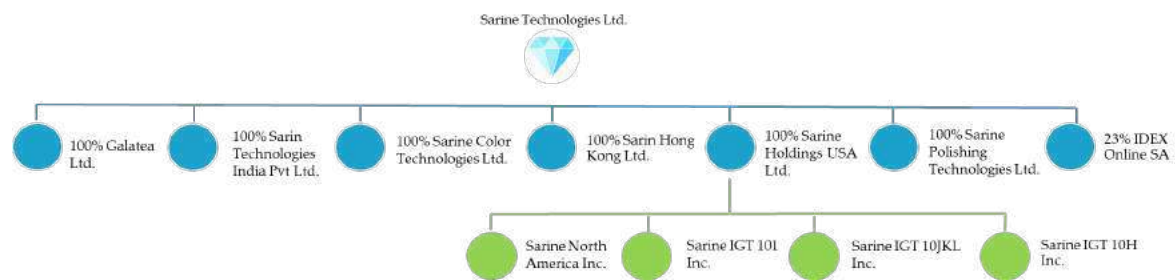
Sarine updates its products and its services on an ongoing basis. During 2020 we adapted part of our solutions and services in order to provide our customers ongoing and continuous support worldwide regardless of travel restrictions and social distancing requirements. This included, among others: (i) the offering of improved remote maintenance capabilities; and (ii) improvements to our Galaxy services in order to accommodate Alrosa's and others' expanding utilisation of digital tenders. The capability to sell diamonds via digital tenders based on our technologies has enabled our customers to reach more buyers and continue trading rough diamonds during these difficult times.

As we look back on 2020, Sarine remained committed to achieving its long-term product development and innovation objectives and was able to successfully navigate the Covid-19 crisis, with minimal impact on our research and development activities. The Group did not suspend its research and development activities during this time and remained committed to achieving its long-term objectives.

Additional information on Sarine's actions and activities during the Covid-19 crisis are discussed throughout this report.

GROUP STRUCTURE

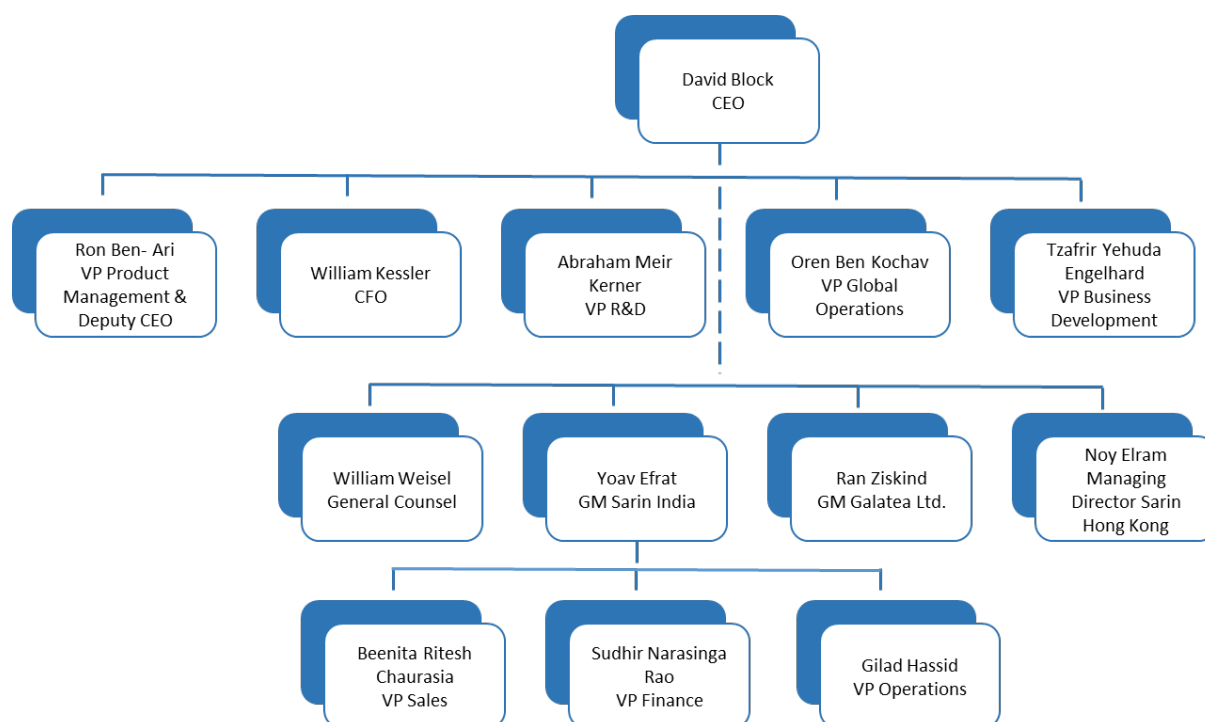
Headquartered in Hod Hasharon Israel, below is Sarine's structure as of December 31, 2020:



For further details regarding the Sarine Group's entities and operations, we invite readers to refer to our 2020 Annual Report "Group Structure" section.

KEY MANAGEMENT

Below is a diagram of Sarine Group's key management as of December 31, 2020.



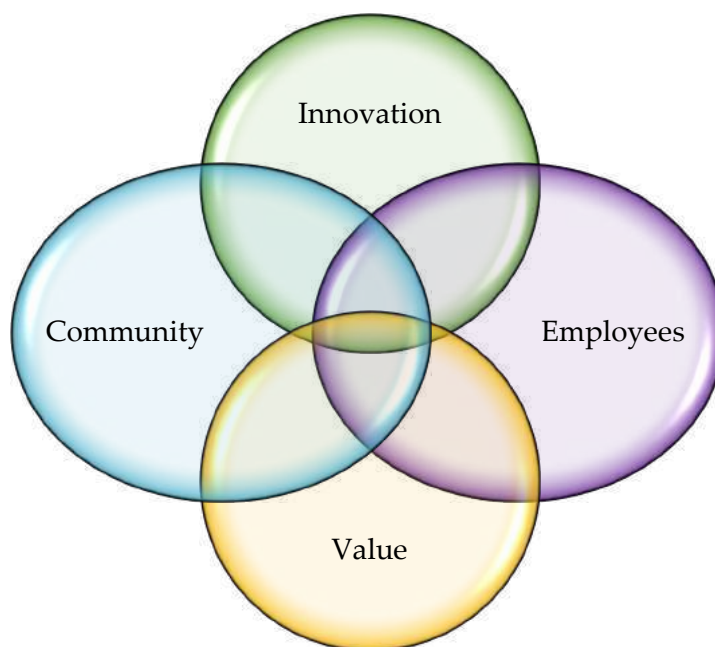
Further information about key management and remuneration is detailed in the "Key Management" and "Corporate Governance" sections of the 2020 Annual Report.

**As at 31 December 2020, the percentage of senior management hired from the relevant local communities is as follows: 100% in Israel and 50% in India.*

*** Mr. Yoav Efrat's contractual employment as Sarin India's Managing Director ended year-end 2020. Mr. Ben Finkelstein will assume Mr. Efrat's responsibilities in 2021 upon receipt of the necessary authorisations from the appropriate authorities in India.*

OUR VISION

Sarine's sustainability efforts are aligned with our Company's vision and strive to nurture success through long-term sustainable growth.



- 1. Innovation** — Most diamonds over 0.1 carat in weight are touched by our innovative technologies at different stages of their processing. Sarine sees its mission as participating in setting the industry standards, optimising the utilisation of rough diamond material, enhancing the beauty and value of polished diamonds and providing confidence building 21st century solutions for polished diamond grading and their trade, to benefit our customers and the public. We are committed to leadership through an ongoing passion for innovation and excellence.
- 2. Employees** — We view our employees as the major factor enabling our success. We strive to nurture our employees and provide them with a supportive working environment that will motivate them to excel individually and as a team. Our employees share, through various bonus and options schemes, in the Company's success.
- 3. Value** — We endeavour to generate and maintain long term revenue and profit growth to increase the Group's value.
- 4. Community** — We are involved in and contribute to the communities in which we operate.

These four key values are the basis of our sustainability efforts as is discussed throughout this report. Sarine's vision served as the basis for our Materiality Analysis as described in the next chapter.

MATERIALITY ANALYSIS

Sarine conducted a systematic assessment of sustainability issues that are material to our business, its operations and stakeholders, and issues we consider relevant to our communities, the economy and the environment. We have taken into account issues that we believe are most relevant, such as:

- sustainability practices and processes throughout our organisation;
- regulatory requirements;
- sector comparables;
- our industry partnerships; and
- the diamond industry in general.

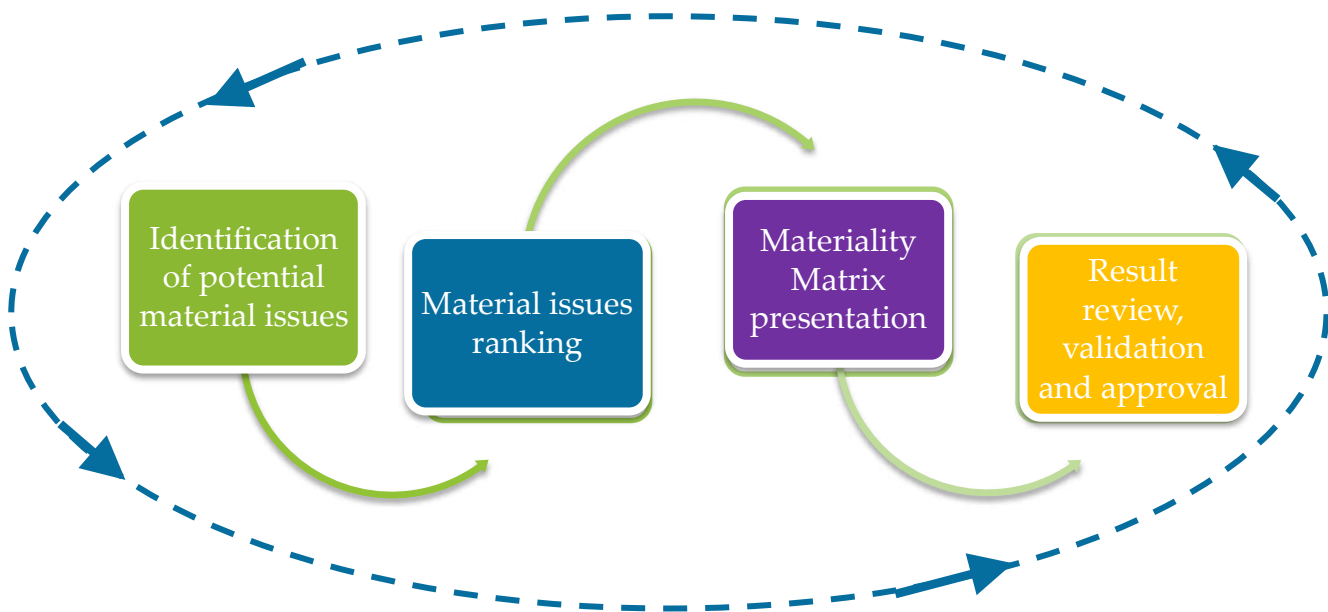
The outcome of this assessment enabled us to define the report's content in alignment with the GRI Sustainability Reporting Standards (GRI-SRS). As we further develop our dialogue with our stakeholders in the coming years, Sarine will conduct an annual review to reassess and revalidate these issues for materiality.

No material issues (as identified on page 12) previously reported upon in Sarine's 2019 sustainability report were found to require changes for this year's report. Nevertheless, this year we faced numerous changes to the work environment due to the outbreak of Covid-19, and accordingly we found some material issues receiving more attention during the year, as detailed in this report.

THE PROCESS

As detailed at length in our first sustainability report, our materiality analysis was conducted by management using a methodological four-step process. Each step was conducted in accordance with the uniqueness of Sarine's business and its environment. Further review, evaluation and approval were executed in consultation with our Board of Directors (the "Board").

Below is a presentation of the four steps we conducted:



For further information regarding our four-step materiality analysis, please see our 2017 Sustainability Report pages 12-13.

The results of the materiality analysis are used as a basis for current and future activities and procedures that are put in place. We will continue to evaluate our material issues while taking into consideration global developments.

MATERIAL ISSUES

The material issues identified in this matrix form the basis of the Company's sustainability activities and targets and this report.



	Material Issues	GRI Standard Topic	Pages
1	Cyber and Data Security	Customer Privacy	26-27
2	Product and Process Innovation	Customer Health and Safety Marketing and Labelling	38-39
3	Intellectual Property	Governance, Ethics and Integrity	25-26
4	Customer Trust and Reputation	Customer Health and Safety Marketing and Labelling Customer Privacy	37-42
5	External Market Impact on The Company	Economic Performance Market Presence	28-29
6	Business Ethics and Governance	Anti-Corruption Anti-Competitive Behaviour	20-25
7	Economic Performance	Economic Performance	16-17, 28-29
8	Product Quality Management	Customer Health and Safety	37-41
9	Recruitment and Retention of Skilled Employees	Employment Market Presence Economic Performance	29-33
10	New Business Development, Challenges and Opportunities	Indirect Economic Impacts Economic Performance	28-29, 37-39
11	Lifecycle Impacts of Products and Services	Customer Health and Safety Marketing and Labelling	39-40
12	Risk Management	Governance	20-23
13	External Economic Impact from Company Activities	Indirect Economic Impacts	28-29, 38-39
14	Employees Compensation and Benefits	Employment Market Presence	32-36
15	Customer Health and Safety	Customer Health and Safety Marketing and Labelling	40-41

In addition to the materiality matrix, due to their importance to sustainability issues, we included in our report specific references to community relations and environmental footprint. These issues were addressed in the report, even though they were not found to be material.

TRANSPARENCY AND STAKEHOLDER DIALOGUE

As a leading company in its sphere of operations, Sarine has a wide range of stakeholders that include investors, employees, business partners (e.g. suppliers and distributors) and customers, as well as consumers and governmental authorities.

Although many of the topics pertaining to sustainability are global by nature, each category of stakeholder is characterised by its specific interests relating to Sarine. The Company recognises the importance of its stakeholders and their interests, and therefore, we invest significant resources to maintain transparent and open communications with them.

Open communication was especially important to the Group during the period of uncertainty that prevailed for much of 2020. During the year, the Group updated its investors, employees, business partners and customers with timely updates on the impact, challenges and opportunities presented by Covid-19. Further information about our Covid-19-related activities is detailed in the "Management's Business Operation & Financial Review" section of the 2020 Annual Report.

Below is a list of methods and the frequency in which we communicate with our stakeholders:

Investors

- Immediate publication of any material news relating to our business on the SGX network (SGXNet)
- Company publication of semi-annual financial reports on the SGX network
- Publication on our website and on the SGX network (SGXNet) of information related to investor relations
- Ongoing communications with investors who have queries concerning various aspects of the Company
- Publication of an Annual Report
- Holding of Annual and Extraordinary General Meetings of Shareholders

Employees

- Open door policy for employees with frank employee dialogue
- Recreational and wellness activities
- Career development and annual performance reviews
- Annual organisational approach survey
- Anonymous complaints box and upkeep for our employees' working environment

Business Partners

(Suppliers, Vendors, Sales Partners, etc.)

- Ongoing regular dialogue with key vendors and suppliers, including meetings with suppliers, in 2020 mostly through online communication channels
- Continuing relationship and ongoing communication with authorised sales representatives worldwide

Customers

(Manufacturers, Retailers, Wholesalers, Laboratories, etc.)

- Periodic customer satisfaction surveys
- Maintaining an open customer service platform
- Advertisements
- Marketing and sales promotion activities
- Regular communication with customers

Local Communities

- Charitable and donation activities
- Taking part in community projects and charity work
- Open feedback channels for the communities in which we operate

Government

- Regular communication with governmental authorities
- Meeting mandatory reporting and compliance requirements

United Nations Sustainable Development Goals (SDGs)

Sarine recognises the SDGs and understands the impact they are making on a global scale. With operations in various countries, we realise our activities might have impact on multiple goals. We take the SDGs into consideration and adjust our sustainability performance in the future as we continue to develop our sustainability strategy.

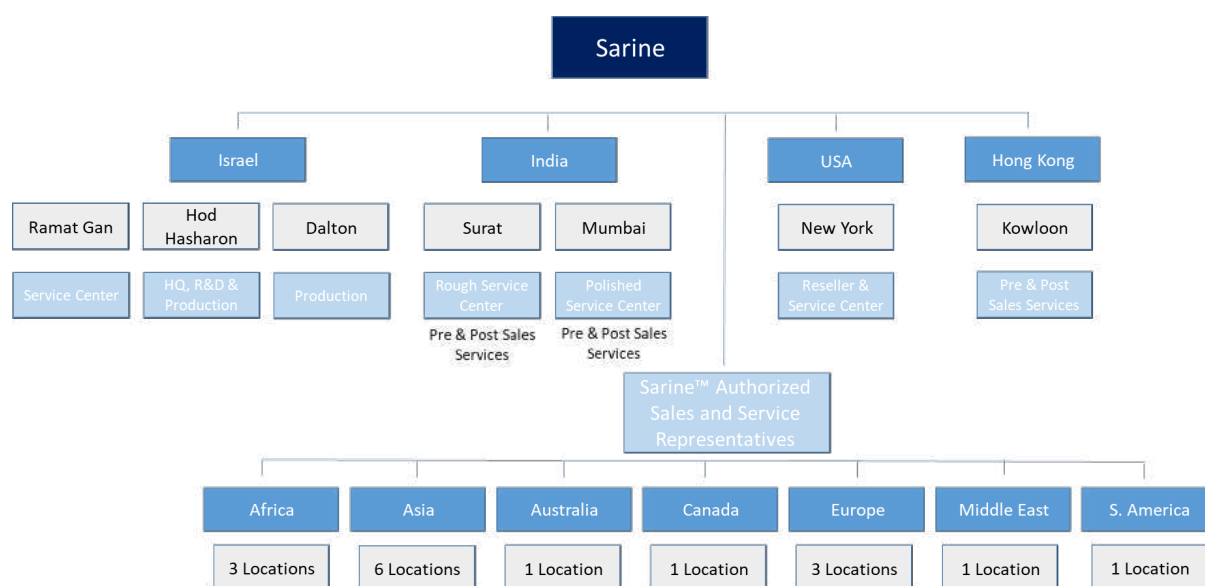


SARINE AT A GLANCE

No significant changes to the organisation were implemented in 2020 in regards to group structure, ownership, supply chain, locations or operations. All relevant changes with regards to employee base, financial performance and sustainability figures are detailed elsewhere throughout the report. Full detail of our financial results can be found in our 2020 Annual Report.

OUR NUMBERS

Description of Operations:

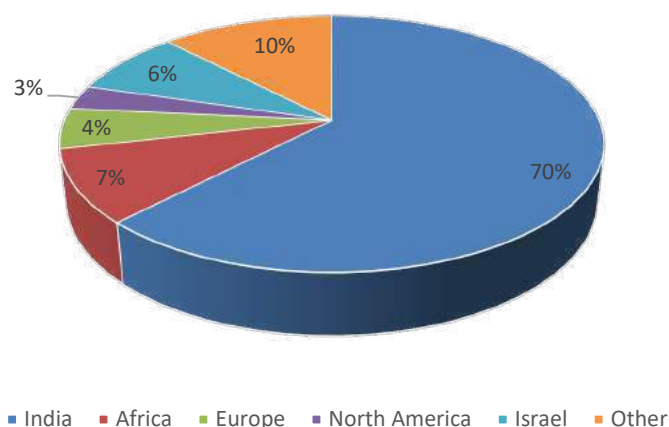


Revenue, gross profit, profit from operations and net profit (loss):

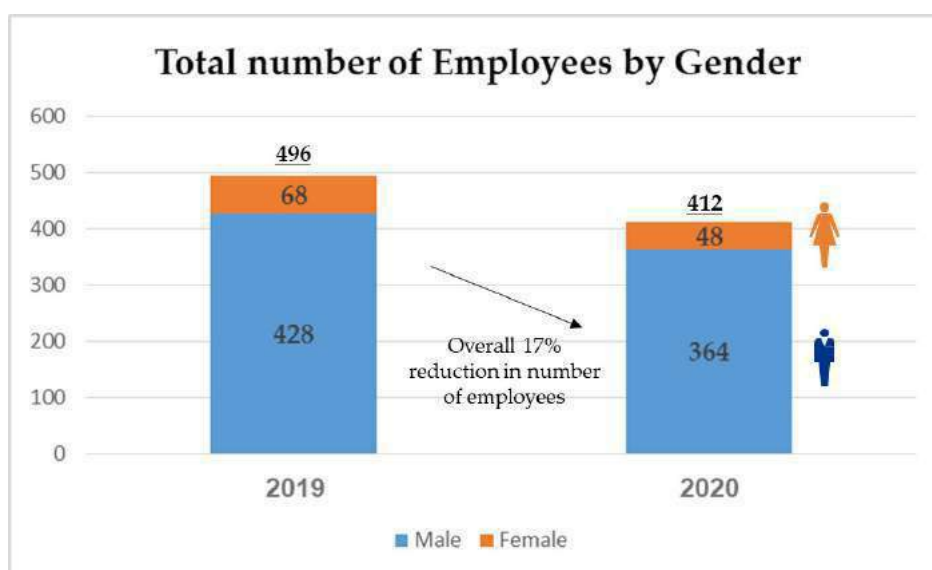
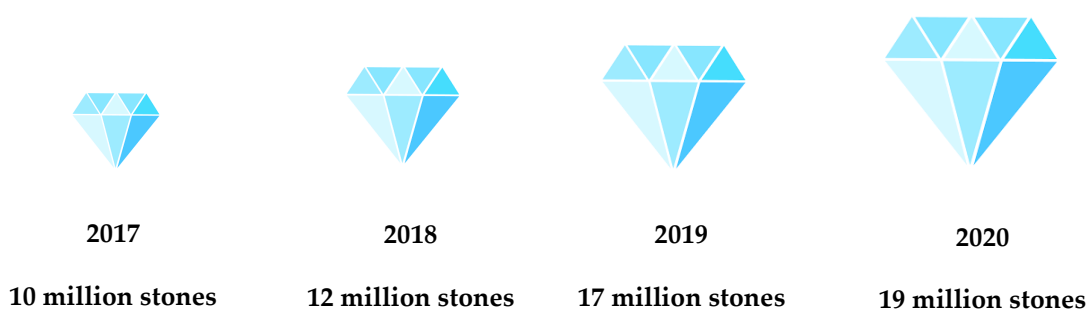
For the year ended 31 December 2019 and 2020

	2019	2020
	US\$'000	
Revenues	51,323	40,968
Gross profit	29,584	27,070
Profit from operations	1,101	4,763
Net profit (loss)	(1,372)	2,365

Revenue by Geographic Segment



Just under 19 million stones were scanned through Sarine's inclusion mapping products worldwide in 2020, surpassing our previous record once again.



OUR VALUES

Our Core Values have guided and shaped our Company over the years. We stand by these values every day and endeavour to implement them in our work and our relationships with our colleagues, customers and suppliers.



Innovation and Creativity

We consistently strive to be at the forefront of technology and creativity, to produce cutting edge products and solutions with the highest standards of quality and workmanship.



Teamwork

We share ideas and support and respect each other with a strong team ethos and a commitment to common goals.



Customer Orientation

We believe that things should be made simple, but not simplistic. We produce technologically advanced products and solutions, which are customer-oriented.



Honesty and Fairness

We are honest and fair in our work and in our treatment of employees, suppliers and customers.

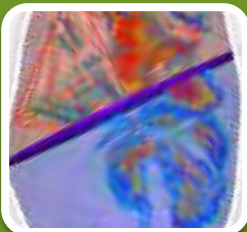


Commitment and Integrity

We are committed to our stakeholders' continuous satisfaction and provide worldwide support to ensure optimal usage of our products.

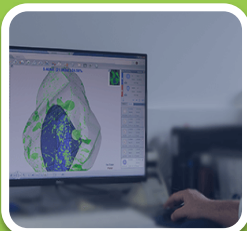
BUSINESS

Sarine's business can be primarily categorised into five separate market segments of the diamond industry:



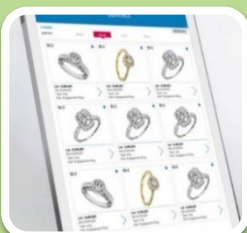
Rough Stone Evaluation (The “Upstream”)

Sarine assists the diamond mining producers to evaluate their rough stones as per their varied qualities using our revolutionary Galaxy® and DiaExpert® families of platforms. These technologies provide high resolution mapping of a rough stone's external geometry and internal inclusions and tension.



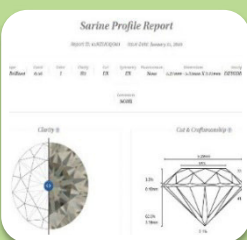
Rough Stone Polishing (The “Midstream”)

Sarine has revolutionised this segment of the industry, by introducing computer-based technologies to automate internal inspection, planning, sawing/cutting, shaping, polishing (faceting) and fine polishing in order to turn diamonds into retail-ready polished gems.



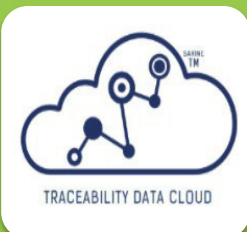
Polished Diamond Trade (The “Downstream”)

A strategic decision taken in 2010 was to expand our product and service offerings into the wholesale and retail trade of polished diamonds, referred to as the “downstream”. We have launched the Sarine Profile™, Sarine Journey™, TruMatch™ and Verto™ to support branding and merchandising efforts.



Diamond Grading

Commencing 2018, Sarine offers comprehensive polished diamond 4Cs (Carat, Cut, Color, and Clarity) grading utilising artificial-intelligence (AI) based technology.



Sarine Diamond Journey™

Every diamond journey is unique and fascinating. At every stage of diamond manufacturing – Sarine's innovative technologies are used to achieve the most valuable polished gem. As 100 million rough diamonds pass through Sarine systems, we are uniquely positioned to provide an industry-wide traceability solution, with verifiable data at every stage of the stone's journey.

In 2020 some 19 million stones were scanned for inclusion mapping using our systems and close to 100 million stones were planned using our platforms. Of these, over 60 million stones were planned using our online Advisor® cloud-based software, which, optionally, records the actual planning stages. At the end of the year we saw a strong recovery in the midstream, with Galaxy® family scans reaching an all-time record of daily peaks of 100,000 stones.

Further information about the Sarine Group's products is detailed in the "Management's Business, Operation & Financial Review" section of the 2020 Annual Report.

CORPORATE GOVERNANCE

Sarine is committed to practicing proper corporate governance. This commitment includes the oversight of various aspects of our business such as company strategy, fiscal accountability, ethical corporate behaviour, sustainability and fairness to our stakeholders.

We recognise and place strong emphasis on our corporate responsibility to our stakeholders and are committed to managing our business in ways that lead to sustainable growth, while balancing current and future needs. We are committed to doing this by fulfilling all regulatory and moral dictates and adopting all relevant guidelines.

Sarine is incorporated in Israel. Sarine is listed on the Mainboard of the Singapore Exchange. Therefore, we comply with various corporate governance requirements under the Israeli Companies Law, 1999, and the SGX Listing Rules. Furthermore, the Company has adopted, and will continue to adopt as necessary, voluntary rules to ensure transparency towards all our stakeholders, as well as enforcement procedures that ensure strict compliance with both the law and internal control processes. We have internal controls, legal advisors, internal and external auditors and we consult with independent experts to evaluate economic, social and environmental issues to ensure compliance.

<u>2020 Targets and Goals Status</u>	
<u>Target/Goal</u>	<u>Status</u>
• Bring the drafts of our Code of Conduct and Anti-Corruption Policy to the approval of our Board.	Completed
• Appoint a new Board of Directors comprised of certain of the current directors and new Independent Directors.	Completed

To read more about the ongoing measures taken by the Board of Directors, please see the Corporate Governance section in our 2020 Annual Report.

Targets and Goals for 2021

- Periodic corporate risk assessment analysis.
- Upgrade parameters for evaluating the Board and the director effectiveness.
- Review and update the remuneration policy drawing on the broader experience of the new independent directors.

SUSTAINABILITY MANAGEMENT

Sarine is aware of the ongoing need to properly address and manage sustainability in our business. Therefore, the Company's Board of Directors appointed our CEO, CFO and General Counsel to manage our sustainability strategy and they report periodically to the Board of Directors on these issues. Accordingly, we have developed procedures, targets and goals to properly manage our sustainability efforts.

Our sustainability reports together with our materiality analysis are led by our appointed sustainability management individuals and have been reviewed and authorised by the Board accordingly.

RISK MANAGEMENT

In the previous report, Sarine published its organisational enterprise risk management activity that addresses strategic, financial and operational risks. The risk management system relates to strategic, operational, statutory and economic risks in all aspects of the organisation's operations, including potential impacts from the Company's activities. Through this structured process, which identifies risks and opportunities, Sarine continued to apply precautionary principles to relevant issues in 2020. The Board, with the assistance of the Audit Committee, reviews, on an ongoing basis and at least annually, the adequacy and effectiveness of the Company's risk management and internal control systems. Sarine intends to conduct an in-depth bottom-up and top-down risk assessment in 2021.

Further information regarding Sarine's risk factors and risk management process is detailed in the "Management's Business, Operation & Financial Review" section of the 2020 Annual Report.

BOARD OF DIRECTORS

As of 31 December 2020, the Board is comprised of seven directors, four of who are independent. In 2020 a new Board was put in place. Three new independent directors were elected, and three non-independent directors and one independent director were re-elected. Two of the newly elected directors, namely Ms. Neta Zruya-Hashai and Mr. Sin Boon Ann, also qualify as "External Directors" under Israeli law. Thus, the Board is able to exercise independent and objective judgment, and no individual or small group of individuals can dominate the decisions of the Board.

Mr. Daniel Benjamin Glinert is Sarine's sole Executive Director and Chairman of the Board.

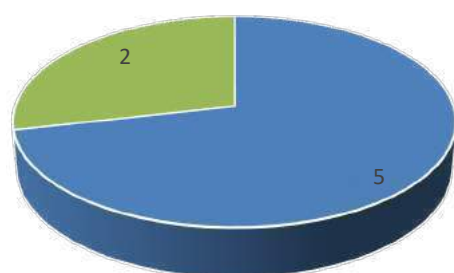
Ms. Varda Shine was re-elected in June 2020 and is the Lead Independent Director.

In 2020 three independent directors retired and three new independent directors were elected following due examination of their professional credentials and backgrounds, in accordance with the Nomination's Committee assessment of the optimal Board composition and diversity objectives. We are very pleased with the addition of Ms. Neta Zruya Hashai, Mr. Lim Yong Sheng and Mr. Sin Boon Ann to the Board and we are confident that their extensive experience

and knowledge in their relevant fields of expertise, namely accounting and audit, the retail diamond trade and corporate governance, respectively, will be an asset to the Company. We express our gratitude and appreciation to the retired board members for their past services.

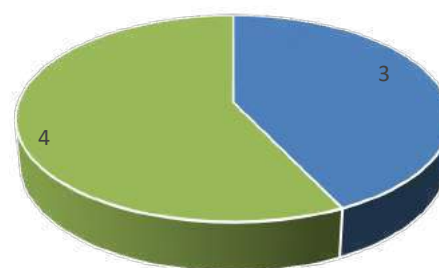
The breakdown of our directors holding office as of the date of this report are:

Director Breakdown - Gender



■ Men ■ Women

Director Breakdown - Independence



■ Non-Independent ■ Independent

The Board meets regularly, and in any event no less than five times each calendar year. During the pandemic, the Board met regularly by digital means, while upholding social distancing and maintaining Covid-19 guidelines. The Board members have been instructed and undergo periodic training with regard to their roles, responsibilities, powers and duties. Such orientation includes dissemination of written materials prepared by the Company and its counsels, periodic updates with regard to legal and corporate governance developments affecting the Board and the directors, and personal communication with the Company Secretary and ongoing discussions at Board meetings. New Board members with no prior publicly-listed company board experience also attend the Singapore Institute of Directors (SID) listed entity director programme.

At the beginning of 2020, all new directors (then still candidates) attended an internal orientation programme addressing issues such as the Group's structure and activities; the directors' powers and duties; and accounting, legal and other industry-specifics aspects (as required).

Details of the Board and its committees and number of meetings held, are shown below:

Board of Directors	Audit Committee	Remuneration Committee	Nominating Committee
7 Meetings	3 Meetings	1 Meeting	1 Meeting

The Independent and Non-Executive Directors actively participate in developing strategy and in reviewing the performance of the Company.

The Independent Directors may meet outside the presence of the Executive Directors and/or Company management to the extent necessary or advisable.

The Board is involved and oversees the sustainability activities as described in this report, including sustainability strategy, annual review and approval of the materiality analysis process and Board sustainability statement, and it provides comments to and approval of our sustainability report. Relevant market and company developments pertaining to sustainability issues are shared with Board members and, based upon the materiality of the matter, discussed in Board meetings.

Further key information about the Directors, including compensation details is detailed in the “Board of Directors” and “Corporate Governance” sections of the 2020 Annual Report.

BUSINESS CULTURE

Sarine’s corporate culture rests on core values that include innovation, integrity, commitment and teamwork.

These values, together with the Company’s commitment to comply with all laws, regulations, compliance programmes and procedures, are vital for our sustainable growth and success.

As a responsible member of the modern business environment, Sarine complies with applicable regulations in all its countries of operations and maintains a Code of Ethics in order to guarantee that we create and maintain appropriate relationships with our business partners, customers and employees, based on all relevant legal statutes, mutual respect, fair play, transparency and sustainable long-term business practises.

CODE OF ETHICS

Sarine’s Code of Ethics is authorised by the Board of Directors, and is disseminated in our orientation process for new employees. When necessary, we conduct formal follow-up training on these matters. The Code of Ethics was updated in 2020 to accommodate the Group’s current needs and with an emphasis on communications’ routes that are in line with global developments.

Following are the key tenets of our Code of Ethics, on which we base our everyday business execution:

- ❖ We treat our business partners, customers and employees with fairness and dignity.
- ❖ To the best of our ability, we create a safe and protective work environment for our employees, and we offer our customers safe products, with which to similarly create a safe work environment for their employees.
- ❖ In order to ensure operator safety, our products and services undergo strict inspections, which are constantly revisited by our own engineers and by third-party experts. Operating instructions and/or training are provided, as applicable, with regard to the proper and safe use of our products and, where necessary, built-in safeguards are provided to prevent inadvertent unsafe operation.

- ❖ Wherever applicable, we ourselves employ, and we instruct our customers as to how to similarly take, all necessary measures for the safe and environmentally friendly use and disposal of even marginally hazardous materials, as per directions from appropriately authorised expert consultants.
- ❖ We believe our business does not impact the ecological balance of our environment and does not have any influence on the sustainability of the industry or the human/natural fabric in which we operate.

Additional aspects of our Code of Ethics relating to Sarine Group approach to our employees, can be seen in the 'Our People' chapter below. Further information may be found in the Corporate Social Responsibility section of our 2020 Annual Report.

PROFESSIONAL AND INDUSTRY-RELATED INVOLVEMENT

Sarine sees great importance in belonging to industry-affiliated associations through which it can have a voice and exercise influence so as to have an impact on our industry, while creating shared value.

As of 2020, we are members of or have an ongoing discourse with a number of industry associations, such as:

- American Gem Society (AGS)
- The World Jewellery Confederation (CIBJO)
- Diamond Dealers Club New York
- Diamond Empowerment Fund
- Dubai Diamond Exchange (DDE) at the Dubai Multi Commodities Centre (DMCC)
- Guangzhou Diamond Exchange (GZDE)
- India's Gem Jewellery Export Promotion Council (GJEPC)
- Jewellers of America (JA)
- Jewellers Vigilance Committee (JVC)
- Shenzhen Rough Diamond Exchange (SRDE)
- Responsible Jewellery Council (RJC)
- The Belt and Road Jewellery Extended Fashion Industry Alliance (JFIA)

PREVENTING BRIBERY, CORRUPTION AND FRAUD

Diamonds possess a number of characteristics, which make them vulnerable to utilisation for corruption, fraud and bribery such as:

- High value
- Low weight/mass and small size
- High durability with stable pricing and an ability to retain value over long periods of time
- Ability to go undetected (non-metallic and odourless)
- Untraceable and unmarked

- Easily bought and sold outside the formal banking system

Due to this, Sarine is committed to running its business with integrity, fairness, reliability, and professionalism.

We maintain a zero tolerance approach to all forms of corruption, including bribery, theft and fraud. We also give special attention to preventing other forms of criminal activity, including conflicts of interest and extortion, as well as issues such as embezzlement and misuse of Company assets. Sarine has effective controls in place at every stage of its business.

No claims or allegations of corruptive practices or actions, including bribery, were brought against any member of the Group or its employees during 2020.

Measures to prevent corruption within the organisation have been put in place, such as;

- An updated Code of Ethics, which addresses corruption issues.
- The policy that all payments are conducted through traceable transactions. Cash payments are strictly prohibited in this regard.
- We have a whistle blower policy that encourages employees and business partners to report on any illegal, improper or unfair practices that they encounter in their dealings with any member of the Group.

No fines or non-monetary sanctions were imposed on the Group in 2020 in regard of non-compliance with anti-corruption legislation and regulations.

LEGAL PROTECTION AGAINST ANTI-COMPETITIVE ACTIONS AND INTELLECTUAL PROPERTY INFRINGEMENT

The products we develop are proprietary in nature. Hence, our ability to remain competitive in the market is also dependent on our ability to protect our intellectual property (IP) in both hardware and software. To facilitate the protection of our IP rights, we have registered and maintain numerous patents, copyrights and trademarks in countries key to our business, and additional patent and trademark applications are pending in various phases in diverse jurisdictions.

In 2020, six patent applications regarding three inventions were filed on behalf of the Sarine Group, in Israel, India and the US:

1. Evaluating Color in Gemstones – for automated evaluation of colors in diamonds for grading and traceability purposes.
2. System for Accurate 3D Modeling of Gemstones – for more accurate measurement of diamonds for grading and traceability purposes.
3. Locating Stress in Diamonds – to assist in the planning of cutting and polishing of diamonds from raw stones.

The Sarine Group maintains a zero tolerance policy towards the infringement of its intellectual property. We take proactive and aggressive actions aimed at protecting such rights, including taking legal action against those who are engaged in the offering and/or use of infringing products and services or any other fraudulent use of our technologies.

As a leading technology company in our field, the Group invests substantial resources to maintain such leadership and to patent, copyright, trademark and otherwise protect the Group's proprietary assets. Nonetheless, the Group is exposed to ongoing attempts to steal and otherwise misappropriate its technology and products and to violations of its intellectual property rights.

In addition to our IP copyright and patent applications and enforcement actions, we have designed and are continuing to design protective technological features into our systems, based on cloud computing technology, using proprietary in-house developed cyber protection.

In 2020 we continued our zero-tolerance policy and pursued legal actions against a number of copyright and patent infringers, primarily in India. Due to the Covid-19 situation, our ongoing litigations were briefly paused with the temporary closing of the courts in India. Despite this, we continued with our enforcement activities regarding existing litigation and initiated three new lawsuits against infringers for unauthorised use of our technology.

<u>2020-2021 Targets and Goals Status</u>	
<u>Target/Goal</u>	<u>Status</u>
Continue to expand and protect our intellectual property portfolio, including patent, copyright, trademark and trade secret protection.	Ongoing
Continue our aggressive campaigns against IP infringement by legal means, technological innovation and commercial leveraging.	Ongoing

To read more about the ongoing efforts taken by us, please see our 2020 Annual Report "Management's Business, Operation & Financial Review" section.

DATA SECURITY AND CYBER

Sarine protects its data and systems with the highest levels of security. As a leading technology company in the market, we continuously verify that our information is secure. We invest extensively in cyber security and in creating our own proprietary in-house cyber protection. This creates a higher level of defense than that provided by using off-the-shelf commercially available protection, which is targeted per se by professional hackers.

We continually strive to provide the most efficient data security and cyber protection customised for our needs. During 2020, we took further measures by engaging leading experts in the field of information security, and together we further broadened the process for creating tailored products and enhancing IT security.

The main objectives determined during this process:

- Enhancing the security of our line of products
- Strengthening the internal network infrastructure against external threats

- Creating a work plan for further refining the corporate culture for safeguarding information

This year, following an overall pandemic-related decrease in our activity, we focused on the maintenance of existing infrastructure.

- We continued to improve and strengthen our common infrastructure and servers. In addition, we reviewed and strengthened the services, which are running on our common infrastructure and servers.
- We continued our use of tools to protect our web applications and APIs from web exploits.
- We engaged with a third-party service provide to back up our mailboxes, which improved our recovery capabilities.
- The extensive compatibility process we made to our infrastructure towards the end of 2019, which provided for a secure methodology for working remotely, enabled a smooth transition to working remotely from home when the Covid-19 crisis broke out in 2020, requiring only minor adjustments during the year.

<u>2020 Targets and Goals Status</u>	
<u>Target/Goal</u>	<u>Status</u>
• Enhance and strengthen Sarine's cyber security for our global operations.	Completed
• Appoint a Group-level Information Security expert to create holistic and regulated Data Security and Cyber activities in the Company.	Completed
• Develop additional layers of security for our servers and end stations in order to protect our products and users' data.	Completed
• Version updates of our servers and system to enable security updates.	Completed
• Strengthen security of the Galaxy® platform.	Ongoing
• Strengthen security of the Advisor® software.	Ongoing

Targets and Goals for 2021

- We wish to further expand our previous goal and to hire a security expert and provide a wider security net for our assets.
- Update the Company's procedures and infrastructure in a methodical manner and in accordance with regulatory developments in the years to come.

ECONOMIC PERFORMANCE

Year		2019	2020
		US\$ '000	
Direct economic value generated	Revenues	51,323	40,968
Economic value distributed	Operating expenses*	(28,483)	(22,307)
	Income tax expense	(1,811)	(1,643)
	Dividends paid	(5,259)	(1,049)
Economic value retained		15,770	15,969

* Includes research and development, sales and marketing and general and administrative expenses (including wages and benefits and other direct and indirect costs).

The Sarine Group is in compliance with all relevant taxation rules and regulations. As detailed in the Annual Report, the Company's basic export-oriented tax rate is a preferential 12%. Our key subsidiary, Galatea Ltd., pays a 7.5% tax rate, being also in a national preferred development zone. Sarine received assistance on favourable terms from Israeli government Covid-19 support programmes in the form of government-sponsored loans and grants, as provided to eligible businesses in Israel.

2020-2021 Targets and Goals Status	
Target/Goal	Status
Increase recurring revenue and profitability by honing our competitive edge and increasing Galaxy® penetration and usage in industry midstream (manufacturing).	Ongoing
Increase recurring revenue and profitability by increasing penetration and adoption of revolutionary services — AI-derived technology-based 4Cs grading and provenance tracing (Sarine Diamond Journey™) for the industry retail downstream.	Ongoing

For further information about our economic performance, please see the “Management's Business, Operation & Financial Review” and the “Financial Statements” sections in our Annual Report.

ECONOMIC IMPACT

The cost of rough diamonds is high and are paid for upon receipt. Yet it typically takes six to twelve months to sell the polished output, often on credit terms. The cost of financing this cycle, along with all the other complexities of the process, and the errors and accidents incurred along the way, drive polishers' margins to be low. Hence, any yield increases, cost savings or cycle shortening benefits are critical and have significant impact on the manufacturers' profits.

As a leading developer of technologies for the diamond industry, we strive to develop and improve efficiency and productivity in the sector. Over the years, the Group has managed to

revolutionise the diamond polishing/manufacturing industry. We introduced various reliable, efficient, yield-increasing, cost/risk-reducing and time-saving technologies.

The global diamond industry has adopted our innovative technologies, many of which have become de-facto industry standards, improving the optimally achieved yield of the polished stone(s) weight over time by over 25%.

Our introduction of technology to the industry also contributed to the transition of manufacturing from historic diamond polishing centres in developed countries (e.g., Belgium, Holland, Israel and the United States) to lower cost centres (such as India, South Africa, China and others). Today, the diamond industry midstream is concentrated in India.

OUR PEOPLE

Our people are our greatest asset and are at the heart of everything we do. We believe and pursue continuous investment in and development of our personnel, so that they can realise their full potential and help the organisation achieve the highest levels of excellence.

The nurturing of our employees is a major priority for the Group. Sarine encourages and promotes improvements in various fields involving our human resources including talent attraction and retention, work environment, equal opportunity and health and safety in the workplace.

This commitment has been reflected in our Code of Ethics, which has been previously addressed in our 'Business Culture' chapter above. Additional commitments stated in the Code of Ethics regarding our human resources are stated as follows:

- ❖ Our human resources policies protect the rights and interests of the Group's employees, as dictated by all applicable laws in all the jurisdictions in which we have an established presence. Moreover, we go beyond statutory requirements to ensure a beneficial employment environment for our employees. In India, for example, the Group's Indian subsidiary actively ensures that all its employees and their immediate families receive an annual expanded medical checkup, on the Company's premises and at its expense, in lieu of working time, with a view to promote their health.
- ❖ We maintain strict policies with regard to equality in the workplace, regardless of sex, sexual orientation, age, religion, ethnicity, disability or other personal traits or beliefs, including the strict and swift handling of any sexual harassment incidents, so as to provide a fair, safe and amicable workplace.
- ❖ We actively seek to employ individuals living with various disabilities in order to promote equal opportunity in the workplace.
- ❖ We strive to offer our employees engaging career paths, advancing them professionally with appropriate training.
- ❖ We maintain open communication lines between all our employees and the various levels of management, encouraging our employees to comment on, improve, and critique the

Company's activities. We have put in place a formal whistleblower policy, encouraging employees and business partners to report on any illegal, improper or unfair practices they may encounter in their dealings with the Group.

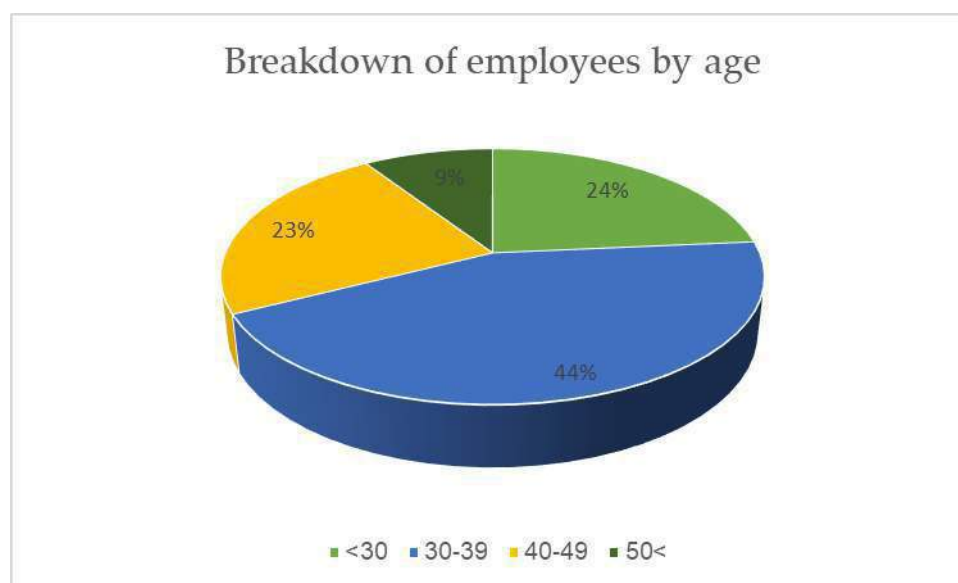
- ❖ We reward our employees for their contribution to the Group's success, either with cash bonuses, grants of stock options or otherwise.
- ❖ The Group organises multiple annual sports and leisure activities for the employees and their families, to enhance the team spirit of our employees and reward them for their performance.

Sarine's employees are employed under personal employment agreements. None of the employees are under collective bargaining agreements. The Group's employees are all hired with salary agreements above minimum wage compensation. All of our employees are remunerated and enjoy benefits according to the applicable labour laws of each jurisdiction in which we engage employees.

Over 99% of our employees are employed on a full-time basis. Several employees are employed on a part-time basis, including university students. All significant activity of the Company is either conducted by or supervised by employees who are directly employed by the Group.

Breakdown of employees per company:

	Male	Female	Total
Israel	86	30	116
India	270	16	286
USA & Hong Kong	8	2	10
Total	364	48	412



Breakdown of employee turnover by region and gender for 2020:

	Employees Added		Employees Subtracted	
	Male	Female	Male	Female
Israel	5	5	23	14
India	13	1	54	13
USA & Hong Kong	-	-	2	2
Total	18	6	80	28

In 2020, due to the pandemic, Sarine was forced to place approximately 25% of our employees on unpaid leave. This situation was unfavorable for both the Company and the employees. The Company went to great lengths, as stipulated by the Board, to prevent, as much as possible, employee dismissals during 2020.

EMPLOYEE EQUALITY AND DIVERSITY

Sarine believes in the importance of having employees from all sectors of the community. We believe that a diverse body of employees improves the Company's operations, products and capabilities to support various customers all over the world. We have set a goal to recruit more female employees and encourage women to join a very male-oriented industry.

We also support the employment of individuals with various disabilities in order to promote equal opportunity in that regard. Sarine actively seeks to hire employees with disabilities and furthermore offers concessions and support to others with disabled family members, such as flexible working hours.

Equal opportunity in employment is a fundamental principle in the Sarine Group. We maintain strict policies with regard to equality in the workplace regardless of sex, sexual orientation, age, religion, ethnicity, disability or other personal traits or beliefs, as well as strict and swift handling of any sexual harassment incidents, so as to provide a fair, safe and amicable workplace. All aspects of employment are based upon personal capabilities and qualifications without regard to gender, age, race or religion, as established by law.

We strive to recruit our senior management from our local communities. 50% of senior key management in Sarin India are from local communities. These employees are fully part of the Company's senior management and are vital to the Group's success. Senior management relates to the key management personnel stated in the diagram in our 'Key Management' chapter while 'local' refers to employees whose origin is from the geographical area of the entity. The Group's significant locations of operations are in Israel and India.

In a country in which only a quarter of the women participate in the workforce, and in an industry in which women make up only 10% of diamond technologists, Sarin India is proud that 25% of its senior management is female. Notably, during 2020, fully 50% of our new recruits in Israel were female.

To protect employees in general, and female employees explicitly, against sexual harassment or the abuse of power in the workplace, Sarine has implemented a prohibition against harassment in the entire Group and established a Sexual Harassment Prevention Policy.

Furthermore, the Company conducts training on the prevention of sexual harassment for employees.

No complaints or accusations were made towards any Group employee in 2020, in relation to sexual harassment.

<u>2020-2021 Targets and Goals Status</u>	
<u>Target/Goal</u>	<u>Status</u>
• Reduce the percentage of voluntary staff turnover.	Ongoing
• Increase the percentage of internal promotions and recruitments to managerial positions.	Ongoing
• Continue employee development with fair and competitive remuneration based on merit.	Ongoing
• Strive for higher gender diversity.	Ongoing
• Implementation of mid-level management development programme.	Ongoing

EMPLOYEE DEVELOPMENT

We believe that investing in our people and maintaining a skilled and passionate team is key to sustaining our competitive advantage, and it is our goal to provide quality jobs with meaningful work, and a supportive and healthy working environment.

Sarine makes significant efforts on attracting the best professionals and providing them with the best work environments possible, with the aim of fostering their professional development. The Group strives to maintain a competitive advantage by strengthening its most important asset – our talented people.

Employees are sent for specialised training as needed. In December 2020, following the easing of Covid-19 restrictions and state-of-the-art solutions adopted by the academic community, the Company offered a professional gemmology course to employees interested in expanding their already outstanding knowledge, and three employees were sent to participate in such a course.

At the beginning of 2020, we launched a managerial development workshop for mid- to senior- level employees in Israel. The workshop consists of six meetings, three of them held throughout the year in accordance with the Covid-19 guidelines and lockdowns. It is expected to be completed in 2021.

Towards the end of 2020, following the initial phase of the managerial development workshop, a steering committee comprised of several managers was established. The purpose of this committee is to support cross-organisational processes and ongoing managerial development after completion of the initial training phase. The first activity of this committee in 2021 was to redefine the employee performance evaluation guidelines and process. The next planned action of the committee is to establish a structured organisational dialogue in a

process referred to as a “walk2talk”. The idea is that once every few weeks managers will pair up to consult, share knowledge and discuss challenges they face in their daily work.

Throughout the year, Sarine offered online training to help employees transition to working remotely from home and to help adjust to an appropriate work life in the midst of social distancing. This included tutorials on how to use our online meeting and knowledge sharing platforms.

We maintain open communication lines between all our employees and the various levels of management, encouraging our employees to comment on, improve and critique the Group’s activities. Sarine holds various types of functions in order to encourage open communication, including ongoing personal meetings of employees with the CEO throughout the year, departmental meetings, monthly company-wide gatherings for various occasions and a general open-door approach to management of all levels.

In January 2020 we began the process of identifying outstanding employees through employee surveys. Eight employees were selected— six were chosen by their department peers, one by management, and another exclusively by the CEO. These employees were recognised in a ceremony, resulting in improved morale and motivation.

REWARDS AND BENEFITS

Sarine considers issues of employee remuneration and benefits cardinal. We take into account various considerations to calculate employee compensation and benefits, such as qualifications and relevant work experience, the performance of the employee, the relative value of each individual's position to the Company, as well as comparatives to parallel positions and in the competitive work marketplace.

The Company reviews compensation and benefits programmes regularly to ensure that we are on par with the market. The Company believes in providing targeted incentives and rewards to employees that are consistent with their performance and contribution to business results.

We have continuously granted share options to our employees. The Board of Directors has set guidelines concerning, among other things, eligibility to receive share options (based on performance and time of service with the Company), vesting periods (typically over three to four years from the date of grant) and the minimum and maximum amounts of share options to be granted (based on seniority and expertise). Executive Directors, senior officers and key employees are also granted performance-based options, to be vested over multiple years, based upon the achievement of business goals – as discussed in greater detail in the Company’s Remuneration Policy appended to the Annual Report for 2020.

Sarine complies with relevant pension laws by contributing to its employees' pension funds, as required under applicable law and country practice.

Further details with regard to employee share options granted by the Company are included in the “Directors Report” section of the Annual Report. Sarine employee benefit plans and pensions are reported in the 2020 Annual Report section “Financial Statements”, Note 20.

WELFARE AND WELL-BEING

Sarine places great importance on occupational health and safety in the workplace and is committed to the safety of all employees at every site. In March 2020, due to the outbreak of Covid-19, all employees that were not essential for on-site processes began working and holding meetings remotely from home. This resulted in approximately 30% physical attendance at our Israeli sites. We developed best practices for working remotely from home based on various factors including input derived from roundtable discussions between employees and members of management.

We conduct various programmes to foster and achieve work-life harmony for our employees. A team of committed, productive and motivated employees facilitates and supports our corporate vision, mission, values and culture.

Our human resources policies protect the rights and interests of the Group's employees as required by applicable laws and regulations, and often exceeds them.

In March 2020, we performed an organisational survey in Israel with an 84% response rate. The results identified both the Group's strengths and areas that needed improvement. The survey exhibited our employees' overall satisfaction with the Group's involvement in the community and its environmental responsibility, the team's commitment to professionalism and cooperation, and the presence of a good working environment. 80% of our employees stated they are proud of being Sarine employees, and 84% stated they are satisfied with the positioning of our brand in the market.

The main issues identified by the survey to be addressed are the need to: (i) increase cooperation between departments; (ii) work according to clear-cut targets and goals; (iii) improve cross-organisational communications and transparency; (iv) provide more opportunities for professional development; and (v) enhance employee retention and recognition. The survey also showed that, compared to other companies from various sectors that performed similar surveys, Sarine scored higher than average in all categories - i.e., employees are proud to be part of the Group and would recommend working for the Group.

The main results of the survey were broadly shared with employees, and during 2020 management began to introduce certain policy changes in line with its findings with the goal to increase employee satisfaction and provide a more productive and effective working environment.

Further information of our efforts can be found under the "Employee Development" section in this report.

Due to the pandemic, our employee well-being programmes were adjusted to conform with social distancing and lockdown mandates. To help meet the challenges that arose as a result, we offered a number of online activities and lectures designed as a social outlet and to keep employees connected, and to provide updates, advice and moral support. These included:

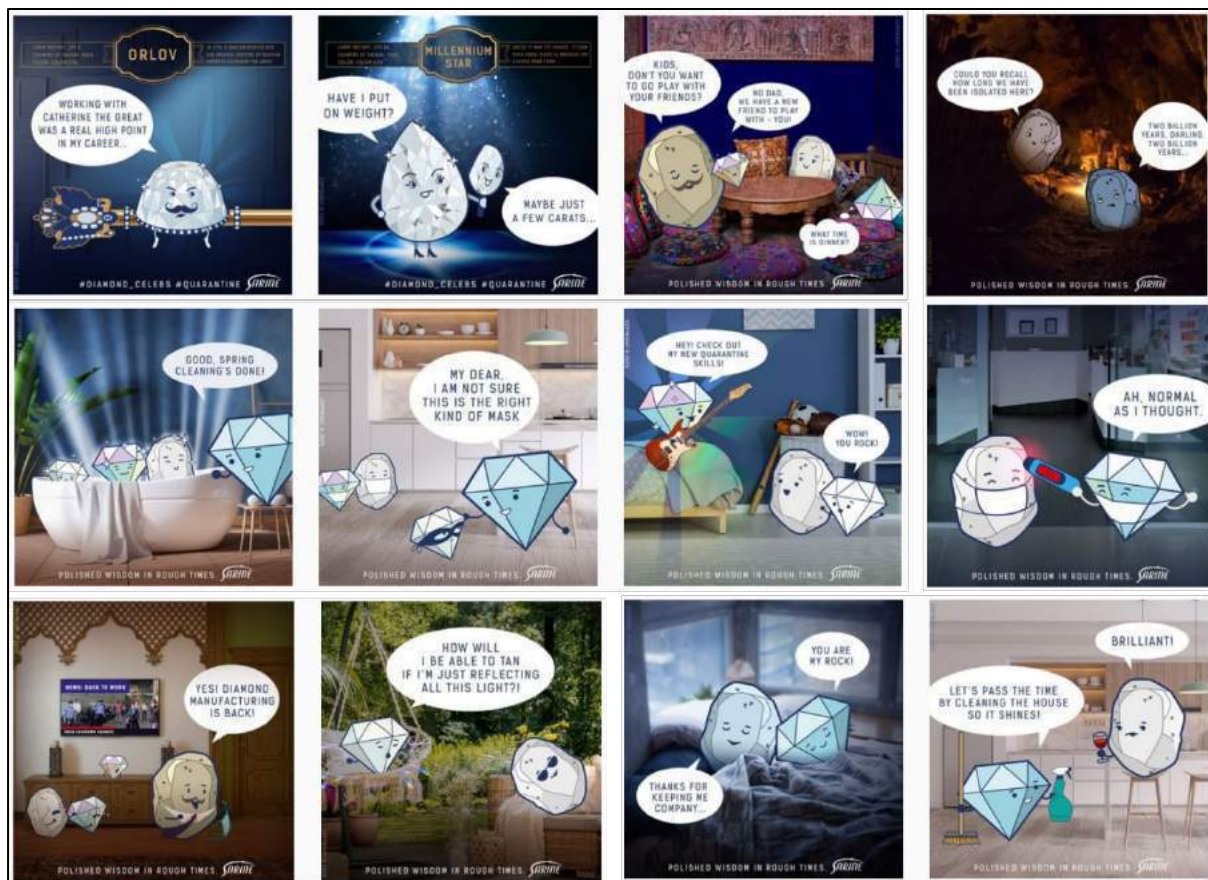
- A list of suggested activities for parents and children during lockdowns.
- An online lecture with a psychotherapist and parental counselor offering hands-on advice on how to cope with the challenges of Covid-19 while combining working from

home and family commitments, including interacting with children during education system shutdowns.

- An online video-chat party event featuring a DJ.
- An exercise competition between groups of employees during lockdown – the Steps Challenge was a prize-winning competition in which groups of employees strived to reach a record amount of steps during the period of the challenge.
- Happy hour food truck for an interactive lunch break at the Israeli site – in accordance with the Covid-19 restrictions.
- A lecture on the development of and importance of Covid-19 vaccinations.
- Periodic updates by management to employees regarding the effects of Covid-19 specifically on the business and on the diamond industry at large.
- An uplifting comics campaign for social media – see below.

Our Comic Relief

During 2020 we issued a series of short images of how, and what, our trusty gems were doing during lockdowns. The featured gems playfully presented what the general population was experiencing – acquiring new skills, spending time with family, and adjusting to the “new normal” in light of Covid-19.



MEDICAL CARE AND COVERAGE

Sarine provides a number of medical insurance options such as supplemental private insurance for employees and their families in Israel (national medical coverage is universal), and medical insurance for employees in North America. Sarin India contributes towards health related accident insurance premiums for non-management employees (approximately 90% of employees). During 2020, Sarine continued to provide ongoing medical coverage for all furloughed employees.

WORKING MOTHERS

Sarine complies with all applicable legal mandates regarding maternity and parental leave as per country of operation. In 2020, five Sarine Group employees took maternity leave. As part of our policy and recognition of the importance for work-life balance, we allow, as far as possible, flexible hours and working conditions to enable working mothers to take an active role in Company activities.

SOCIAL RESPONSIBILITY

Sarine appreciates the importance of giving back to the local communities in which it operates. Key management and numerous employees regularly participate in social activity and community actions. Our efforts and participation in local and national programmes support the disadvantaged and less privileged segments of our society.

Due to the Covid-19 crisis, we revised some of our planned activities for 2020, and contributed to the rapidly growing needs for food parcels and hygienic masks. Our main activities in 2020 included:

- Contribution to the safety of our customers, colleagues, partners and employees in Hong Kong by providing thousands of protective hygienic masks.
- Along with our local partners, we were able to distribute over 9,000 kilograms of food parcels in three areas in Namibia, helping roughly 200 families and households.
- Food distribution also took place in Surat, India where we have a significant presence. Our local workers, along with Sarine's key management, distributed 500 food parcels over two days, to help the local population affected by the pandemic.
- Our e-training programme was published on social media. The programme offered training by our team, for free, which assisted our customers in their day-to-day tasks.
- Cooperation with the Amal Sharonim High School in Israel to establish a programme consisting of lectures and workshops intended to promote active and proactive social involvement among the students.
- Projects for the Mental Health Centre in Safed (the "Clinic"), especially for the children's wards, have included over the years the creation of three extensive gardens and the renovation of two clinics. During 2020, we built large outdoor tables and benches for the children attending the Clinic's schooling programmes in order to provide additional study areas allowing for easier social distancing. Furthermore, one of our employees met with one of the children at the Clinic on a weekly basis teaching him light carpentry and furniture painting and restoration.

To demonstrate our commitment to these additional functions, the Company permits all staff to participate in these activities during working hours in order to highlight the importance of employee participation.

In India, our most significant market, Sarin India has an active Corporate Social Responsibility (CSR) Committee with 10 members, which has adopted and implemented an active CSR policy. The CSR Committee actively focuses on different areas that ultimately help students get a better education.

In 2020 we continued our ongoing programme in the Lalita Chokadi and Katargam localities in Surat, India's diamond manufacturing centre, where we have 'adopted' two government primary schools serving over 3,950 children. Over the past year, Sarin India paid the salaries of two teachers in the field of Information Technology (IT) and of two cleaning staff.

Further details may be found in the "Corporate Social Responsibility" section of the 2020 Annual Report.

MARKETPLACE AND CUSTOMERS

Sarine is attentive to the needs of its customers. We manage this commitment through our operations and sales departments, which address the ongoing challenges of today's diamond industry.

As the market evolves, whether due to social, environmental or geopolitical developments, or technological advances, we continue to search for ways to expand our product offerings and services to new and existing global markets. In 2020, this was also demonstrated by the following:

- Shortly after the signing of the peace and normalisation agreements between Israel and the United Arab Emirates, Sarine collaborated in the opening of a Galaxy® service centre in Dubai, a leading centre for commerce, design and polished aesthetics. Dubai is a hub for trading in rough diamonds and is a key player in the market of polished diamonds.
- Sarine expanded the Sarine Diamond Journey™ solution to diamonds sourced from Alrosa and Lucara. This provides global retailers end-to-end traceability from mine to consumer, documenting the sustainable supply chain throughout the process from rough to polish for Alrosa/Lucara-sourced diamonds, however traded and polished by multiple midstream entities.
- Sarine launched a co-branded light performance report with the National Gemstone Testing Centre (NGTC) of China, China's largest gemmological Lab, for Yuanuyme Jewelry (Y & M), a leading Chinese jewellery designer, manufacturer and wholesaler.

PRODUCT AND PROCESS INNOVATION

We believe that product development and innovative processes are essential for Sarine to continue to lead the industry in technological breakthroughs and creating new opportunities for the industry throughout the diamond value chain.

In 2020, Sarine's research and development teams continued to innovate, develop and introduce new products despite the difficulties stemming from the pandemic. These teams are continuously turning to Artificial Intelligence and other solutions for new and improved innovations in the field.

In the "Upstream" we assist diamond mining companies, also termed "producers", to evaluate their rough stones. The Group's relationships with producers grew throughout 2020 with the expansion of digital tenders. Alrosa, the Russian producer, which is the largest miner of diamonds worldwide in carat terms, Lucara, a Canadian-based producer operating in Botswana, and Grib, a smaller Russian producer, have adopted Sarine's technologies for certain categories of rough diamond production, and have offered diamonds for sale via digital tenders or other focused sale paradigms.

In 2020, we expanded the Sarine Diamond Journey™ solution to diamonds sourced from Alrosa. This provides global retailers end-to-end traceability from mine to consumer, documenting the sustainable supply chain throughout the process from rough to polish for Alrosa sourced diamonds. We also broadened, in 2020, our cooperation with Clara Diamond Solutions Corporation ("Clara"), a subsidiary of Lucara Diamond Corp., to extend provenance traceability to Clara's diamonds through the Sarine Diamond Journey™. Sarine expects to expand its cooperation with additional producers.

The Group has an extensive industry-leading presence in the diamond industry's midstream, wherein the critical transition from rough to polished stone occurs. In 2020 just under 19 million stones were scanned for inclusion mapping using our installed base of Galaxy® systems, and again, close to 100 million rough stones were planned using our pervasive installed base (over 25,000 systems) of the DiaExpert® planning platforms. Of these, over 60 million stones were planned using our online Advisor® cloud-based software which, optionally, records the actual planning stages for the Sarine Diamond Journey™.

Sarine's Diamond Journey™ provides today's ethically- and sustainability-minded consumers and retailers with full transparency of their natural diamond's amazing odyssey from mine to store. Thanks to Sarine's advanced technologies, diamond consumers can view a verifiable report that traces their diamond's unique journey from its rough form all the way through the diamond manufacturing chain, to its final destination in the jewellery showroom or online store – so they can make their precious purchase with unprecedented peace of mind.

Sarine is implementing new technologies to develop solutions to provide even better and more accurate diamond information. The e-Grading process is all about digitising and making the diamond experience more efficient by providing objective and consistent grading at a fraction of the time and cost currently required. The 4Cs grading results will be derived without any human intervention and will be immediately made available for online B2B access and subsequent B2C consumer report generation. Our aim is to assist the manufacturer

to grade its output in a flexible and reliable manner in-house, without the inefficient, time consuming and costly process of sending diamonds offsite to a third-party grading facility.

Further details with regard to Sarine's products and innovation processes can be found in the "Management's Business, Operation & Financial Review" section of the Annual Report.

<u>2020 Targets and Goals Status</u>	
<u>Target/Goal</u>	<u>Status</u>
Continue with the process of conducting a Hackathon week in which the R&D team divides into groups to present a proof of concept/prototype of a new innovation.	Sarine has re-evaluated the effectiveness of this activity and it has been discontinued.

Targets and Goals for 2021

- To finalise and launch our AI-driven cloud linked e-Grading™ initiative that will provide a time-saving cost cutting in-house automated solution for the 4Cs grading of polished diamonds.
- Continue to upgrade and strengthen the cyber-security of our products.

CREATING SHARED VALUE WITH CUSTOMERS

A long-term approach to business has always been part of Sarine's DNA. The Company's long-term success will be ensured by our creating value for both our shareholders and the industry as a whole. This approach, called Creating Shared Value (CSV), remains a fundamental guiding principle on how we do business by creating new shared value for our customers. It enables us to strive for customer satisfaction and to remain a leading innovative and sustainable force in our industry. Sarine's innovative solutions provide customers with the safety and peace of mind that comes with highly reliable products.

Our technology enables the better use of raw materials, efficient production and increased output from a rough diamond. This also contributes to reducing environmental damage through proper utilisation of natural resources and minimising energy use. Furthermore, using our technology in third world countries, such as the southern African countries and India, adds to the economic development of diverse communities by contributing to increased employment and to the overall betterment of employees' conditions.

PRODUCT STEWARDSHIP AND LIFECYCLE

We adhere to high standards to ensure proper safety and usage of our products. This includes properly marking any relevant potentially hazardous elements, such as lasers, and ensure that all our customers receive proper guidance and training regarding the operation of the systems. We consider the safety of our products from their research and development through production and customer installation. We work continuously to ensure that our products are safe for people and the environment when they are used responsibly and in the manner intended.

Sarine's products are marked to show the Company's compliance with the European Union directive WEEE. The WEEE directive applies to recycling products and components and provides that no electrical or electronic equipment may be discarded into a city's normal waste disposal system. Sarine accepts requests for assistance from end users on the proper and safe disposal of any of our products or their components or consumable materials. Further to our on-site training and detailed user manuals, customers are encouraged to request help from Company technicians and support teams with discarding products.

During 2020, Sarine produced a new protocol for customer safety. Any machine sold as of 2020 is provided with a protocol that contains safety instructions for operation of the machine. The safety protocols are in conformity with Sarine's technical guidelines and instructions, and are complementary with our online support.

All Sarine products meet European CE standards, and our initiatives go beyond legal requirements as we monitor the compliance to guidelines and standards through regular audits and check-ups. Sarine's technical and safety support was available during 2020 notwithstanding the challenges caused by the pandemic.

Sarine did not have any incidents of non-compliance with regulations resulting in a fine, penalty or warning in 2020.

CUSTOMER HEALTH AND SAFETY

Sarine continually seeks to enhance products by incorporating cutting-edge technologies and educating employees and customers about quality and safety. This proved to be a challenge during the pandemic, which the Group overcame through expanded remote communications between our teams and customers, which enabled customers to seamlessly continue their operations. Sarine supports laser safety training for all customer employees who work on or around any of our laser systems. Our machines have built-in safety mechanisms, which halt laser operation when the sensors detect a problem. Sarine-trained engineers are instructed to comply with all applicable safety requirements regarding the use of laser devices. None of our machines were reported to have any discharge of Rutherfordium (RF) radiation in their usage in 2020.

The Group follows health and safety requirements at all its locations of operations, including the provision of employee updates and training on Covid-19 related safety issues. It has also installed plastic partitions at its visitor reception areas at all of its sites.

There were no reported injuries to any of the Group's customers, clients or suppliers as a result of using our products and no legal actions or complaints were made in this regard in 2020.

<u>2020-2021 Targets and Goals Status</u>	
<u>Target/Goal</u>	<u>Status</u>
Ensuring that every installation encompasses maintenance and safety procedure training for customers.	Completed
Completion of a safety management plan in accordance with the requirements and regulations in Israel.	Completed
Conduct a safety risk survey.	Completed
Equip relevant employees with advanced protective equipment.	Completed
Maintain the goal of zero casualties.	Completed for 2020 Ongoing for 2021
Zero substantial findings in 2020 by the internal auditor on safety issues.	Completed for 2020 Ongoing for 2021
Successfully pass external surveys on environment protection, equipment safety assessments, etc.	Partially completed and ongoing-completed for Galaxy® machines; ongoing for legacy machines. The radiation audit at our Israeli facility was passed.

Targets and Goals for 2021

- Provide a digitised and convenient method for communication with customers.
- Make on-site visits at our suppliers' facilities for health and safety inspections and surveys.

CUSTOMER PRIVACY

Sarine takes the necessary precautions to protect all types of customers' information.

The Company established a policy for the proper use of Company systems including privacy issues and rules for the protection of information privacy. In accordance with this policy, the Company established a system for protecting personal information and properly manages the personal information in our possession that includes procedures in the event a security breach takes place.

Sarine successfully implemented the principles of the General Data Protection Regulation ("GDPR") standard during the years 2018-2019. The GDPR implementation process was completed in 2019 and refined in 2020, including the review and updating of Company standards, procedures and policies in this matter, and an audit process was conducted in order to comply with the GDPR.

As mentioned above, during 2020 Sarine initiated a process re-examining and updating the Company's policies according to the latest legislation and regulatory requirements.

Policies examined in 2020 to be updated in 2021:

- Our Code of Ethics was updated during 2020 and will be approved in 2021, to support our conducting our business ethically.
- Our Cookies Policy was reviewed in 2020 and is being updated to better accommodate revised regulatory developments and Sarine's data privacy guidelines
- Our Privacy Policy was reviewed in 2020 and is being updated to better comply with global developments.

In 2020, there were a number of phishing and cyber hacking attempts, but no information was compromised or harm done.

<u>2020 Targets and Goals Status</u>	
<u>Target/Goal</u>	<u>Status</u>
• To conduct an internal audit of Sarine's GDPR compliance.	Completed

Targets and Goals for 2021

- Complete update of Sarine's policies and procedures in accordance with evolving regulations on an ongoing basis.

RESPONSIBLE SUPPLY CHAIN

Sarine is committed to being a responsible and innovative leader in the diamond industry. Our strategy is also underpinned by embracing responsible business practices across our operations and supply chain. Our entire supply chain consists of over 700 active suppliers with the majority of our operations and business conducted with about 50 of them. In 2020 we successfully maintained open communications with our suppliers throughout our supply chain.

At the beginning of 2020, some of our key suppliers were evaluated as part of our annual review and they were offered an opportunity to provide feedback based on our evaluation. We plan to continue such evaluations during 2021. These evaluations assist us in maintaining fruitful and productive relations with our key suppliers. Our new "Know Your Supplier" questionnaires enables us to better familiarise ourselves with a supplier's activities, and in addition, by requesting suppliers to commit to all necessary regulatory requirements, it ensures that all products provided to us are of the required standards.

Beyond that, we promote and foster relationships with suppliers who promote shared environmental and social values, such as employment of workers with disabilities.

ENVIRONMENTAL RESPONSIBILITY

Sarine aims to be a responsible company that has little or no material negative impact on the environment by complying with industry-wide standards. We conduct our day-to-day business with a clear commitment to fully comply with corporate and industry standards, applicable laws, regulations and best practice.

We believe our business does not significantly impact the ecological balance of our environment and does not have any material influence on the sustainability of the industry or the human/natural fabric in which we operate.

Our sustainability initiatives establish an environmental plan that includes recycling and 'green' initiatives, including:

- Energy saving - automatic shutdown of air conditioning and lighting
- Using recycled paper
- Encouraging two-sided printing
- Battery recycling

In previous years we promoted the use of multiple-use kitchen utensils in Israel. Due to Covid-19 requirements and our efforts to safeguard our employees' health, we have temporarily suspended our activities in this regard.

We are pleased to report on a reduction in our environmental metrics. This includes a decrease in energy used, fuel usage and CO₂ emissions as a result.

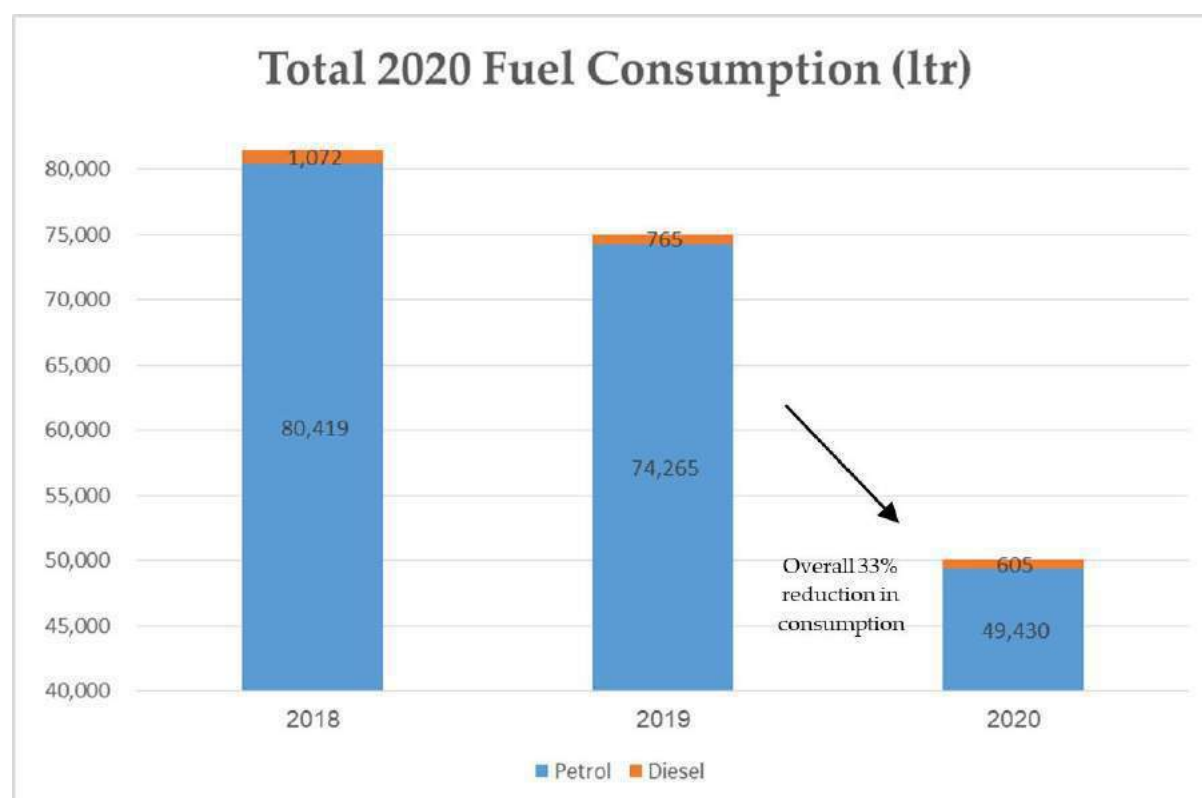
<u>2020-2021 Targets and Goals Status</u>	
<u>Target/Goal</u>	<u>Status</u>
• Where possible, utilise recycled paper	Partially implemented. Ongoing for 2021
• Where possible, transition to multi-use kitchenware	Paused due to Covid-19 Ongoing for 2021

ENERGY

As part of our efforts to improve our performance and measure our environmental impact, we measure energy consumed in performing our activities and are pleased to report that for 2020 we have lowered our energy consumption. This was achieved due to both our efforts to minimise energy consumption, and the impacts of the global pandemic on our operational activities.

The Group's electricity consumption in most of its facilities in 2020 was lowered by approximately 18-25%, mostly due to employees working from home. The consumption was approximately 1,600 MWh, comparatively 410 MWh lower than in 2019 and an overall 20% reduction in consumption. This includes all Sarine facilities in Israel, India and the US. Sarine did not sell any energy during 2020.

The Group's total fuel consumption during 2020 was lowered due to lockdowns and reduced driving for business requirements, as can be seen below. This amounted to 50,035 litres, of which 99% were petrol and 1% was diesel fuel. The fuel consumption includes company-issued employee cars and company cars in Israel and India. The Group has neither company cars nor participates in employees' car expenses in other locations.



CARBON FOOTPRINT

Sarine is glad to report on an overall 22% reduction in CO₂ emissions as a result of the reduced consumption of energy elaborated above, due to the reduction of operations under the Covid-19 pandemic.

Our Scope 1 emissions consist of transportation fuels only, including petrol and diesel, where the data is gathered from the Company cars' transport records.

The Group's Scope 2 emissions include electricity consumption within facilities and operations of the Group.

Source	Company total 2018 ¹ ton CO ₂ equivalent emissions	Company total 2019 ton CO ₂ equivalent emissions	Company total 2020 ton CO ₂ equivalent emissions	Change % 2019>2020
Scope 1: Direct emissions				
Transportation fuels	188.03	173.04	108.71	-37.2%
Scope 2: Indirect emissions				
Electricity consumption	1,673.89	1,585.2	1,257.53	-20.7%
Total emissions (scope 1 & 2)	1,861.92	1,759.18	1,366.23	-22.3%

Source used for data unit conversion:

- Israeli Ministry of Environmental Protection- Israel emissions.
- US Environmental Protection Agency- US emissions.
- GHG Inventory report for Electricity generation and consumption in India- India emissions.
- DEFRA conversion factors for fuels- Transportation fuels.

¹ 2018 data has been updated due to changes in conversion factors.

GRI INDEX

GRI Standard	Disclosure		Page	Omission
GRI 101: Foundation				
General Disclosures: Organisational Profile				
GRI 102: General Disclosures	102-1	Name of the organisation	5	
	102-2	Activities, brands, products, and services	5, 19-20	
	102-3	Location of headquarters	7	
	102-4	Location of operations	7, 16-17	
	102-5	Ownership and legal form	7-8	
	102-6	Markets served	7, 16-17	
	102-7	Scale of the organisation	16-17	
	102-8	Information on employees and other workers	17, 29-31	Employee data from 2019 have been updated in light of re-examination of previous data.
	102-9	Supply chain	42	
	102-10	Significant changes to the organisation and its supply chain	5, 16, 42	
	102-11	Precautionary Principle or approach	21, 24-25	
	102-12	External initiatives	24	
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General Disclosures: Strategy				
GRI 102: General Disclosures	102-14	Statement from senior decision-maker	4	
General Disclosures: Ethics and Integrity				
GRI 102: General Disclosures	102-16	Values, principles, standards, and norms of behaviour	9, 18, 23-24	
General Disclosures: Governance				
GRI 102: General Disclosures	102-18	Governance structure	16, 20-23	
	102-30	Effectiveness of risk management processes	21-23	
General Disclosures: Stakeholder Engagement				
GRI 102: General Disclosures	102-40	List of stakeholder groups	14	
	102-41	Collective bargaining agreements	30	
	102-42	Identifying and selecting stakeholders	13-14	
	102-43	Approach to stakeholder engagement	13-14	
	102-44	Key topics and concerns raised	12-14	
General Disclosures: Reporting Practice				
GRI 102: General Disclosures	102-45	Entities included in the consolidated financial statements	7	
	102-46	Defining report content and topic boundaries	10-13	
	102-47	List of material topics	12	
	102-48	Restatements of information	None	2018 emission data has been updated due to changes in conversion factors
	102-49	Changes in reporting	None	
	102-50	Reporting period	5	
	102-51	Date of most recent report	5	
	102-52	Reporting cycle	5	
	102-53	Contact point for questions regarding the report	5	
	102-54	Claims of reporting in accordance with the GRI Standards	5	
	102-55	GRI content index	46-48	
	102-56	External assurance	None	

Material Topics				
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	28-29	
	103-2	The management approach and its components	28-29	
	103-3	Evaluation of the management approach	28-29	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	16-17, 28-29	
	201-3	Defined benefit plan obligations and other retirement plans	33	
	201-4	Financial assistance received from government	28	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	30	
	202-2	Proportion of senior management hired from the local community	8	
GRI 203: Indirect Economic Impact 2016	203-2	Significant indirect economic impacts	28-29	
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	24-25	
	103-2	The management approach and its components	24-25	
	103-3	Evaluation of the management approach	24-25	
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	21, 24-25	
	205-2	Communication and training about anti-corruption policies and procedures	24-25	
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GRI 206: Anti-Competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	25-26	
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	43	
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GRI 302: Energy 2016	302-1	Energy consumption within the organisation	43-44	
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GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	29-30	
	103-2	The management approach and its components	29-30	
	103-3	Evaluation of the management approach	29-30	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	31	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	33-36	
	401-3	Parental leave	36	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	36-37	
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	39-40	
	103-2	The management approach and its components	39-40	
	103-3	Evaluation of the management approach	39-40	

GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	40-41	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	40-41	
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	40-41	
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	41-42	
	103-2	The management approach and its components	41-42	
	103-3	Evaluation of the management approach	41-42	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	42	

Sarine Technologies Ltd ("Sarine")

(Israel Registration No. 51 1332207)

SARINE'S ACTIVITIES ARE NOT AFFECTED BY CURRENT CONFLICT

In response to various queries made by Sarine's customers, investors and friends in India, Singapore and elsewhere, Sarine would like to clarify that the Sarine Group's business activities throughout Israel have not been affected by the recent rocket attacks into Israel or by the sporadic domestic unrest.

Sarine would like to take this opportunity to thank its customers, investors and friends for their genuine interest and support during these times.

Amir Jacob Zolty
Company Secretary

21 May 2021



OVER 30 YEARS OF INNOVATION

FOR IMMEDIATE RELEASE

PRESS RELEASE

Sarine Technologies and Constell Group Announce Strategic Collaboration

Will provide diamond pipeline best-in-class technology-based services

Hod Hasharon (Israel), 25 May 2021 – Singapore Exchange Mainboard listed Sarine Technologies Ltd (“**Sarine**” and along with its subsidiaries “**the Group**”) (**U77:SI**), a worldwide leader in the development, manufacturing, marketing and sale of precision technology products for the evaluation, planning, processing, measurement, grading and trading of diamonds and gems, is pleased to announce it has entered a strategic collaboration agreement with the Constell Group.

The Constell Group has operations in India and Southern Africa, employing more than 4,000 people worldwide. Constell focuses on serving the entire diamond industry, primarily focused on aiding the midstream seamlessly transform raw materials to desirable finished gems in the most cost-effective way, realising the best possible value for their clients. Constell offers a broad range of services including sorting of rough stones, polishing and other logistical services.

Constell’s strategy is to utilise the most advanced technologies available in order to provide first rate services to the market. This strategy has naturally led to past cooperation between Constell and Sarine, cooperation which has benefitted both parties for many years. The parties have now decided to proceed to the next level by establishing this strategic cooperation, which will initially focus on the rapidly growing segment of lab grown diamonds (LGD). The aim of the joint effort is to forge a closer cooperation that will quickly and efficiently provide technological solutions for the current and evolving needs of the rapidly expanding LGD segment. The cooperation will allow customers to benefit from more competitive pricing. The business model will remunerate Sarine based on each stone processed, regardless of the specific technologies applied in the processing.

Meir Boukris, Executive Chairman of Constell, said: “Sarine’s technological leadership combined with our diamond expertise and experience in many varied fields will enable our customers to benefit from a premium service at a beneficial price. We believe that the application of Sarine’s advanced technological solutions to many of the currently manual processes will increase the realised value significantly, and we are fully committed to bringing this evolution to the burgeoning LGD market.”

David Block, CEO of Sarine Technologies, commented: "Having worked together for many years, we are honored to collaborate with Constell, which shares our vision for the diamond industry value chain. The rough-to-polished pipeline is rapidly changing, and to adapt to market developments significant technological developments are needed, which we have been and continue to passionately develop. In addition to our innovations directly contributing to the optimisation and streamlining of the polishing process, we see significant added-value in our groundbreaking Traceability and e-Grading solutions, which can be applied to LGD equally as to natural diamonds, to ensure a verifiably sustainable supply of diamonds to a rapidly changing consumer environment."

About Sarine Technologies:

Established in 1988, Sarine Technologies Ltd. is a worldwide leader in the development and manufacturing of advanced modeling, analysis, evaluation, planning, processing, finishing, grading and trading systems for diamonds. Sarine products include the Galaxy® family of inclusion and tension mapping systems, rough diamond planning and optimisation technologies, laser cutting and shaping tools, laser-marking, inscription and fingerprinting equipment, automated (AI-derived) Clarity, Color, Cut and light performance grading systems and traceability, visualisation and retailing services. Sarine systems have become standard tools in every modern manufacturing plant, properly equipped gemology lab and diamond appraisal business, and are essential aids for diamond polishers, dealers and retailers. For more information about Sarine and its products and services, visit <http://www.sarine.com>.

Contact:

APAC IR

Cyrus Capital Consulting
Mr. Lee Teong Sang
Tel: +65-96339035
teongsang@cyrus.com.sg

North America IR

MS-IR LLC
Ms. Miri Scharia-Segal
Tel: +1-917-607-8654
msegal@ms-ir.com

Sarine Technologies Ltd.

Marketing &
Communications
Ms. Romy Gakh-Baram
Tel: +972-9-7903500
romy.gakh-baram@sarine.com

SARINE TECHNOLOGIES LTD.
(Company Registration No. 511332207)
(Incorporated in Israel)
(the “Company”)

**MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY
HELD BY WAY OF ELECTRONIC MEANS (VIA LIVE WEBCAST AND LIVE
AUDIO STREAM) ON TUESDAY, 27 APRIL 2021 AT 3.00 P.M.**

PRESENT

DIRECTORS

Mr. Daniel Benjamin Glinert (Executive Chairman)
Mr. Avraham Eshed (Non-Executive Director)
Uzi Lev-Ami (Non-Executive Director)
Ms. Varda Shine (Lead Independent Director)
Mr. Lim Yong Sheng (Independent Director)
Mr. Sin Boon Ann (Independent Director)
Ms. Neta Zruya-Hashai (Independent Director)

IN ATTENDANCE BY INVITATION

As per attendance record maintained by the Company.

SHAREHOLDERS

As per attendance record maintained by the Company.

QUORUM

As there was a quorum, the Chairman, Mr. Daniel Benjamin Glinert (“**Mr. Glinert**” or the “**Chairman**”), declared the Annual General Meeting of the Company (the “**Meeting**”) opened at 3.00 p.m.

NOTICE

The Notice convening the Meeting was taken as read.

INTRODUCTION

The Chairman welcomed all joining the Meeting via the LIVE WEBCAST and LIVE AUDIO STREAM.

The Chairman informed that in light of the current COVID-19 situation and the control measures imposed by the Singapore Government, the Meeting was held by way of

electronic means and all the Directors, Company Secretary and Auditors of the Company were attending the Meeting virtually via the LIVE WEBCAST. The Chairman introduced to shareholders, the Directors who have joined the Meeting via LIVE WEBCAST.

OPENING ADDRESS

The Chairman informed that the Shareholders had been given the opportunity to ask questions prior to the Meeting. The Company had addressed all substantial and relevant questions received prior to the Meeting via publication on the SGXNet on 22 April 2021 and also the Company's website at URL <http://www.Sarine.com>.

The Chairman also informed that Shareholders were required to submit their proxy forms to appoint the Chairman of the Meeting to cast their votes on their behalf. In his capacity as the Chairman of the Meeting, he had been appointed by numerous Shareholders as proxy and had voted in accordance with their instructions. In line with the requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited, all resolutions to be tabled at the Meeting were voted by way of poll. The Chairman further informed that, for the conduct of the poll, M & C Services Private Limited had been appointed as the Polling Agent and TS Tay Public Accounting Corporation as the Scrutineer. The Polling Agent and Scrutineer had assisted the Company with the verification and supervision of the counting of the votes of all such valid proxy forms submitted by Shareholders by the submission deadline of 3.00 p.m. on 26 April 2021. The tabulated poll results announced by the Chairman after each Resolution tabled at the Meeting was based on the duly completed proxy forms that were received by the Company by the cut-off time, as certified by the Scrutineer.

The Chairman then briefly reviewed the Group's business situation:

As previously reported (in the Company's announcement of the 2020 results), the global diamond industry started on a path of recovery in the second half of 2020 driven by the reopening of diamond jewelry retail activities. The recovery culminated in a stronger than expected end-of-year holiday season in the crucial U.S. market, as well as a strong Chinese New Year season in early 2021 throughout most of the Asia-Pacific market. On the backdrop of reduced inventories stemming from the curtailed and diminished polishing capacities during the Covid-19 pandemic lockdowns and restrictions in India

for most of the first half of 2020, the renewed demand propelled a strong resumption of diamond manufacturing activities. This trend continued in the first quarter of 2021. Appropriately, DeBeers' initial three sights in 2021 included its strongest selling cycle in three years in January, totaling US\$ 650 million, followed by a higher than average sight of US\$ 550 million in February, and US\$ 440 million in March. However, it should be noted that the current pandemic conditions in India have created immediate-term uncertainties. Mumbai is under lockdown (yet the diamond industry has been excluded), Surat is not under lock-down but activity has been affected by illnesses, absences, etc.. The Indian summer vacation will start in May and typically lasts three weeks. However, the Company does not contemplate a complete lockdown, as in March-May 2020, and global demand is strong.

The Chairman further noted that the Group continues its beta testing of the e-GradingTM with two leading customers in India and that the e-GradingTM launch is still scheduled for H2 2021, assuming no material deterioration in India. The Chairman added that the Company is also closely reviewing the insurance and liability aspects of e-GradingTM.

The Chairman further noted that the traceability solution, JourneyTM, continues to gain recognition with customers and, importantly with key producers, and the Company contemplates onboarding of additional producers. The Chairman added that due to Covid-19 issues in South Africa, business activities in such region are affected.

QUESTIONS AND ANSWERS

The Chairman and the Company's Chief Executive Officer, Mr. David Block (the "CEO") addressed questions raised by the audience with regard to the following matters:

Illegal Competition in India

The Chairman noted that the Company is conducting two main legal proceedings against an illegal competitor in India: a patent-infringement claim (with regard to the Galaxy[®]'s hardware) and a copyright infringement claim (with regard to Advisor[®] software infringements). The patent-infringement case is progressing in a satisfactory manner, despite the defendant's delay tactics. The court is determined to conduct such proceeding in an efficient and diligent manner, using, among other things, on-line hearings. Yet the

recent Covid-19 situation in India may disrupt the proceedings. The copyright case is still in a rather preliminary stage.

The CEO added that Q4 2020 saw a substantial increase in the scanning of stones by Galaxy® machines - a positive indication of the success of the legal and commercial steps taken by the Company to confront illegal competition. The CEO added that, following a raid conducted by the Indian tax authorities, the illegal competitor's operations had been disrupted for two months.

Cooperation with NGTC

The CEO reported that the Company continues its cooperation with NGTC (the National Gemstone Testing Center, China's largest and most important gemological laboratory). The process had been delayed throughout 2020, initially due to the Covid-19 situation in China, and then due to the global situation. The cooperation started with light performance and is expected to develop into further e-Grading™ aspects.

Referring to questions re market share and commercial aspects of such cooperation, the CEO noted that the grading market is estimated at US\$ 500 million – US\$ 700 million per annum (actual numbers are not publicly available). The Chinese market accounts for approximately 15% of such market. NGTC is a major domestic player in China, but it is not yet considered an international player. China is a major market for Sarine's products and NGTC is a valuable partner in such market.

Dual Listing

The Chairman noted that the contemplated trading mechanism will be transparent and seamless: Israeli investors may buy shares through Euroclear and all of the Company's shares will continue to be registered with the CDP. The Chairman further referred the participants to the announcement posted by the Company in 22 April 2021 – with regard to the dual listing's ramifications.

Covid-19 going forward

The Chairman noted that as approximately 60% of the Israeli population have already been vaccinated, the Israeli operations of the Company: management, R&D, production, and sales and marketing are no longer affected by Covid-19 and, barring any unforeseen deterioration (e.g., the appearance of violent variants), it appears that Israel has overcome Covid-19. The situation in the US is constantly improving, business is getting back to

normal and vaccination rates are increasing. Retail is almost back to normal. The situation in the eastern parts of Asia is quite similar. However, the Indian situation is severe, as noted above. It is yet to be seen how the Indian market will behave following the May vacations. The Chairman added that, absent a material deterioration in India, the second quarter is expected to be a typical quarter, but it is yet early to predict the next weeks' developments.

The CEO added that since early 2020 the Company has made and executed contingency plans in order to meet any Covid-19 ramifications, and that thus the Company is financially and operationally ready for any additional developments. The CEO added that while the humanitarian situation in India is saddening, there appears to be no substantial effect on the Company's activities: consumer demand in the western world and in the eastern parts of Asia is strong and stable and as of now the Indian supply remains intact (the CEO noted, however, that standard lab grading activities, such as the GIA, in India have been affected and that there appear to be difficulties in scaling up and scaling down such activities. Therefore, the Company sees no need to take immediate and drastic measures, as it did in early 2020. Yet the Company is closely monitoring developments.

Brand enhancement

The Chairman noted that the diamond industry consists of three main segments: upstream (mining and production), midstream (manufacturing) and downstream (retail).

The Company is well known and highly appreciated in the first two: in the upstream segment the Company has partnered with Alrosa (the main Russian producer, and largest miner of diamonds worldwide in carat terms) and with smaller players such as Grib, another Russian producer, and Lucara, a Canadian-based producer operating in Botswana. The Company has been leading the midstream segment for decades and is therefore well positioned in such segment.

The downstream segment is very decentralized and diversified – as far as quality of products, size of players and geographic locations are concerned. Therefore, the Company needs to communicate with numerous players. The Company has excellent relations with high-end retail chains, such as Tiffany, Chow Tai Fook and leading retail chains in Japan. The Company is also in negotiations with other high-end retail chains and will announce same once they materialise. The Chairman added the Company will continue working on reaching out and establishing presence with consumers.

The CEO added that during 2020 the Company suspended its retail-focused marketing efforts, as part of the Covid-19 cuts and since there was no active market to reach out to. Since then, the Company resumed its marketing efforts – but trade shows have not yet returned.

Galaxy® Sales and Business Models

The Company has conducted aggressive marketing campaigns on the Galaxy® family Meteor™ and Meteorite™ models and has expanded the initiative to the Solaris™ model as well (among other reasons, as part of the Company's attempts to defeat the illegal competition). Such machines scan smaller stones and thus generate lower margin to their users. Accordingly, the price of such machines is lower than the price of bigger Galaxy® machines. Previously the Company sold such machines based on a down payment and pay-per-use model. Now the Company has moved to a (substantially higher) one-off sale price, with no additional payments. Such model will increase the Company's revenues from such machines in the short-medium term (up to 7 years). The breakeven point is expected within six-seven years, and by that time it is likely that the customers will purchase newer and more advanced products.

Trade Receivables

The Chairman noted that the trade receivables have amounted to approximately US\$ 22 million (out of revenues of approximately US\$ 40 million) – primarily due to Covid-19 effects. Yet the Company has not recorded any substantial bad debts and collection has continued throughout 2020 and early 2021. Certain customers account for a substantial portion of the accounts receivables – and this is a reflection of the market structure. The Company is closely following the accounts receivables. In response to a specific question raised with regard to two Indian companies: Gitanjali and Firestar, the Chairman noted that the Company had no dealings with same.

The Chairman then proceeded with the following Agenda of the Meeting.

ORDINARY BUSINESS:

REPORTS AND FINANCIAL STATEMENTS – RESOLUTION 1

The ordinary resolution voted on was: “To receive and consider the audited accounts for the year ended 31 December 2020 and the reports of the directors and auditors.”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” – 100% (135,233,827 shares)

Percentage of votes “AGAINST” – 0% (0 shares)

Based on the result, the Chairman declared that ordinary resolution 1 was duly passed.

DECLARATION OF FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2020 – RESOLUTION 2

The ordinary resolution voted on was: “To declare a final dividend of US cent 0.5 (gross) per share less tax (as applicable) for the year ended 31 December 2020..”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” – 100% (135,233,827 shares)

Percentage of votes “AGAINST” – 0% (0 shares)

Based on the result, the Chairman declared that ordinary resolution 2 was duly passed.

RE-APPOINTMENT OF SOMEKH CHAIKIN CERTIFIED PUBLIC ACCOUNTANTS (ISR.), MEMBER FIRM OF KPMG INTERNATIONAL AND CHAIKIN, COHEN, RUBIN AND CO., CERTIFIED PUBLIC ACCOUNTANTS (ISR.) AS EXTERNAL AUDITORS - RESOLUTION 3

The ordinary resolution voted on was: “To re-appoint Somekh Chaikin Certified Public Accountants (Isr.), Member firm of KPMG International and Chaikin, Cohen, Rubin and Co., Certified Public Accountants (Isr.) as external auditors and to authorise the Board of Directors to fix their remuneration.”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” – 100% (135,233,827 shares)

Percentage of votes “AGAINST” – 0% (0 shares)

Based on the result, the Chairman declared that ordinary resolution 3 was duly passed.

For items 4 to 8 on the agenda, the Chairman declared that since he has, or may be deemed as having, a personal interest in these items, and/or as being a controlling shareholder of the Company, Mr. Amir Zolty, the Corporate Secretary, will chair the proceedings with regard to such resolutions.

APPROVAL OF THE CPMPANY'S 2021 REMUNERATION POLICY – RESOLUTION 4

The ordinary resolution voted on was: “To approve the Remuneration Policy 2021.”

The Chairman announced the result of the votes as follows:

Percentage of all votes “FOR” – 100% (135,233,827 shares)

Percentage of votes “AGAINST” – 0% (0 shares)

Percentage of independent participating shareholders' votes “For” – 100% (121,099,575 shares)

Percentage of independent participating shareholders' votes “Against” – 0% (0 shares)

Based on the result, the Chairman declared that ordinary resolution 4 was duly passed.

APPROVAL OF THE REMUNERATION PACKAGE FOR THE EXECUTIVE CHAIRMAN, MR. DANIEL BENJAMIN GLINERT – RESOLUTION 5

The ordinary resolution voted on was: “To approve the remuneration package for Mr. Daniel Benjamin Glinert, the Executive Chairman of the Board.”

The Chairman announced the result of the votes as follows:

Percentage of all votes “FOR” – 100% (135,232,627 shares)

Percentage of votes “AGAINST” – 0% (1,200 shares)

Percentage of independent participating shareholders' votes “For” – 100% (121,098,375 shares)

Percentage of independent participating shareholders' votes “Against” – 0% (1,200 shares)

Based on the result, the Chairman declared that ordinary resolution 5 was duly passed.

APPROVAL OF THE REMUNERATION PACKAGE FOR THE CHIEF EXECUTIVE OFFICER, MR. DAVID BLOCK – RESOLUTION 6

The ordinary resolution voted on was: “To approve the remuneration package delineated in Appendix B attached hereto for Mr. David Block, the CEO”.

The Chairman announced the result of the votes as follows:

The Chairman announced the result of the votes as follows:

Percentage of all votes “FOR” – 100% (135,232,627 shares)

Percentage of votes “AGAINST” – 0% (1,200 shares)

Percentage of independent participating shareholders’ votes “For” – 100% (121,098,375 shares)

Percentage of independent participating shareholders’ votes “Against” – 0% (1,200 shares)

Based on the result, the Chairman declared that ordinary resolution 6 was duly passed.

APPROVAL OF THE GRANT OF 300,000 OPTIONS TO THE EXECUTIVE CHAIRMAN, MR. DANIEL BENJAMIN GLINERT - RESOLUTION 7

The ordinary resolution voted on was: “To approve the grant of 300,000 options under the 2015 Plan to Mr. Daniel Benjamin Glinert, the Executive Chairman of the Board, to vest over a period of three years.”

The Chairman announced the result of the votes as follows:

The Chairman announced the result of the votes as follows:

Percentage of all votes “FOR” – 100% (132,530,078 shares)

Percentage of votes “AGAINST” – 0% (1,200 shares)

Percentage of independent participating shareholders’ votes “For” – 100% (121,098,375 shares)

Percentage of independent participating shareholders’ votes “Against” – 0% (1,200 shares)

Based on the result, the Chairman declared that ordinary resolution 7 was duly passed.

APPROVAL OF GRANT OF 700,000 OPTIONS TO THE CHIEF EXECUTIVE OFFICER, MR. DAVID BLOCK – RESOLUTION 8

The ordinary resolution voted on was: “To approve the grant of 700,000 options under the 2015 Plan to Mr. David Block, the CEO, to vest over a period of three years”.

The Chairman announced the result of the votes as follows:

Percentage of all votes “FOR” – 100% (132,530,078 shares)

Percentage of votes “AGAINST” – 0% (1,200 shares)

Percentage of independent participating shareholders’ votes “For” – 100% (121,098,375 shares)

Percentage of independent participating shareholders’ votes “Against” – 0% (1,200 shares)

Based on the result, the Chairman declared that ordinary resolution 8 was duly passed.

Mr. Daniel Benjamin Glinert re-assumed the Chairman’s seat

SPECIAL BUSINESS:

AUTHORITY TO ALLOT AND ISSUE SHARES – RESOLUTION 9.1

The ordinary resolution voted on was: “That authority be given to the directors of the Company to issue and allot shares in the Company whether by way of rights, bonus or otherwise (including but not limited to the issue and allotment of shares at any time, whether during the continuance of such authority or thereafter, pursuant to offers, agreements or options made or granted by the Company while this authority remains in force) by the directors, or otherwise disposal of shares (including making and granting offers, agreements and options which would or might require shares to be issued, allotted or otherwise disposed of, whether during the continuance of such authority or thereafter) by the directors of the Company at any time to such persons (whether or not such persons

are shareholders), upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit PROVIDED THAT:

- (i) the aggregate number of shares to be issued pursuant to such authority shall not exceed 30% of the issued shares in the capital of the Company (as calculated in accordance with paragraph (ii) below), of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must not be more than 10% of the total issued shares in the capital of the Company;
- (ii) subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under paragraph (i) above, the total number of issued shares shall be based on the number of issued shares in the capital of the Company at the time this resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities or new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares;
- (iii) unless revoked or varied by the Company in a general meeting, such authority shall continue in full force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

The Chairman announced the result of the votes as follows:

Percentage of votes "FOR" – 66.59% (90,047,927 shares)

Percentage of votes "AGAINST" – 33.41% (45,185,900 shares)

Based on the result, the Chairman declared that ordinary resolution 9.1 was duly passed.

AUTHORITY TO GRANT OPTIONS PURSUANT TO THE SARINE TECHNOLOGIES LTD 2015 SHARE OPTION – RESOLUTION 9.2

The ordinary resolution voted on was: "That the directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the 2015 Plan and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the 2015 Plan and/or under the Sarin Technologies Ltd 2005 Share Option Plan (the "2005

Plan"), provided always that the aggregate number of such shares to be issued pursuant to the 2015 Plan and the 2005 Plan and any other share option schemes of the Company for the time being in force shall not exceed 15% of the issued shares in the capital of the Company (excluding treasury shares) from time to time."

The Chairman announced the result of the votes as follows:

Percentage of votes "FOR" – 100% (131,530,078 shares)

Percentage of votes "AGAINST" – 0% (1,200 shares)

Based on the result, the Chairman declared that ordinary resolution 9.2 was duly passed.

CONCLUSION

There being no other business to transact, the Chairman thanked everyone for watching the LIVE WEBCAST or LIVE AUDIO STREAM and fellow board members, shareholders, stakeholders and partners for their invaluable support.

The Chairman declared the Meeting of the Company closed.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

A handwritten signature in black ink, appearing to read 'Daniel Glinert', is written over a horizontal line.

Daniel Benjamin Glinert

Chairman



OVER 30 YEARS OF INNOVATION

FOR IMMEDIATE RELEASE

PRESS RELEASE

Grib Diamonds Adopts The Sarine Diamond Journey™ Traceability Program

Offering rough diamonds' birth registration at source

Hod Hasharon (Israel), 2 June 2021 – Singapore Exchange Mainboard listed Sarine Technologies Ltd ("**Sarine**" and along with its subsidiaries "**the Group**") (**U77:SI**), a worldwide leader in the development, manufacturing, marketing and sale of precision technology products for the evaluation, planning, processing, measurement, grading and trading of diamonds and gems, is pleased to announce that Grib Diamonds, a Belgian rough diamond company owned by AGD Diamonds with mining operations in Russia, is joining the Sarine Diamond Journey™ traceability program and will offer customers stones with "birth-registrations" authenticating their origin.

Grib Diamonds is an independent privately-owned company that has been selling rough diamonds in Antwerp since 2014. The stones sold are from the Grib diamond pipe operated by AGD Diamonds, located in the northwestern part of Russia, approximately 130 km from the regional capital of Arkhangelsk. It is one of the largest diamond mines developed over the past 10 years. The pipe's development phase was initiated in 2008 and diamond production commenced in 2014. The mine currently has an estimated reserve of 60 million carats.

Grib sell their stones through an efficient online auction system also utilising Sarine's technologies. By providing their customers with comprehensive data pertaining to the quality of the offered assortments, Grib achieves a high level of transparency relating to the auctioned goods. For the higher value stones, Grib provides an external modelling created by Sarine's DiaExpert® system, an internal inclusion map created by the Galaxy® system and a Sarine Advisor® planning file allowing potential buyers to assess possible optimal polishing solutions. Grib will now augment these data with another layer of valuable information- the registration of the diamond's origin and other pertinent information, as derived at source. This will enable their midstream manufacturing customers to provide their downstream retail clients with fully documented traceable diamonds from the mine and throughout the polishing process.

Igor Prokhorenko, Managing Director of Grib said: "We are continuously searching for ways to provide our customers with additional value. The consumer demand for sustainably sourced traceable diamonds is increasing rapidly, and we believe that the transparency provided by technology-based tracking is the best solution to respond to this challenge and enable our industry to continue prospering. The Sarine Diamond Journey™ solution is the optimal tool to achieve this aim, due to its extensive scope of data, its factual accuracy and that it is derived from typically deployed systems with no need to acquire additional capital equipment and implement process changes, which means minimal operational effort and cost. In addition we plan to implement some of Sarine's technologies into our existing internal traceability efforts at the mine."

David Block, CEO of Sarine Technologies, commented: "It is an honor to have Grib/AGD Diamonds join the growing list of producers that have adopted the Sarine Diamond Journey™ solution. Grib Diamonds is proving once again that their commitment to transparency and to their customers is their first priority. Expanding the list of rough producers implementing our traceability paradigm at source is important as it is the enabling prerequisite to facilitate the growing number of retailers complying with consumer demand for verifiable traceability information. I expect the Grib brand, empowered by their core values of transparency, fairness and responsibility, will be further enhanced by its thus gaining exposure and recognition by the downstream segment of the industry and the consumer market. I am certain that other significant producers will also soon be embracing the Sarine Diamond Journey™, which will similarly benefit their brand, as well as the entire diamond pipeline."

About Sarine Technologies:

Established in 1988, Sarine Technologies Ltd. is a worldwide leader in the development and manufacturing of advanced modeling, analysis, evaluation, planning, processing, finishing, grading and trading systems for diamonds. Sarine products include the Galaxy® family of inclusion and tension mapping systems, rough diamond planning and optimisation technologies, laser cutting and shaping tools, laser-marking, inscription and fingerprinting equipment, automated (AI-derived) Clarity, Color, Cut and light performance grading systems and traceability, visualisation and retailing services. Sarine systems have become standard tools in every modern manufacturing plant, properly equipped gemology lab and diamond appraisal business, and are essential aids for diamond polishers, dealers and retailers. For more information about Sarine and its products and services, visit <http://www.sarine.com>.

Contact:

APAC IR

Cyrus Capital Consulting
Mr. Lee Teong Sang
Tel: +65-96339035
teongsang@cyrus.com.sg

North America IR

MS-IR LLC
Ms. Miri Scharia-Segal
Tel: +1-917-607-8654
msegal@ms-ir.com

Sarine Technologies Ltd.

Marketing & Communications
Ms. Romy Gakh-Baram
Tel: +972-9-7903500
romy.gakh-baram@sarine.com



OVER 30 YEARS OF INNOVATION

PRESS RELEASE

FOR IMMEDIATE RELEASE

Further Update on Effects of Indian Covid-19 on Group

Hod Hasharon (Israel), 16 June 2021 - Singapore Exchange Mainboard listed Sarine Technologies Ltd (“**Sarine**” and along with its subsidiaries “**the Group**”) (**U77:SI**), a worldwide leader in the development, manufacturing, marketing and sale of precision technology products and services for the evaluation, planning, processing, measurement, grading and trading of diamonds and gems, wishes to update its investing public on developments pertaining to the Covid-19 pandemic in India.

Further to our announcement of 29 April 2021, we would like to update that the Covid-19 pandemic in India is seemingly past its most acute outbreak. The lockdown that had been in effect in Mumbai as of our previous announcement, from which the diamond bourse had mostly been exempted, has been lifted. Restrictions, which have been put in place in lieu of said lockdown, have and have had no material effect on our operations there. As for Surat, where the diamond cutting and polishing activities and hence our major site of operations are located, most restrictions, beyond social distancing and wearing masks, have been lifted. Most manufacturers' operations are running at capacities approaching normal levels. Furthermore, due to the uncertainty existing as of the date of our previous update, and the concern of possible pending government-mandated lockdowns, the seasonal May summer vacation shutdown in India, which typically lasts 2-3 weeks, was, in fact, cancelled by many of the midstream entities, thus allowing near continuous work throughout May and June.

The situation in India is still dynamic. However, consumer demand for diamond jewellery remains robust in all major markets, including the U.S., China, other APAC countries, etc. (US jewellery sales in May were reportedly 30% higher than those in May 2019), and hence the demand for polished diamonds remains strong, with an uptick in prices reported by Rapaport. For the most part manufacturing volumes remain high, even though DeBeers sights have declined from the January record of US\$ 650 million to a more normal level of around US\$ 400 million. This reduction in quantities stems from actual shortages of rough diamonds, due to various problems at some of the mines along with reduced mining in 2020, which lowered rough inventories overall. Notwithstanding this drop in volumes, our Galaxy[®]-family scanning operations, which are first and foremost on the larger more-valuable goods, remain at levels similar to those reported upon in our 09 May 2021 update on business conditions. To note, there are reported shortages of polished diamonds in various categories in the wholesale markets, which are mostly due to backlogs created by the GIA's grading cycles having become longer than usual and approaching two months. This is yet another indication as to the benefits manifest in our e-Grading paradigm, to be more broadly introduced in the second half of the year.

About Sarine Technologies:

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Contact:

APAC IR

Mr. Lee Teong Sang
Tel: +65-96339035
teongsang@cyrus.com.sg

North America IR

Ms. Miri Scharia-Segal
Tel: +1-917-607-8654
msegal@ms-ir.com

Sarine Technologies Ltd.

Ms. Romy Gakh-Baram
Tel: +972-9-7903500
romy.gakh-baram@sarine.com

Issuer & Securities

Issuer/ Manager

SARINE TECHNOLOGIES LTD.

Securities

SARINE TECHNOLOGIES LTD - IL0010927254 - U77

Stapled Security

No

Announcement Details

Announcement Title

Share Buy Back - Daily Share Buy-Back Notice

Date & Time of Broadcast

21-Jun-2021 18:51:21

Status

New

Announcement Sub Title

Daily Share Buy-Back Notice - 21 June 2021

Announcement Reference

SG210621OTHR63XR

Submitted By (Co./ Ind. Name)

Amir J. Zolty

Designation

Company Secretary

Effective Date and Time of the event

21/06/2021 17:00:00

Description (Please provide a detailed description of the event in the box below)

Daily Share buy-back by way of market acquisition.

Additional Details

Start date for mandate of daily share buy-back

21/06/2021

SHARE BUY BACK - DAILY SHARE BUY-BACK NOTICE::DAILY SHARE BUY-BACK NOTICE - 21 JUNE 2021

17,491,596

Purchase made by way of market acquisition

Yes

	Singapore Exchange	Overseas Exchange
Date of Purchase	21/06/2021	
Total Number of shares purchased	350,000	
Number of shares cancelled	0	
Number of shares held as treasury shares	350,000	

Highest/ Lowest price per share

Highest Price per share	SGD 0.615	
Lowest Price per share	SGD 0.61	
Total Consideration (including stamp duties, clearing charges etc) paid or payable for the shares	SGD 214,292.78	

Section B

Purchase made by way of off-market acquisition on equal access scheme

No

Section C

Cumulative No. of shares purchased to date^	Number	Percentage#
By way of Market Acquisition	350,000	0.1
By way off Market Acquisition on equal access scheme	0	0
Total	350,000	0.1

#Percentage of company's issued shares excluding treasury shares as at the date of the share buy-back resolution

^From the date on which share buy-back mandate is obtained

Section D

Number of issued shares excluding treasury shares after purchase

349,575,676

Number of treasury shares held after purchase

4,190,200