PRESS RELEASE

Business Rebound from Covid Pandemic Raised FY2021 Revenue 52% to US$62.1 million with Net Profit up Nearly 600% to US$16.5 million

- **FY2021 gross margin expanded to 74% on higher overall recurring revenues**
- **80 Galaxy®-family inclusion mapping systems delivered in FY2021, lifting the total installed base to 711 systems**
- **Expanding adoption of wholesale and retail trade services boosted Trade-related revenues to 11% of overall revenue in H2 2021 and 8% for the whole of FY2021, a significant increase from the 5% recorded in FY2020**
- **A final dividend of US 1.0 cents per ordinary share was declared for approval at AGM**

Hod Hasharon (Israel) 27 February 2022 - Singapore Exchange Mainboard and Tel Aviv Exchange listed Sarine Technologies Ltd (**"Sarine"** and along with its subsidiaries **"the Group"**) **(U77:SI; SARN.TA)**, a worldwide leader in the development, 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 its full year FY2021 results for the 12 months ended 31 December 2021.

Review of FY2021

The lockdowns following the onset of Covid-19 in H1 2020 disrupted diamond manufacturing activities in India and retailing activities throughout the world. With the gradual resumption of retailing activites in H2 2020, the diamond industry rebounded in late 2020 and this positive momentum carried over into 2021. The pent up demand, continuing restrictions on international travel and fiscal stimulus by many governments contributed to strong consumer demand for diamond jewellery in 2021.

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With overall positive business conditions for most of FY2021 and the strong resurgence of diamond manufacturing activities, Group revenue rose 52% to US$62.1 million, benefiting from increased capital equipment sales and higher recurring revenues, primarily from Galaxy® inclusion scanning revenues, which rose 46% over FY2020 and lifted the gross profit margin to 74%.

Overall recurring revenues (including Galaxy® inclusion scanning, digital tenders, Quazer® services, polished diamond trade-related services, annual maintenance contracts, etc.) were approximately 55% of Group revenue in H2 2021 and 46% of Group revenue in FY2021. Overall rough and polished diamond wholesale and retail related ("Trade") revenues, mostly from digital tenders, the Sarine Profile™ and the Sarine Diamond Journey™ were approximately 11% of group revenue for H2 2021 and 8% for FY2021.

The Group delivered 32 Galaxy®-family inclusion mapping systems in H2 2021 comprising three Galaxy® Ultra models, two Galaxy® models, 6 Meteor™ models and 21 Meteorite™ models. About 40% of the Meteor™ and Meteorite™ systems were sold under the one-off paradigm with no follow-on per-use revenues. A total of 80 Galaxy systems were delivered in FY2021, and, as of 31 December 2021, our installed base was 711 systems.

The improvement in business conditions and strong growth in Group revenue led to a corresponding increase in operating expenses as the Group returned to "normal" expendituresin FY2021, reversing the aggressive cost containment measures which were implemented from March 2020 at the onset of the Covid-19 pandemic. A portion of the increase in general and administrative expenses was primarily due to higher third-party professional fees related to the trial phase of the copyright and patent litigations in India. Although higher, overall operating expenses remained prudent, and this contributed to a 596% increase in net profit to US$16.5 million in FY2021.

The Board of Directors has recommended a final dividend of US 1.0 cent per ordinary share for FY2021, and when approved at the AGM on 26 April 2022, the dividend is expected to be paid on 19 May 2022.

Prospects

Although the Covid-19 virus and its mutations are still among us, many countries have adopted a strategy of living with Covid-19 that is supported by the widespread availability and use of vaccines as well as the advent of the Omicron variant, which has proven to be extremely contagious but much less problematic in causing serious illness and death. This resumption of activities will support a general economic recovery and positive business conditions. The recent developments in Europe, may affect business conditions, though the extent and the form of the effect are not yet clear.

With the strong holiday season for diamond jewellery in the closing months of 2021 and into early 2022 (for the Chinese New Year and leading up to Valentine's Day), the retail consumer demand for diamond jewellery was set to continue in 2022, as experience-based luxury spending remains impeded. Current developments in Europe may affect global consumer demand. Rough demand in the midstream currently remains bullish, and the increase in the pricing of rough diamonds in 2021 (on average 23% higher for the year) continued in the initial two sights of 2022. This should remain supportive of the demand for our capital equipment as well as Galaxy® scanning activities which hit

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an all-time high of 33 million rough diamonds in 2021, over 70% higher than in 2020 (80% more than in 2019). As both the installed base expands and the addressable segments of stone sizes and qualities broadens, due to enhanced technologies and new business models to be introduced in 2022, the level of scanning activities should expand commensurately.

Our Trade revenues, currently mostly from digital tenders, the Sarine Profile™ and the Sarine Diamond Journey™ have grown strongly in FY2021, albeit from a small base, to account for approximately 11% of group revenue for H2 2021 and 8% for FY2021. We expect Trade revenues to continue growing in FY2022 from new customers and the broadening adoption of our new technologies.

The use of digital tenders in the sale of rough diamonds by wholesalers continued to expand in FY2021 (by 243%!), even with the easing of Covid-19 travel restrictions, due to their overall value proposition to buyers and sellers alike. We expect the expansion in the utilisation of our digital tenders paradigm by both producers and wholesale tender houses to continue in 2022, albeit at a less dramatic rate, as the technology improves the transparency of and streamlines the sale process to the benefit of both wholesalers and buyers.

We are continuing to see the increasing adoption of our Sarine Diamond Journey™ provenance and traceability solution by key industry players. Maison Boucheron recently adopted our Sarine Diamond Journey™ as their sustainability solution of choice as well as our AI-based 4Cs grading. Other high-end luxury brands are also in advanced stages of evaluating the adoption of our solution. The recognition by these global household-name brands, along with focused marketing to additional industry opinion leaders, are expected to drive accelerated adoption of the Sarine Diamond Journey™ by additional retailers in 2022. To expand our partnership and cooperation with miners, we will soon begin beta-testing a new system, the Sarine AutoScan™, for the high speed scanning of rough diamonds at the mines. This service will broaden the addressable domain of our Sarine Diamond Journey™ service as the early documentation of the rough stones will enhance traceability, as well as address acute internal inventory control issues miners experience today.

Our current in-lab implementation of our AI-based grading paradigm is gaining traction with leading U.S. and European industry players. A leading U.S. wholesaler has launched a programme of self-branded diamonds graded by our AI-derived 4Cs grading solution. In adopting our AI-derived 4Cs grading, Maison Boucheron was also attracted by the seamless integration of our innovative grading solution with our Sarine Diamond Journey™, and this advantage has attracted the interest of additional luxury brands. Our on-site e-Grading™ has transitioned from beta-testing to initial broader introduction to midstream and downstream customers. We are working to broaden the e-Grading's acceptance in the midstream polishing segment in 2022 by leveraging its clear value added proposition.

This press release is to be read in conjunction with Sarine's FY2021 full year results released to the Singapore Exchange on 27 February 2022.

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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

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Sarine Technologies Ltd.
and its Subsidiaries

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

Condensed Consolidated Interim Financial Statements
For the six months and full year ended 31 December 2021

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Sarine Technologies Ltd.
and its Subsidiaries

A. Condensed Consolidated and Company Statements of Financial Position as at December 31

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$ thousands			
Assets				
Property, plant and equipment	11,348	12,279	1,199	1,208
Right-of-use assets	4,719	5,050	4,450	4,439
Intangible assets	2,244	2,563	138	206
Long-term trade receivables	700	843	89	8
Investment in subsidiaries	--	--	46,308	44,151
Long-term income tax receivable	500	1,168	--	--
Deferred tax assets	573	604	--	--
Total non-current assets	20,084	22,507	52,184	50,012
Inventories	7,280	6,247	3,544	3,277
Trade receivables	23,061	21,966	7,154	5,136
Other current assets	1,601	1,591	669	763
Short-term investments (bank deposits)	9,055	6,303	7,017	6,303
Restricted short-term investments _(bank deposits)	--	171	--	62
Cash and cash equivalents	27,358	21,081	13,128	10,146
Total current assets	68,355	57,359	31,512	25,687
Total assets	88,439	79,866	83,696	75,699
Equity				
Share capital*	--	--	--	--
Share premium and reserves	34,014	33,149	34,014	33,149
Translation reserve	(2,896)	(2,699)	(2,896)	(2,699)
Dormant shares, at cost	(3,935)	(3,689)	(3,935)	(3,689)
Retained earnings	43,368	33,930	43,368	33,930
Total equity	70,551	60,691	70,551	60,691
Liabilities				
Long-term bank financing	--	3,141	--	1,149
Long-term lease liabilities	4,743	5,344	4,625	4,914
Employee benefits	227	243	216	232
Total non-current liabilities	4,970	8,728	4,841	6,295
Trade payables	2,324	1,868	1,892	1,828
Other payables	7,783	5,903	5,456	5,869
Short-term bank financing	--	280	--	95
Current lease liabilities	974	1,023	722	724
Current tax payable	1,504	1,083	--	--
Warranty provision	333	290	234	197
Total current liabilities	12,918	10,447	8,304	8,713
Total liabilities	17,888	19,175	13,145	15,008
Total equity and liabilities	88,439	79,866	83,696	75,699

* No par value

Sarine Technologies Ltd.
and its Subsidiaries

B. Condensed Consolidated Interim Statements of Profit or Loss and Other Comprehensive Income for the Six Months and Years Ended December 31

	Group Six Months Ended December 31,			Group Year ended December 31,		
	2021	2020	change	2021	2020	change
	US$ thousands		%	US$ thousands		%
Revenue	**26,153**	**18,565**	**40.9**	**62,116**	**40,968**	**51.6**
Cost of Sales	(7,174)	(5,484)	30.8	(16,289)	(13,898)	17.2
Gross profit	**18,979**	**13,081**	**45.1**	**45,827**	**27,070**	**69.3**
Research and development expenses	(4,180)	(3,362)	24.3	(8,099)	(6,796)	19.2
Sales and marketing expenses	(5,651)	(4,487)	25.9	(11,038)	(9,773)	12.9
General and administrative expenses	(3,980)	(2,614)	52.3	(7,754)	(5,738)	35.1
Other income from lease termination	--	--	--	267	--	NM
Profit from operations	**5,168**	**2,618**	**97.4**	**19,203**	**4,763**	**303.2**
Net finance expense	(328)	(792)	(58.6)	(266)	(755)	(64.8)
Profit before income tax	**4,840**	**1,826**	**165.1**	**18,937**	**4,008**	**372.5**
Income tax expense	963	634	51.9	2,481	1,643	51.0
Profit for the period	**3,877**	**1,192**	**225.3**	**16,456**	**2,365**	**595.8**
Other comprehensive income (loss)						
Remeasurement of defined benefit plan	24	9	166.7	24	9	166.7
Foreign currency translation differences from foreign operations	(5)	375	NM	(197)	(262)	(24.8)
Total comprehensive income for the period	**3,896**	**1,576**	**147.2**	**16,283**	**2,112**	**670.8**
Earnings per share						
Basic earnings per share (US cents)	1.10	0.34	223.5	4.70	0.68	591.2
Diluted earnings per share (US cents)	1.10	0.34	223.5	4.69	0.68	589.7

Sarine Technologies Ltd.
and its Subsidiaries

C. Condensed Consolidated and Company Statements of Changes in Equity for the years ended December 31

Group and Company	**Share capital***	**Share premium and reserves**	**Translation reserve**	**Retained earnings**	**Dormant shares**	**Total**
	US$ thousands					
Balance at January 1, 2020	--	32,819	(2,437)	32,614	(3,576)	59,420
Profit for the year ended December 31, 2020	--	--	--	2,365	--	2,365
Other comprehensive loss for the year ended December 31, 2020	--	9	(262)	--	--	(253)
Dormant shares, acquired at cost (763,800)	--	--	--	--	(113)	(113)
Share-based payment expenses	--	321	--	--	--	321
Dividend paid	--	--	--	(1,049)	--	(1,049)
Balance at December 31, 2020	--	33,149	(2,699)	33,930	(3,689)	60,691
Profit for the year ended December 31, 2021	--	--	--	16,456	--	16,456
Other comprehensive loss for the year ended December 31, 2021	--	24	(197)	--	--	(173)
Dormant shares, acquired at cost (550,000)	--	--	--	--	(246)	(246)
Share-based payment expenses	--	382	--	--	--	382
Exercise of options	--	459	--	--	--	459
Dividend paid	--	--	--	(7,018)	--	(7,018)
Balance at December 31, 2021	--	34,014	(2,896)	43,368	(3,935)	70,551

* No par value

Sarine Technologies Ltd.
and its Subsidiaries

D. Condensed Consolidated Statements of Cash Flows for the Years Ended December 31

	Group	
	2021	**2020**
	US$ thousands	
Cash flows from operating activities		
Profit for the year	**16,456**	2,365
Adjustments for:		
Share-based payment expenses	**382**	321
Income tax expense	**2,481**	1,643
Depreciation of property, plant & equipment and right-of-use assets	**2,684**	2,969
Amortisation of intangible assets	**319**	1,062
Net finance expense	**127**	251
Revaluation of lease liabilities from exchange rate differences	**40**	417
Revaluation of bank financing liabilities from exchange rate differences	**(32)**	202
Changes in working capital		
Inventories	**(1,033)**	(795)
Trade receivables	**(952)**	(7,458)
Other current assets	**(10)**	208
Trade payables	**456**	(2,039)
Other liabilities	**1,588**	(307)
Employee benefits	**(16)**	9
Income tax paid	**(1,361)**	(645)
Net cash from (used in) operating activities	**21,129**	(1,797)
Cash flows (used in) from investing activities		
Acquisition of property, plant and equipment	**(895)**	(765)
Proceeds from realisation of property, plant and equipment	**138**	102
Short-terms investments, net	**(2,752)**	4,887
Restricted short-term investments (bank deposits)	**171**	(171)
Interest received	**80**	219
Net cash (used in) from investing activities	**(3,258)**	4,272
Cash flows (used in) from financing activities		
Proceeds from exercise of share options	**459**	--
Purchase of Company's shares by the Company	**(246)**	(113)
Repayment of bank financing	**(3,389)**	--
Receipt of bank financing	**--**	3,220
Dividends paid	**(7,018)**	(1,049)
Payment of lease liabilities	**(1,193)**	(1,266)
Interest paid	**(218)**	(399)
Net cash (used in) from financing activities	**(11,605)**	393
Net increase in cash and cash equivalents	**6,266**	2,868
Cash and cash equivalents at beginning of year	**21,081**	18,284
Effect of exchange rate fluctuations on cash and cash equivalents	**11**	(71)
Cash and cash equivalents at end of year	**27,358**	21,081

E. Notes to the Condensed Interim Financial Statements as at December 31, 2021

Note 1 – General

Sarine Technologies Ltd. (hereinafter "Sarine" or the "Company") is a company domiciled in Israel. The address of the Company's registered office is 4 Haharash Street, Hod Hasharon 4524075, Israel. The condensed interim financial statements of the Company, as at, December 31, 2021 and for the six months and year ended December 31, 2021, comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Company was incorporated on November 8, 1988. On April 8, 2005, the Company was admitted to the Main Board list of the Singapore Exchange Securities Trading Ltd. and on July 5, 2021, the Company dual listed its shares for trading on the Tel Aviv Stock Exchange.

Note 2 - Basis of Preparation

A. Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The condensed interim financial statements for the six months and year ended December 31, 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed interim financial statements were authorised for issue by the Company's Board of Directors on February 27, 2022.

B. Basis of measurement

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

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

C. Functional and presentation currency

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

D. Use of estimates and judgments

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

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

E. Changes in accounting policies

The accounting policies applied in these condensed interim financial statements for the six months and year ended December 31, 2021 are the same as those applied by the Company in audited financial statements for the year ended December 31, 2020.

Note 3 - Operating Segments

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

	Group			
	Six months ended December 31,			
	US$ thousands			
Region	2021	2020	$ change	%
India	15,394	11,374	4,020	35.3
Africa	3,620	1,733	1,887	108.9
Europe	778	993	(215)	(21.7)
USA	862	642	220	34.3
Israel	1,400	1,503	(103)	(6.9)
Other*	4,099	2,320	1,779	76.7
Total	26,153	18,565	7,588	40.9

	Group			
	Year ended December 31,			
	US$ thousands			
Region	2021	2020	$ change	%
India	40,540	28,561	11,979	41.9
Africa	8,171	3,108	5,063	162.9
Europe	1,858	1,471	387	26.3
USA	1,115	1,396	(281)	(20.1)
Israel	2,653	2,340	313	13.4
Other*	7,779	4,092	3,687	90.1
Total	62,116	40,968	21,148	51.6

* Primarily Asia, excluding India

Note 4 - Revenue

	Group			
	Six months ended December 31		Year ended December 31,	
	US$ thousands			
Composition	2021	2020	2021	2020
Sale of products[1]	21,506	14,659	52,649	34,097
Maintenance & services	4,647	3,906	9,467	6,871
Total	26,153	18,565	62,116	40,968

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

Note 5 – Income Taxes

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim statements of comprehensive income are:

	Group			
	Six months ended December 31		Year ended December 31,	
	US$ thousands			
	2021	2020	2021	2020
Current tax expense	957	680	2,462	1,420
Taxes in respect of previous years	(7)	(40)	(7)	(40)
Deferred tax expense	13	(6)	26	263
Total income tax expense	963	634	2,481	1,643

Note 6 – Share Capital – The Company

	December 31, 2021	June 30, 2021	December 31, 2020
	No. of shares	No. of shares	No. of shares
Authorised:			
Ordinary shares of no par value	2,000,000,000	2,000,000,000	2,000,000,000
Issued and fully paid:			
Ordinary shares of no par value	355,480,480	353,765,876	353,672,126
Dormant shares (out of the issued and fully paid share capital)**:**			
Ordinary shares of no par value	(4,390,200)	(4,190,200)	(3,840,200)
Total number of issued shares (excluding dormant shares)	351,090,280	349,575,676	349,831,926

For the six months ended December 31, 2021, 1,714,604 share options were exercised into ordinary shares. For the six months ended December 31, 2021, the Company purchased 200,000 of its ordinary shares at an aggregate cost of US$ 87,000. For the year ended December 31, 2021, 1,808,354 share options were exercised into ordinary shares. For the year ended December 31, 2021, the Company purchased 550,000 of its ordinary shares at an aggregate cost of US$ 246,000. There was no sale, transfer, disposal, cancellation and/or use of treasury shares by the Company.

As at December 31, 2021 the total number of issued shares excluding dormant shares was 351,090,280 (as at December 31, 2020- 349,831,926). As at December 31, 2021 the total number of dormant shares was 4,390,200 (as at December 31, 2020- 3,840,200). In accordance with Israeli Companies Law, Company shares that have been acquired and are held by the Company are dormant shares (treasury shares in Singaporean terms) as long as the Company holds them, and, as such, they do not bear any rights until they are transferred to a third party. The issued and fully paid shares as at December 31, 2021, June 30, 2021 and December 31, 2020 included 4,390,200, 4,190,200 and 3,840,200 dormant shares, respectively.

Note 7 - Share-Based Payments

Details of changes in share options:

	Average exercise price in US$ per share	**Options**
At January 1, 2021	0.684	21,460,006
Granted	0.455	2,060,000
Cancelled	0.779	(4,633,129)
Exercised	0.254	(1,808,354)
At December 31,2021	0.657	17,078,523

During the year ended December 31, 2021, the Company granted 2,060,000 options to employees and directors under the Company's 2015 Option Plan, with vesting conditions of one to three years and a contractual life of six years. The options vest subject to service-based conditions and performance-based conditions, relating to sales targets.

The Company measured the fair value of the share options granted using a lattice-based valuation model. The following assumptions under this method were used for the share options granted during the year ended December 31, 2021: weighted average expected volatility of: 47.01%; weighted average risk-free interest rates (in US dollar terms) of 0.94%; dividend yield of 3.86%. The weighted average fair value of the share options granted during year ended December 31, 2021 using the model was US$ 0.146 per share option.

Note 8 – Earnings Per Share

Basic earnings per share

The calculation of basic earnings per share for the six months ended December 31, 2021 was based on the profit attributable to ordinary shareholders of US$ 3,877,000 (six months ended December 31, 2020 -- US$ 1,192,000) and a weighted average number of ordinary shares outstanding of 350,912,685 (six months ended December 31, 2020 – 349,831,926). The calculation of basic earnings per share for the year ended December 31, 2021 was based on the profit attributable to ordinary shareholders of US$ 16,456,000 (2020 -- US$ 2,365,000) and a weighted average number of ordinary shares outstanding of 350,373,322 (2020 –350,057,449), calculated as follows:

	Six months ended December 31		Year ended December 31,	
	2021	2020	2021	2020
Basic earnings per share (US cents)	1.10	0.34	4.70	0.68
Issued ordinary shares at beginning of period	349,575,676	349,831,926	349,831,926	350,595,726
Effect of share options exercised	1,347,879	--	732,903	--
Effect of dormant shares purchased	(10,870)	--	(191,507)	(538,277)
Weighted average number of ordinary shares during period	350,912,685	349,831,926	350,373,322	350,057,449

Diluted earnings per share

The calculation of diluted earnings per share for the six months ended December 31, 2021 was based on the profit attributable to ordinary shareholders of US$ 3,877,000 (six months ended December 31, 2020 -- US$ 1,192,000) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 351,094,840 (six months ended December 31, 2020 -349,831,926). The calculation of diluted earnings per share for the year ended December 31, 2021 was based on the profit attributable to ordinary shareholders of US$ 16,456,000 (2020 -- US$ 2,365,000) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 350,867,499 (2020 -350,057,449), calculated as follows:

	Six months ended December 31		Year ended December 31,	
	2021	2020	2021	2020
Diluted earnings per share (US cents)	1.10	0.34	4.69	0.68
Weighted average number of ordinary shares (basic)	350,912,685	349,831,926	350,373,322	350,057,449
Effect of share options on issue	182,155	--	494,177	--
Weighted average number of ordinary shares (diluted) during period	351,094,840	349,831,926	350,867,499	350,057,449

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

Note 9 – Leases

	Group		Company	
	December 31,		December 31,	
	2021	2020	2021	2020
	US$ thousands			
Right-of-use assets	4,719	5,050	4,450	4,439
Current lease liabilities	974	1,023	722	724
Long-term lease liabilities	4,743	5,344	4,625	4,914
Total lease liabilities	5,717	6,367	5,347	5,638

Maturity analysis of the Group's and Company's lease liabilities as at December 31, 2021.

	Group	Company
	US$ thousands	
Less than one year	974	722
One to five years	3,052	2,934
More than five years	1,691	1,691
Total lease liabilities	5,717	5,347

The Group has lease agreements with respect to office facilities mainly in Israel and India. The Group also has lease agreements in respect to vehicles in Israel. In measurement of the lease liabilities, the Group discounted lease payments using the nominal incremental borrowing rate as at the lease inception, or at January 1, 2019 for leases in effect prior to December 31, 2018. In April 2021, the Group executed a renegotiated lease agreement for its leased office space at the Group's headquarters in Israel. Under the terms of the agreement, the leased space was downsized by approximately 30% and the financial terms were improved. Under the revised terms, the lease was extended for a period of four years, with an option for a second four-year period. As a result, for the year ended December 31, 2021, the Group recorded a non-cash gain of US$ 267,000 in the condensed interim consolidated statements of comprehensive income.

Note 10 – Commitments

The Group has entered into certain short-term leases for office facilities (less than 1 year). The future minimum non-cancellable lease payments relating to those leases are in the amount of approximately US$ 60,000.

Note 11 - Loans and Borrowings

This note provides information regarding the contractual terms of the Group's interest bearing loans and borrowings measured at amortized costs as at December 31, 2021 and 2020.

	December 31, 2021		December 30, 2020	
	Secured	Unsecured	Secured	Unsecured
	US$ thousands			
Payable in one year or less, or on demand	--	--	--	280
Payable after one year	--	--	--	3,141
Total bank financing	--	--	--	3,421

In FY2020 the Group obtained Covid-19 support bank loans under an Israeli government guaranteed loan scheme to support companies' cash flow and mitigate uncertainties following the outbreak of the coronavirus pandemic. The loans were granted in New Israel Shekels for a period of 5 years, bearing an annual interest rate of 3.1% (being 1.5% plus Israeli prime) per year. Principal and interest will be paid by the Group beginning from the second year. The government bears the cost of the first year's interest. During the year ended December 31, 2021, the Group repaid all of these outstanding loans.

Note 12 – Subsequent Events

On February 27, 2022, the Board of Directors recommended the Annual General Meeting approve a final dividend of US 1.0 cent per ordinary share for the full year ended December 31, 2021. Pursuant to the approval of the Annual General Meeting of the Company's shareholders to be held on April 26, 2022, the Company expects to pay a US$ 3.5 million dividend on May 19, 2022, with record date on May 9, 2022.

F. Other Information Required by Listing Rule Appendix 7.2

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

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

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

Not applicable.

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

The same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended December 31, 2020 have been applied in the preparation for the financial statements for the financial year ended December 31, 2021.

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

Not applicable.

5. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	December 31,		December 31,	
	2021	2020	2021	2020
Net asset value (US$ thousands)	70,551	60,691	70,551	60,691
Net asset value per ordinary share:				
US cents	20.09	17.35	20.09	17.35
Singapore cents*	27.16	23.45	27.16	23.45

At December 31, 2021, net asset value per share is calculated based on the number of ordinary shares in issue at December 31, 2021 of 351,090,280 (not including 4,390,200 dormant ordinary shares at December 31, 2021). At December 31, 2020, net asset value per share is calculated based on the number of ordinary shares in issue at December 31, 2020 of 349,831,926 (not including 3,840,200 dormant ordinary shares at December 31, 2020).

* Convenience translation based on exchange rate of US$ 1=S$ 1.3517 at December 31, 2021.

6. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business:-
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Overview

During 2021 the diamond industry recovered significantly from the Covid-19 pandemic disruption of 2020. Though some pandemic-related disruptions continued throughout 2021 (e.g., travel restrictions), for the most part the industry value chain activity returned to normal, and then some. Please refer to section 8 below for a fuller discussion of industry conditions throughout the year.

On the backdrop of these overall positive business conditions for most of FY2021, the Group reported in H2 2021, revenues of US$ 26.2 million, profit from operations of US$ 5.2 million, and net profit of US$ 3.9 million, as compared to revenues of US$ 18.6 million, profit from operations of US$ 2.6 million, and net profit of US$ 1.2 million reported in H2 2020. For the year ended December 31, 2021, the Group recorded revenues of US$ 62.1 million, profit from operations of US$ 19.2 million and net profit of US$ 16.5 million, as compared to revenues of US$ 41.0 million, profit from operations of US$ 4.8 million, and net profit of US$ 2.4 million for the year ended December 31, 2020.

The strong resurgence of manufacturing activities in H2 2021 and FY2021 versus the comparable periods of 2020, resulted in a significant increase in revenues in H2 2021 and FY2021- both increased capital equipment sales and higher recurring revenues, primarily from Galaxy® inclusion scanning. Profitability in H2 2021 and FY2021 was significantly higher than in H2 2020 and FY2020, respectively, having benefited from higher gross profit margins due to both sales volumes and product mix. The increase in the gross profit was offset, somewhat, by increased operating expenses as the Group returned to "normal" spending, reversing the aggressive cost containment measures which were implemented commencing March 2020 at the onset of the Covid-19 pandemic.

The increased midstream diamond polishing activity in H2 2021 resulted in an approximate 22% increase in recurring revenues (mainly from Galaxy® inclusion scanning) as compared to H2 2020 (an approximate 46% increase for FY2021 as compared to FY2020). Overall recurring revenues for H2 2021 (including Galaxy® inclusion scanning, Quazer® services, polished diamond related services, annual maintenance contracts, etc.) were approximately 55% of our overall revenue (approximately 46% for all of FY2021). Overall rough and polished diamond wholesale and retail related ("Trade") revenues, mostly from digital tenders, the Sarine Profile™ and the Sarine Diamond Journey™ were approximately 11% of our overall revenue for H2 2021 and approximately 8% for all of FY2021. We expect Trade revenues to continue growing in FY2022 from new customers and broadened adoption of our technologies.

The Group delivered 32 Galaxy®-family inclusion mapping systems in H2 2021 comprising three Galaxy® Ultra models, two Galaxy® models, 6 Meteor™ models and 21 Meteorite™ models. About 40% of the Meteor™ and Meteorite™ systems were sold under the one-off paradigm with no follow-on per-use revenues to be generated from them in the future. As of December 31, 2021, our installed base was 711 systems.

Balance Sheet and Cash Flow Highlights

As at December 31, 2021, cash, cash equivalents, short-term investments (bank deposits) ("Cash Balances") increased to US$ 36.4 million as compared to US$ 27.6 million as of December 31, 2020. The increase in Cash Balances was primarily due to the Group's significantly improved profitability in FY2021, offset somewhat by increased trade receivables of US$ 23.8 million as at December 31, 2021 (US$22.8 million as at December 31, 2020), due primarily to increased revenues in FY2021 and credit terms offered to customers, the payment of US$ 7.0 million in dividends (an interim US$ 5.3 million interim dividend in September 2021 and a US$ 1.7 million final FY2020 dividend in May 2021), and the repayment in full of all, US$ 3.4 million, Covid-19 related Israel government sponsored bank loans.

Revenues

Revenues for H2 2021 of US$ 26.2 million, increased by 41%, as compared to revenues of US$ 18.6 million reported in H2 2020. The increase in revenues across most geographies was due to an approximate 73% increase in capital equipment sales and an approximate 22% increase in recurring revenues, resulting from the return to more normal manufacturing activities in H2 2021 as compared to H2 2020, which was plagued with uncertainties from the Covid-19 crisis, offset somewhat from the subsequent strong recovery in diamond polishing activities in the midstream starting in late 2020, leading up to the yearend holiday season.

Revenues for the year ended December 31, 2021 of US$ 62.1, increased by 52%, as compared to US$ 41.0 million for the year ended December 31, 2020. The year-over-year increase in revenues across most geographies was due to an approximate 57% increase in capital equipment sales and an approximate 46% increase in recurring revenues, resulting from the strong resurgence of manufacturing activities in 2021, especially in India, following the recovery in the global diamond industry in FY2021, as compared to the depressed revenue results in FY2020, resulting from the onset of the Covid-19 pandemic in late Q1 2020.

Cost of sales and gross profit

Cost of sales for H2 2021 of US$ 7.2 million, increased by 31% (on an increase in revenues of 41%), as compared to US$ 5.5 million in H2 2020, with a gross profit margin of 73% in H2 2021 compared to 71% in H2 2020. The increase in cost of sales in H2 2021 was primarily due to increased capital equipment sales. The increase in gross profit and the corresponding increase in gross profit margin were primarily due to increased overall sales and product mix.

Cost of sales for the year ended December 31, 2021 of US$ 16.3 million, increased by 17% (on an increase in revenues of 52%), as compared to US$ 13.9 million for the year ended December 31, 2020, with a gross profit margin of 74% in FY2021 compared to 66% in FY2020. The increase in cost of sales in FY2021 was primarily due to increased capital equipment sales. The increase in gross profit and the corresponding increase in gross profit margin were primarily due to increased overall sales and product mix, and the sale of inventory previously written-off in prior periods.

Research and development expenses

Research and development expenses for H2 2021 of US$ 4.2 million increased by 24% as compared to US$ 3.4 million in H2 2020. Research and development expenses for the year ended December 31, 2021 increased by 19% to US$ 8.1 million as compared to US$ 6.8 million for the year ended December 31, 2020. The increase in research and development expenses was primarily due to higher employee compensation, following the winding down of cost containment measures initiated in 2020, to counter the Covid-19 outbreak, which included temporary reductions in staff salaries.

Sales and marketing expenses

Sales and marketing expenses for H2 2021 of US$ 5.7 million, increased by 26%, as compared to US$ 4.5 million in H2 2020. Sales and marketing expenses for the year ended December 31, 2021 increased by 13% to US$ 11.0 million, as compared to US$ 9.8 million for the year ended December 31, 2020. The increase in sales and marketing expenses was due primarily to increased sales related expenses, due to higher employee compensation, following the winding down of cost containment measures lasting most of FY2020, increased sales commissions on higher revenues, increased advertising expenses, following the beginning of a returning to normalised pre-Covid-19 levels, and increased sales staffing in the Asia Pacific region, offset by fewer trade-shows and related expenses due to the ongoing pandemic-related travel restrictions.

General and administrative expenses

General and administrative expenses for H2 2021 of US$ 4.0 million, increased by 52%, as compared to US$ 2.6 million in H2 2020. General and administrative expenses for the year ended December 31, 2021 of US$ 7.8 million, increased by 35%, as compared to US$ 5.7 million for the year ended December 31, 2020. The increase in general and administrative expenses was primarily due to increased third-party professional fees, related to the trial phase of the copyright and patent litigations in India, increased incentive-based compensation accruals from significantly higher profitability in FY2021, as well as lower provisions for bad debts in FY2021. FY2020 expenses were constrained by cost containment measures initiated from April 2020 due to Covid-19.

Other income from lease termination

FY 2021 results benefited from a U$ 0.3 million, non-cash gain associated with the downsizing of leased office space at the Group's headquarters in Israel in April 2021.

Profit from operations

The Group reported significantly higher profit from operations of US$ 5.2 million in H2 2021, as compared to US$ 2.6 million in H2 2020, and US$ 19.2 million for the year ended December 31, 2021, as compared to US$ 4.8 million for the year ended December 31, 2020. The increase in profit from operations was mainly due to the significantly higher gross profit in FY2021, stemming from meaningfully higher sales and higher gross profit margins, as detailed above.

Net finance expense

Net finance expense for H2 2021 was US$ 0.3 million as compared to US$ 0.8 million in H2 2020. Net finance expense for the year ended December 31, 2021 was US$ 0.3 million as compared US$ 0.8 million for the year ended December 31, 2020. The decrease in net finance expense was primarily due to lower exchange rate expenses associated with the depreciation of the US dollar as compared to the NIS, and the corresponding revaluation of our NIS liabilities in FY2021.

Income tax expense

The Group recorded an income tax expense of US$ 1.0 million for H2 2021 as compared to income tax expense of US$ 0.6 million in H1 2020. The Group recorded an income tax expense of US$ 2.5 million for the year ended December 31, 2021, as compared to income tax expense of US$ 1.6 million for the year ended December 31, 2020. The increase in income tax expense was primarily due to increased profitability in FY2021, affected by the profitability being realised in various entities of the Group, each subject to different jurisdictions, applicable incentives, and income tax loss carryforwards.

Profit for the period

The Group reported significantly higher net profit of US$ 3.9 million in H2 2021, as compared to US$ 1.2 million in H2 2020, and US$ 16.5 million for the year ended December 31, 2021 as compared to US$ 2.4 million for the year ended December 31, 2020. The increase in net profit was mainly due to the significantly higher operational profit in FY2021, as detailed above.

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

As previously noted in our mid-year results announcement, posted 4 August 2021, deliveries of Galaxy®-family systems were lower than anticipated in Q1 2021 due to limited production volumes, stemming from our postponement of component acquisition and the consequent reduction of inventories during the pandemic crisis of 2020. Furthermore, uncertainties both geopolitical (e.g., new Covid-19 variants and surges and China's Common Prosperity policy) and industry-specific (e.g., the aggressively rising prices of rough stones), along with ongoing and new forms of illicit competition in India we view as being based on software and hardware piracy, affected deliveries in the later quarters of 2021. Thus, we did not reach our forecast of delivering numbers similar to the 145 systems delivered in 2019 and significantly more than the 76 delivered in 2020. We delivered only 80 systems during 2021.

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

We expect the following industry trends to continue influencing our business:

a. Stating the obvious, there have been major developments in Europe, with the breakout of hostilities in Ukraine. It is yet too early to assess the ramifications of these developments. It should be noted, however, that the major Russian producer, Alrosa, has been put on the list of the sanctioned companies, though the details of the sanctions are not yet clear. There may be an impact on the rough, and by extension, the polished diamond trade.

b. The Covid-19 virus and its mutations are still an issue that is affecting the global economy, but most countries have decided to adopt a strategy of living with Covid-19 rather than locking everything down. Underpinning this decision has been the widespread availability of vaccines as well as the advent of the Omicron variant, which has proven to be extremely contagious but of lesser potency for serious illness and death. Some experts have even opined that the Omicron variant may bring about the end of the pandemic. All this notwithstanding, and maybe even because of the syndrome often referred to as "Revenge Buying", the global personal luxury goods retail trade rebound dramatically in 2021 from the Covid-19 pandemic disruption by an unexpected 29%, exceeding forecasts, both for the scale of the recovery itself and the early return to pre-pandemic spending levels (2019 sales figures were actually exceeded in 2021 by 1%). Forecasts now predict sustained robust annual growth in luxury goods spending of between 6-8% through 2025. The diamond jewellery value chain has been one of the major beneficiaries of this recovery, as other competing channels of discretionary spending, such as travel and cruises, have not rebound from pandemic-related restrictions. Though economic growth is forecast to be slower in 2022 than in 2021, an expansion of a respectable 4% is expected, and, given the lingering impediments to experience-related luxury spending, we expect robust consumer demand for diamond jewellery to persist into at least the first half of 2022.

c. The strong recovery in retail consumer demand for diamond jewellery, which is expected to continue so long as other avenues of spending remain less accessible, supported higher polished diamond prices and drove a surge in Indian manufacturing activity throughout 2021, with polishers benefitting from improved margins. Even during May, which typically shows reduced activity during the Indian summer break, polishing continued unabated, with most manufacturers foregoing their vacation shutdowns. Periodic surges in Covid-19 incidence in India also had no major impact on rough diamond polishing activities. Though the Diwali Indian New Year break in October was celebrated, and the industry shut down as customary, a strong end-of-year holiday season gave further impetus to midstream activity and supported another uptick in polished diamond prices going into 2022, especially for larger higher quality stones. Due to the surge in manufacturing activity, we have witnessed record-setting use of our Galaxy® inclusion mapping systems worldwide, setting new records of daily usage with peaks of 110,000 rough diamonds. Scanning throughout 2021 hit 33 million rough diamonds, a new record fully over 70% higher than pre-pandemic levels. We expect usage to hit a new record again in 2022, as both the installed base expands and the addressable segments of stone sizes and qualities broadens, due to enhanced technologies and new business models to be introduced in 2022

d. On the backdrop of the above-noted surge in polishing activity, rough diamond sales rebounded strongly in 2021, with the major producers, Alrosa and DeBeers, reporting 50% and 71% increases year over year, respectively (21% and 16% as compared to 2019), with prices 23% higher on average for the year. The increase in the pricing of rough diamonds in 2021, which continued into January 2022, on the backdrop of increasing inventories of polished stones, eroded some of the polishers' margin gains realised in the earlier months of the year. However, the strong holiday season for jewellery in the closing months of the year, with retail sales of diamond jewellery in the U.S. increasing by an estimated 56% year over year 2020, and by an astounding 50% over pre-pandemic 2019, as personal luxury spending turned to goods in lieu of experiences, provided a strong finale for the year. Rough demand in the midstream remains cautiously bullish. We are, however, concerned that, if rough price increases continue at the current brisk rate, there will be mounting pressure on midstream profitability, which will not be viable. We hope that a new level of equilibrium is attained soon.

e. Because of the still lingering travel restrictions prompted by the Covid-19 pandemic in 2021, Dubai-based rough diamond wholesalers in the secondary market, including Choron, Gem Auctions, Koin, Stargems and others adopted our technologies to enable digital tenders. Consequently, our revenues from our digital tender services expanded in 2021 fully by 243%(!). We expect in 2022 to continue to witness expansion in the utilisation of our digital tenders paradigm by both producers and wholesale tender houses, albeit at a less dramatic rate. The adoption of our digital tenders by producers also opens the door for additional collaboration, e.g., on our Sarine Diamond Journey™ provenance solution.

f. Due to the recovery and higher profitability in 2021 and the ongoing robust demand for polished output, the diamond industry midstream manufacturing sector has significantly reduced its use of working capital from banks and is in a healthier financial condition than at any previous time in the past decade. However, as polished diamond inventories have returned to pre-pandemic levels, and as profitability has eroded somewhat due to the increases in rough diamond prices, lending has increased during 2021. Credit issues are not an issue at this time, and there is currently still ample liquidity. But the dynamics of rough vs. polished diamond prices may affect this going forward.

g. Due to changes in lifestyles, especially common to younger consumers, both before the pandemic and accelerated by it, online sales of luxury items continued to expand significantly by 27% in 2021, on top of the dramatic growth of nearly 50% in 2020. Online sales account today for 22% of all personal luxury spending. The Sarine Profile™, the umbrella term for our digital paradigms providing "profiling" data pertaining to a polished diamond, including light performance and imaging techniques, continues to expand, with new programmes being initiated primarily, but not only, in the APAC market. European and U.S. customers have also launched programmes utilising out digital technologies.

h. We are seeing expanding adoption of our Sarine Diamond Journey™ provenance and traceability solution by key industry players. To bolster our ongoing partnering with miners Alrosa, Lucara and Grib, and expand our cooperation to additional producers, we are shortly introducing into beta-testing a new system, the Sarine AutoScan™, for the high speed scanning of rough stones at the mine. The Sarine AutoScan™ is designed to robotically scan and weigh rough diamonds a half carat and up at speeds under 10 seconds per stone. This high throughput will avail their economical documentation for subsequent traceability, and thus broaden the addressable domain of our Sarine Diamond Journey™ service. This service will also address acute internal inventory control issues miners experience today, as the initial inventory control point will be moved back to the mine from today's practise of initial data collection at the producer's central sorting facility. Our broadening collaboration with producers, along with our existing formidable market-leading presence in the midstream polishing segment, will allow us to collate actual documentary traceability data throughout the pipeline flow, with minimal additional overhead or disruption to existing workflow patterns, making our Sarine Diamond Journey™ the only viably scalable solution for diamond provenance. As environmental, sustainability and governance (ESG) issues are becoming core considerations with consumers (see lead quote by Mr. Bruce Cleaver, CEO DeBeers, DeBeers Diamond Insight Report 2021-- https://www.debeersgroup.com/reports/insights/the-diamond-insight-report-2021), leading brands are increasingly seeking realistic ways of satisfying these demands. We are extremely pleased that leading luxury global brands have ascertained the unique attributes of our Sarine Diamond Journey™ and have adopted it as their sustainability solution of choice. Both the story-telling and the sustainability aspects of our solution have won them over to our paradigm. As announced earlier this year, Maison Boucheron has adopted our Sarine Diamond Journey™ as their sustainability solution of choice as well as our AI-based 4Cs grading, as detailed below. Other high-end luxury brands are also in advanced stages of evaluating the adoption of our solution. We expect that the recognition by these global household-name brands, along with focused marketing to additional industry opinion leaders, will drive accelerated adoption of the Sarine Diamond Journey™ by additional retailers in 2022. We have targeted the key U.S. market this year, with the appointment of a new head of operations in New York, Mr. Matthew Tratner, a veteran retail diamond industry executive, previously responsible at the GIA for their traceability offering.

i. e-Grading™ has essentially transitioned from beta-testing to initial broader introduction to midstream and downstream customers. During 2022 we will continue in parallel the further refining of the solution's capabilities, including the introduction of a second-generation Clarity system. The current in-lab implementation of our AI-based grading paradigm is continuing to gain traction with leading U.S. and European industry players. A leading U.S. wholesaler has launched a programme of self-branded diamonds graded by our AI-derived 4Cs grading solution. The seamless integration of our innovative grading solution with our Sarine Diamond Journey™, along with their recognition of its consistency's and objectivity's value to their customers, has led Maison Boucheron to also adopt our AI-derived 4Cs grading for its Etoile Paris line of bridal jewellery. Our AI grading has piqued the interest of additional luxury brands, as well. We intend to broaden the e-Grading proposition's acceptance in the midstream polishing segment dramatically in 2022, leveraging its clear value-added proposition (direct cost reduction, indirect cost elimination, dramatic time-to-market minimisation and operational flexibility), as well as its ability to offer polishers a viable solution for the grading of currently non-graded goods, as the cost benefits we offer avail the grading of smaller and lower quality polished diamonds – an extensive market.

j. The market for lab-grown diamonds (LGD) continued to expand in 2021. Anecdotal reports by retailers offering LGD indicate anywhere from single digit growth to 50%, with some retailers reporting that a significant portion of their holiday season business was in LGD. We believe that at least half of U.S. retailers offered LGD products in their stores or online in 2021, alongside their natural diamond inventories. Reportedly, LGD are not widely adopted for bridal purchases, as we had argued the case would be in previous discourses on the LGD market, but are indeed gaining traction as a lower-priced complementing product for non-bridal giftings. Retailers often emphasise that the resale value of LGD is highly questionable, as their prices are expected to continuously erode as production worldwide, which currently does not meet demand, ramps up. The market acceptance of LGD jewellery has created, as we have in the past forecast, a new opportunity for the Group. Virtually all our technologies are applicable to LGD. This year we are introducing a Galaxy® inclusion mapping service, specifically adapted to LGD price points. Our Quazer® 3 laser system continues to be the most cost-effective offering for dicing the LGD wafer into the raw cubes, from which the gems are polished. Our Sarine Diamond Journey™ is also applicable to LGD, as it can document their responsible manufacturing and tell their story to that segment of the consumer market. Lastly, our AI-based e-Grading™ is especially applicable to LGD grading, as it allows the highest quality grading of the polished LGD at an affordable charge commensurate with LGD pricing, as opposed to the fees typically charged by principal gemmological laboratories for their grading services, which approach 10% of the value of the offered polished stone. In addition, e-Grading™ also lends itself conceptually to LGD grading. We believe our business from this growing segment will continue to expand in 2022.

We will focus our initiatives on the following objectives in 2022:

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

- Upstream products:
  - Launch our new Sarine AutoScan™ system for the high speed scanning of rough stones at the mine, both to avail their amenability to traceability from the source, as well as address internal inventory control issues;
  - Explore additional implementation of our technologies in the rough diamond trade market, wherein our digital tools have already made significant inroads by way of the digital tenders paradigm;
- Midstream products:
  - Continue rollout of our Advisor® 8.0 software, introducing enhanced features specifically for the cost-effective planning of smaller rough diamonds under half a carat in weight;
  - Introduce enhancements to our Meteorite™ system, so as to enhance its value proposition in the vast small stone segment of the midstream;
  - Introduce automated algorithms to reduce Galaxy® use charges automatically for lower quality rough natural diamonds and for LGD raw material, so as to significantly expand our market to additional goods currently below the threshold for economically viable scanning, without any meaningful cannibalisation of our existing business;
  - Further minimise overhead and enhance the ease of use of the Sarine Diamond Journey™ for midstream polishers, so as to broaden the available pool of traceable stones;
  - Further refine our e-Grading™ AI-based technology – rollout the second generation Clarity system, integrate self-testing and calibration software into systems for remote quality assurance purposes and implement initial fine-sorting capabilities of Clarity and Color;
- Downstream products and services:
  - Continue refining our already industry-leading Sarine Diamond Journey™ provenance offering, leveraging expanding cooperation with producers and introducing additional capabilities;

Focus the Group's marketing efforts on:

- The introduction of new business models for rough stone scanning;
- The continued rollout of our Sarine Diamond Journey™:
  - Engage with additional luxury brands and leverage successes to other players, with special focus on the U.S. market;
  - Offer it as an independent service or packaged with AI-based 4Cs grading (as with Maison Boucheron);
  - Accelerate engagement with the upstream by introduction of the Sarine AutoScan™ for the high speed scanning of rough stones at the mine to enable a broader based application of traceability;

- The commercial rollout of our e-Grading™ innovation by implementing a four-pronged strategy:
  - Broadening presence in the midstream polishing segment with a clear value-added proposition (direct cost reduction, indirect cost elimination, dramatic time-to-market minimisation and operational flexibility);
  - Addressing the market of non-graded goods, as the cost benefits we offer avail the high quality grading of smaller and lower quality polished diamonds – an extensive market;
  - Engaging with key wholesalers, especially in the fragmented U.S. market;
  - Engaging retailers with a continued focus on luxury brands and expansion to high-end independent retailers and regional retail powerhouses;
- The direct targeting of consumers, initially in the U.S., enhancing the Sarine brand recognition through targeted social media initiatives relating to the superior accuracy and consistency offered by automated AI-derived grading and the enhanced confidence in the sustainability of the offered polished diamonds and the overall experience provided by the Sarine Diamond Journey™.

9. Dividend

(a) Current Financial Period Reported
Any dividend declared/recommended for the current financial period reported on?

On February 27, 2022, the Board of Directors recommended that the Annual General Meeting (AGM) approve a final dividend of US 1.0 cents per ordinary share for the financial year ended December 31, 2021, as per the stated dividend policy. This will bring our total payout for FY2021 to some US$ 8.8 million, if approved at the AGM.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

On February 28, 2021, the Board of Directors recommended that the Annual General Meeting (AGM) approve a final dividend of US 0.5 cents per ordinary share for the financial year ended December 31, 2020.

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

	Amount before tax	Tax rate applicable to shareholders
	US$ thousands	Percent
2021	3,511	20%/0%[1] / 10%[2,3]
2020	1,749	20%/0%[1] / 10%[2,3]

[1] The tax rate will be 20% (20% in 2020) for individual Israeli shareholders and 0% (0% in 2020) for Israeli corporate shareholders.
[2] The tax rate for the dividends for individual and corporate Singaporean shareholders is 10% (10% in 2020.
[3] Payments to shareholders of dividends distributed by the Company will be subject to a tax deduction at source at the rate of 20%, in compliance with Israeli tax directives. Tax amounts deducted from dividend payments will be deposited with a trustee. A shareholder claiming eligibility for preferential tax treatment on dividend payments pursuant to Israeli tax laws or international tax treaties may apply to the trustee within 30 days of the distribution date providing all necessary details and documents, for reimbursement of excess deduction, subject to verification of such eligibility. Details regarding the application procedure shall be provided by the Company in the formal dividend announcement posted on the SGX.

(d) Date Payable

	Amount
	US$ thousands
19 May 2022***	3,511
14 May 2021	1,749

(e) Record Date

5:00 PM on:

	Amount
	US$ thousands
09 May 2022***	3,511
04 May 2021	1,749

***Pending Annual General Meeting Approval

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

Not applicable.

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

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

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

Not applicable.

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

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

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

In accordance with IFRS 8 Operating Segments, the Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the Group's chief operating decision maker. The Group operates in only one operating segment. Presented below are revenues broken out by geographic distribution.

	India	Africa	Europe	USA	Israel	Others	Consolidated
	2021						
	US$ thousands						
External revenues	40,540	8,171	1,858	1,115	2,653	7,779	62,116
Unallocated expenses							42,913
Profit from operations							19,203
Net finance expense							266
Income tax expense							2,481
Profit for the year							16,456

	India	Africa	Europe	USA	Israel	Others	Consolidated
	2020						
	US$ thousands						
External revenues	28,561	3,108	1,471	1,396	2,340	4,092	40,968
Unallocated expenses							36,205
Profit from operations							4,763
Net finance expense							755
Income tax expense							1,643
Profit for the year							2,365

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

See section 6 above.

16. Breakdown of sales.

	2021	2020
	US$ thousands	
Revenue reported for:		
First half-year ended 30 June	35,963	22,403
Second half-year ended 31 December	26,153	18,565
	62,116	40,968
Profit for the period:		
First half-year ended 30 June	12,579	1,173
Second half-year ended 31 December	3,877	1,192
	16,456	2,365

17. A breakdown of the total annual dividend (in US dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year	Previous Full Year
	US$ thousands	
Ordinary	8,780*	1,749

*Pending Annual General Meeting Approval.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)

The Company confirms that, during the year ended December 31, 2021, there was no person occupying any managerial position in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

19. Interested Person Transactions

The Company confirms that during the year ended December 31, 2021, the Company was not a party to any interested person transactions.

On behalf of the Directors

Daniel Glinert

Daniel Benjamin Glinert
Executive Chairman

27 February 2022