

## **SARINE TECHNOLOGIES LTD.**

(Company Registration No. 511332207)

(Incorporated in Israel)

(the “Company”)

### **MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY HELD IN SINGAPORE ON MONDAY, 24 APRIL 2024 AT 3.00 P.M.**

#### **PRESENT**

#### **DIRECTORS**

Mr. Daniel Benjamin Glinert (Executive Chairman) (via video conference)

Mr. Uzi Lev-Ami (Non-Executive Director) (via video conference)

Ms. Varda Shine (Lead Independent Director) (via video conference)

Mr. Lim Yong Sheng (Independent Director)

Mr. Sin Boon Ann (Independent Director)

Ms. Neta Zruya-Hashai (Independent Director) (via video conference)

#### **IN ATTENDANCE BY INVITATION**

As per attendance record maintained by the Company.

#### **SHAREHOLDERS**

As per attendance record maintained by the Company.

#### **CHAIRMAN**

Mr. Sin Boon Ann chaired the meeting.

#### **NOTICE**

The Notice convening the Meeting was taken as read.

#### **INTRODUCTION**

The Chairman welcomed all the participants in the meeting.

The Chairman introduced to shareholders, the Directors who have joined the Meeting, both in Singapore and in Israel, as well as the Company’s consultants and officers who joined the meeting from Israel.

#### **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 18 April 2024 also on the Company's website at URL <http://www.Sarine.com>.

The Chairman also informed that Shareholders were allowed 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, Central Management Services Pte Ltd. had been appointed as the Polling Agent and TS Tay Public Accounting Corporation as the Scrutineer (with Mr. Ori Limor, CPA, acting as the scrutineer for Israeli shareholders who submitted their votes directly to the Company). 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 23 April 2024.

## QUESTIONS AND ANSWERS

The Chairman of the Board of Directors, Mr. Daniel Benjamin Glinert (“**Mr. Glinert**”) and the Company's Chief Financial Officer, Mr. Youval Zohar addressed questions raised by the audience with regard to the following matters:

### Market Review

Mr. Glinert noted that the diamond industry is no longer a monolithic industry, and is currently composed of two pillars: natural diamonds and lab-grown diamonds (LGDs). Mr. Glinert further noted, that in 2018 LGDs were offered, for the first time, as a product which may be used as jewelry (or consumer goods) and not only for industrial purposes, and were even endorsed by DeBeers, under its Lightbox platform. Mr. Glinert added that, after initial setbacks, caused by COVID, LGDs gained traction in 2021 (with a price of US\$ ~600 per carat for rough) – but prices dropped dramatically in 2023 (to US\$ ~30-35 per carat for rough). Mr. Glinert further noted that, similarly, LGD retail prices which were in 2021 – US\$ 2,500 per one carat of polished LGD, and US\$ 5,000 per two carats (compared to US\$ 5,000 for one carat of a natural diamond) dropped in 2023 to less than US\$ 1,000 (in many cases US\$ 700-800) per carat of polished LGD. Mr. Glinert concluded that currently there is great uncertainty with regard to the developments in this market segment. Mr. Glinert referred, in this regard, to various forecasts voiced by several analysts since 2018.

Mr. Glinert added that currently the LGDs' market share is approximately 10% (with a significant market share of 40% -50% in the US in 2023 on a per item basis– before the prices' erosion, and much less presence in India and China, other potentially main markets).

Mr. Glinert also noted that LGDs play a more substantial role in the large diamonds (one carat and up) segment, leading to ongoing erosion in DeBeers sites (approximately 20%) – and while it is yet uncertain how the price drops will affect the market, it appears that

LGDs are here to stay – be it in certain geographies and market segments (Mr. Glinert assumed that natural stoned will maintain their dominant position for high-end customers and for more traditional uses – such as engagement and wedding rings, and that LGDs will be used for "peripheral" uses).

#### Growth Engines

Mr. Glinert noted that the front page of Sarine's annual report presents three of its potential growth engines for 2024 and onwards: Most Valuable Planning (MVP), Certificates of Origin and LGD reports.

#### MVP

Mr. Glinert explained that, as natural diamonds are much more expensive, any optimisation of the scanning, planning and cutting process may generate a substantial benefit to the customer, and accordingly, Sarine may charge higher fees for its scanning and planning products and services. Mr. Glinert further explained that, while Sarine has been, and still is, a market leader in the large stones segment, competition in the smaller stones' segment is much fiercer.

Mr. Glinert then moved on to present the MVP solution, a cloud-based, AI driven methodology that was launched by the Company in Q1 2024, and has gained momentum since then - Mr. Glinert commented that while, at this point of time, the MVP revenues are still insignificant, the Company believes that it will get momentum over the following months and that revenues may become substantial by year end.

Mr. Glinert added that the Company has also found that the Group's core planning methodologies may be applied to LGDs (be it with substantially lower added value), and that it has also launched services in this domain in Q1 2024. The Company expects that 10% of its 2024 revenues will come from this new LGD planning and manufacturing segment.

#### LGD Grading

Mr. Glinert noted that the Company is making progress with grading of LGDs through "GCAL by Sarine". The Company opened a lab in India in January 2024 (Mr. Glinert noted that the LGDs' grading parameters are different than those of natural diamonds). Mr. Glinert added that the Company aims at launching AI-based grading of LGDs from Q3 2024, aimed at reaching a market share of 10% of the LGDs' grading market and US\$ 8-10M revenues in 2024.

#### Recurring revenues vs. sales of capital equipment

Mr. Glinert noted that the Company has initiated a shift towards more recurring revenues since 2010, and further noted that the margins on recurring revenues (for services, pay-per-click/carat, grading certificates, etc.) are substantially higher than those of capital equipment sales. Mr. Glinert added that the Company aims at increasing its aggregate revenues and reaching a 50/50 ratio between capital equipment sales and recurring revenues. Mr. Glinert also noted that increased use of Sarine's services increased the purchase of Sarine's machines, and vice-versa.

Revenues by segments

Mr. Glinert noted that the midstream segment (especially evaluation and planning) generates most of the Company's revenues and that the traceability and e-grading activities may become a major source of revenues, depending, among others, on the G7's resolution with regard to the use of traceability solutions (Mr. Glinert noted that the G7's resolution is expected to be made by September 2024).

Deferred Tax Assets

Mr. Glinert explained that since 2010 the Group companies have invested substantial funds in developing a fully automated grading solution. Currently the Company has a leading and reliable Color grading solution, while the Clarity grading solution, while quite advanced, is not yet market-ready. Mr. Glinert added that the Company intends to release the Color grading solution (for natural diamonds and LGDs) in Q2 2024 and Clarity in H2 2024. Once it can establish a verifiable revenue stream from such activities it will be able to recognise and use its deferred tax assets.

HB

Mr. Glinert noted, that as per public announcements, HB (who has cooperated with Sarine since 2019) had had various disputes (including with Lucara Diamond Corp.), and thus had reduced its collaboration with Sarine since Q3 2023. Yet, as per recent publications, HB and Lucara have reached new understandings, along with significant new investments by Botswana's ODC government-owned diamond production company, and, assuming all goes well, HB may resume (and perhaps expand) its collaboration with Sarine.

Buy Back and Total Shareholder Return

Mr. Glinert explained that the Company was advised by external consultants to conduct an equal access share but back offer in order to benefit its shareholders, and that, on hindsight, such initiative turned out to be very cumbersome for the Company and had very little effect (if at all) on the Company's share price and on the shareholders (still it did not have any real effect the Company's cash reserves). Mr. Glinert added, that as described earlier in his presentation, the Company is currently focusing on expanding its activities and developing new revenue sources, and that if what appears to be a positive trend in the diamonds industry will continue the Company may provide its shareholders increased value in 2024. Mr. Glinert noted that already in Q1, though results have not yet been finalised, indications are positive, especially as compared to Q4 2023.

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 2023 and the reports of the directors and auditors.”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” – 79.16% (149,105,898 shares);  
Percentage of votes “AGAINST” – 20.84% (39,258,083 shares).

Based on the result, the Chairman declared that ordinary resolution 1 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 2**

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” – 79.17% (149,236,275 shares);  
Percentage of votes “AGAINST” – 20.83% (39,258,083 shares).

Based on the result, the Chairman declared that ordinary resolution 2 was duly passed.

**APPROVAL OF REMUNERATION POLICY 2024-2026 - RESOLUTION 3**

The ordinary resolution voted on was:

“To approve 2024 – 2026 Remuneration Policy”.

The Chairman announced the result of the votes as follows:

Percentage of all votes “FOR” – 55.33% (104,293,075 shares);  
Percentage of votes “AGAINST” – 44.67% (84,195,283 shares);

Percentage of independent participating shareholders’ votes “For” – 53.87% (98,324,053 shares);  
Percentage of independent participating shareholders’ votes “Against” – 44.43% (84,195,283 shares).

Based on the result, the Chairman declared that ordinary resolution 3 was duly passed.

**APPROVAL OF THE REMUNERATION PACKAGE OF THE EXECUTIVE CHAIRMAN OF THE BOARD, MR. DANIEL BENJAMIN GLINERT – RESOLUTION 4**

The ordinary resolution voted on was:

“To approve 2024 Remuneration Package for Daniel Benjamin Glinert, Executive Chairman of the Board”.

The Chairman announced the result of the votes as follows:

Percentage of all votes “FOR” – 55.57% (104,738,175 shares);

Percentage of votes “AGAINST” – 44.43% (83,752,183 shares).

Based on the result, the Chairman declared that ordinary resolution 4 was duly passed.

**APPROVAL OF THE REMUNERATION PACKAGE OF THE CEO, MR. DAVID BLOCK – RESOLUTION 5**

The ordinary resolution voted on was:

“To approve 2024 Remuneration Package for David Block, CEO”.

The Chairman announced the result of the votes as follows:

Percentage of all votes “FOR” – 67.83% (101,628,160 shares);

Percentage of votes “AGAINST” – 32.17% (48,193,761 shares);

Percentage of independent participating shareholders’ votes “For” – 67.26% (99,027,811 shares);

Percentage of independent participating shareholders’ votes “Against” – 32.74% (48,193,761 shares).

Based on the result, the Chairman declared that ordinary resolution 5 was duly passed.

**APPROVAL OF THE GRANT OF 1,000,000 OPTIONS TO DAVID BLOCK, CEO – RESOLUTION 6**

The ordinary resolution voted on was:

“To approve the grant of 1,000,000 options to David Block, CEO”.

Percentage of all votes “FOR” – 66.04% (95,172,464 shares);

Percentage of votes “AGAINST” – 33.96% (48,930,611 shares);

Percentage of independent participating shareholders' votes "For" – 65.85% (93,801,771 shares);

Percentage of independent participating shareholders' votes "Against" – 34.15% (48,636,861 shares).

Based on the result, the Chairman declared that ordinary resolution 6 was duly passed.

## **SPECIAL BUSINESS: AUTHORITY TO ALLOT AND ISSUE SHARES – RESOLUTION 7.1**

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" – 47.34% 89,227,437 shares)

Percentage of votes "AGAINST" – 52.66% (99,255,117 shares)

Based on the result, the Chairman declared that ordinary resolution 7.1 was dismissed.

## **AUTHORITY TO GRANT OPTIONS PURSUANT TO THE SARINE TECHNOLOGIES LTD 2015 SHARE OPTION – RESOLUTION 16.2**

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, provided always that the aggregate number of such shares to be issued pursuant to the 2015 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” –52.10% (94,968,214 shares);

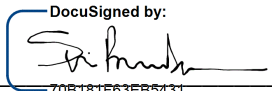
Percentage of votes “AGAINST” – 47.90% (87,303,298 shares).

Based on the result, the Chairman declared that ordinary resolution 7.2 was duly passed.

### **CONCLUSION**

There being no other business to transact, the Chairman thanked the shareholders for their participation support and fellow board members, stakeholders and partners for their invaluable support. The Chairman declared the Meeting of the Company closed.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

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Sin Boon Ann

Chairman of the Meeting