



# **SARINE TECHNOLOGIES LTD.**

Corporate Presentation March 2024



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35 YEARS OF ADVANCED TECHNOLOGICAL BREAKTHROUGHS

1988



1995



2001



2010



2013



Light™ Performance

2017



2022



e-Grading™  
Revolution

2024

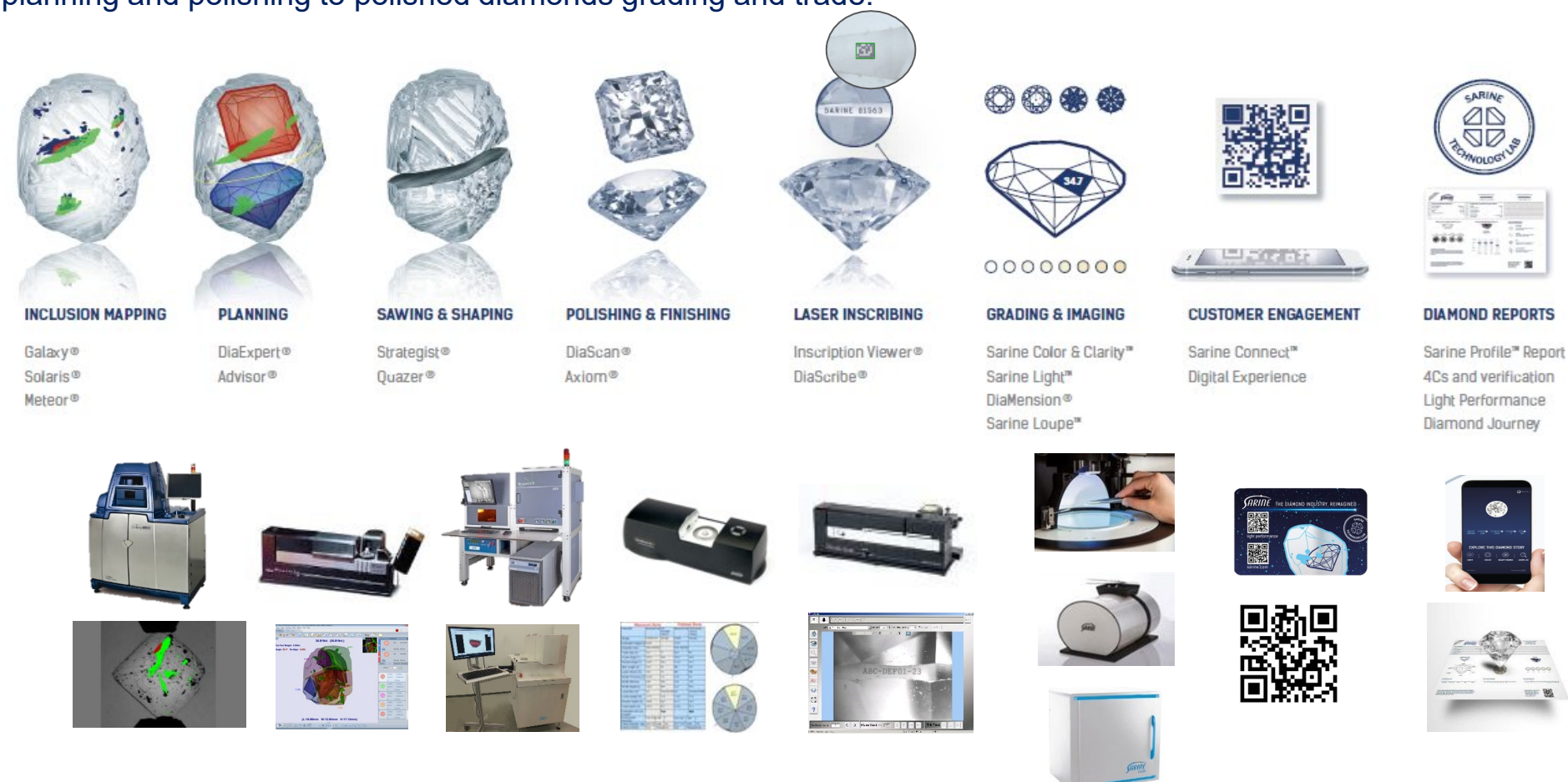


MVP Cloud and  
GPU Computing

We have progressed from selling sophisticated diamond processing equipment to providing pay-per-use services based on the data derived from our equipment.

# Our Technologies Support The Entire Value Chain

Sarine Technologies, through its application of patented hardware solutions (proprietary mechanics, electronics, optics and lasers) and sophisticated software utilising **artificial intelligence (AI)**, **big data**, **cloud computing** and **GPU (aka “Nvidia”) methodologies**, is a global leader in the development of technologies used throughout the entire diamond value chain, from mine to retail, from rough diamonds evaluation, planning and polishing to polished diamonds grading and trade.





**Public company**  
dual listing on SGX  
Mainboard (2005) and  
TASE (2021)



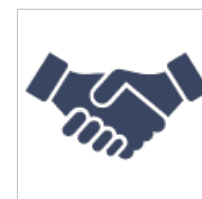
**Leading provider**  
of technological  
products and  
services to the  
diamond industry  
from mine to  
retailer



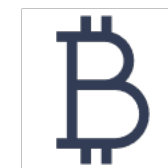
**Largest technology  
installed base**  
across the entire  
industry value chain



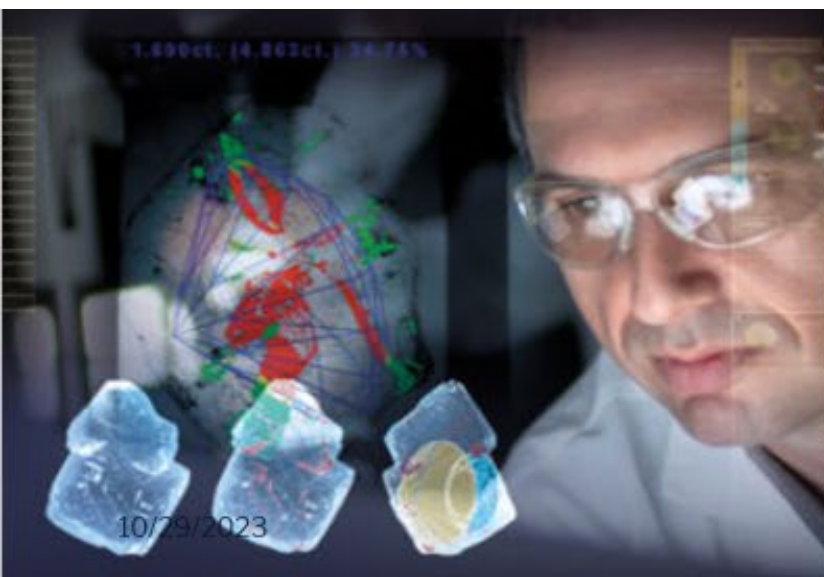
**~100 million  
diamonds**  
processed annually  
using our systems



**Neutrally positioned**  
and not participating  
directly in the trade  
of rough or polished  
diamonds



**Investment of \$100's  
of millions in R&D**  
maintains innovation  
and leadership



AI  
**4C<sub>s</sub>**



CARAT



COLOR

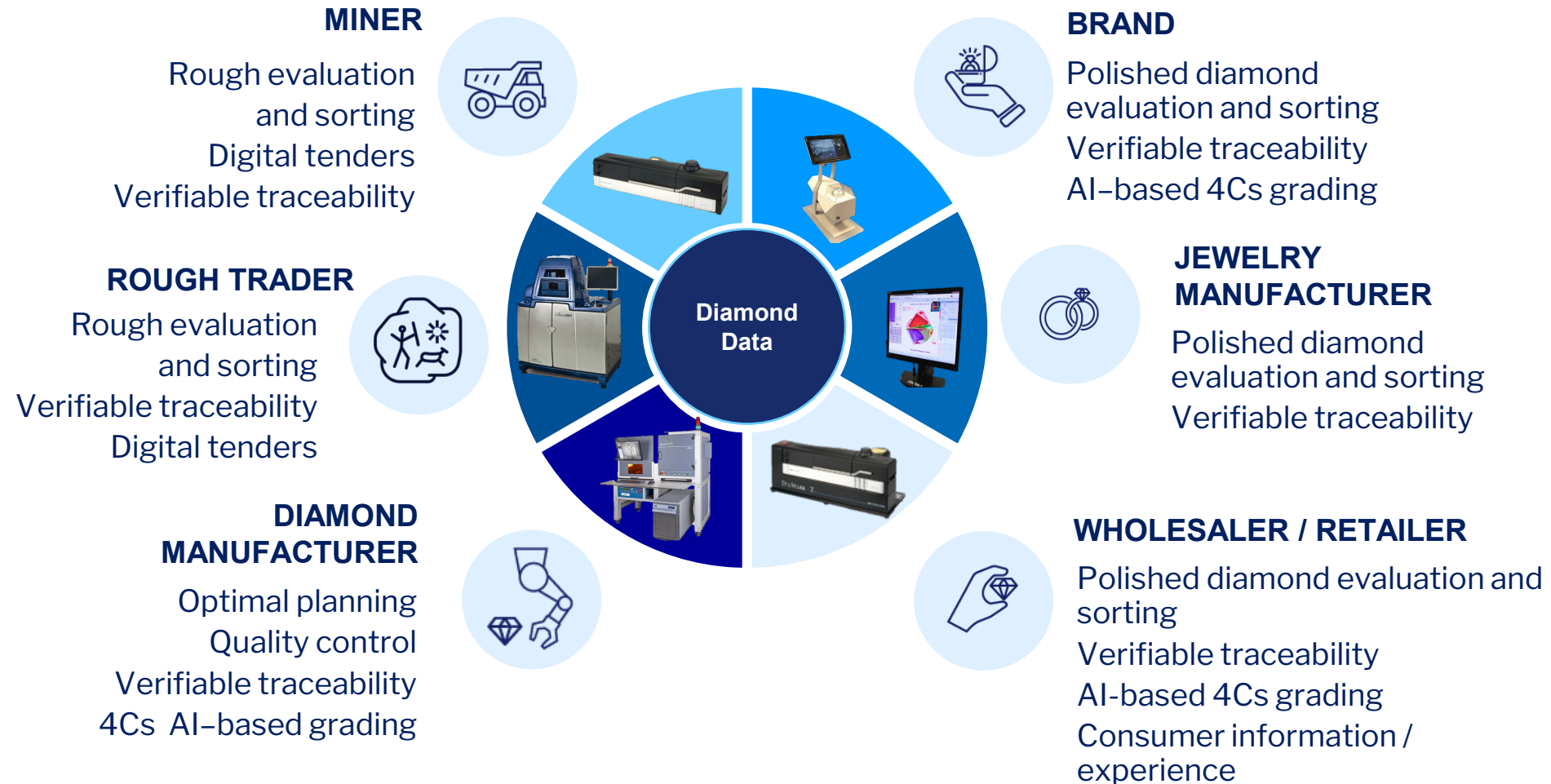


CLARITY



CUT

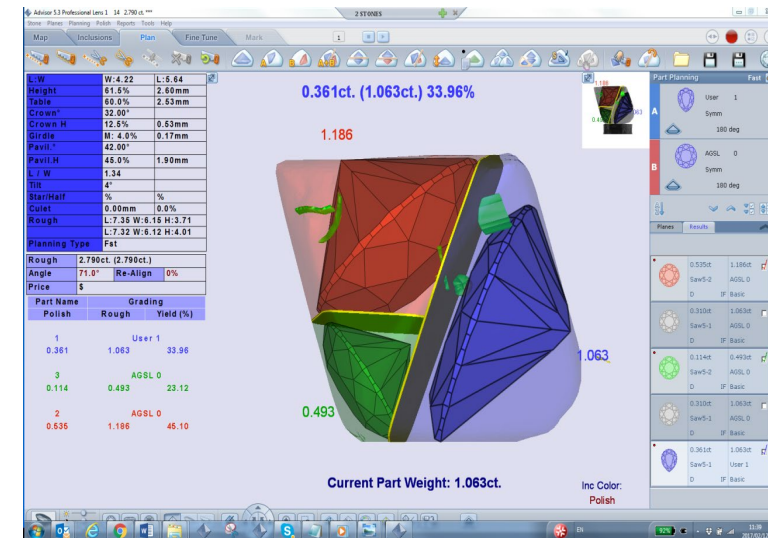
# Sarine Solutions For All Players In The Value Chain



# Revolution Phase I

## FROM TRADITIONALLY MANUAL PLANNING TO COMPUTERIZED PLANNING

- Traditionally based on worker skill and experience: long training process and inconsistent results from different workers
- 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)

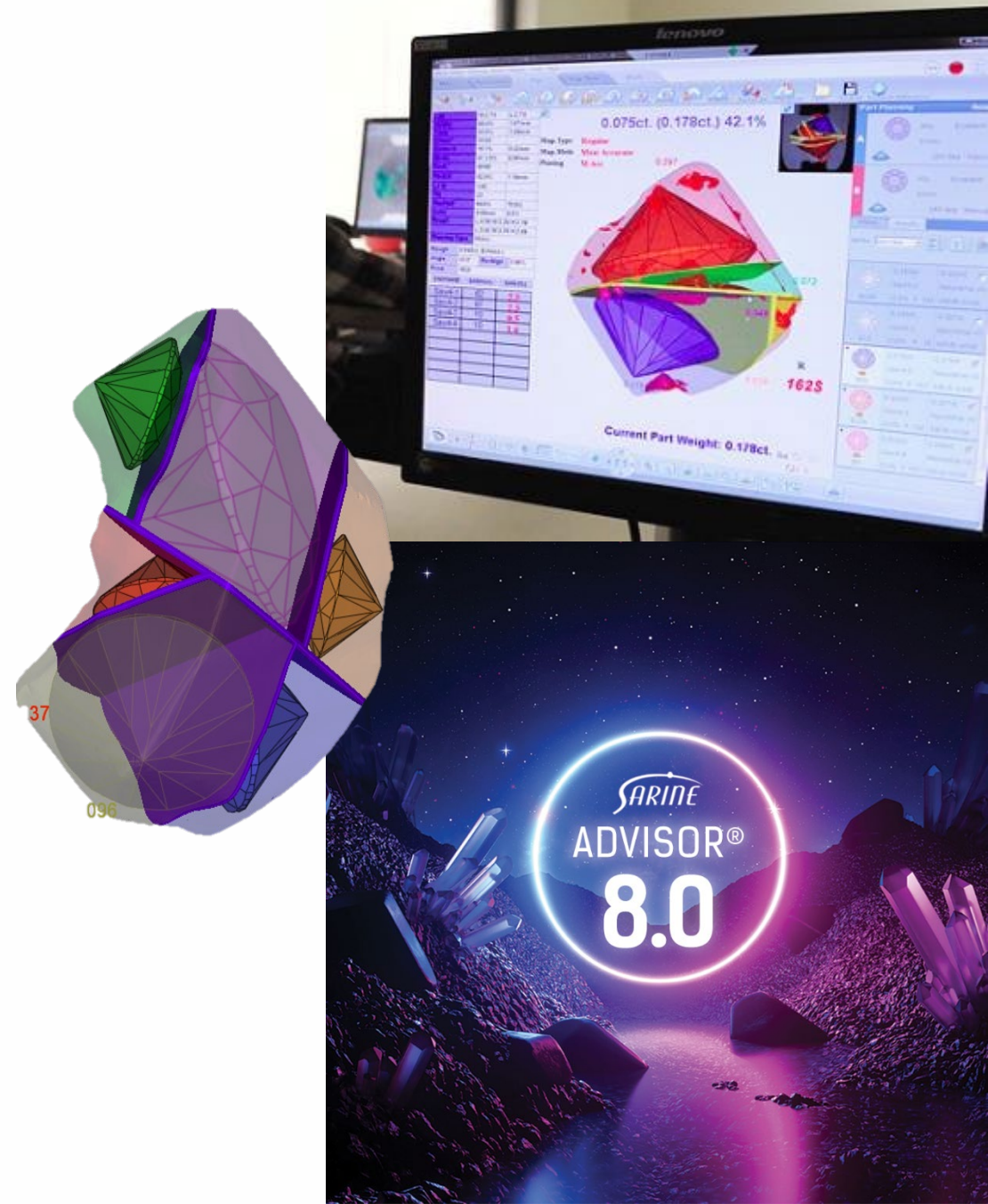


# Advisor<sup>®</sup> Software

## THE MOST WIDELY USED ROUGH PLANNING SOFTWARE

Sarine's Advisor<sup>®</sup> revolutionized diamond planning, as the world's first automated, computerized planning software. Over the last 25 plus years, technological breakthroughs and efficiency features continuously implemented:

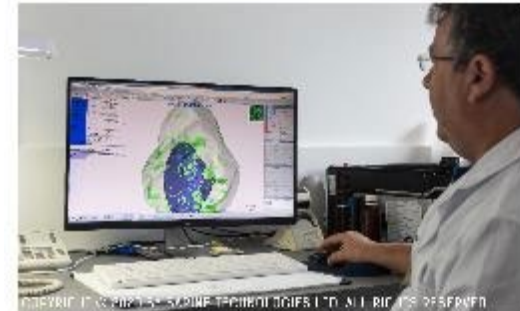
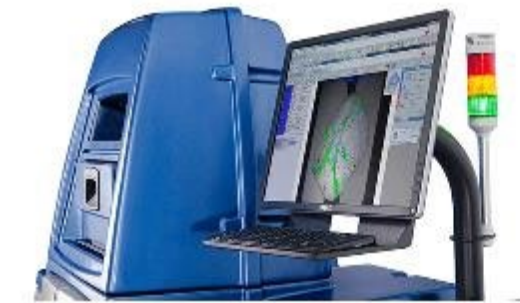
- 2022 - Advisor<sup>®</sup> 8.0 new features and refinement of processes specifically for smaller rough stones.
- 2024 – Cloud-computing and GPU enabled Most Valuable Plan<sup>™</sup> (MVP) automates and optimizes planning to new levels. Immediate addressable market of 33 million stones processed in 2023. Should drive expansion to new customers and bolster capital equipment sales.
- **Over 25,000 installations - estimated 100 million rough diamonds planned annually. Estimated 90% market share for stones >2 carat. Optimal use of rough diamond weight increased by nearly 50% from ~35% to over 50%.**



# Revolution Phase II - Galaxy<sup>®</sup> Family

## LEADING ROUGH PLANNING TECHNOLOGY

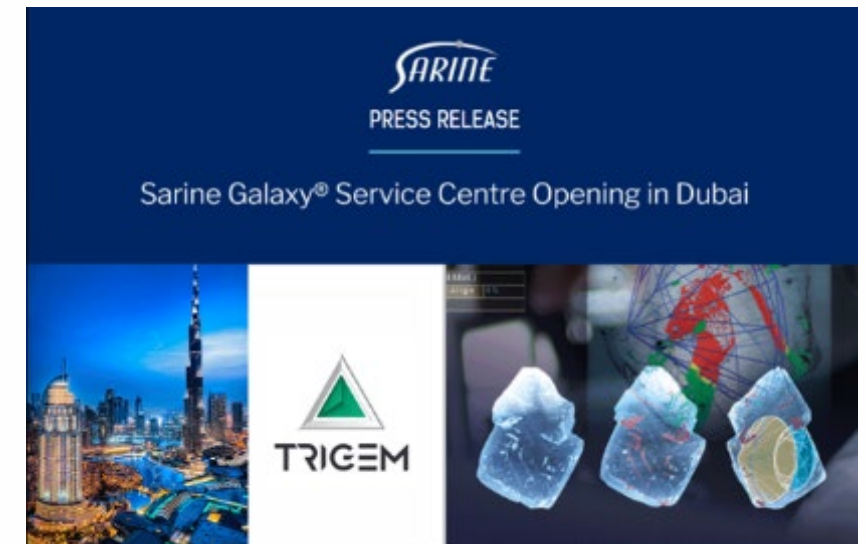
- The world-leading solution for the fully automated detection and mapping of internal imperfections in rough diamonds. The patented Galaxy<sup>®</sup> scans rough diamonds and accurately maps all the inclusions in the diamond regardless of their type, size and location.
- **Price Per Carat model with >80% gross margin drives today over 40% of Group top line**
- **Total installed base of 830 systems (as at 31 December 2023)**
- Various Galaxy<sup>®</sup> models effect solutions for higher clarities (VVS), larger diamonds up to 200 carats and the high-speed processing of small and very small sizes down to hundredths of a carat. The Meteorite<sup>™</sup> Plus system, released in 2022, expands technology affordability into the very small stone segment comprising 900 million stones annually, with a realistic additional addressable market of ~ **250 million stones** annually, creating robust market for future sales of ~ **1000** systems and potential additional significant recurring revenue.
- No legal competition for Group's patented technology; impaired by patent and copyright infringements.



# Digital Tenders

## PREFERRED PLATFORM FOR ROUGH DIAMOND TRADING

- Sarine's solution provides both rough diamond producers and secondary wholesale tender houses, along with rough diamond buyers, with the ability to trade rough diamonds more efficiently than ever before.
- The diamonds are scanned on Sarine's DiaExpert® and Galaxy® systems for external and internal mapping of their features, and can be uploaded to **traceability blockchain**.
- Covid-19 was a catalyst for our digital tenders which have rapidly become an important online platform for rough diamond sales.



# Retail Downstream Revolution

## WHAT ARE THE B2B CHALLENGES?

- Value-chain transparency – consumers want information pertaining to sustainable and socially responsible mining, sourcing and polishing of diamonds, as well as to beauty and quality of workmanship. Governments demand proof of origin of diamonds to meet new sanction paradigms.
- Today's consumer also wants information presented in intuitive and engaging digital formats enabling support of social media.
- Current manual grading subjective and insufficient for decision making process, dictating necessity for actual visual inspection at sourcing and leading to significant rejection of delivered diamonds (up to 30%).
- LGD creating entire new market of lower priced goods, dictating need for differentiation and requiring documentation of quality at a completely different cost level.



# Sarine Diamond Journey Traceability™

## THE ONLY TRACEABILITY BASED ON ACTUAL VERIFIABLE DATA

- **Not based on declaratory information, but on actual real-time collated data and imagery which tracks stone through key stages** from sourcing at mine through polishing, culminating in the final polished gem; also captivates consumer with insight into painstaking craftsmanship of creating his/her unique gem.
- Leverages Sarine's extensive presence in the polishing segment to implement **solution with minimal overhead, disruption or cost**, based on existing installed base of Sarine's industry-leading technologies.
- Collaboration with the **Aura Blockchain Consortium (LVMH, Cartier, Prada** and others) and additional high-end sustainability-minded brands, such as French **Maison Boucheron**.
- Collaboration with **DeBeers Tracr™ blockchain** to empower polished diamond origin verification, as required by G7 (and other) countries.
- New AutoScan™ Plus supports rapid registration of rough diamonds at speeds nearing 1000 stones per hour. Various miners and wholesalers in trial implementations to meet G7 sanction mandates. Already adopted by key wholesaler **Star Gems** in Dubai.



# AI - Derived 4Cs Diamond Grading Systems

- Groundbreaking **Sarine Clarity™** AI and big-data-derived Clarity technology provides automated, objective Clarity grading – **a first for the industry**. More consistent than manual process, refines Clarity grading and enhances polished diamond sorting by manufacturers and by retailers. **Sarine Color™** AI-based Color evaluation technology provides best-in-class automated and objective Color grading.
- Already implemented in U.S., Japan and Europe (e.g., **Maison Boucheron**).
- With the 2022 rollout of on-site **e-Grading™** to the manufacturing segment, Sarine brings automated grading to the source, providing a more efficient, abbreviated, cost-effective supply chain. e-Grading™ generates per-carat charge (optionally packaged with Sarine Diamond Journey™ traceability) and expands the Group's recurring income and improve margins.
- 2023 acquisition of NY-based renown GCAL lab provides channel into U.S. market for natural and LGD stones. 2024 launch in India of GCAL branch labs increases addressable market and reduces direct and indirect costs.
- **Addresses annual market of US\$500M of natural diamond grading and US\$100M of LGD grading (expanding rapidly).**



# Merger Of GCAL Into The Sarine Group

## 2024 – GCAL BY SARINE BRAND 4Cs CERTIFICATES

- **Synergies between GCAL's quality grading processes and Sarine's advanced technologies create growth opportunities in U.S. and worldwide markets.**
- Sarine's AI-derived cloud-based grading technology and verifiable-data based Sarine Journey™ traceability paradigm bolster GCAL's strong brand in the US market, backed by an industry-unique **consumer money-back guarantee**.
- Merger creates immediate well-established and highly-regarded channel into grading market for US retail.
- Indian branch labs at Sarine's Indian HQ and e-Grading™ installations on-site at manufacturers, subject to GCAL's uncompromising quality control, avail cost-savings and expansion.
- The new merged entity, GCAL USA LLC, continues to be led and managed by GCAL's seasoned management team, who have retained a significant 30% interest in the endeavor.



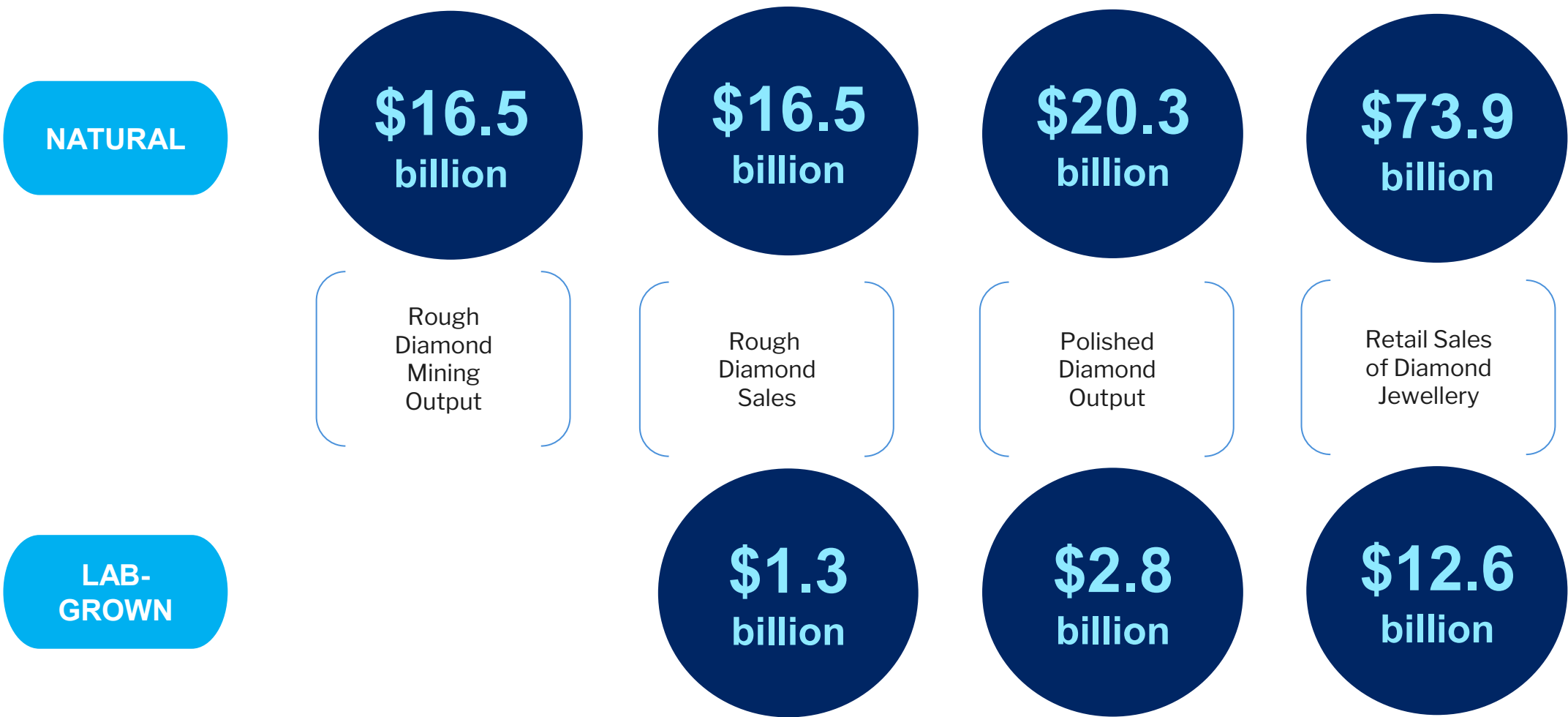
## THE FUTURE OF DIAMOND GRADING

CONFIDENCE POWERED  
BY AI TECHNOLOGY



# Value of Market Segments in US\$ (2022)

Our products increase profits at all segments of the diamond value chain from purchase of rough diamonds to sale of polished ones



# Lab-Grown Diamonds (LGD)

## LGD MARKET OVERVIEW

- LGD are diamonds identical to natural diamonds in all physical, chemical and optical characteristics, but are man-made, created using various technologies.
- LGD are already ~50% of U.S. retail in 2023 (by piece count - not dollar value). Expected to continue slowing growth in U.S., primarily for fashion jewelry, and to penetrate additional markets.
- **Luxury brands overall continue to shun LGD.** Walmart offering LGD at rock bottom prices (~US\$ 600/ct.), which should underpin **preference for natural diamonds in luxury and bridal markets**, creating new equilibrium between natural stones and LGD.
- LGD are forecast to eventually create an expanded parallel market in addition to today's natural diamond jewelry market, as price point opens channels to first-time diamond buyers in evolving middle classes economies like China, India and others **(potentially hundreds of millions of new consumers)**.



# Lab-Grown Diamonds (LGD)

## SIGNIFICANT MARKET OPPORTUNITY

- **Our industry-leading technologies, which have revolutionized the natural diamond value chain, create additional value also for LGD. We are thus aggressively pursuing this market of some 20 million of carats manufactured annually and growing.**
- In demos and for a major launch customer, Sarine has demonstrated meaningful added value averaging **US\$ 1.5 per carat** from Advisor® 8.0 planning technologies as applied to LGD. Revenues from this segment commenced in Q1 2024.
- Due to prohibitive direct and indirect costs of third-party lab grading for LGD goods, grading done today by “outsourcing” with no uniform grading standards, no consistency and poor oversight and quality control. e-Grading™ is the natural alternative with consistent grading, ongoing quality control improvement from big data AI processing, all at similar or even better price points.
- New GCAL by Sarine reports launched India in Q1 2024.
- Existing LGD grading market already **US\$ 100 million annually** and expected to continue growing as LGD expands to new markets.



# 2024 Prospects

- Continued natural diamond market domination of inclusion scanning and mapping, rough planning and related manufacturing products and services. Advisor<sup>®</sup> 8, MVP, Meteorite<sup>™</sup> Plus and refined **Meteor<sup>™</sup> Plus with 50% higher throughput to be launched mid-2024**, driving our ongoing penetration of market segment of small stones.
- New **Most Valuable Planning (MVP)** planning addresses broad segment of rough stones under a carat (realistic TAM of some ~ **250 million stones annually**) adding significant value to manufacturers. Launched in Q1 2024, will increase recurring revenues from existing customers and open doors to new customers (currently using pirated IP or manual solutions) and drive additional sales of capital equipment and generating recurring service use fees.
- Our planning technologies generate **significant added value to LGD manufacturing** and have started penetration of this expanding market, already **20 million carats annually**. Commercial services commenced in Q1 2024.
- **Sarine Diamond Journey<sup>™</sup> and DeBeers Tracr<sup>™</sup> collaboration**, along with AutoScan<sup>™</sup> Plus offering for mines and wholesalers, provide only technological data-based traceability offering for G7 sanctions implementation mandated as of 2024 on estimated **3 million plus polished diamonds** half a carat and above in weight, as well as for consumer and luxury brand ESG concerns.
- Acquisition of GCAL and implementation of AI-derived 4Cs e-Grading<sup>™</sup> addresses natural diamonds and expanding LGD retail trade. **Target to capture 8-10% of US\$ 100 million LGD grading market in 2024**, as well as to continue roll-out to natural diamond manufacturers, initially for in-house grading refinement.



# The Diamond Industry Reimagined™

