Sarine Technologies Ltd.

Corporate Presentation

August 2016

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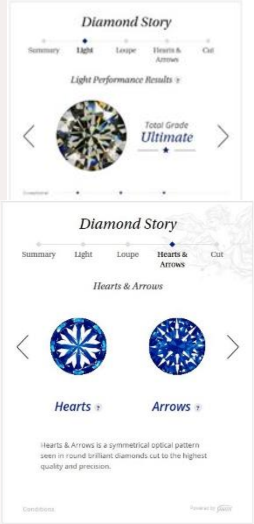
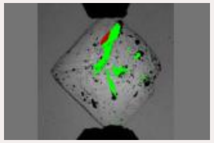
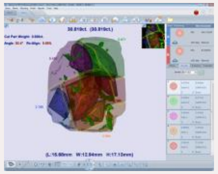
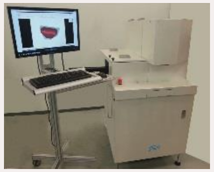
Agenda

- **Company Overview**
- **Products Update**
- **Results Update**
- **Appendix -** Industry Overview and Sarine's Competitive Positioning

Company Overview

Sarine Technologies

Sarine Technologies, through its proprietary systems and technologies, is a global leader in the development and provider of solutions for the entire diamond value chain, from rough diamonds evaluation, planning, manufacturing and finishing to polished diamonds assessment, grading and trade

Inclusion Mapping	Planning	Sawing & Shaping	Polishing & Cut Finishing	Laser Inscription	Visualisation & Grading	Trade
 Galaxy / Solaris / Meteor	 DiaExpert Eye / DiaExpert Atom  DiaMark-Z	 Strategist & Quazer III Green Laser System	 DiaScan S+  Axiom	 DiaScribe	 Sarine Light	
 Inclusion Mapping	 Advisor	 Allegro	 Instructor 3.0	 Inscription Viewer	 Sarine Loupe	Profile

Proven Track Record of Product Innovation

2008 & Prior

- DiaMension™
- DiaExpert™

- DiaMark™

- DiaScan™ S+

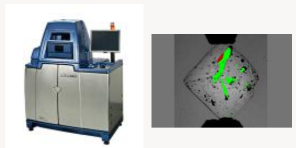
- DiaScribe™

- Quazer™

- Colibri™

2009

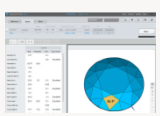
- Galaxy™



- DiaMension™ HD

- DiaMobile™ XL

- Instructor™



thru 2012

- Galaxy™ XL & Solaris™

- DiaExpert ™

- Quazer™ II
- Strategist™

- DiaMark ™ HD

2013

- DiaExpert™ Atom

- DiaMension™ Axiom

- Quazer™ III
- Sarine Light™

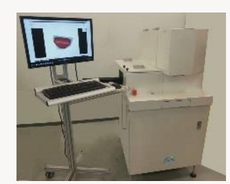
- Sarine Loupe™

thru 2015

- Galaxy™ Ultra & Meteor™

- Sarine Profile™

- Allegro™



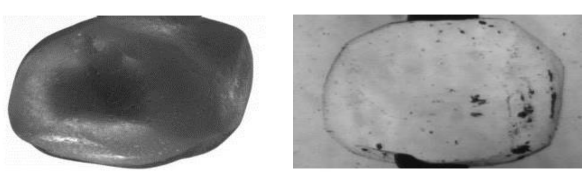
Products Update

Inclusion Mapping Technologies Before Galaxy™

Technology	Suppliers	Disadvantages
Manual Inclusion Charting	Sarine and others	◆ Needs windows opened in stone ◆ Done by expert personnel ◆ Limited success on complicated inclusions ◆ Limited to larger inclusion sizes ◆ Very long (hours/days per stone) process
X-Ray	Others	◆ Expert personnel required - not all inclusions easily detected, often many “false positives” ◆ Relatively long process (hour +) ◆ High cost

Automated Inclusion Mapping Technology with Galaxy

How opaque becomes transparent



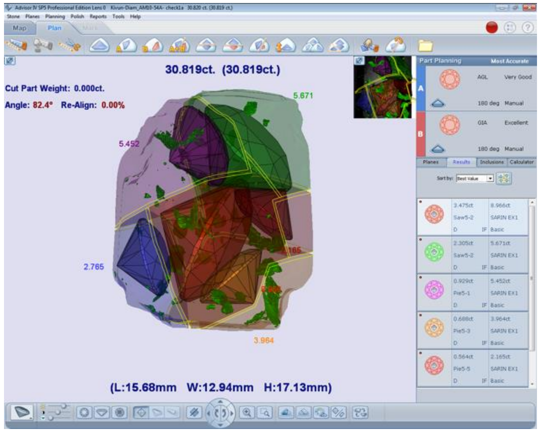
- No need to pre-process the rough diamond (no “windows”)
- Supports most types of stones (even thin mineral-coating)
- Automatic; little user-expertise required
- Identifies all types and sizes of inclusions
- Relatively fast operation (minutes)
- Cost-effective

Galaxy™ Family Rollout

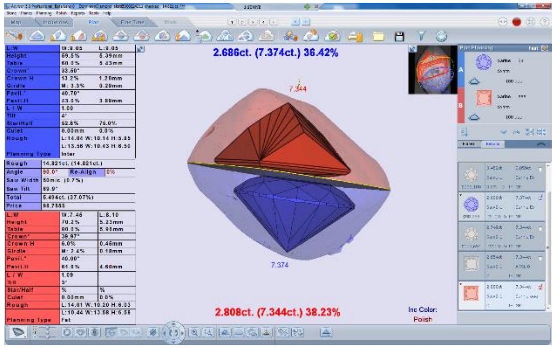
- No real competition for Group's inclusion mapping systems in the market
- Total installed base of Galaxy™ family of systems at 253 as at 30 June 2016
- Meteor™, Sarine's inclusion mapping system for rough stones of 20-85 points launched; with throughput doubled it addresses market segment where 50 million stones are polished – 4 times Galaxy™ and Solaris™ segments
- Galaxy™ Ultra gaining traction at expense of competition's high-end M-Box

Optimal Planning with Galaxy™ Inclusion Mapping

Note unique Strategist™ & Quazer™ III pie-cut sawing



Pre-inclusion Mapping State-of-the-Art



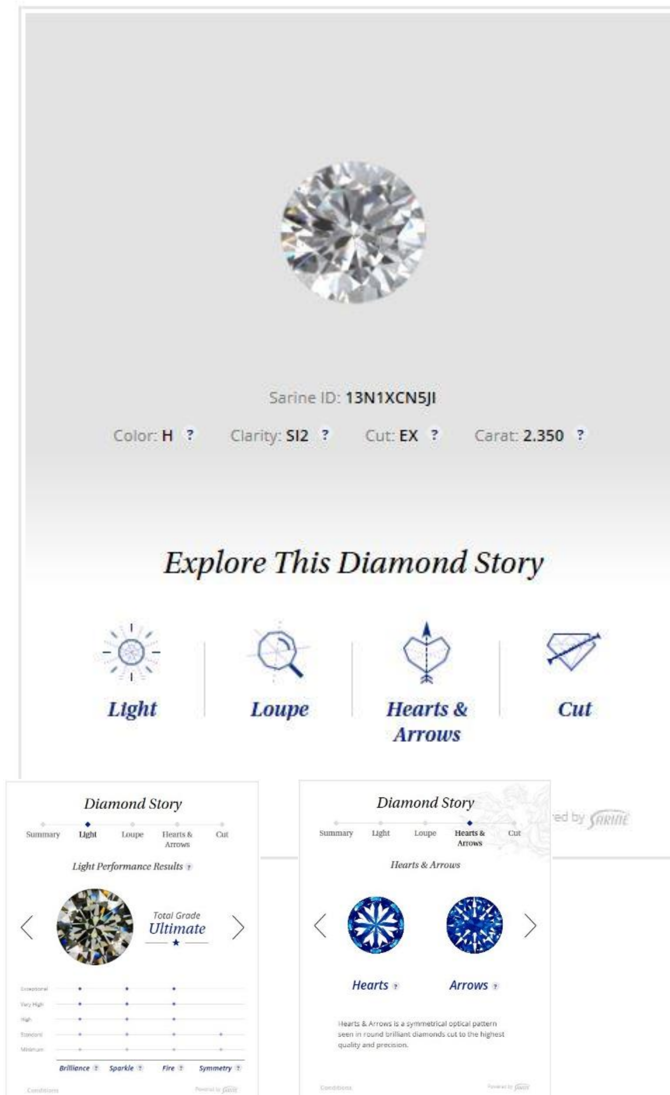
DiaMension™ Axiom / Instructor™

- **DiaMension™ Axiom**
  - Quantum leap in proportion measurement and symmetry grading of polished diamonds
  - Adopted by industry leaders (e.g., Tiffany) and by leading gemological labs (e.g., GIA and GSI)
  - New Cut and Symmetry grading standards a new business opportunity

- **The Instructor™ software product**
  - For the ongoing quality control of the actual polishing process as the polished diamond is faceted
  - Unique capability of providing instructions on necessary corrective actions and/or possible asymmetric enhancements

Sarine Profile™

- Imaging technologies are gaining traction as an essential marketing tool in the polished diamond trade
- Instead of a dry tabular non-intuitive report, Sarine Profile™ utilises all the benefits of Sarine's diverse cutting-edge technologies to "show and tell" the stone with graphic and video displays
- Product launched 2015 with focus now on pilot programs in U.S. and China/HK
- GSI, one of world's leading gem labs, has adopted full Sarine Profile™ into its polished diamond grading and education services
- Adopted by leading diamond retailers eg. Japan's Cima, China's Shining House, Kela and Hope, Singapore's Soo Kee and GN in North America

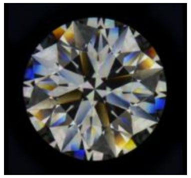


Sarine Light™

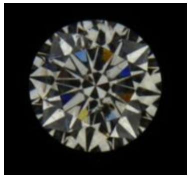
- With increasing demand for quality and branded diamonds, light performance parameters - brilliance, fire, scintillation/sparkle and symmetry, are becoming key consumer-oriented criteria
- 2013: Sarine Light™ light performance grading report launched in Japan with CIMA, a leading bridal diamond jewellery chain; CIMA confirms Sarine Light™ has enhanced its positioning as high-end retailer and contributed to higher sales.
- Subsequently, adopted by leading Belgian diamond manufacturer for quality assurance and sorting and by retail customers in the US, India and Taiwan
- 2015: Integration of Sarine Light™, Sarine Loupe™ and displays of a polished diamond's Cut and Hearts & Arrows to create consumer-oriented "diamond story" – the Sarine Profile™
- Leading retailers adopting Sarine Light™; moving away from lesser competing products
- Development of new derivative functionality from Sarine Light™ , polished diamond "fingerprinting", completed

Perfect Stone

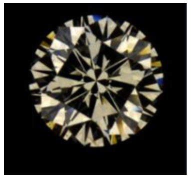
High Clarity, Colour and Cut grades



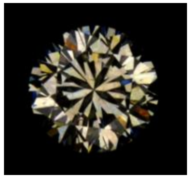
Low Clarity



Low Colour



Low Cut



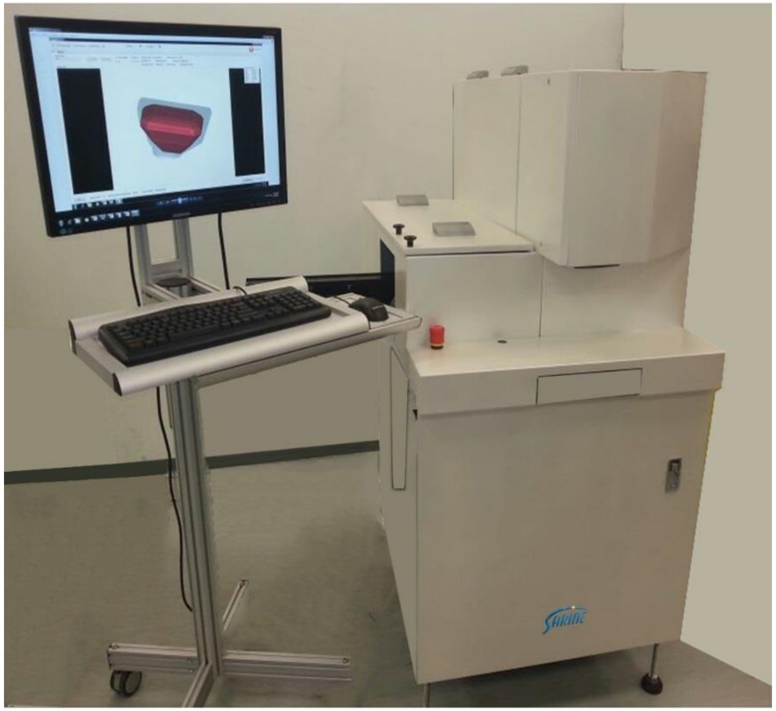
Sarine Loupe™

- A unique imaging and inspection system that captures a polished diamond, including its internal features, in simulated three dimensions
- Enables buyers to view the polished stone from a multitude of angles and at varying magnifications without having it in hand; simplifies the buying process of polished diamonds while reducing costs and time involved for both buyers and sellers wholesale; empowers online and enhances in-store polished diamond buying experience while creating virtual inventories for retail chains
- Sarine Loupe™ imaging services opened in India, Israel and New York. Brinks has adopted it as an add-on service offered in Los Angeles and Hong Kong
- Integrated into Sarine Profile™ with optional levels of imaging and magnifications

Sarine Loupe™ Imagery of Included Stone

Allegro™

- The Allegro™ system processes gemstones (excluding diamonds) and transforms the rough stone directly into a cut and shaped (unfinished) gem with high speed and accuracy
- New product addresses new market with proven Sarine technologies; market for gemstones independent of and larger in volume than that of diamonds (albeit lower dollar value)
- Allegro™ will be offered as an inexpensive per-stone service and will expand the recurring revenue base
- Initial service centres up and running in Jaipur, India, and Israel still in introductory mode; additional centres can be expected in additional geographies in 2017



Going Forward

- Given the immediate tangible benefits of Sarine's unique technology and the ongoing lack of substantial competition, the Group is confident of extending the market penetration of the Galaxy™ family of inclusion mapping systems

- Inclusion mapping systems market penetration enhances demand for Sarine's planning products and contributes to the consolidation of the Group's leading market share for manufacturing products

- New products such as Sarine Profile™, Sarine Light™, Sarine Loupe™ and similar services (as complementing bundles or standalone) address the wholesale and retail trade of polished diamonds – a significant new market for the Group with substantially larger potential for recurring revenue

- Gemstone processing product, Allegro™, addresses new market (non-diamond gemstones manufacturing) with potential to create additional recurrent income stream for the Group

Growth Drivers for Recurring Revenue

Catalysts to Future Growth

- Deliveries of additional Galaxy™ family systems for rough diamond inclusion scanning and mapping to customers
- Increased adoption and roll-out of new products and services based on digital trade solutions - Sarine Profile™, Sarine Light™ and Sarine Loupe™
- Increased market penetration for Allegro™ gemstones processing services

Benefits to Sarine

- Expand Sarine's presence to the trade segment of the diamond industry as well as manufacturing market for other gemstones
- Broaden the Group's revenue base into polished diamond trade and non-diamond gemstones market
- Increase recurrent portion of Group's revenue stream

Results Update

Q2 and H1 2016 Results Highlights

- Group revenue rose 45% to US$20.9m and net profit jumped 126% to US$6.0m in Q2 2016 driven by improved business sentiments amid continued diamond industry recovery

- Record deliveries of 20 Galaxy™ family systems to customers in Q2 2016, bringing total installed base to 253 as of 30 June 2016
  - 10 new Meteor™ small stone machines
  - 8 Solaris™ machines
  - 2 Galaxy™ Ultra systems

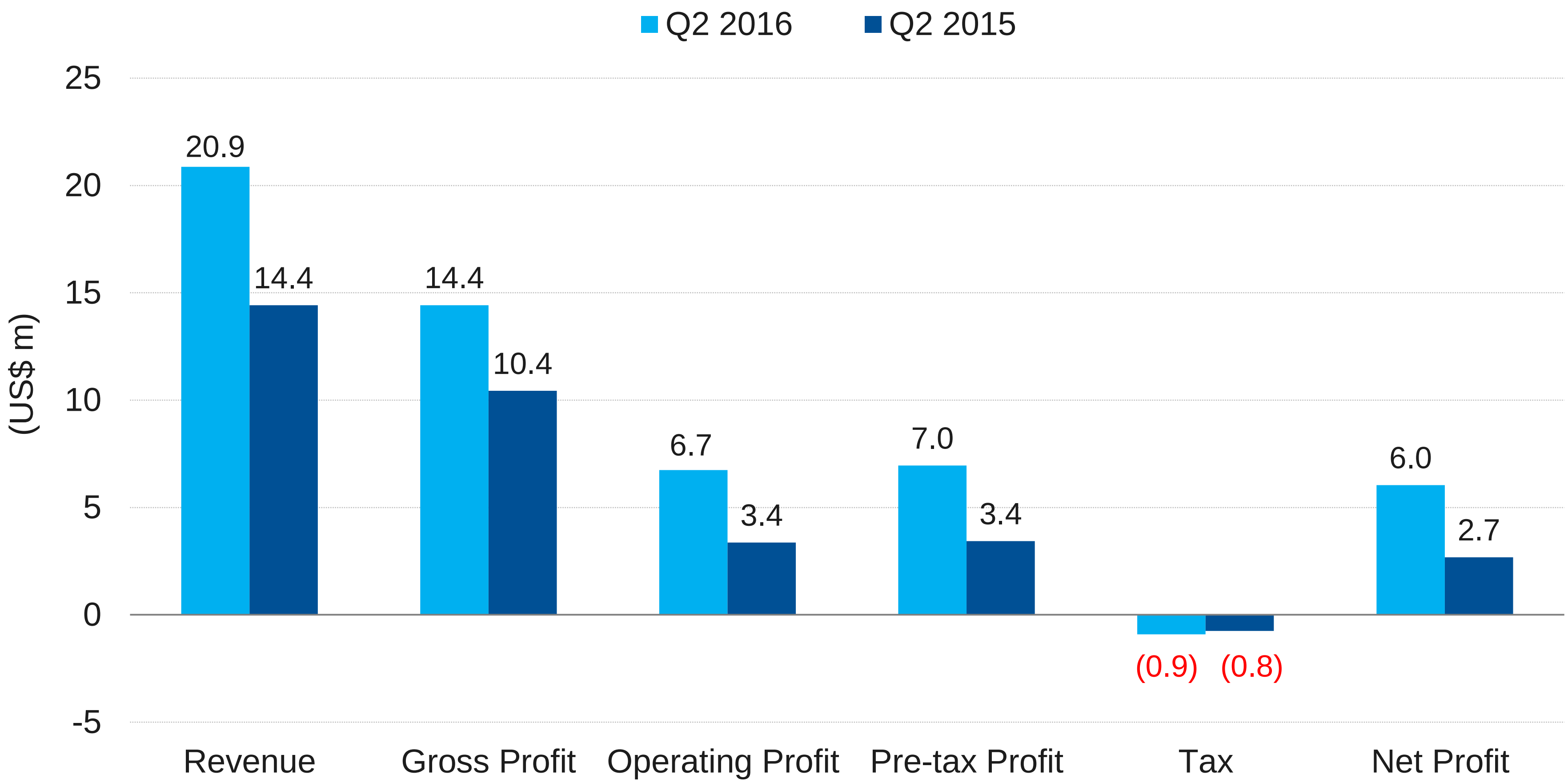
- H1 2016 revenue increased 37% to US$36.4m, of which ~40% is recurrent in nature; net profit rose 154% to US$9.0m

- Balance sheet strong with cash and cash-equivalents totalling US$37.4m and no debt as of 30 June 2016

FY2016 – Prospects

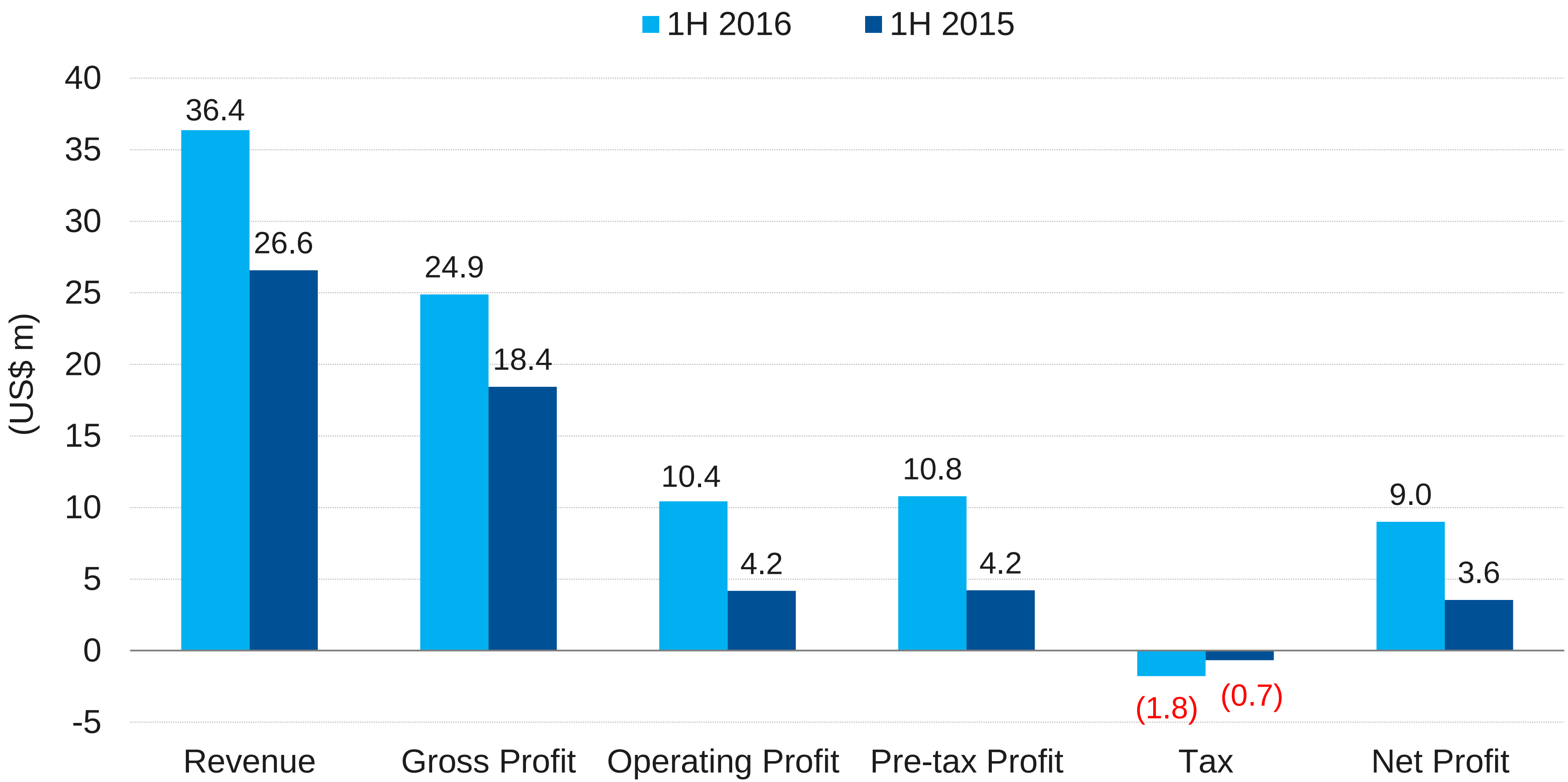
- Market conditions continued improving – positive trends such as improved profitability due to reduced rough prices against stable polished prices, firm consumer demand from most markets and improved midstream liquidity following 2015 destocking
- DeBeers strong 2016 Sights indicate industry back to normal – January US$575m, February US$620m, April US$660m, May US$530m, June US$560m and July US$520m
- Industry downturn of 2015 seemingly behind us
- Industry players more cautious in inventory management, but continued consumer demand and midstream profitability likely to continue to underpin Group sales of capital equipment and services in H2 2016

Q2 2016 Results Summary



% change	+ 45%	+ 38%	+ 100%	+ 103%	+ 21%	+ 126%

1H 2016 Results Summary



% change	+ 37%	+ 35%	+ 150%	+ 156%	+ 169%	+ 154%

Revenue Breakdown by Geography

Region	1H 2016 (US$' 000)	1H 2015 (US$' 000)	% Chg	% Share (1H 2016)
India	29,035	19,448	+ 49%	80%
Africa	1,029	1,128	(9%)	3%
Europe	908	1,488	(39%)	2%
N. America	1,035	845	+ 23%	3%
Israel	2,227	1,633	+ 36%	6%
Other	2,123	2,035	+ 4%	6%
Total	36,357	26,577	+ 37%	100%

Strong Balance Sheet (debt free)

(US$ millions)	30 Jun 2016	31 Dec 2015
Non-Current Assets	**24.4**	**23.4**
- Property, plant & equipment	13.0	12.4
- Intangible assets	8.2	7.8
Current Assets	**65.5**	**57.8**
- Inventories	8.2	10.1
- Trade receivables	15.3	11.3
- Cash & bank deposits	37.4	32.6
Non-current Liabilities	**0.1**	**0.1**
Current Liabilities	**13.3**	**9.5**
- Trade & other payables	12.5	9.0
Shareholders' Equity	**76.5**	**71.5**

Dividend

US cent/share	2016	2015	2014	2013	2012
Interim	**2.00**	1.50	2.00	1.50	1.25
Special interim	**-**	-	1.00	2.50	2.00
Final	**-**	1.50	2.00	2.00	1.25
Total	**-**	3.00	5.00	6.00	4.50

Appendix

Industry Overview and Sarine’s Competitive Positioning

Diamond Industry Value Chain

Miners	De Beers concentrates ~ 40% of rough diamonds worldwide; Russia; Botswana; Australia; Canada; Zimbabwe; others
Manufacturers	India accounts for ~ 90% of all stones; Southern Africa (S. Africa, Botswana and Namibia) and China other manufacturing centres
Gemmological Laboratories	Strategic customers setting industry standards
Wholesalers	Belgium, Israel, USA, Hong Kong
Retailers	• USA > 40% of global retail diamond market • Hong Kong is second largest market (~25%) • Chains gaining in importance over shops

Diamond Industry Value Chain

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

Value of Market in US$ in 2015

$15.5 billion	$13.3 billion + 1.9B from inventory	$19.2 billion	$75.8 billion
Rough Diamond Mining Output	Rough Diamond Sales	Polished Diamond Output	Retail Sales of Diamond Jewellery

Sarine's Value Proposition

Challenges

- Increase industry players' sustainable profitability
- Satisfy consumer concerns on issues of quality and beauty

Sarine's Solutions

- Maximise polished value yield from rough diamonds, while reducing risk and cutting costs
- Grade quality and beauty of polished diamonds according to 4Cs and light performance
- Solutions to affirm and enhance marketing and branding

Sarine's Expertise

Proprietary precision mechanics, optics, electronics, laser and colour technology with sophisticated software in computerised systems

Competitors

Diamond Planning & Grading Products	Laser Sawing & Cutting Products
OctoNus (Russia) High-end rough planning and polished evaluation equipment- launched with Immersion Glass inclusion mapping system unsuccessfully; specialises in fancy coloured diamonds processing; teamed with Lexus in India for sales **Sahajanand Technologies (Surat, India)** Former Sarine distributor in India- markets rough planners for low and medium range applications; no inclusion mapping system, though announced intent to launch in 2014 **Sahajanand Laser Technology (Ahmedabad, India)** Low-end rough planning equipment with minimal market presence; Nebula inclusion mapping system failed in market **OGI Systems (Israel)** Price player with diminishing international presence; no inclusion mapping system, though announced intent to launch in 2014	**Synova (Switzerland)** High-end, fast, safe green lasers; extremely expensive ($600K - $1M price tag) **Soenen (Belgium)** Quazer copy; very low market presence **Laxmi (India)** Low-cost/low-end green laser without shaping capabilities **S.O.S. (India)** Mainstream infra-red (IR) laser supplier **Sahajanand Technologies (India)** Low-end/low-cost IR laser; broadest presence **Sahajanand Laser Technology (India)** Low-end/low-cost IR laser; wide presence **OGI Systems (Israel)** Very limited market presence with a laser

Combined market share of competitors for diamond planning & grading products is still smaller than Sarine's (>70+%); Sarine's Quazer III accepted as most cost-effective high-end green laser solution with estimated 50% market share in that niche (still only 20% market)

Thank You
Q & A