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## PRESS RELEASE

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### Further Update on Effects of Indian Covid-19 on Group

**Hod Hasharon (Israel), 16 June 2021** - Singapore Exchange Mainboard listed Sarine Technologies Ltd (“**Sarine**” and along with its subsidiaries “**the Group**”) (**U77:SI**), a worldwide leader in the development, manufacturing, marketing and sale of precision technology products and services for the evaluation, planning, processing, measurement, grading and trading of diamonds and gems, wishes to update its investing public on developments pertaining to the Covid-19 pandemic in India.

Further to our announcement of 29 April 2021, we would like to update that the Covid-19 pandemic in India is seemingly past its most acute outbreak. The lockdown that had been in effect in Mumbai as of our previous announcement, from which the diamond bourse had mostly been exempted, has been lifted. Restrictions, which have been put in place in lieu of said lockdown, have and have had no material effect on our operations there. As for Surat, where the diamond cutting and polishing activities and hence our major site of operations are located, most restrictions, beyond social distancing and wearing masks, have been lifted. Most manufacturers' operations are running at capacities approaching normal levels. Furthermore, due to the uncertainty existing as of the date of our previous update, and the concern of possible pending government-mandated lockdowns, the seasonal May summer vacation shutdown in India, which typically lasts 2-3 weeks, was, in fact, cancelled by many of the midstream entities, thus allowing near continuous work throughout May and June.



The situation in India is still dynamic. However, consumer demand for diamond jewellery remains robust in all major markets, including the U.S., China, other APAC countries, etc. (US jewellery sales in May were reportedly 30% higher than those in May 2019), and hence the demand for polished diamonds remains strong, with an uptick in prices reported by Rapaport. For the most part manufacturing volumes remain high, even though DeBeers sights have declined from the January record of US\$ 650 million to a more normal level of around US\$ 400 million. This reduction in quantities stems from actual shortages of rough diamonds, due to various problems at some of the mines along with reduced mining in 2020, which lowered rough inventories overall. Notwithstanding this drop in volumes, our Galaxy<sup>®</sup>-family scanning operations, which are first and foremost on the larger more-valuable goods, remain at levels similar to those reported upon in our 09 May 2021 update on business conditions. To note, there are reported shortages of polished diamonds in various categories in the wholesale markets, which are mostly due to backlogs created by the GIA's grading cycles having become longer than usual and approaching two months. This is yet another indication as to the benefits manifest in our e-Grading paradigm, to be more broadly introduced in the second half of the year.

#### **About Sarine Technologies:**

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<sup>®</sup> family of inclusion and tension mapping systems, rough diamond planning and optimisation technologies, laser cutting and shaping tools, laser-marking, inscription and finger-printing equipment, automated (AI-derived) Clarity, Color, Cut and light performance grading systems and traceability, visualisation and retailing services. Sarine systems have become standard tools in every modern manufacturing plant, properly equipped gemology lab and diamond appraisal business, and are essential aids for diamond polishers, dealers and retailers. For more information about Sarine and its products and services, visit <http://www.sarine.com>.

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