

Sarine Technologies Ltd
(Incorporated in Israel)
(Israel Registration No. 51 1332207)

RESPONSES TO THE QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED REGARDING TRADING ACTIVITY

Sarine Technologies Ltd (the “Company”) wishes to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 22 January, with regard to unusual trading activity, as follows:

SGX's Query:

We have noted, and draw to your attention, unusual price movements in your shares recently. To maintain a fair, orderly and transparent market, please answer each of the following:

Question 1: Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples.

- If yes, the information shall be announced immediately.

Question 2: Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Question 3: Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

The Board of Directors shall collectively and individually take responsibility for the accuracy of the reply to the query. Please also refer to Practice Note 7.1 of the Mainboard Rules for guidelines to deal with particular situations and issues. This may include the issuance of a holding announcement, if necessary.

Please respond immediately via SGXNet. Where appropriate, you may want to request a trading halt or a suspension of trading. Please contact Securities Market Control (or, if you need to discuss the matter, your Account Manager in Listing Compliance) immediately. Thank you for your cooperation.

Company's response:

1. The Company is not aware of any unannounced “events that are potentially material and price-sensitive” concerning the Company and/or its subsidiaries. The Company is, as is almost always the case, involved in many varied activities, discussions and negotiations with existing and potentially new customers, on many business development issues, ranging from the sale of existing products and services to the launch of new products and services across all the diamond industry value chain, none of which, in itself, would, in our opinion, justify the trading witnessed on the

- date in question. The Company updates its shareholders on an ongoing basis of any material developments in its business and in the business environment in which it operates (the most recent update was included in the Company's presentation for the 23rd Annual Needham Virtual Growth Conference in New York, which was duly posted on the SGXNet on 06 January 2021 – see below).
2. The following may have contributed to the trading witnessed on the date in question and, in fact, to that of the entire preceding week:
 - a. On 07 January 2021 the Company announced on the SGXNet that its Digital Tenders technology was continuing to gain significant traction and was evolving as the preferred platform for rough trading online.
 - b. On 14 January 2021 the Company participated in the 23rd Annual Needham Virtual Growth Conference in New York, as was previously announced on the SGXNet on 22 December 2020. At said conference a presentation was used, which was duly posted on the SGXNet on 06 January 2021. In said presentation we presented various business updates, including the significant recovery of the midstream manufacturing sector in Q4 2020, as evidenced by scanning of diamonds through our systems on a pay-per-carat basis at a run rate which, if continued into 2021, would represent 50% growth over 2019. We also reiterated old information on our potential growth drivers going forward and the market segments and sizes they address.
 - c. On 19 January 2021 there were various announcements, also quoted on Bloomberg and RapNet amongst others, relating to the fact that DeBeers and Alrosa, the suppliers of roughly 75% of the global supply in rough diamonds, are raising rough diamond prices by 5-8% due to the "diamond industry recovering after complete freeze last year".
 - d. There have also been multiple public announcements by various significant companies in the diamond industry, particularly leading players in the retail segment, such as Tiffany & Co. and Chow Tai Fook, pertaining to positive developments in the fourth quarter holiday season of 2020 (e.g., Chow Tai Fook's 18% increase in sales y-o-y) and expectations for a positive Chinese New Year buying period during the first quarter of 2021. Similar announcements related to the significant reduction of inventories of polished diamonds as a result of these robust retail sales. All these seemingly bolster the understanding that there are positive developments in the basic market demand and supply parameters, which serve as the underpinning for a recovery in the midstream polishing sector, from whence we derive over 90% of our revenues.
 - e. Local news media in Surat, India, reported on Friday, 22 January 2021, that on the preceding day, 21 January 2021, the Indian tax authorities executed a raid on Diyora Bhanderi Company (DBC), the entity we allege is infringing our patent/copyright protected technologies (hardware and software) for the internal inclusion scanning of rough diamonds. This may have come to some investors' attention.
 3. We indeed *confirm our compliance with the listing rules and, in particular, Mainboard Rule 703*

In summary, we are not aware of any non-disclosed information regarding any business development that would, in itself, justify the intense interest manifested in the trading on 22 January 2021, but we do believe that the growing evidence of the diamond industry's ongoing recovery in general, and that of the key midstream polishing sector, in particular, may have increased investors' confidence in the prospects of the Company and generated demand for its shares.

For the Board:

Daniel Benjamin Glinert
Executive Chairman of the Board

24 January 2021