



## FY22 RESULTS PRESENTATION

MARCH 2023

Approved for release by the CFO

[www.shekelbrainweigh.com](http://www.shekelbrainweigh.com)

ASX: SBW

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# **A GLOBAL MARKET LEADER IN ADVANCED WEIGHING TECHNOLOGIES**

We aim to improve everyday life,  
by providing smart weighing-based systems,  
shifting data to valuable information  
to support customers' needs

## FY22 RESULTS HIGHLIGHTS

---

- Record Group revenue of **US\$26.36 million** in FY22, **up 14%** on FY21 (US\$23.1M)
- **56% reduction** in net loss to US\$2.9 million (FY21: US\$6.7 million)
- **41% reduction** in operating loss to US\$2.4 million (FY21: US\$4.1 million)
- Gross profit steady at **US\$9.0 million**
- **35% growth** across Retail market segment revenue to **US\$11.1 million**
  - Retail Innovation products **up 116%** to US\$2.0M
  - Retail Self-Checkout sales **up 25%** to US\$9.1M

*“Our FY22 results demonstrate our ability to improve our revenue while reducing our overall costs and moving closer to a breakeven position.”*

**– Shekel CEO and Executive Chairman Arik Schor**

## FY2022 PROFIT & LOSS

	December 31, 2022	December 31, 2021
<b>Revenues</b>	26,355	23,104
Cost of revenues	17,392	14,073
<b>Gross profit</b>	8,963	9,031
Research and development expenses	3,966	4,600
Selling and marketing expenses	3,803	3,358
General and administrative expenses	5,561	4,877
Other expenses		253
Expected credit losses (benefit)		12
<b>Operating loss</b>	(2,404)	(4,069)
Financial income	1,756	199
Financial expense	2,018	2,745
<b>Loss before tax</b>	(2,666)	(6,615)
Tax on income (benefit)	279	72
<b>Loss for the year</b>	(2,945)	(6,687)

## FY2022 BALANCE SHEET

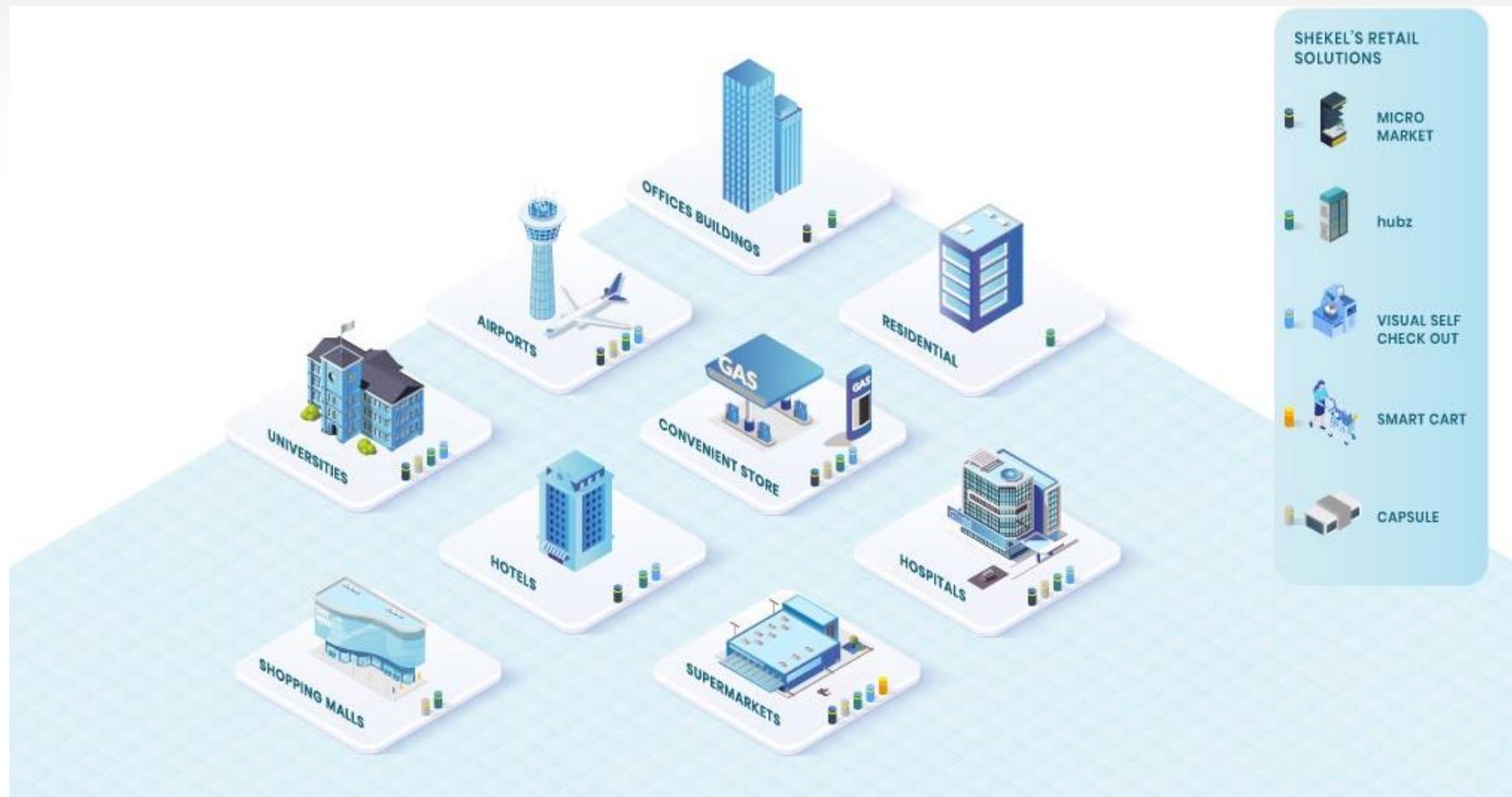
	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	1,892	1,981
Trade accounts receivable, net	8,186	7,576
Other accounts receivable	1,957	799
Inventories	5,114	4,948
Loan to related parties	157	447
	17,220	15,751
<b>Non-Current Assets:</b>		
Right of use assets, net	6,132	6,293
Property, plant and equipment, net	825	803
Intangible assets, net	1,400	2,040
	8,357	9,136
<b>Total Assets</b>	<b>25,663</b>	<b>24,887</b>

	December 31, 2022	December 31, 2021
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Short term loans	6,301	3,958
Trade accounts payable	2,294	2,769
Other accounts payable	4,480	3,617
Derivative financial liability	-	2
	13,075	10,346
<b>Non-Current Liabilities:</b>		
Lease liabilities	5,052	5,899
Convertible loan at fair value	6,499	6,312
Long term loans	292	404
Employee benefit liabilities	457	340
Liability for royalties payable	4	4
	12,304	12,959
<b>Equity</b>		
<b>Equity attributable to owners of the parent:</b>		
Share capital and premium	13,163	9,926
Foreign exchange reserve	(105)	10
Share based payment reserve	1,527	2,955
Retained losses	(14,887)	(11,805)
Total equity attributable to owners of the parent	(302)	1,086
Non - controlling interest	586	496
<b>Total Equity</b>	<b>284</b>	<b>1,582</b>
<b>Total Liabilities And Equity</b>	<b>25,663</b>	<b>24,887</b>

# OUR RETAIL AUTOMATION SOLUTIONS



# RETAIL MARKET – SHEKEL’S HOLISTIC SOLUTION



# OUR RETAIL AUTOMATION SOLUTIONS

## Carts

A lightweight solution that combines legal for trade capabilities with security and product recognition.



## Point of Sale

### Scanner

Highly accurate and sturdy electronic scale compatible with scanners and POS software protocols.



### Checkout

Fast and accurate scale for security purposes, enable scanning and weighing of items of various weights interchangeably.



## Shelves

### Cooler

The next generation of secure unattended retail, based on Shekel's Product Aware Technology.



### Bays

Typically made of 4-5 shelves, & providing real time product recognition.



# OUR SELF CHECKOUT SOLUTION – IN THE MARKET SINCE 2010



## RETAIL

**FY2022 Sales: US\$11.1M**

**FY22 Growth: 35% on FY2021**

**Market opportunity:**

**Continued growth of Self Checkout and POS, estimated at 12% CAGR\***

We provide precision checkout electronic scale and weighing solutions:

- Self Checkout Systems
- Scanner Scales
- Product Aware shelving and units
- Smart Cart application – preventing fraud and providing data



### CUSTOMERS INCLUDING:



### SUPPLYING THE WORLD'S LARGEST RETAILERS



\* <https://finance.yahoo.com/news/retail-self-checkout-terminals-market-123000753.html>

# RETAIL PRODUCT ECOSYSTEM

## Our product lines

Shelf Checkout, Smart Vending, Smart Cart



## Our customers

Hardware and software tech vendors  
Integrators & Operators



## Our End-users

Retailers, CPGs, Integrators and Space owners



# THE OPPORTUNITY TO UNLOCK FRICTIONLESS RETAIL

**\$23 BILLION\***

Estimated investments by retailers in AI by 2025, up from just over \$5B in 2020.



**SMART COOLER**

### Smart vending machines Potential for growth (US\$B)



**AUTONOMOUS CONVENIENCE**

### Unmanned convenience stores Potential for growth (US\$M)



**MARKET  
SIZE 2027**

**SMART VENDING  
MACHINES**

**\$3.0B\*\***

360 Market Updates 2019

**UNMANNED  
CONVENIENCE  
STORES**

**\$1.64B\*\*\***

Research and Markets 2020

\* Juniper Research, [https://www.juniperresearch.com/press/smart-checkout-technologies-to-process-\\$387-bn](https://www.juniperresearch.com/press/smart-checkout-technologies-to-process-$387-bn)

\*\* <https://www.360marketupdates.com/global-smart-vending-machines-market-13823930>

\*\*\* <https://www.researchandmarkets.com/reports/5023743/unmanned-convenience-store-market-forecast-to>

# INNOVENDI & HUBZ SMART COOLERS

## The Product:

- Innovendi (1<sup>st</sup> generation) Hubz (2<sup>nd</sup> generation) Micro Market Smart Fridges
- New Variety of Products
- Higher revenue per machine

## The Market:

- High-end Smart Fridges
- Smart Fridge market currently at 15,000
- Targeting USA / Europe
- First order of 20 fridges shipped to Australia

## Business Model:

- One time payment for hardware and equipment
- Monthly SAAS revenue for data collection

## Commercialization:

- Innovendi launched in 2020
- Installed ~180 units, primarily in Israel with Tnuva Dairy Company
- Hubz launched in 2021
- ~200 units installed with 100 purchased by Colruyt Belgium
- Other units installed in USA



Innovendi achieved Market Ready IoT Solutions certification by Intel®



# AUTONOMOUS STORES

## The Product:

- Equipment for fully autonomous retail stores
- Single shopper, multiple shoppers and “store within a store” configurations
- Frictionless 24/7 shopping experience

## The Market:

- New concept in early days of adoption by retailers, esp. micro market operators
- Expected hundreds of store solutions

## Business Model:

- One time payment for hardware and equipment
- Monthly SAAS revenue for data collection

## Commercialization:

- First store opened in 2020
- Stores by Casino Paris, N+B USA in Atlanta, GK Germany.
- Recently opened a new Lagradere store at Brussels Airport in Belgium.



# OUR NEW PRODUCT APPLICATIONS – MOMENTUM GROWING

## Smart Cart

- Shekel weighing application for smart cart shopping experience
- Self-checkout embedded in cart
- Big Data capabilities help prevent fraud and automatically issue re-stocking alerts
- Received first order for Smart Cart application weighing units
- All-in-one Smart Cart device with “legal for trade” and security weighing ability introduced at NRF in January 2023



## Fast Track

- Visual fruit and vegetable recognition, provides frictionless, computer vision-based, self checkout
- Scalable to meet any size chain store; automatically updated across network



# RECURRING REVENUE MODEL – RETAIL SOLUTIONS

SAAS, DAAS & ONE-OFF REVENUE

## HARDWARE

### PRODUCT RECOGNITION SOLUTION

ONE TIME CHARGE

+

MONTHLY SAAS\*

#### MACHINE (INCLUDING KIT)

- Five shelves hardware kit
- Software development kit/ interface
- Accessories
- Professional services

OR KIT SOLD SEPARATELY

- Monitoring and alerting
- Cloud hosting
- Performance enhancement

## DAAS

### DATA ANALYTICS ENGINE

MONTHLY DAAS\*

- Shelf insights
- Rev-share with retailer
- Targeting consumer packaged goods

\* SaaS (Software as a Service) DaaS (Data analytics as Service)

# OUR COMPETITIVE EDGE



## Weight

### Unique weighing method

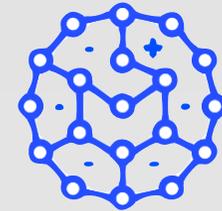
- Low Cost
- High sampling rate > 500 Hz
- Fast settling time
- Class III Approved
- Simultaneous multi-Channel



## Recognition

### Weight based SKU recognition

- Single scale, multiple SKUs
- Real-Time
- Trained by real data
- Location extrapolation
- Easy to operate



## Data

### Data Monetisation (Future)

- Inventory management
- Planogram compliance
- Shelves heat map
- SKU conversion rate
- Optimal planogram

# PRODUCT AWARE TECHNOLOGY—COMPETITIVE TECHNOLOGY ADVANTAGE

**ONE** weighing platform with **MULTIPLE** products recognition

## ACCURACY

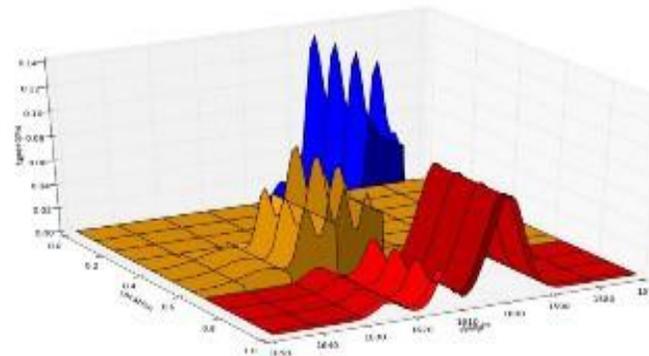
- More than 99.8% accuracy reported
- Huge database of grocery weights
- Differentiating between similar products

## FLEXIBILITY

- 10 SKUs per shelf
- Remote planogram control

## AFFORDABILITY

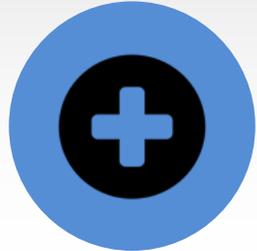
- More cost effective than Computer Vision or RFID systems



Awarded “Gold Partner” status by Intel for Capsule, Innovendi, Hubz and as an OEM Supplier\*

\* <https://www.intel.com/content/www/us/en/search.html?ws=text#q=shekel%20brainweigh&t=All>

# HEALTHCARE SOLUTIONS



## HEALTHCARE

**FY22 Sales: US\$10.154M**

**FY22 Growth: 3.5% on  
FY2021**

**Market opportunity:  
Healthcare budgets returning  
to elective care following  
COVID pandemic**

### Healthcare OEM

As a leading OEM provider, our precision weighing systems are integrated into incubators and warmers for premature babies



GE Healthcare

### Healthweigh®

- Sold in 2022 for US\$3.4M
- We retain distribution rights in Israel.
- We hold 60% of a French distributor active in this market.



# INDUSTRIAL & AGRICULTURAL SOLUTIONS - ISRAEL



## INDUSTRIAL PROJECTS + CUSTOMER SERVICES

**FY22 Sales: US\$5.146M**  
**Same as FY2021,**

Shekel provides force measurement weighing and scale solutions for industrial needs:

- Agricultural – silos, livestock, dairy applications
- Manufacturing
- Military
- Airport baggage scales



Local market leader in Israel

# CORPORATE OVERVIEW

## SHEKEL BRAINWEIGH (ASX: SBW)

Global Industry Classification Standard      Information Technology sector, Software & Services industry group

Market cap<sup>1</sup>      A\$16 million<sup>1</sup>

Employees      150

Markets      Europe, UK, USA, Australia, Japan, China, Israel

Shares issued      ~ 196 million

Share price      \$0.08 (27 March 2023)

Shareholders

- Axcel Partners – 26%
- Conseptia – 18%
- Beit-Keshet – 12%
- Sophisticated Investors – 21%
- Others – 23%

<sup>1</sup> Based on share price at 27 March 2023

## FINANCIAL OVERVIEW

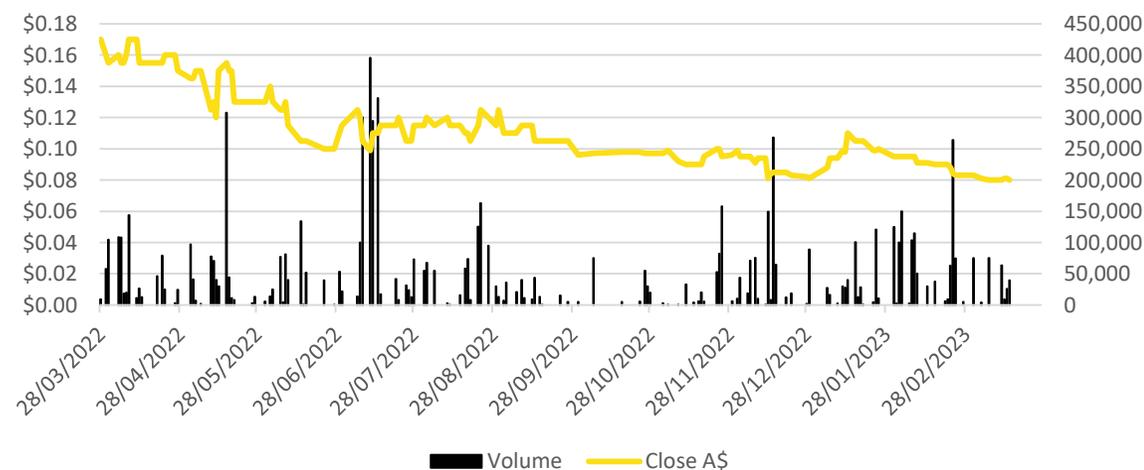
Shekel Brainweigh Group 2022 revenue      US\$26.36 million (~A\$39.6M)

Shekel Brainweigh Group FY2021 revenue      US\$23.1 million (~A\$31.6M)

**Achieving one-off and recurring revenue**

**Reducing cash burn and moving towards breakeven position**

### SBW 12-month Share Price Performance



■ Volume      — Close A\$

# SENIOR MANAGEMENT TEAM



**Arik Schor**

**CHAIRMAN AND CEO**

- Independent Director at Paz Oil Company Ltd
- Chairman of Tadbik, a global leader in packaging solutions.
- Director at Afimilk, a global leader in computerized systems for the dairy industry
- Former CEO of Tnuva Group (2009 to 2016), Israel's largest food conglomerate
- Former CEO of Holga Kimberly (a subsidiary of Kimberly Clarke)



**Nir Leshem**

**GENERAL MANAGER**

- Former Managing Director for 3M Israel, global business director for 3M Public Security and US business director for Traffic Safety division.
- Extensive experience in leading global sales and marketing initiatives across multiple regions and countries.
- Expertise in managing C-level relationships, developing business strategies, portfolio roadmaps, system service models for customers, and generating new business.
- Holds MBA focused on Marketing from Ono Academic College in Israel



**Barak Nir**

**CHIEF FINANCIAL OFFICER**

- More than 25 years' experience as Chairman, CEO and CFO for several organizations, including international public companies, Israeli private companies and Israeli Kibbutzim.
- Experienced in various fields of business activity's including: hotels, traditional industry, high-tech industry, capital markets, agriculture and real estate.

# WHY INVEST IN SBW

## POTENTIAL TO REVOLUTIONISE RETAIL USING DATA

**1**

**'BEST IN CLASS' TECHNOLOGY, UNIQUE INTELLECTUAL PROPERTY**

- SBW competitive edge: 'best in class' technology – highest accuracy
- IP engineered by 'genius-lab'
- Forefront application of AI-enabled technology and leveraging IoT
- Validated by global technology leader Intel

**2**

**VISIONARY LEADERSHIP WITH A TRACK RECORD OF INNOVATION & COMMERCIALISATION**

- Highly experienced management team with a vision for the future
- Strong culture delivering R&D excellence
- Successful track record of commercialisation in an extremely high barrier market

**3**

**SENSOR TECHNOLOGY TO ENABLE RETAIL AI-BASED APPLICATIONS AND DATA COLLECTION**

- Significant income
- Established supply chain: global blue-chip customers with long-standing and long-term contracts
- Effective and active cost management

### THE FUTURE

### BUILDING BIG DATA ASSETS PLATFORM FOR GROWTH

- Strong growth opportunities in the autonomous retail space.
- New products and services focussed recurring fees sales model.
- Monetize big data assets and 4.0 shopping revolution



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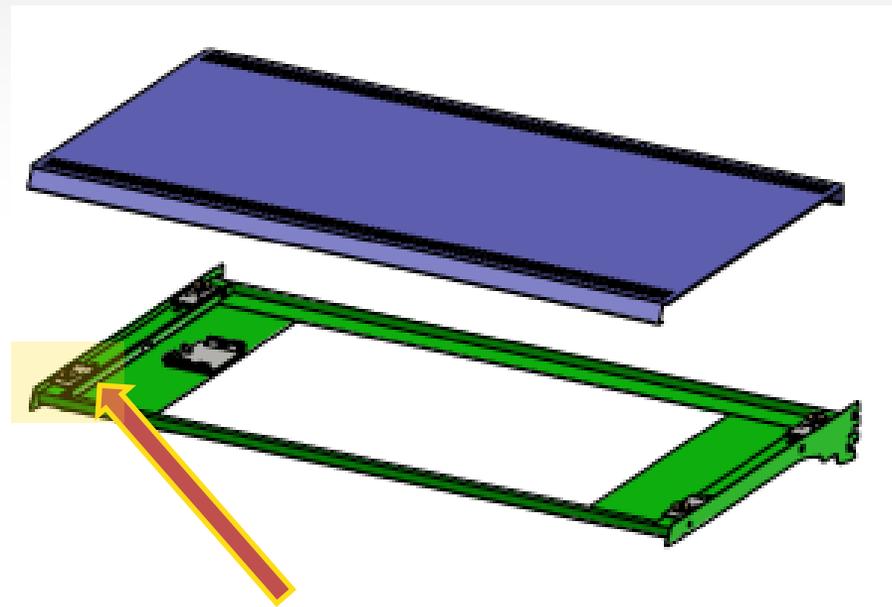
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## APPENDICES

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1. Shekel Advanced Technology
2. Shekel Board of Directors
3. Retail Innovation - Detailed Business Model

# 4 IOT LOAD SENSORS UNDER EACH SHELF'S TOP-PLATE



Ultra Thin Sensors - Covered

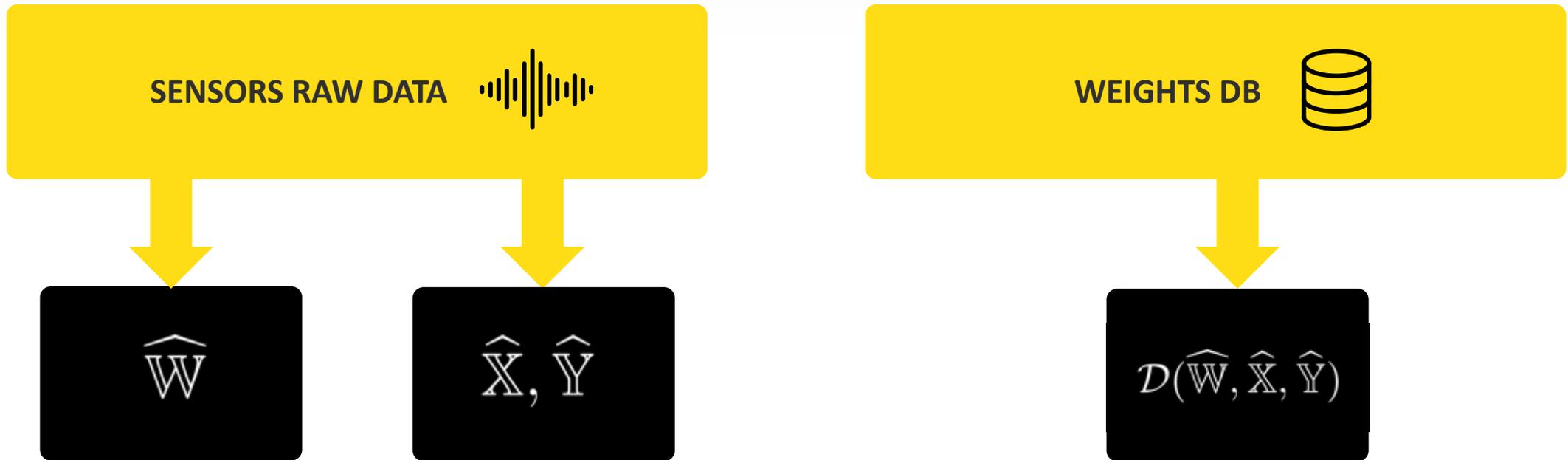


Ultra Thin Sensors - Uncovered

# SHEKEL'S PRODUCT AWARE TECHNOLOGY

## 4D RECOGNITION

ONE weighing platform. MULTIPLE products recognition.

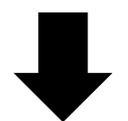


# HD WEIGHT ACCURACY



**3000** Divisions

**700** ms



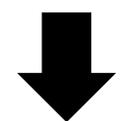
$$e = \frac{3000 \text{ gr}}{3,000} \approx 1 \text{ gr}$$



HW

**10,000** Divisions

**200** ms

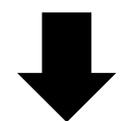


$$e = \frac{3000 \text{ gr}}{10,000} \approx 0.3 \text{ gr}$$

IoT Load Sensors

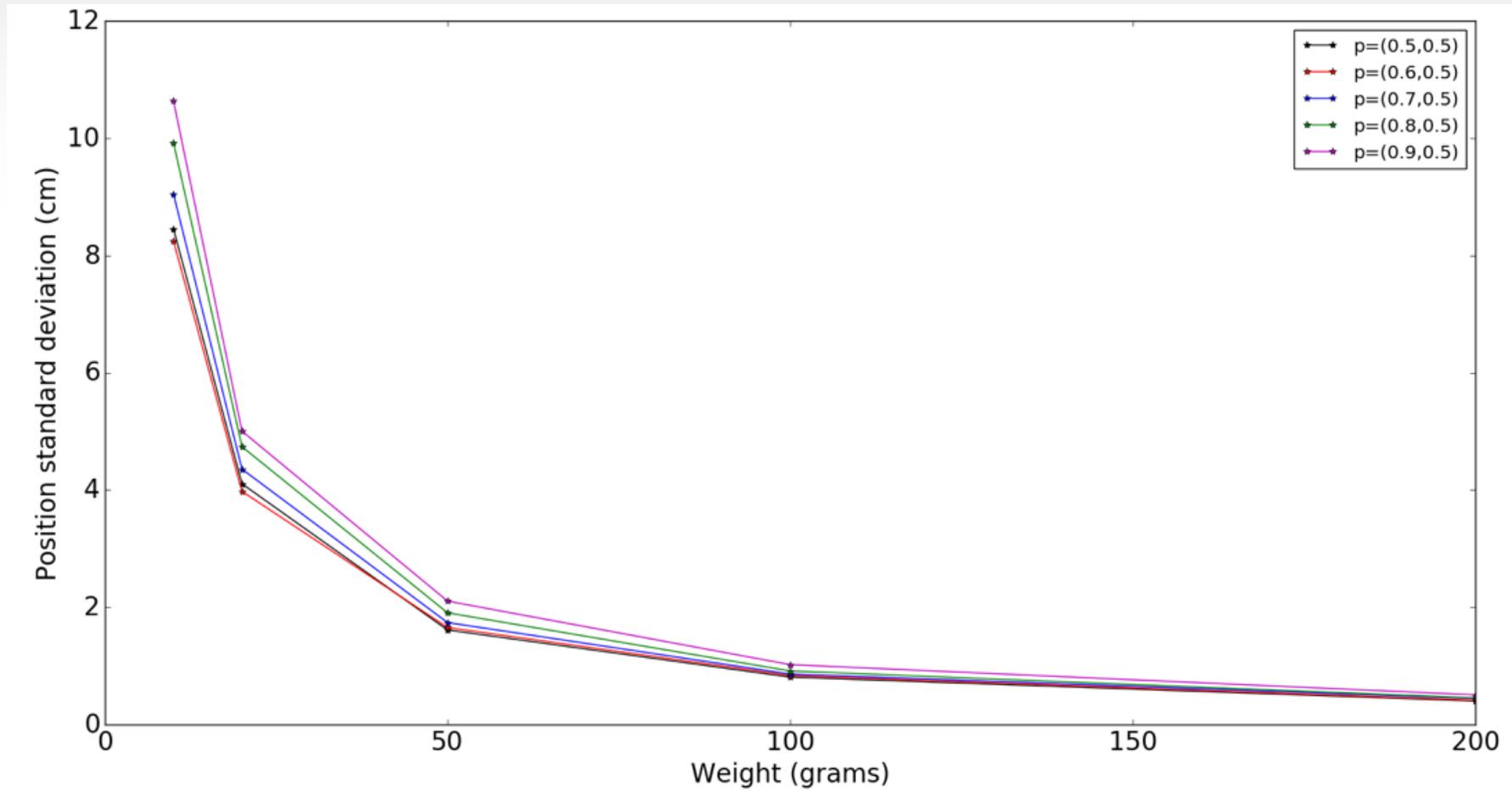
**500,000** Divisions

**200** ms

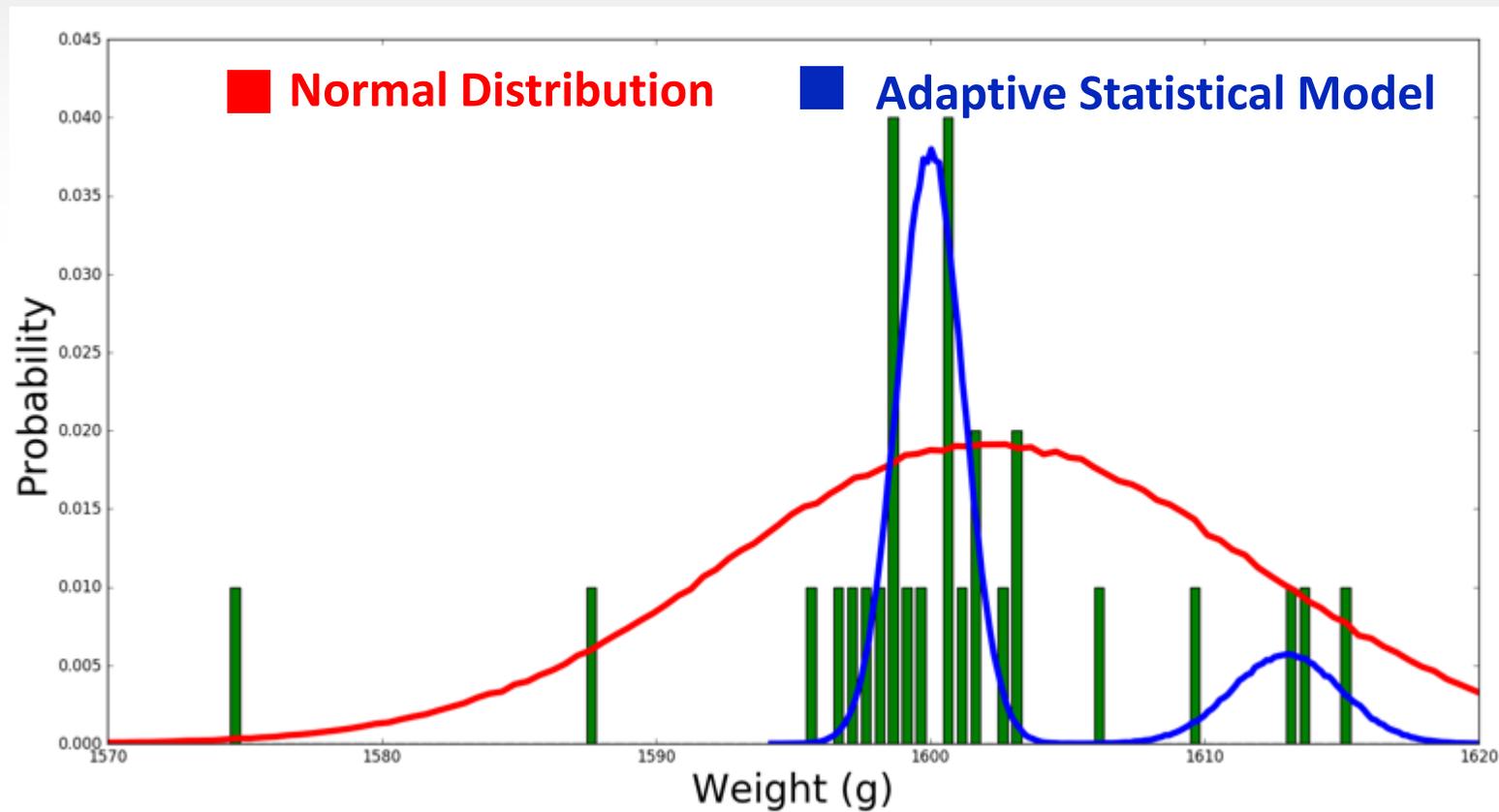
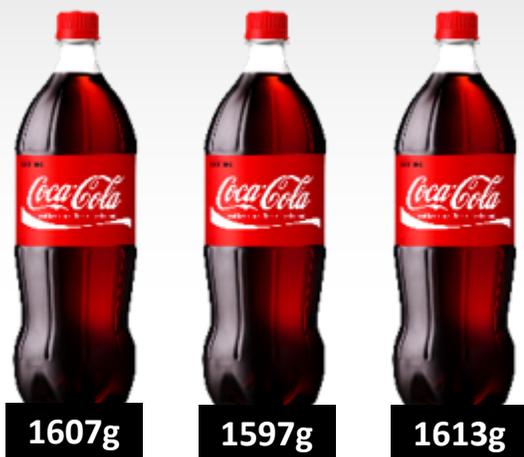


$$e = \frac{3000 \text{ gr}}{500,000} \approx 0.006 \text{ gr}$$

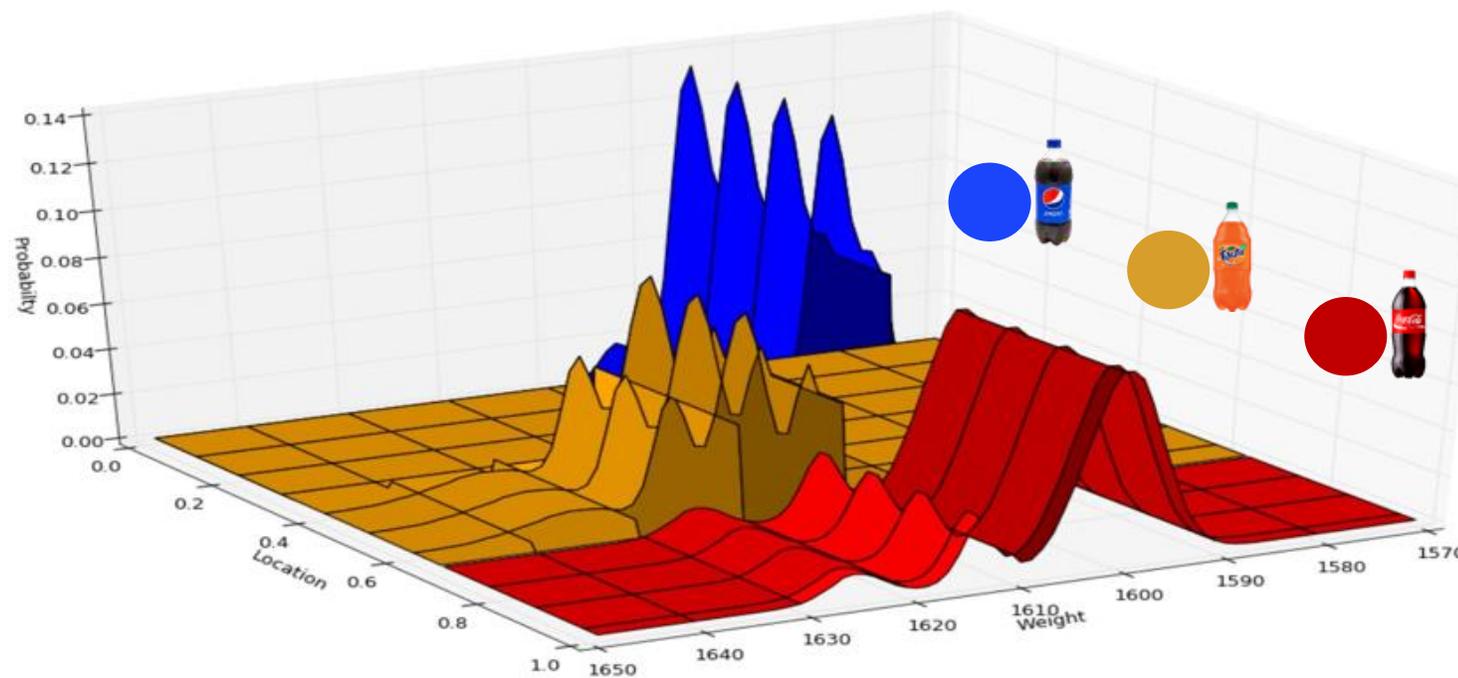
# LOCATION DETECTION ACCURACY



# PRODUCTION

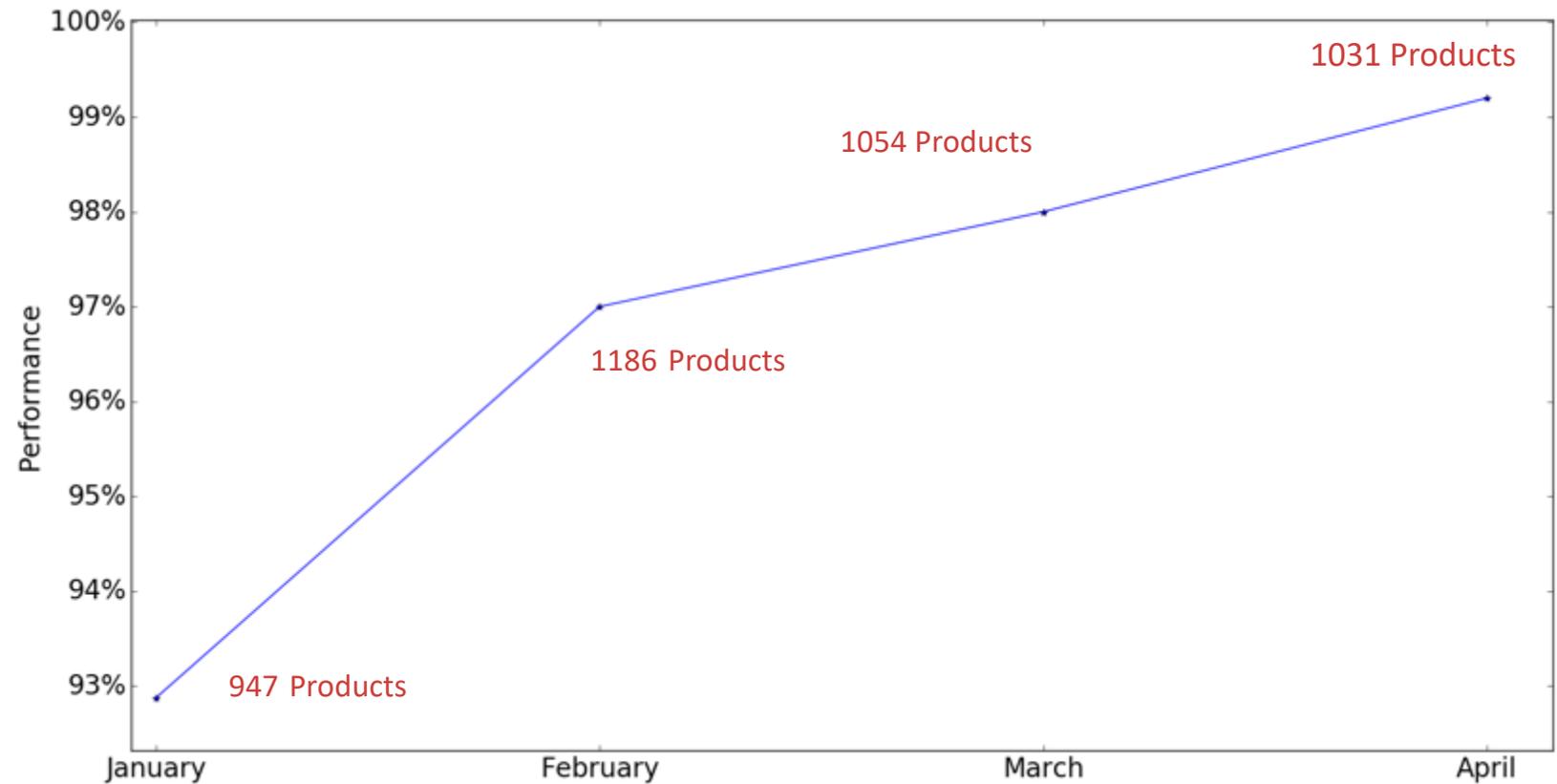


# PRODUCT AWARE TECHNOLOGY - EXAMPLE



# TOTAL PERFORMANCE ACCURACY

## REAL LIFE PERFORMANCE RESULTS



## AN EXPERIENCED BOARD



**Arik Schor**  
**CHAIRMAN AND  
CEO**

- Independent Director at Paz Oil Company Ltd
- Chairman of Tadbik, a global leader in packaging solutions.
- Director at Afimilk, a global leader in computerized systems for the dairy industry
- Former CEO of Tnuva Group (2009 to 2016), Israel's largest food conglomerate
- Former CEO of Holga Kimberly (a subsidiary of Kimberly Clarke).



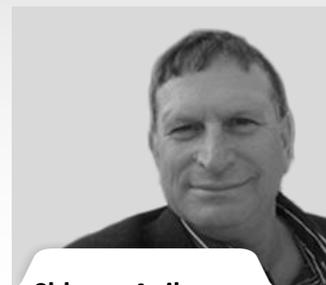
**Gilead Sher**  
**NON-EXECUTIVE  
DIRECTOR**

- Founding senior partner in Gilead Sher & Co., Law Offices where he practices corporate law; project finance; administrative and constitutional law; and dispute resolution.
- Senior researcher and head of the Center for Applied Negotiations at the Tel Aviv Institute for National Security Studies (INSS).
- Former PM Chief of Staff and Policy Coordinator to former Prime Minister Ehud Barak.



**Beth Kaplan**  
**NON-EXECUTIVE  
DIRECTOR**

- Venture partner and managing member at Axcel Partners LLC for over 10 years
- Experienced director and manager of retail and tech companies
- Deep knowledge in marketing, logistics and optimising retail operations
- Director of Crocs (footwear), Howard Hughes Corporation (real estate), Rent The Runway (apparel), Brilliant Earth (luxury jewelry) and five private companies.



**Shlomo Anikser**  
**NON-EXECUTIVE  
DIRECTOR**

- 23 years of experience in leadership and executive roles across production, inventory, logistics and operation management.
- Held senior positions at Kvutzat Yavne Food Industry, GAASH Diamond Tools and Sales, Century Company and Haaretz Chicken businesses.
- Holds a unique set of skills, possessing a deep and trusted network, and depth of experience in production and inventory management.



**Michael Hughes**  
**NON-EXECUTIVE  
DIRECTOR**

- More than 30 years experience across the finance sector including investment management, investor relations and commercial banking. Former commercial director of Sealink Travel Group, a leading transport and tourism company listed on the ASX.
- Chairman of Wiseway Group (ASX: WWG), a freight and logistics company.



**Isaac Raviv**  
**EXTERNAL DIRECTOR**

- More than 30 years' managerial experience across the technology sector for private and public Israeli and international companies.
- Has served as chairman and CEO of various companies
- Played an important role in mergers and acquisitions and fundraising initiatives, with a hi-tech focus.



**Tzipi Avioz**  
**EXTERNAL DIRECTOR**

- 25 years' experience in business consulting and technology, with a focus on data analytics and digital transformation.
- EVP customer success APAC and Americas for Mirakl.Inc
- Former IT customer solutions director for AMP
- 10 years at Woolworths leading digital commerce