



FY24 Q1

Investor Presentation

Financial Results H1 / FY24

AUGUST 2024

Approved for release by the CFO

ASX: SBW

www.shekelbrainweigh.com

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Corporate and Executive Summary

01

A global market leader in advanced weighing technologies, and Retail Automation Solutions

SHEKEL BRAINWEIGH (ASX: SBW)	
Global Industry Classification Standard	Information Technology Sector, Software & Services Industry Group
Market Cap ¹	A\$10.5 million
Employees	100
Markets	Europe, UK, USA, Australia, Japan, Brazil, Israel
Shares issued	~ 210 million
Share price	\$0.05 (25 August 2024)
Shareholders	Axcel Partners –25% Concepta – 14% Beit-Keshet – 11% Sophisticated Investors – 27% Others – 23%

SELECTED CLIENTS



LEADERSHIP TEAM

- Mr. Sagi Cohen – Chairman and CEO SBW
- Mr. Nir Leshem - CEO Shekel Scales
- Mr. Barak Nir – CFO

BOARD

- Mr. Sagi Cohen – Chairman and CEO SBW
- Mr. Gil’ad Sher – Non - executive Director
- Ms. Beth Kaplan – Non-Executive Director
- Mr. Isaac Raviv – Non-Executive External Director
- Ms. Tzipi Avioz – Non-Executive External Director
- Mr. Michael Hughes – Non Executive Director
- Mr. Shlomo Anikser - Non Executive Director

“Our H1 FY24 demonstrates continued revenue growth from the new suite of retail automation solutions, while we focus on improved EBITA, and balance sheet.

The company executes well on its strategic plan to focus on the retail segment, while progressing towards balanced financials.”

Nir Leshem, Shekel CEO

- In spite of revenue been flat YOY, the company is generating more margins and better financial performance due to efficiencies initiatives it implemented since the beginning of 2024 and business focus re products and territories.
- Revenue of US\$ 13.3 million (~A\$ 20.5 million) in H1 FY24 (January to June 24).
- Retail automation solutions revenue grew 29% compared to H1,FY23
- Improved EBITA - 10% improvement in Gross Profit (35% compared to 32%), due to transferring production to a subcontractor in The Philippines
- 38% reduction in operating loss to US\$ 1.3 million in H1-2024 compared to US\$ 2.14 million in H1-2023 due to reduction in G&A and R&D expenses.
Significant new orders for Shekel new suite of retail automation, including kits for Smart Coolers, Smart Carts and Smart Shelves.
- Launching Sentinel in NRF NYC. Significant technology milestone. Sentinel already in trials with numerous global retailers.
- Shekel achieved a major milestone of NTEP certification for its Legal for Trade device for Smart Carts.

Financials H1 - 2024

02

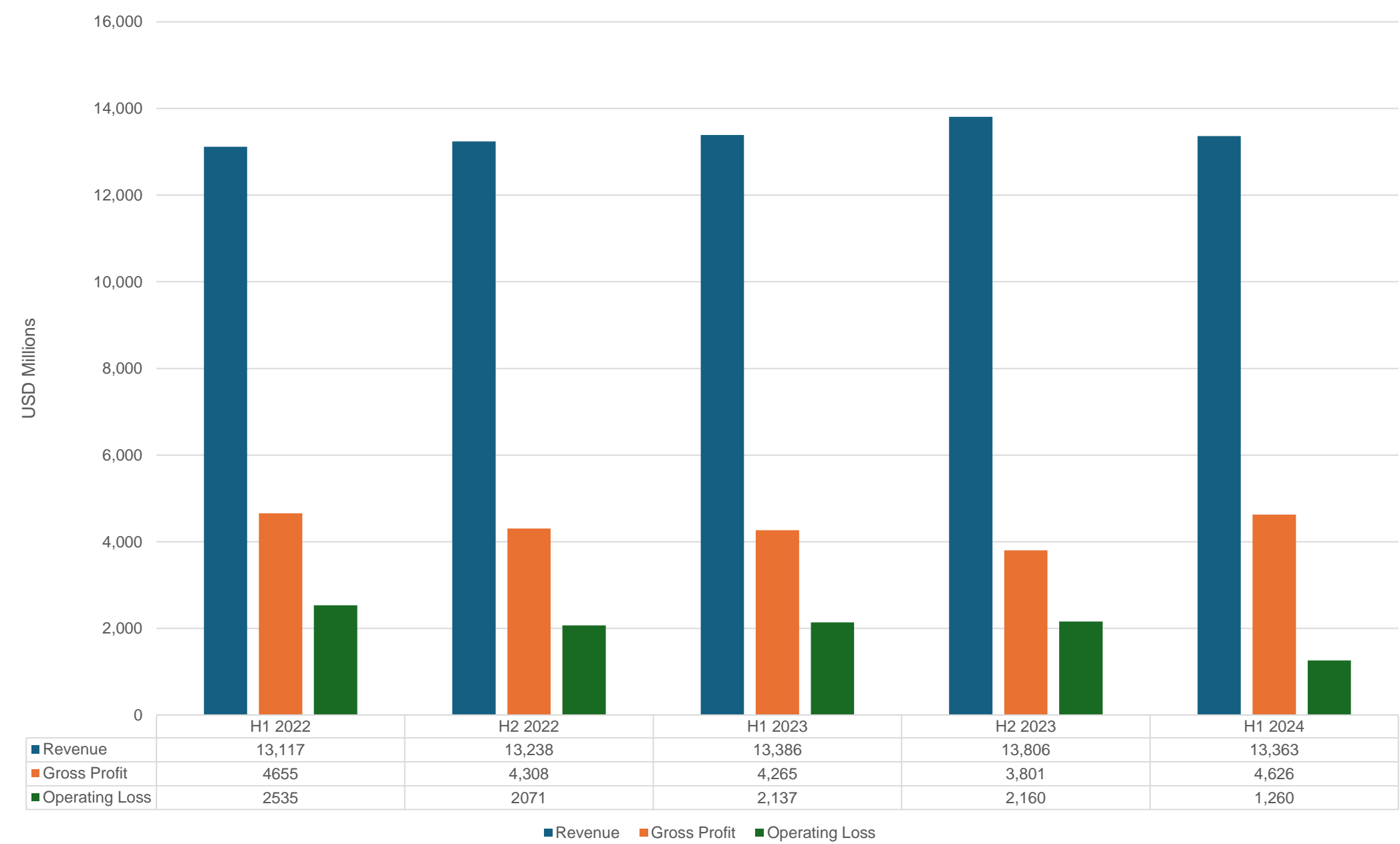
FY2024 PROFIT AND LOSS

	JUNE 30, 2024	JUNE 30, 2023
Revenues	13,363,000	13,386,000
Cost of Revenues	8,740,000	9,121,000
Gross Profit	4,623,000	4,265,000
Research and development expenses	1,748,000	2,113,000
Selling and marketing expenses	2,098,000	2,014,000
General and administrative expenses	2,004,000	2,283,000
Expected credit losses (benefit)	77,000	(8,000)
Operating Loss	(1,304,000)	(2,137,000)
Financial Income	1,294,000	968,000
Financial Expense	1,257,000	662,000
Loss Before Tax	(1,267,000)	(1,831,000)
Tax on income	19,000	63,000
Loss For The Period	(1,286,000)	(1,894,000)
Other comprehensive income (loss), net of tax:		
Items that will or may be reclassified to profit or loss:		
Exchange gains (losses) arising on translation of foreign operations	(39,000)	17,000
Total Comprehensive Loss For The Period	(1,325,000)	(1,877,000)

FY 24 BALANCE SHEET

	JUNE 30, 2024	JUNE 30, 2023
ASSETS		
Current Assets		
Cash and Cash Equivalents	2,082,000	1,309,000
Trade Accounts Receivable, net	6,945,000	7,710,000
Other Accounts Receivable	1,100,000	1,996,000
Inventories	5,111,000	5,052,000
Loan To Related Parties	78,000	156,000
Non-Current Assets		
Right of Use Assets, net	6,566,000	6,042,000
Property, Plant and Equipment, net	965,000	936,000
Intangible Assets, net	335,000	803,000
TOTAL ASSETS	23,182,000	24,004,000

FINANCIALS IMPROVING IN H1-2024 WITH GROWING GROSS PROFIT AND
REDUCTION IN OPERATING LOSS



- Continued Stable Revenue with growth projection
- Improved Gross Profit to 35% of Revenue
- Operating Loss Declining by 38%

Figures are in US\$ Millions

DEBT SITUATION ANALYSIS – LOANS (USD)

01 | CONVERTIBLE NOTE (YAVANE GROUP)

- Current Outstanding - US\$ 5.187m
- Terms – Conversion any time before May 15-2025, or repayment on that date. If repayment, outstanding amount is NIS16.55M (currently equal US\$ 4.5m, the current outstanding value of the loan in the books includes the conversion fair value).
- Risk Analysis – loan could have converted into shares starting in mid-May 2023 under very good conditions for the lender, as the share price is relatively low, however the lender does not convert. The company estimates that there is a low chance that the lender will convert the full amount soon, and in the meantime the company is negotiating with the lender in order to remove the uncertainty regarding the lender's desire to either convert the loan or receive their funds back at the aforementioned date.

02 | LOAN FROM HNW INVESTORS

- Current Outstanding – US\$ 9.2m
- Terms – to be repaid by the end of December 2024. Lenders have committed to extend the repayment date to no earlier than January 1st 2026 if a conversion mechanism that was agreed between them and the company will be approved at a shareholders meeting.
- Risk Analysis –The lenders are mostly existing longstanding shareholders of the company, since the company's IPO. These shareholders have a vested interest in the company's success, as major shareholders, and have been supportive of the company's growth and progress. The risk of these shareholders calling a forced repayment of the loan is low.

03 | OPERATIONAL CREDIT FROM ISRAELI BANKS

- Current Outstanding – US\$ 2.347m
- Terms –US\$ 1.172m renewed every 12 months (on March 31). US\$ 1.021m will be repaid on a monthly basis till March 31 2028. US\$0.154M will be repaid till June 31-2025.
- Risk Analysis – If the company is not able to meet its bank covenants (which had never happened so far) the banks might decide not to renew the \$1.172M

Retail Solutions

03



Our Retail Automations Solutions





Retail Market Shekel's Holistic Solution

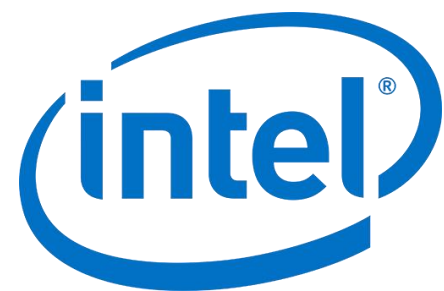



SHEKEL
brainweigh

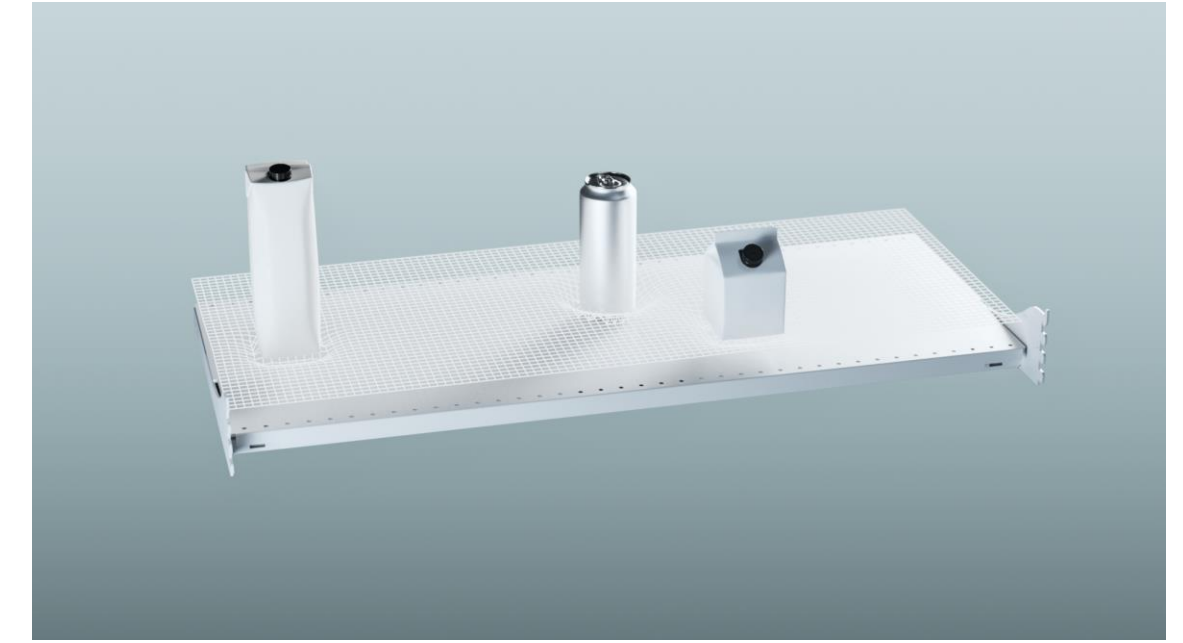
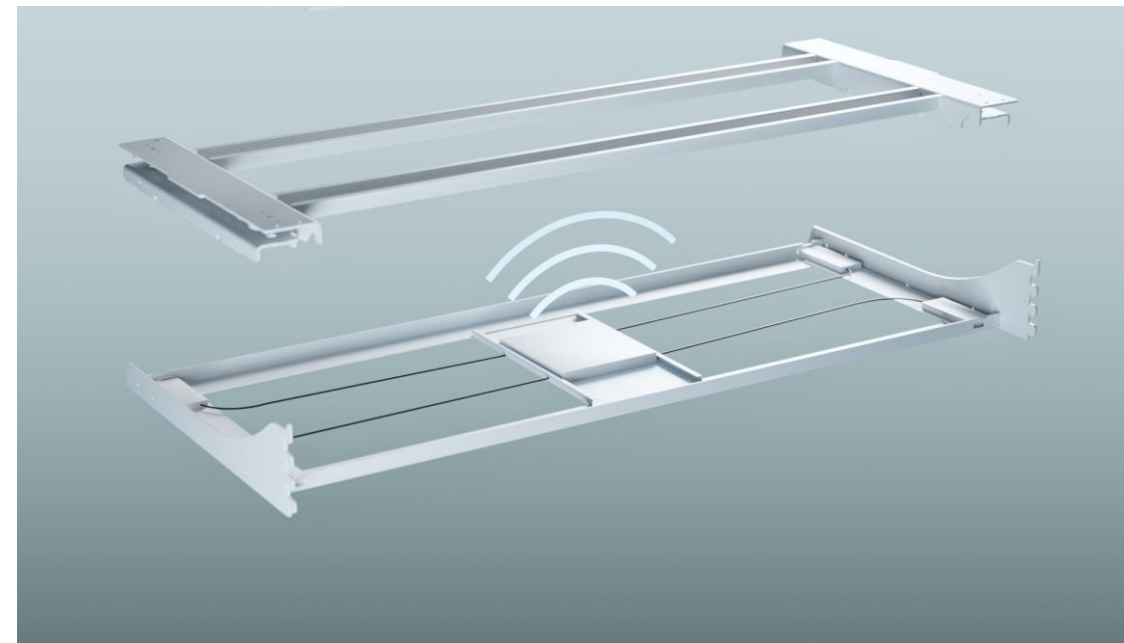
Technology

The Evolution of
The Smart Shelf
to Sentinel Smart Bay

GOLD PARTNER AWARD



THE SMART SHELF



SENTINEL SMART BAY



Leading Advanced Technology

Product Lines

Shelf Checkout, Smart Vending,
Smart Cart



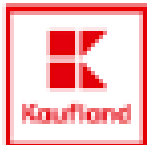
Our Customers

Hardware and Software Tech Vendors
Integrators and Operators



Our End Users

Retailers, CPGs, Integrators and
Space Owners



New Technology in AI & ML Enables Retail Automation



Smart Carts

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



Smart Cooler

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



Sentinel Smart Bay

Retrofit to existing retail bays with a base kit that transform the bay into a Smart Bay



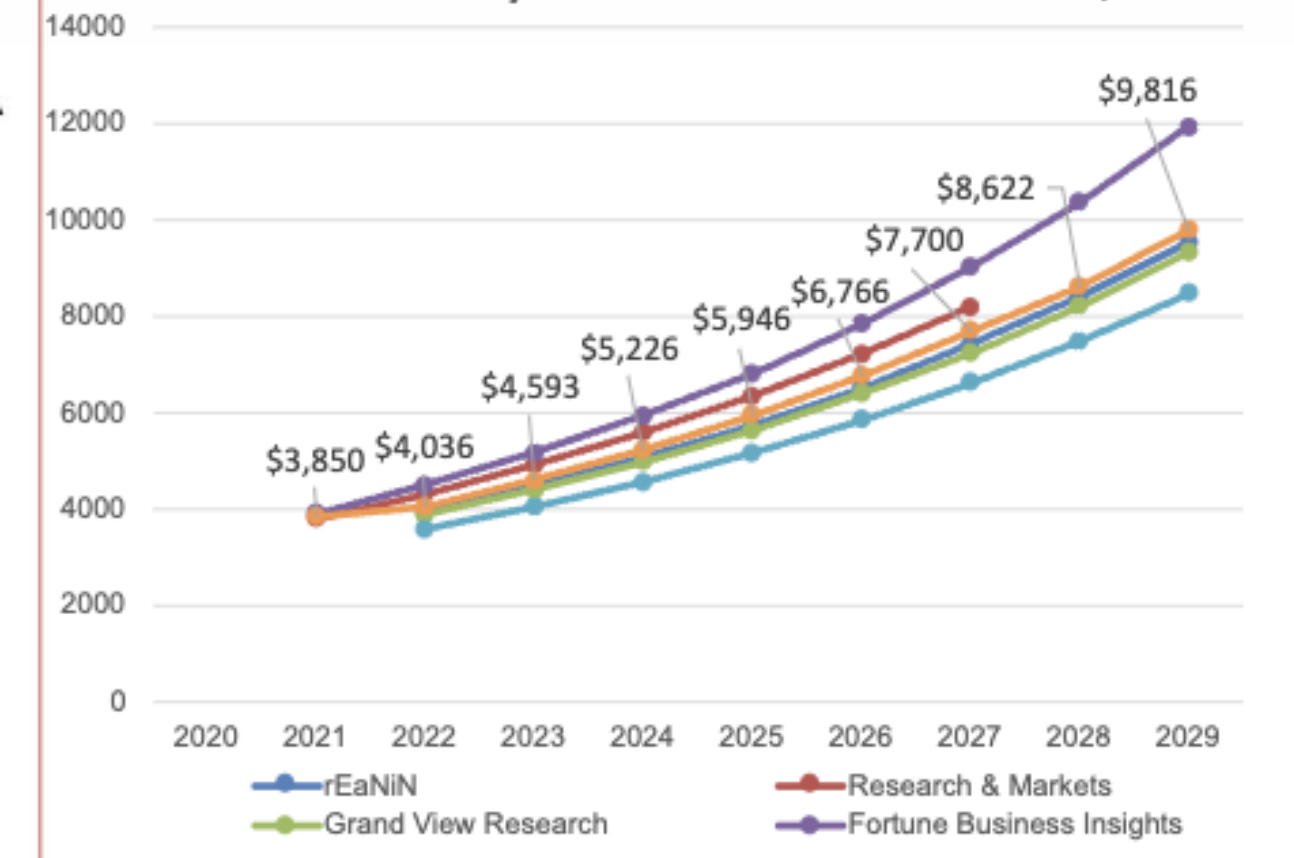
Customers Including



SUPPLYING THE WORLD'S LARGEST RETAILERS



Self Checkout Systems Market Size Forecast US\$ m

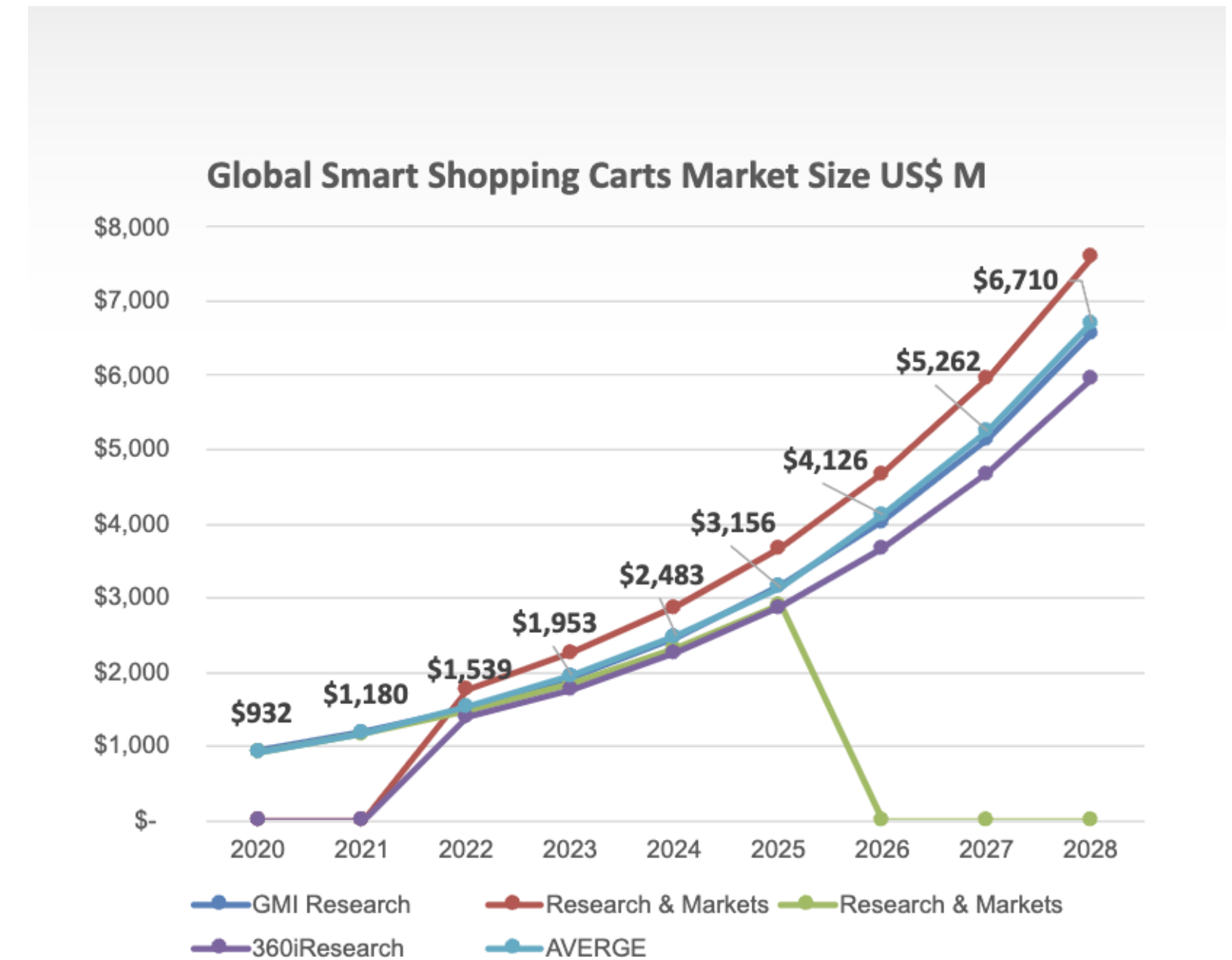
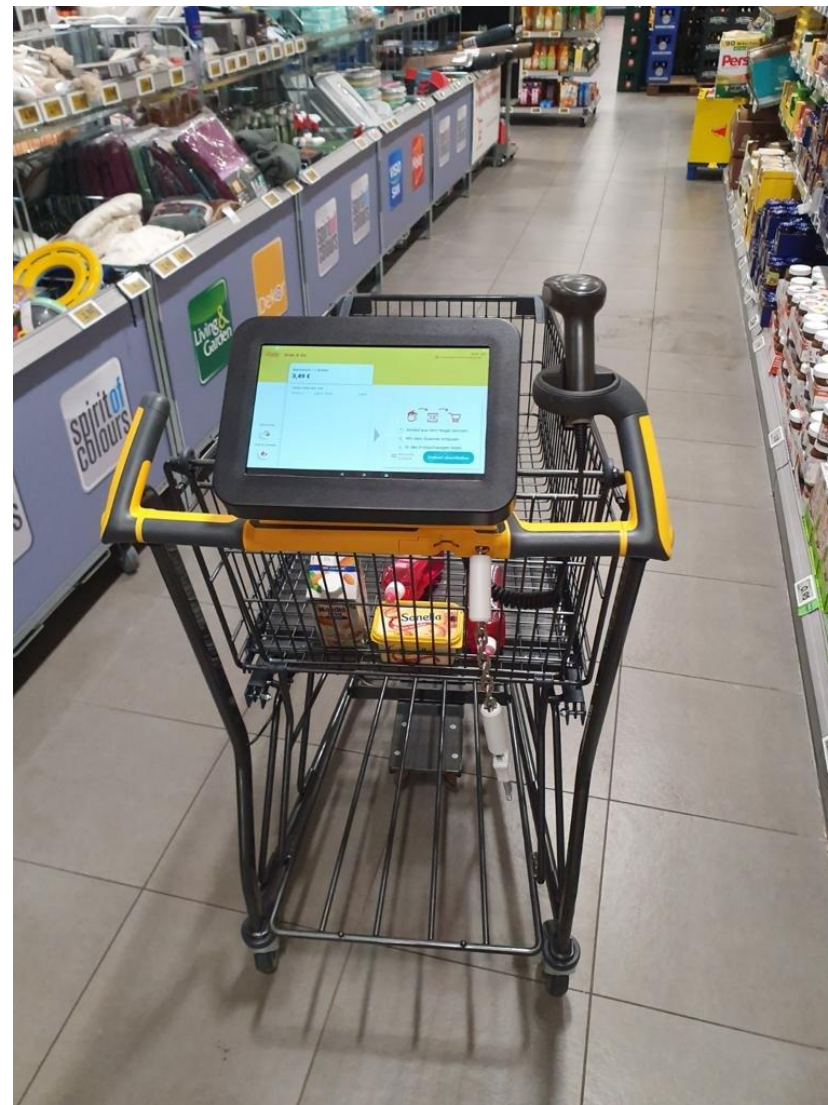


H1-2024 revenue growth of 9% Compared to H1-2023

<https://www.grandviewresearch.com/industry-analysis/self-checkout-systems-market>
<https://www.marketresearch.com/Grand-View-Research-v4060/Self-checkout-Systems-Size-Share-33728799/>
<https://www.grandviewresearch.com/industry-analysis/self-checkout-systems-market>
<https://www.psmarketresearch.com/market-analysis/self-checkout-systems-market>

SMART CART – MOMENTUM GROWING

- 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
- NTEP “legal for trade” Certification
- Second major order from Cust2Mate



<https://www.gmiresearch.com/report/smart-shopping-cart-market>
https://www.researchandmarkets.com/report/smart-shopping-cart?gclid=Cj0KCQjw6KunBhDxARIsAKFUGs_CxUGzmLtevcXZBbjeIyUYUBBZ9ws1qxXRG1wAivKKWMJr9X4XB80aAtLBEALw_wcB

The Product

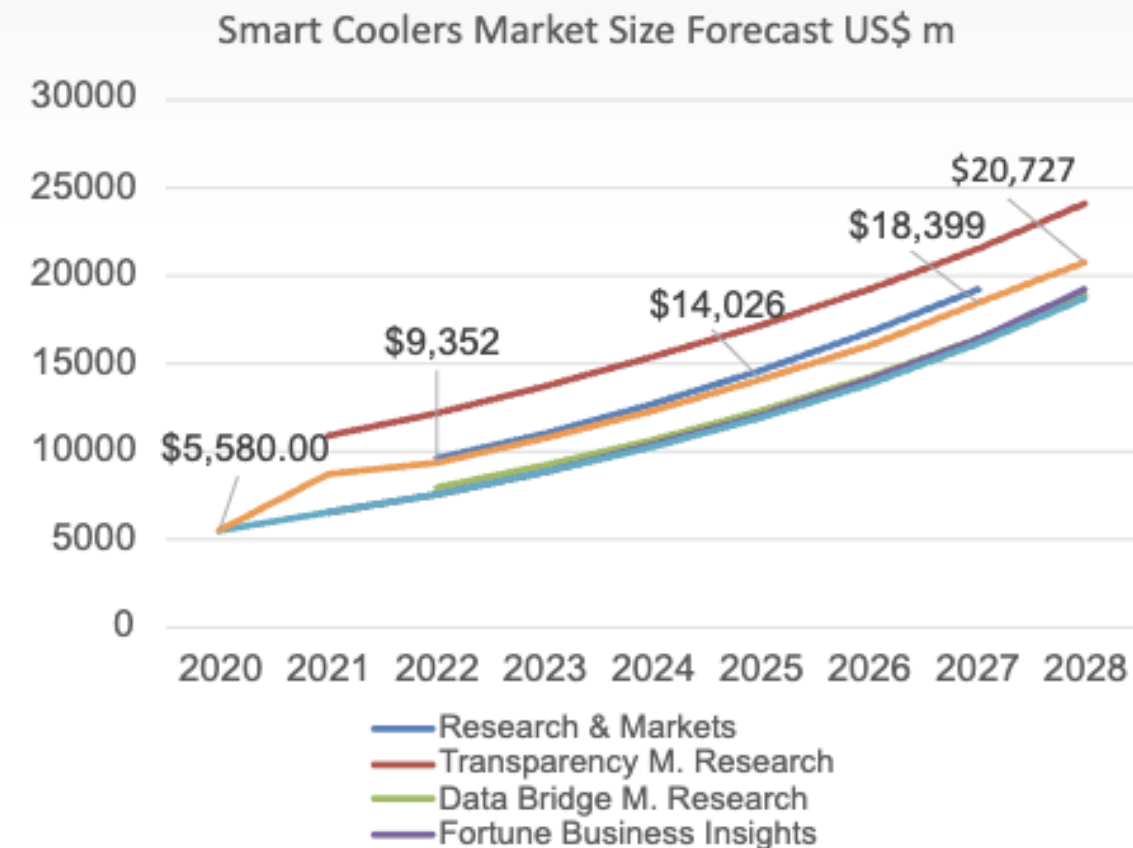
- Innovendi (1st generation) Hubz (2nd generation) Micro Market Smart Fridges
- New Variety of Products
- Higher revenue per machine

The Market

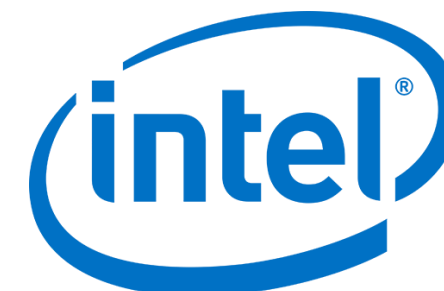
- High-end Smart Fridges
- Targeting USA / Europe

Business Model

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



<https://www.transparencymarketresearch.com/intelligent-vending-machine.html>
<https://www.databridgemarketresearch.com/news/global-smart-vending-machine-market>
<https://www.fortunebusinessinsights.com/intelligent-vending-machine-market-107360>
<https://www.verifiedmarketresearch.com/product/smart-vending-machines-market/>



Innovendi achieved Market Ready IoT Solutions certification by Intel ®

The Product

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



SEE HERE: <https://youtu.be/h-TEdSgCX3g>

The Market

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

Frictionless Retail – Number of Autonomous Stores (Global, CAGR 91%)

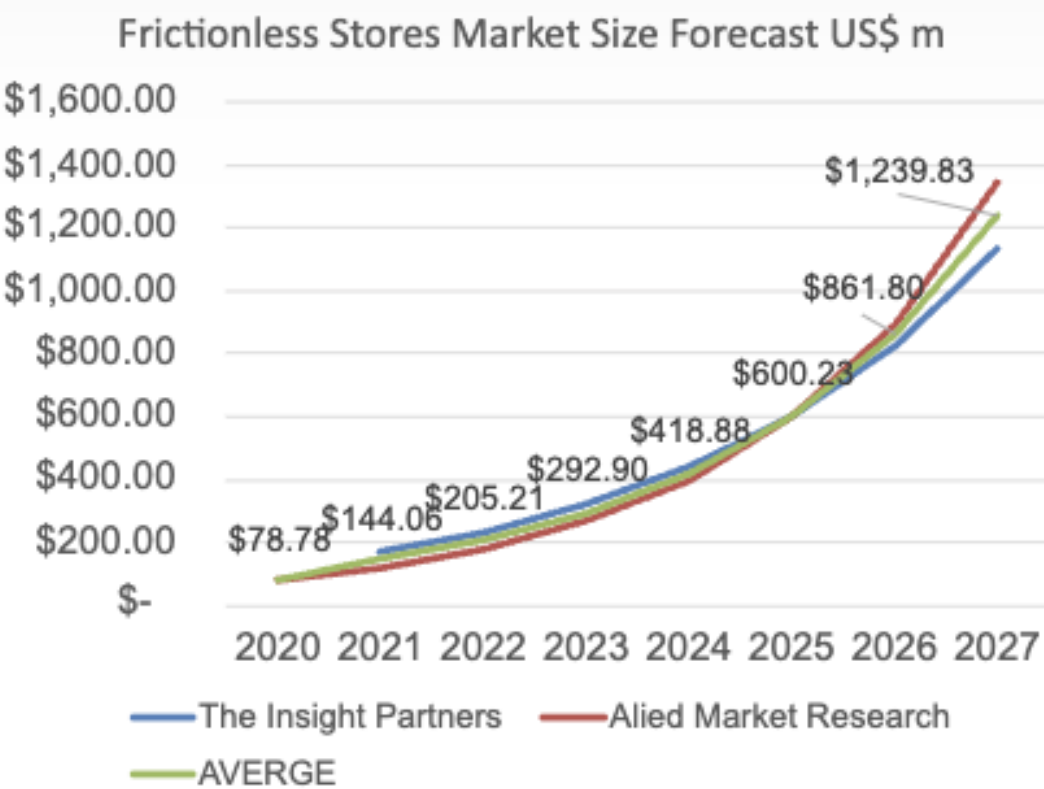
2020	2021	2022	2023	2024	2025
480	917	1,751	3,344	6,387	12,200

HITACHI



Business Model

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



https://www.glassdoor.com/Reviews/Insight-Partners-Reviews-E198028.htm?filter.iso3Language=eng&filter.employmentStatus=REGULAR&filter.employmentStatus=PART_TIME&filter.searchKeyword=AI-Powered+Checkout+Market+Forecast+to+2027%C2%A0
<https://www.alliedmarketresearch.com/autonomous-last-mile-delivery-market>

Shekel's Competitive Edge

Weight

UNIQUE WEIGHING METHOD

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

Recognition

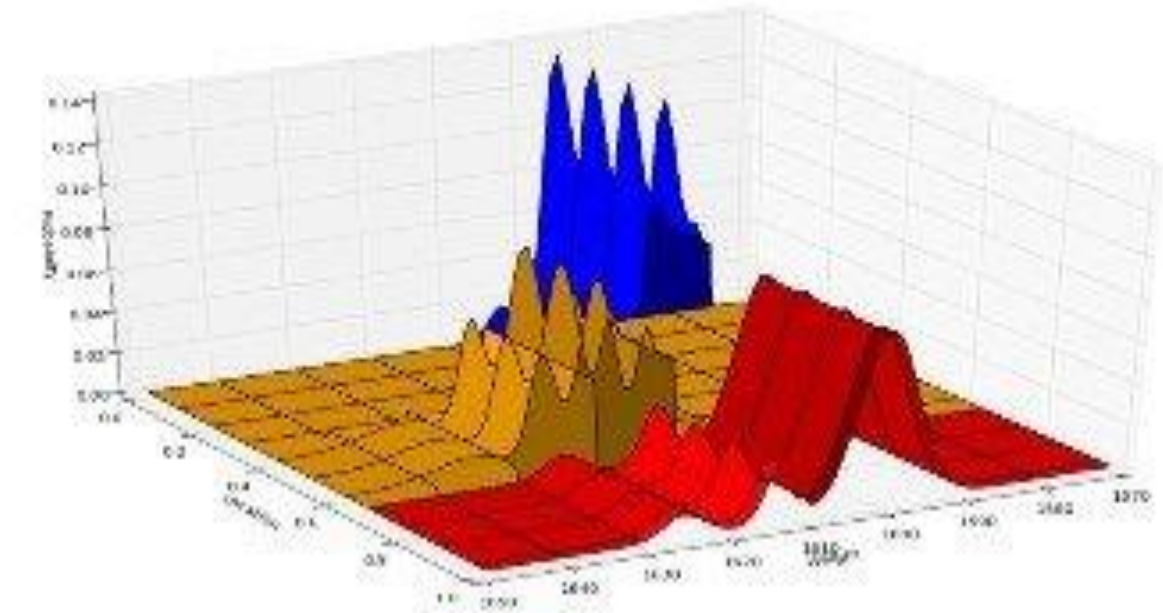
WEIGHT BASED SKU RECOGNITION

- 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



Accuracy

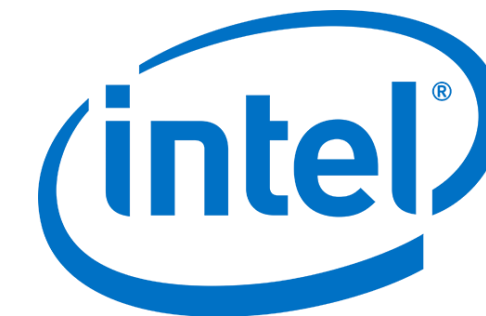
- More than 99.8% accuracy reported
- Huge database of grocery weights
- Differentiating between similar products

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

Potential to Revolutionise Retail Using Data

01

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

02

VISIONARY LEADERSHIP WITH A
TRACK RECORD OF INNOVATION
AND 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

03

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

Health Care and Industrial Solutions

04

HEALTHCARE

H1-FY24 Sales declined
22% compared to H1-2023,
due to seasonal
adjustments.

HEALTHCARE OEM

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



GE Healthcare

INDUSTRIAL PROJECTS AND CUSTOMER SERVICES

H1 FY24 revenue grew
11% compared to H1
FY23

Local Market Leader in Israel

**SHEKEL PROVIDES FORCE MEASUREMENT WEIGHING SCALE
SOLUTIONS FOR INDUSTRIAL NEEDS:**

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





Thank You

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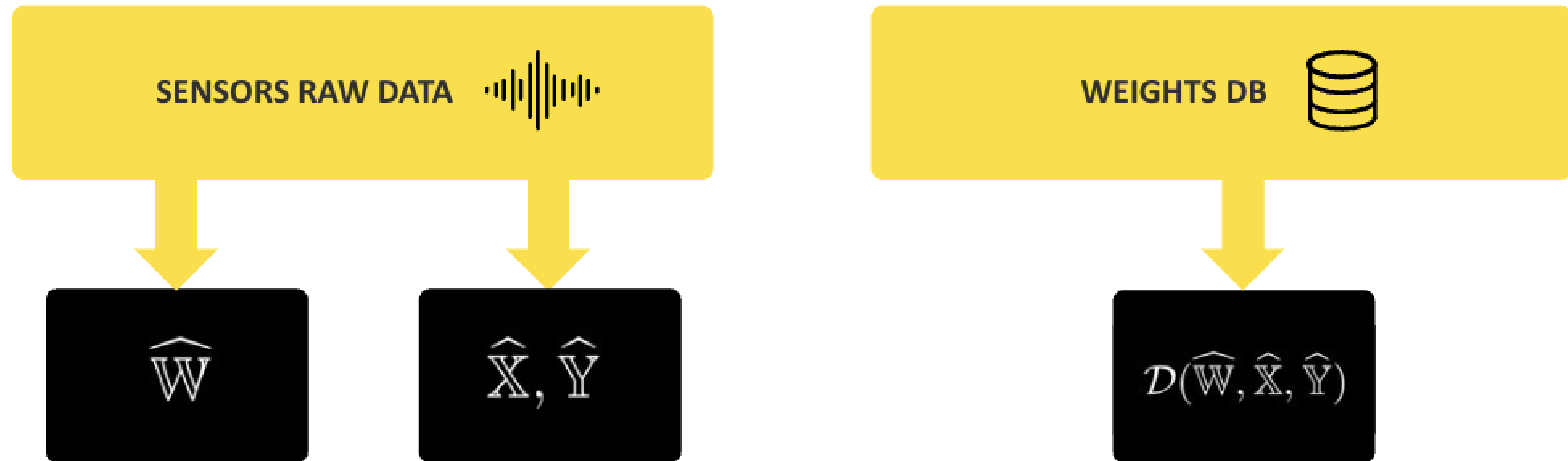
LINKEDIN
[www.linkedin.com/company/shekel brainweigh](https://www.linkedin.com/company/shekel-brainweigh)

Appendices

05

4D RECOGNITION

ONE weighing platform. MULTIPLE products recognition.





HW

IoT Load Sensors

3000 Divisions

10,000 Divisions

500,000 Divisions

700 ms

200 ms

200 ms

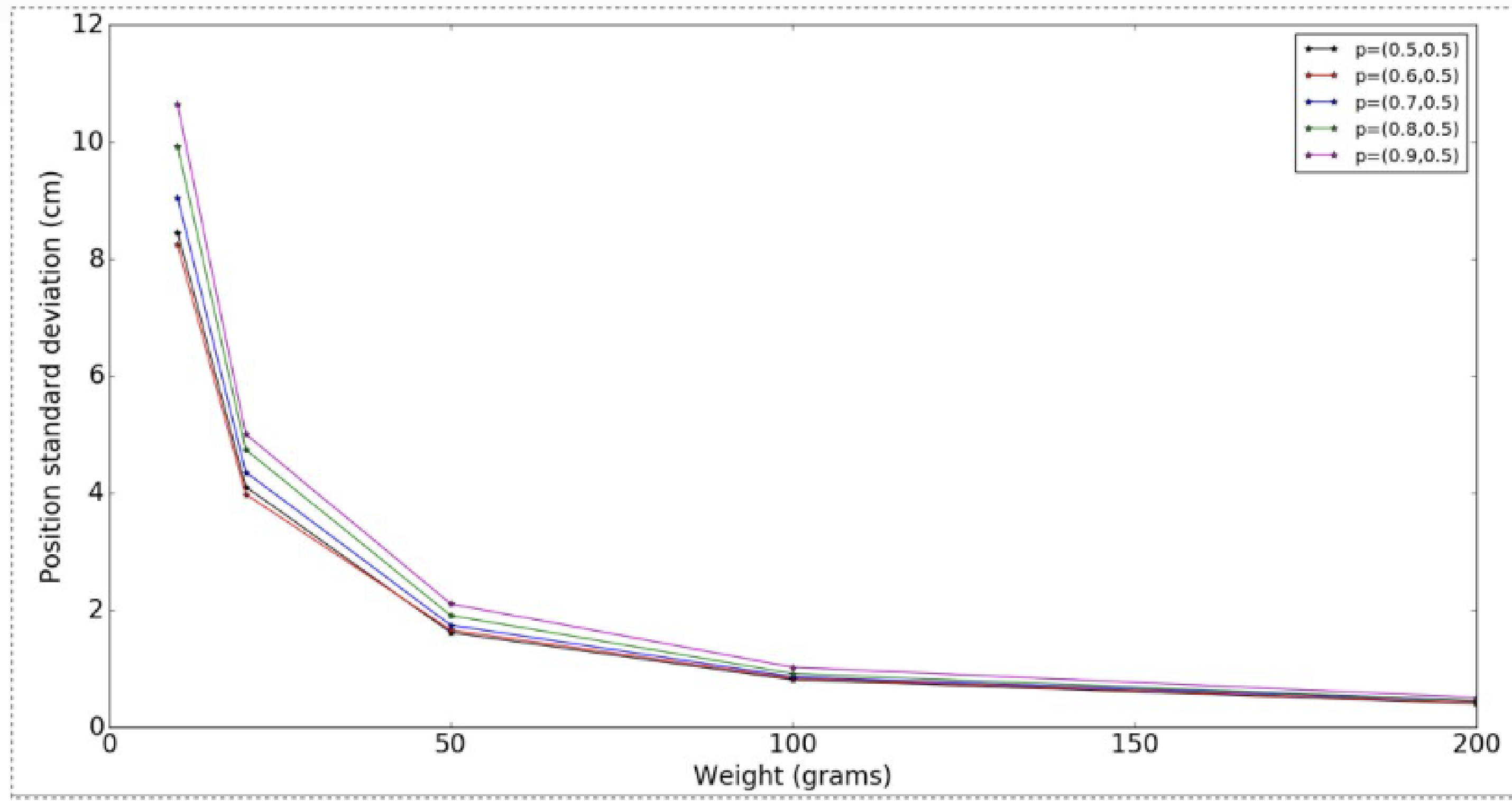


$$e = \frac{3000 \text{ gr}}{3,000} \simeq 1 \text{ gr}$$

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

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

LOCATION DETECTION ACCURACY



PRODUCTION

