



INVESTOR UPDATE

JULY 2021

ASX: SBW

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OUR BUSINESS

GLOBAL MARKET LEADER IN ADVANCED WEIGHING TECHNOLOGIES

OPERATING IN TWO DISTINCT BUSINESS DIVISIONS



1

SHEKEL SCALES

ESTABLISHED CORE BUSINESS SINCE 1971

Leading supplier of weighing technologies to global retail and healthcare industries

Selling to blue chip customers

Operating in two segments:
 - Retail (self-checkouts)
 - Healthcare (in warmers and incubators)

Including Toshiba, Fujitsu, Diebold Nixdorf and GE Healthcare



2

RETAIL INNOVATION DIVISION

ADDING AI TO IOT LOAD CELL SENSORS

Enabling Retail's Digital Transformation & Frictionless Shopping Experiences

R&D and commercialisation of new products

Pursuing significant blue ocean opportunities in autonomous retail to digitise on-shelf activity into valuable retail insights

Innovendi and hubz (SMART vending machines), Product Aware Shelves (instant product recognition) and autonomous stores micro market solution

CORPORATE OVERVIEW

SHEKEL BRAINWEIGH (ASX: SBW)

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

Market cap¹ A\$22 million¹

Employees 155

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

Shares issued ~ 153 million

Share price \$0.11 (June 18, 2021)

Shareholders

- Axel Partners 33.7%
- Concepta – 23%
- Agriculture Cooperative – 15%
- Others – 28.3%

FINANCIAL OVERVIEW

FY2020 Revenue US\$18.3 million

FY2020 Gross Profit US\$7 million

Strengthened Balance Sheet US\$6.6 million raised since start of CY2021

Achieving one-off and recurring revenue

SBW 12-month share price



AN EXPERIENCED BOARD



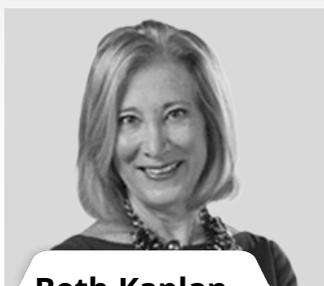
Arik Schor
**CHAIRMAN
AND CEO**

- Independent Director at Paz Oil Company Ltd
- Chairman of Tadbik, a global leader in packaging solutions and 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 Meredith Corporation (media), Howard Hughes Corporation (real estate) and Crocs (footwear) and four 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 Slaughterhouse.
- 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

STRONG START TO FY21

Revenues **grew 18%** from US\$3.88M in Q1 2020* to a **record US\$4.58M** in Q1 2021

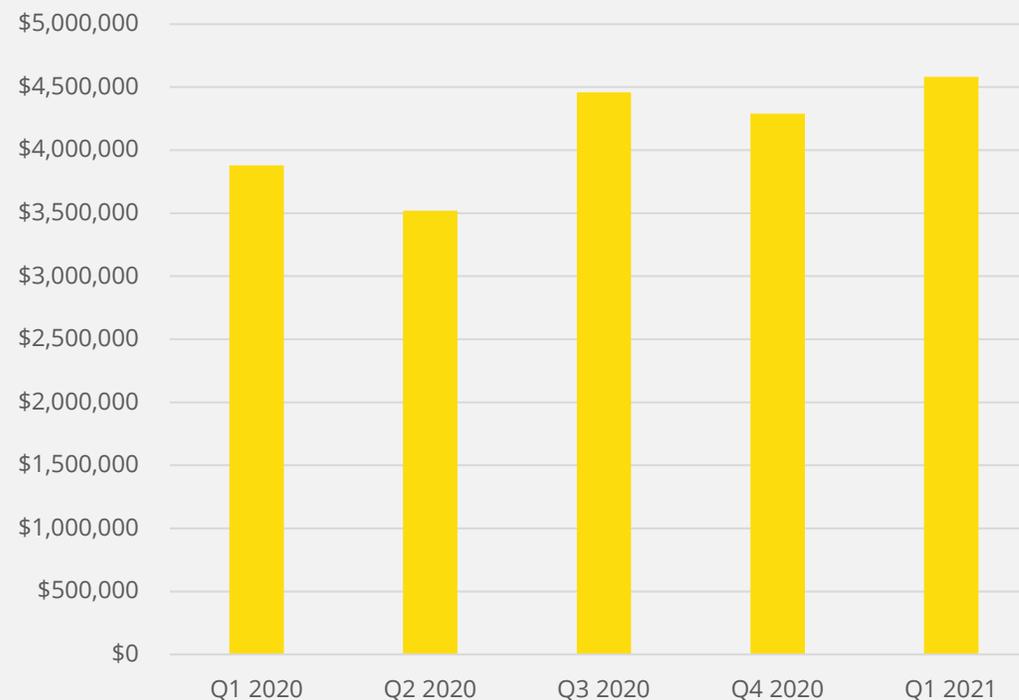
Revenue growth in Q1 2021 driven by a **33% increase in sales** in Israel and **20% increase in global retail sales**

Record revenue for Retail Innovation Division in Q1 2021 of US\$128,723

Strengthened balance sheet with **A\$2.1M Placement completed** in January 2021

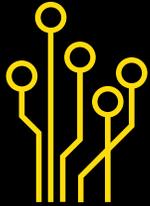
Raised additional **US\$5M** via convertible note in March 2021.

Revenue Growth (\$USD)



* Covid-19 pandemic did not begin to impact 2020 revenues until Q2 2020

WHO WE ARE



TECHNOLOGY INNOVATOR START-UP, UNDERPINNED BY ESTABLISHED BUSINESS

- A precision technology company developing market-leading IP in a 'genius-lab'
- Global markets: supplying leading global blue-chip customers in healthcare and retail – GE Healthcare, Toshiba, Fujitsu, Atom
- Validation in achieving "Gold Partner" status by Intel for Capsule, Innovendi, hubz and as an OEM Supplier – see <https://www.intel.com/content/www/us/en/search.html?ws=text#q=shekel%20brainweigh&t=All>
- Developed the 'Intel inside' equivalent 'Shekel smart' in the self-checkout market



READY FOR THE FUTURE OF CONTACTLESS SHOPPING IN A POST-COVID WORLD

- Retail needs IoT now more than ever
- Launched AI Retail Innovation platform – to leverage proven sensor technology to enable retail AI applications
- Commercialisation of new products in several markets



OPPORTUNITY TO UNLOCK FRICTIONLESS RETAIL

\$387B*

Estimated value of retail transactions processed by frictionless checkout technologies in 2025, up from just \$2B in 2020

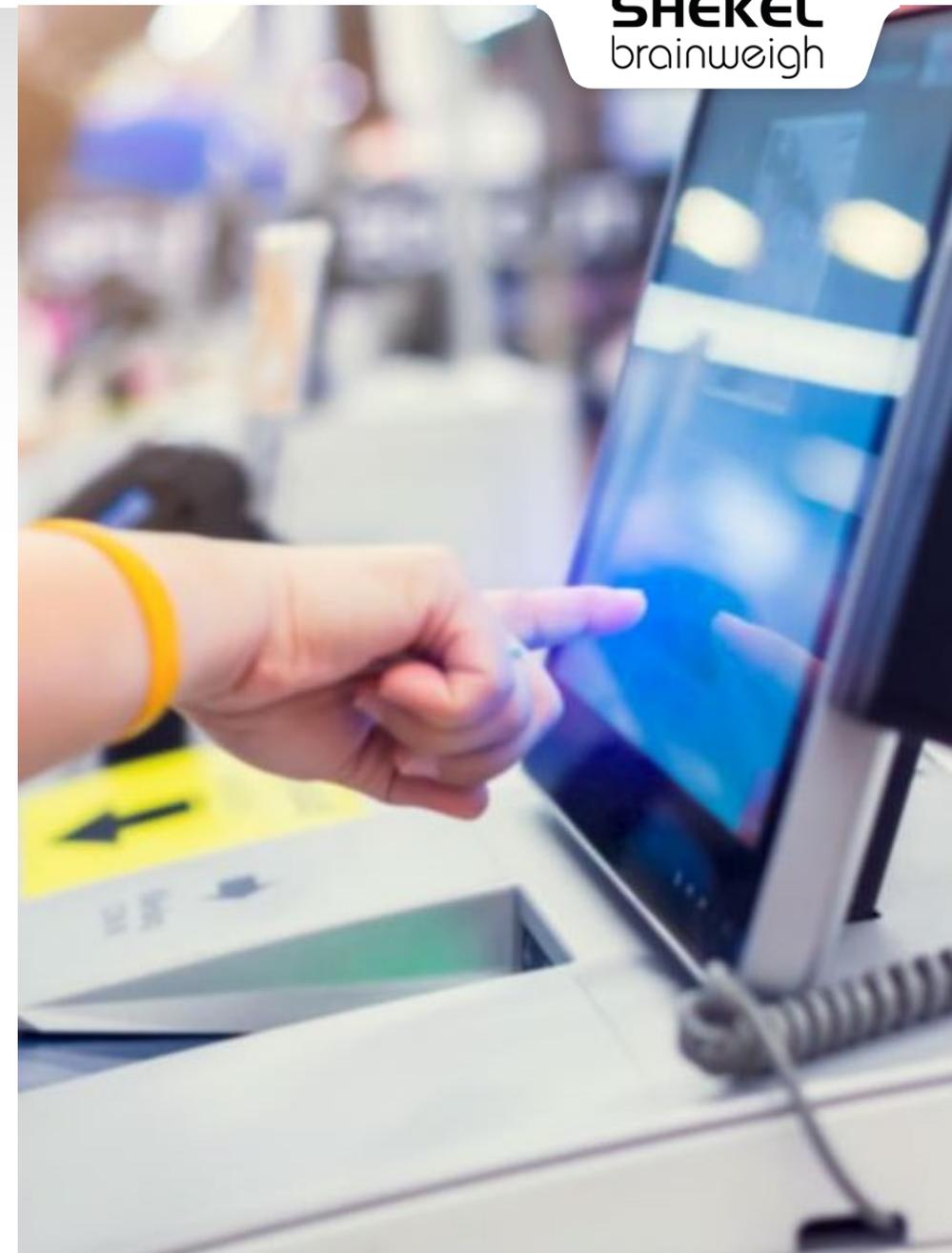
\$23B**

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

Most automated recognition solutions rely on computer vision, RFID tags and traditional scales which **fail** to meet the accuracy threshold. These **eliminate** viable ROI models in this low-margin, giant industry

* [Sep 2020 – Juniper research](#)

** <https://go.forrester.com/blogs/distinguish-hot-from-hype-in-retail-tech-investments-for-2020/>



RETAIL INNOVATION

OUR PRODUCTS



- **Product Aware Shelf** – using IoT, on-shelf electronics, software, AI and algorithms to identify products and movements on shelves
- **Product Aware Bay** – comprising 4-5 Product Aware Shelf units
- **Innovendi** – (1st gen) unattended automated locked vending machine incorporating our Product Aware technology
- **hubz** – (2nd gen) unattended micro smart cooler enabling sale of a broader range of fresh and refrigerated products
- **Micro Market Capsule** – Autonomous shopping incorporating SBW's Product Aware Bays, Innovendi units and self check-out technology to allow a fully autonomous store.

RETAIL INNOVATION

ACCELERATING COMMERCIALISATION

Flagship micro-market project **Capsule** launched in Paris with retailer Casino in November 2020. First fully autonomous store of its kind, with an exciting prospects in a competitive landscape. Second store ordered

SBW's smart vending solution **hubz** micro cooler launched with Imbera (US) and Parlevel (US), targeting North America and Latin America markets. First commercial order (30 units) received, primarily for North America clients

Retail Innovation Division recorded FY20 revenue of US\$308,288 from sales of **Innovendi** and autonomous retail solutions. Innovendi achieved certification as Market Ready IoT Solutions by Intel®.

Paid product pilots for autonomous stores undertaken with very positive feedback from customers

First order from Australia for smart shelving received during H1 2020

Watch the launch of our first Capsule here:

<https://www.olivierdauvers.fr/2020/10/08/monop-box-la-visite-video/>



CAPSULE (BLACK BOX) AUTONOMOUS STORE IN PARIS.

RETAIL INNOVATION - MARKET DEMAND

SEGMENTS



SMART COOLER



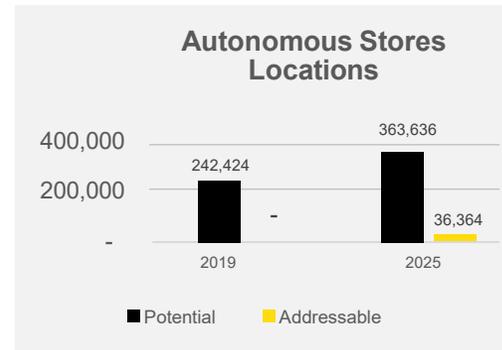
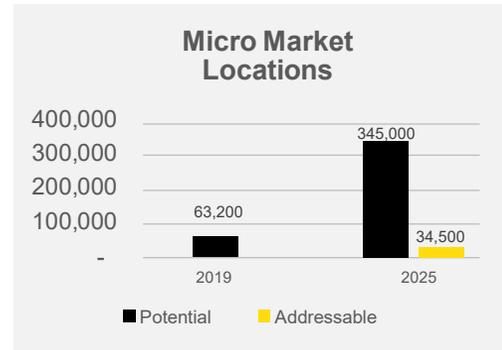
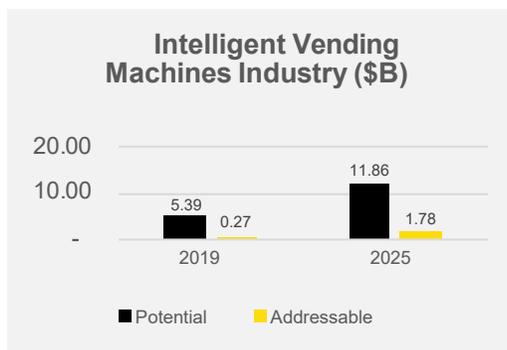
MICRO MARKETS



AUTONOMOUS SMALL STORE



AUTONOMOUS CONVENIENCE



MARKET SIZE 2025

\$1.18B

Grandview Research 2019
Intelligent-vending-machines-industry

\$1.7B

IMBERA Internal

\$2.9B

IMBERA Internal

\$0.7B

Research and markets, April 2020
Unmanned Convenience Store Market

RECURRING REVENUE MODEL – RETAIL INNOVATION

SAAS, DAAS & ONE-OFF REVENUE

HARDWARE

DAAS

PRODUCT RECOGNITION SOLUTION

DATA ANALYTICS ENGINE

ONE TIME CHARGE

+

MONTHLY SAAS*

MONTHLY DAAS*

MACHINE (INCLUDING KIT)

- ✓ Five shelves hardware kit
- ✓ Software development kit/ compute
- ✓ Accessories
- ✓ Professional services

- ✓ Monitoring and alerting
- ✓ Cloud hosting
- ✓ Performance enhancement

OR KIT SOLD SEPARATELY

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

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

RETAIL MARKET PRESENCE

RETAIL

SHEKEL CUSTOMERS



SUPPLYING THE WORLD'S LARGEST RETAILERS



GO TO MARKET PARTNERS



INTRODUCTION OF AUTONOMOUS RETAIL SOLUTIONS



SHEKEL SCALES

OUR PRODUCTS



HEALTHCARE

- Healthcare and fitness scales under the Healthweigh® brand:
- Healthweigh® Physician Scales
 - Healthweigh® Special Needs
 - Healthweigh® Baby and Neonatal Scales
 - Healthweigh® Portable Scales



RETAIL

- Provider of precision checkout electronic scale and weighing solutions:
- Scanner Scales
 - Checkout Systems



INDUSTRIAL

- Force measurement weighing and scale solutions for industrial needs:
- Agricultural
 - Manufacturing
 - Military
 - Airport baggage check-in



OEM WEIGHING SOLUTIONS

Seamless integration into OEM applications, supplying market leaders:



GLOBAL PRESENCE OF SHEKEL PRODUCTS

SHEKEL PRESENCE

Long-term clients in Israel, the US, Europe and the UK, Japan, Brazil

Global distribution of Healthweigh including the US, Europe/UK, Asia and Australia

New orders in Sweden, Poland and the Netherlands

Commercialisation of Innovendi and Product Aware Bays in Israel, UK, Europe and Australia

Paid pilots in the US, Australia, France and Israel.

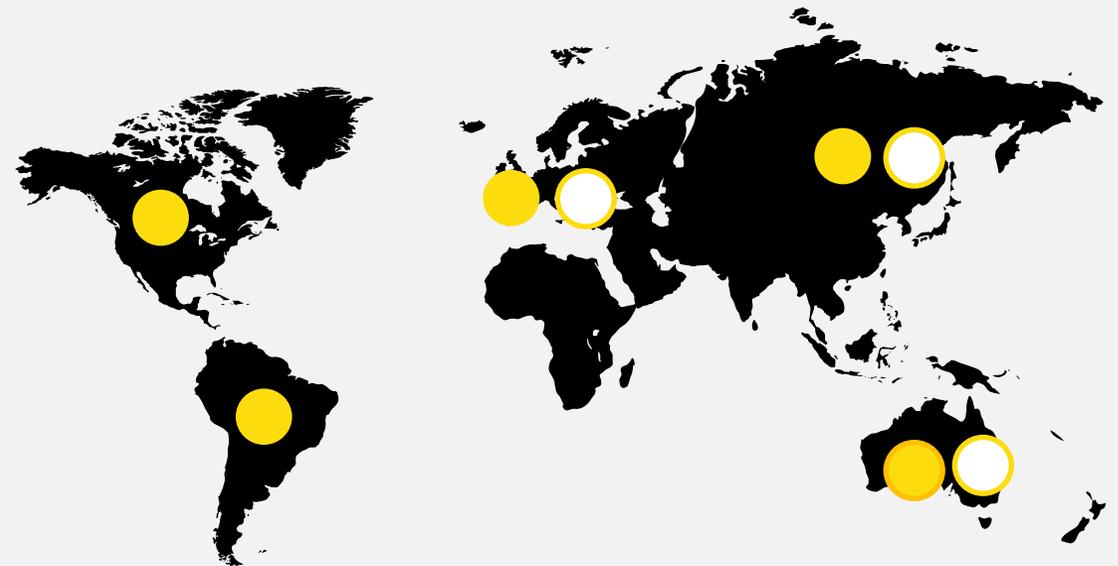
PRODUCTS & SERVICES

Retail self-checkout technology

AI-enabled retail technology for contactless shopping

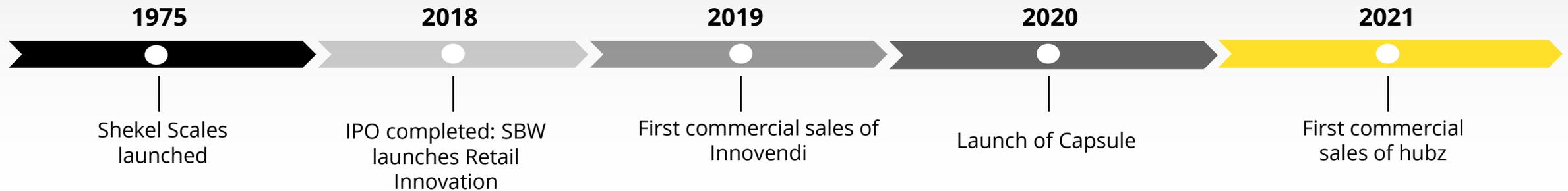
Healthcare: precision weighing systems integrated into NICU incubators and warmers for premature babies

Healthweigh® line



- **Our operations:**
 Operations in China (factories) and Hungary (third party)
 Offices in Israel (HQ), the European Union, and Australia
- **Our clients and distributors:**
 North America, South America, Asia, Australia, Europe, UK

MAJOR MILESTONES SINCE IPO



BUILDING BLOCKS FOR SHEKEL RETAIL INNOVATION

Retail Innovation – platform for growth established	<ul style="list-style-type: none"> • Appointed a CEO and expanded R&D team by >100% • Opened Australian office • Formed strategic partnerships with Intel, Hitachi, Imbera and Parlevel
Acceleration & commercialisation of key products	<ul style="list-style-type: none"> • Commercialisation of Innovendi in Israel, UK and Spain, and entry to Australian market • Successful commercialisation of Innovendi with over 100 machines deployed in Israel • Autonomous micro store Capsule launched with more in pipeline • Developed and commercialised hubz micro market cooler
Continued earnings from core business to support growth	<ul style="list-style-type: none"> • Revenue from product sales and SaaS • Proceeds from product and Proof of Concept pilots

2021 OUTLOOK

POSITIONED WELL FOR GROWTH

Strong momentum in Shekel's core markets in Europe and US in Q1 2021

Plans to accelerate marketing activities in Europe and Asia

Acquired 3 new clients for self check out scales

Fast Track – an innovative self check out solution expected to launch in H2 2021

Anticipated growth in retail and healthcare segments in FY21

Opportunities to grow revenue through product sales and SaaS business model

Sales of Innovendi and hubz expected to grow significantly in 2021

Cash management measures and prudent investing in R&D expected to maintain strong balance sheet.



WHY INVEST IN SBW

POTENTIAL TO REVOLUTIONISE RETAIL

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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