



INVESTOR PRESENTATION

DECEMBER 2021

www.shekelbrainweigh.com

ASX: SBW

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OUR BUSINESS

GLOBAL MARKET LEADER IN ADVANCED WEIGHING TECHNOLOGIES

OPERATING IN TWO DISTINCT BUSINESS DIVISIONS



SHEKEL SCALES

ESTABLISHED CORE BUSINESS SINCE 1971

Leading supplier of weighing technologies to global retail and healthcare industries

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

Selling to blue chip customers

Including Toshiba, Fujitsu, Diebold Nixdorf and GE Healthcare

GE Healthcare



RETAIL INNOVATION DIVISION

ADDING AI TO IOT LOAD CELL SENSORS

Enabling Retail's Digital Transformation & Frictionless Shopping Experiences

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

R&D and commercialisation of new products

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 cap ¹	A\$36 million ¹
Employees	145
Markets	Europe, UK, USA, Australia, Japan, China, Israel
Shares issued	~ 153 million
Share price	\$0.235 (10 December 2021)
Shareholders	<ul style="list-style-type: none"> • Axcel Partners 34.8% • Concepta – 23% • Agriculture Cooperative – 15% • Others – 27.2%

¹ Based on share price at 10 December 2021

² January 1st to 30 November - not including French subsidiary

FINANCIAL OVERVIEW

Shekel Scales	US\$18.2 million
YTD ² CY2021 Revenue	
Group CY2020 Revenue	US\$18.3 million
Group CY2020 Gross Profit	US\$7 million

Achieving one-off and recurring revenue

SBW 12-month share price



SHEKEL DEMONSTRATES STRONG REVENUE GROWTH

(UNAUDITED FINANCIAL DATA)

Shekel YTD revenue of
US\$18.2M
(excluding France subsidiary)

**Revenue growth of
29% in 2021
versus CY2020**

Open orders **up 168%**
at 28/11/21 on same
period in 2020

- **Shekel total revenue** from 1 January to 30 November **increased 29%** to **US\$18.2** million in CY21 (**US\$14.1** million in CY20)
- **Strong outlook for end of CY21 and CY2022** with **open orders of US\$6.5m** at 28 November 2021 compared to **US\$3.85m** for the same period in CY20
- YTD increases across **both business divisions** :
 - ↑ **Scale division growing 26%** from **US\$13.8m** in CY2020 to **US\$17.4m** at CY2021 and
 - ↑ **Retail Innovation Division growing 215%** from **US\$0.26m** in CY2020 to **US\$0.82m** in CY2021.
- Results reflect **increased customer confidence** – existing and returning Europe and US client orders
- Results achieved despite component and labor shortages and logistical challenges, **demonstrating Shekel's ability to grow its market share**

AN EXPERIENCED BOARD



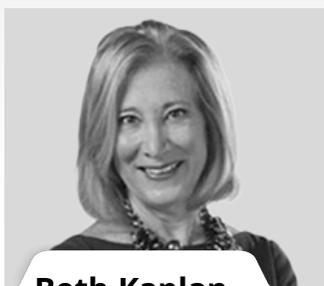
Arik Schor
**CHAIRMAN
AND CEO**

- 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 Anikster
**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**

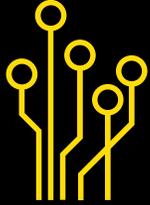
- More than 30 years' managerial experience across the technology sector for private and public Israeli and international companies.
- Has served as chairman and CEO of various companies
- Played an important role in mergers and acquisitions and fundraising initiatives, with a hi-tech focus.



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

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

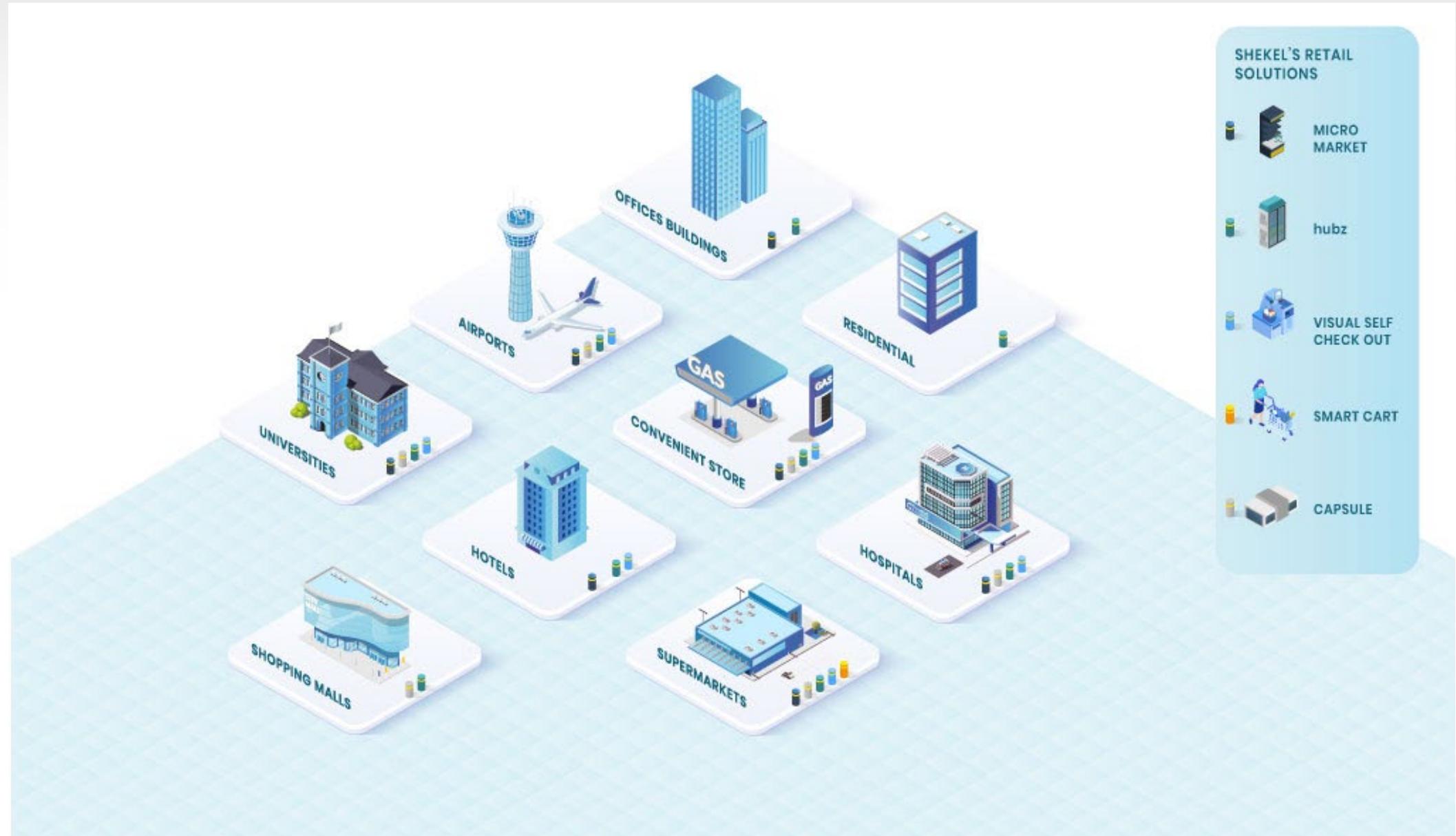


READY FOR THE FUTURE OF CONTACTLESS SHOPPING IN A POST-COVID WORLD

- 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
- Focus on Retail Innovation



RETAIL MARKET - SOLUTIONS BY SHEKEL



OPPORTUNITY TO UNLOCK FRICTIONLESS RETAIL

\$387B*

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

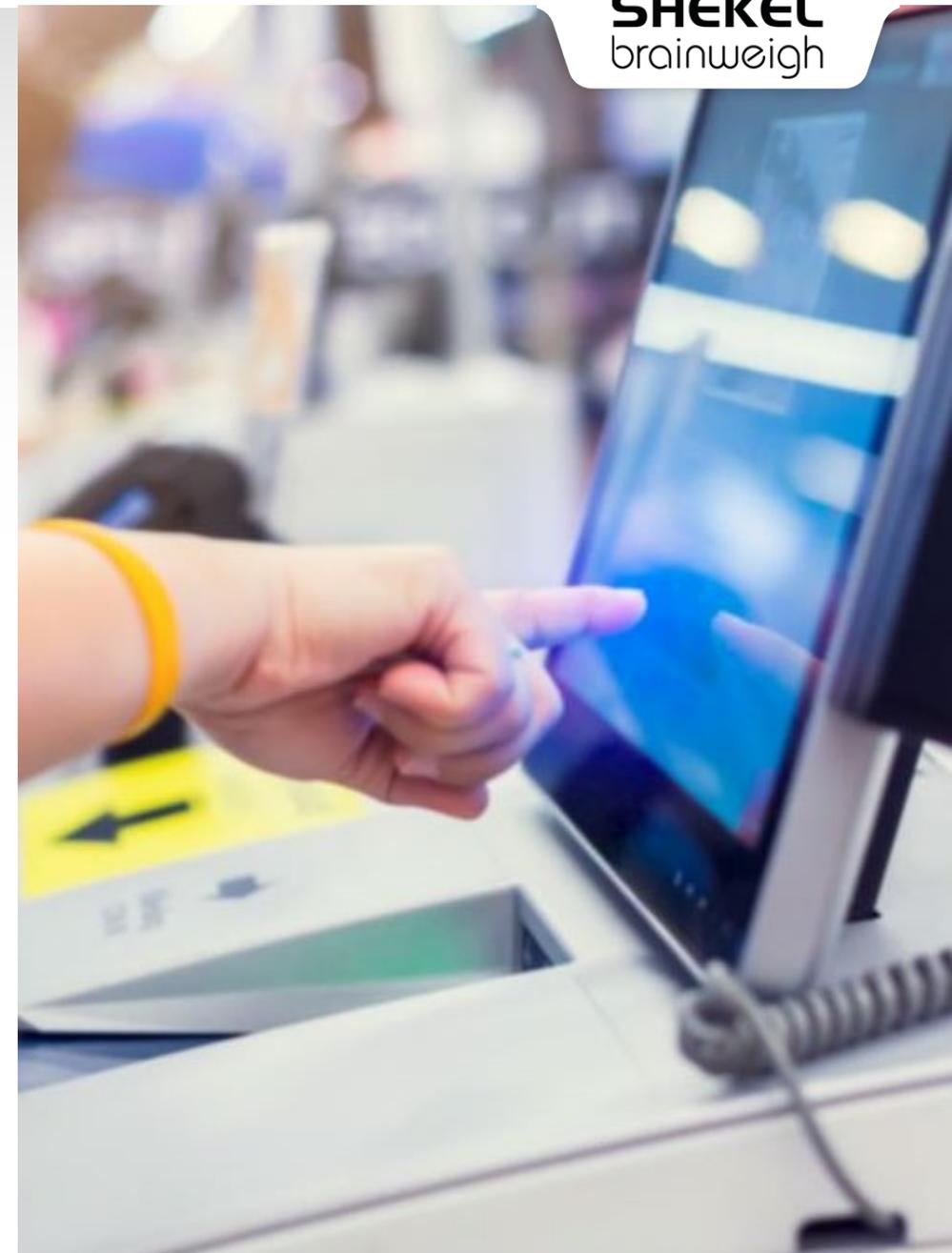
\$23B**

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 - MARKET DEMAND

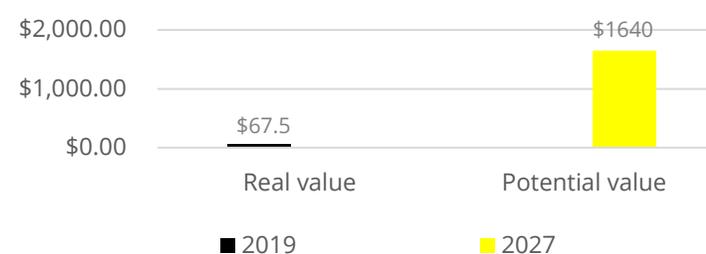
SEGMENTS



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



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

RETAIL INNOVATION

ACCELERATING COMMERCIALISATION

- First commercial order received (67 units) for SBW's smart vending solution **Hubz** micro cooler launched with Imbera (US) and Parlevel (US) to Belgium's Smart Technics BV
- Flagship micro-market project **Capsule** fully autonomous store launched in Paris with retailer Casino in November 2020. Second store opened July 2021
- Retail Innovation Division recorded 1H CY21 revenue of US\$380,000 from sales of **Innovendi**, **Hubz** 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
- Demonstration of Capsule store here:
<https://www.olivierdauvers.fr/2020/10/08/monop-box-la-visite-video/>



COMMERCIALISATION OF HUBZ COOLER ACHIEVED

- **Commercial scale order received** for **67 Hubz units** from Belgium's Smart Technics BV
- Smart Technics is a subsidiary of **Colruyt Group (EBR: COLR)**
- Units will be delivered to Smart Technics by the end of CY2021
- Shekel Brainweigh and partners Parlevel Systems and Imbera Cooling **launched Hubz in January 2021**
- Hubz venture had previously delivered to selected clients in **the US and Belgium** since launch
- Hubz cooler **generates revenue** for Shekel Brainweigh via **sale of units and ongoing SaaS revenue**
- Shekel Brainweigh's Retail Innovation Division supplies Hubz Automated Product Recognition platform – a major “smart” component of the cooler.



RECURRING REVENUE MODEL – RETAIL INNOVATION

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

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

OR KIT SOLD SEPARATELY

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)

GROWING OUR RETAIL MARKET PRESENCE

RETAIL

SHEKEL SELF CHECK OUT CUSTOMERS



SUPPLYING THE WORLD'S LARGEST RETAILERS



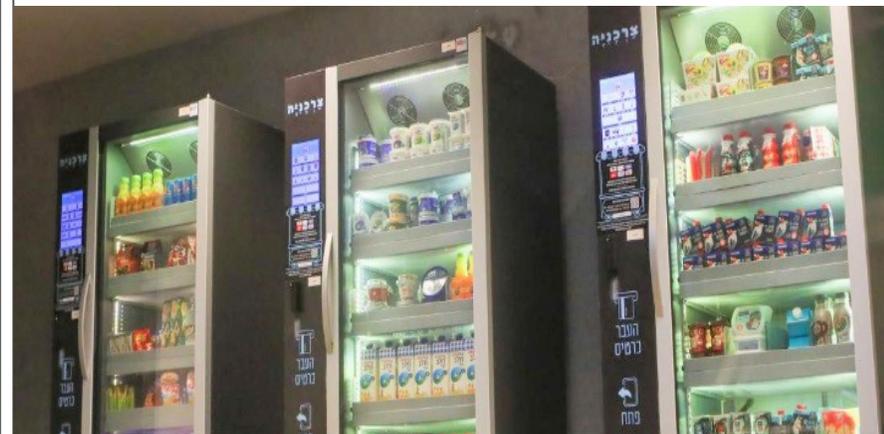
GO TO MARKET PARTNERS



INTRODUCTION OF AUTONOMOUS RETAIL SOLUTIONS

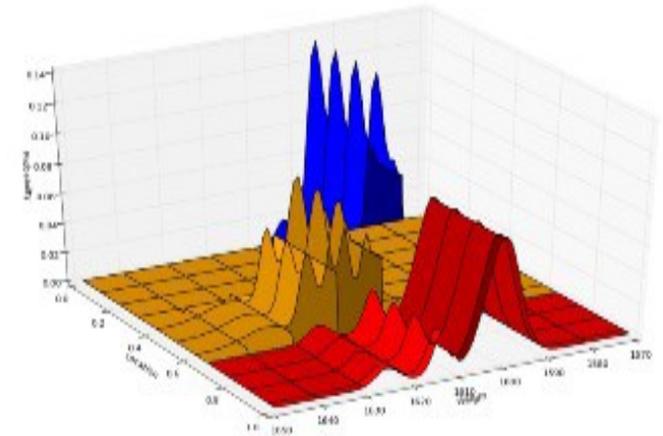


RETAIL SOLUTIONS GOING LIVE



COMPETITIVE ADVANTAGE

ONE weighing platform with **MULTIPLE** products recognition



Differentiating between similar products

ACCURACY

>99.8%

Huge database of grocery weights

FLEXIBILITY

10 SKUs/shelf

Remote planogram control

AFFORDABILITY

More cost effective than Computer Vision or RFID systems

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
 - **Self** 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:



2021 SHEKEL SCALES INNOVATION

Beyond Precise Weight Measurement – FAST TRACK

Visual Fruit and Vegetable Recognition

Plans to accelerate marketing activities in Europe and USA

Frictionless, computer vision-based self checkout that can be used in autonomous stores

AI at 20% of the cost of similar systems

No major infrastructure costs – using current and installed computing devices

Up to 99% accuracy in detection

Scalable to meet any size chain from store to store; automatically updated across the network

High accuracy in an ever-changing world: embedded Deep Learning



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.

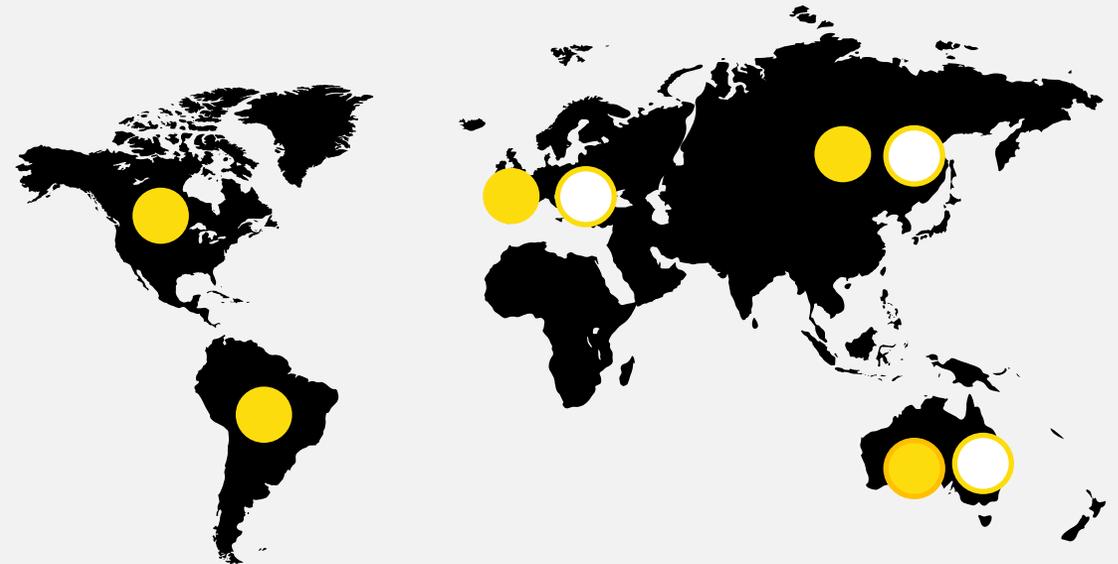
PRODUCTS & SERVICES

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 (2 factories, one of them is of a third party) and Hungary (third party).
 Offices in Israel (HQ+ R&D+ Local M&S team+ Retail Innovation team), the European Union, and Australia
- **Our clients and distributors:**
 North America, South America, Asia, Australia, Europe, UK

2H 2021 AND 1Q 2022-OUTLOOK

POSITIONED WELL FOR GROWTH

Strong momentum in Shekel's core markets in Europe and US in H2 2021

First orders received and expected to be delivered to new key retail customer

Anticipated growth in retail and healthcare segments in Q4 CY21 into CY22

New product development of mobile self-checkout solution to commence

Fast Track – an innovative self-checkout solution expected to launch in H1 2022

Plans to accelerate marketing activities in Europe and Asia; grow revenue through product sales and SaaS

Plan to launch first autonomous store in Israel and a third store in EU

Organisational restructure completed with streamlined spending to maintain strong balance sheet.



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 about 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

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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