



16 November 2018

## Shekel Brainweigh Ltd

### PRE-QUOTATION CONFIRMATIONS

Shekel Brainweigh Ltd (**Company**) provides the following confirmations in satisfaction of its conditions for admission to the Australian Securities Exchange (**ASX**).

#### 1. Completion of the Offer

The company confirms that it has raised \$10,150,000 pursuant to the offer under its prospectus dated 20 August 2018 (**Prospectus**) by issue of 29,000,000 fully paid ordinary shares (**Shares**) at an issue price of \$0.35 per Share (**Offer**).

#### 2. Completion of Share Exchange Agreement

The Company confirms that all conditions precedent to the Share Exchange Agreement dated 16 August 2018 between the Company, Shekel Scales (2008) Ltd (**Shekel Scales**) and the Shekel Scales shareholders have been satisfied and completion has occurred under that agreement.

#### 3. Completion of Goopi Acquisition

The Company confirms that all conditions precedent to, the Goopi Acquisition Contract dated 9 August 2018 between Shekel Scales and the Goopi Ltd shareholders have been satisfied and completion has occurred under that agreement.

#### 4. Voluntary escrow

110,000,000 Shares are subject to voluntary escrow for a period of 12 months from the date of Admission.

#### 5. Capital structure

The capital structure of the Company following completion of the Offer is as follows:

Capital Structure – Shares	Number
Shares on issue as at the Prospectus Date	110,000,000
Shares issued under the Offer	29,000,000
<b>Shares on issue following the Offer</b>	<b>139,000,000</b>
Capital Structure – Options	Number
Plan Options issued as at the Prospectus Date <sup>1</sup>	19,427,064
Lead Manager Options issued <sup>2</sup>	4,170,000
<b>Total Options on issue following the Offer</b>	<b>23,597,064</b>
Capital Structure – Performance Rights	Number
<b>Total Performance Rights on issue following the Offer<sup>3</sup></b>	<b>11,563,752</b>

Notes:

1. The Plan Options are each exercisable at \$0.20 and expire on 11 March 2028 (see Section 7 below).



2. The Lead Manager Options are each exercisable at \$0.42 and expire three years from the date of Admission (see Section 8 below).
3. The Performance Rights have a nil exercisable price and lapse no later than 19 August 2023 if performance thresholds are not achieved (see Section 9 below).

## 6. Consepta Loan

As noted in section 9.8 of the Prospectus, the loan from Shekel Scales to Consepta under the loan agreement dated 29 June 2018 will remain in place at Admission. Consepta has undertaken that it will repay the loan to Shekel Scales from any dividends or sales of Shares in the Company, which are subject to voluntary escrow for a period of 12 months from the date of Admission.

## 7. Plan Options

The full terms and conditions of the initial 672 Plan Options granted to each of Guy Moshe, Eliran Vaknin and Evyatar Yedai (**Plan Option Grant Letters**) are provided by way of pre-quotation disclosure.

As part of the capital re-structure of the Group in preparation for this IPO, and pursuant to Written Resolutions of the Company's Board dated 5 August 2018:

- (a) the remaining 6,475,016 Plan Options were issued to each of Guy Moshe, Eliran Vaknin and Evyatar Yedai in accordance with Section 4 of the Group's 2018 Share Option Plan (**Plan**), which is also provided by way of pre-quotation disclosure; and
- (b) both the Plan and all Plan Options granted thereunder (being 19,427,064 in aggregate) were transferred to and adopted by the Company.

As disclosed at Section 10.7 of the Prospectus, 6,475,688 Plan Options are on issue to each of Guy Moshe, Eliran Vaknin and Evyatar Yedai. The Company hereby confirms that the full terms and conditions of the Plan Options as stated in the relevant Plan Option Grant Letter apply to all such Plan Options on issue to the relevant individual.

By way of clarification, Section 10.6(iii) of the Prospectus should say "ten" rather "seven" years in accordance with the terms of the Plan.

## 8. Lead Manager Options

The Company has issued 4,170,000 options exercisable at \$0.42 and expiring three years from the date of Admission to the Lead Manager (**Lead Manager Options**). The full terms and conditions of the Lead Manager Options have been provided by way of pre-quotation disclosure.

## 9. Performance Rights

The 11,563,752 Performance Rights have been issued to certain existing and proposed personnel who have been involved in the development of the Innovendi product. The Innovendi product is described at Section 3.6(a)(iv) of the Prospectus. The Performance Rights only vest upon the satisfaction of milestones relating exclusively to the Innovendi product, and will lapse after five years from the date of issue of the Performance Rights (being 19 August 2023) if the relevant Milestone is not achieved (or earlier in the case of a determination by the Board that the rights should lapse due to



misconduct, fraud or dishonesty). The full terms of the Performance Rights are set out in Annexure B of the Prospectus.

Performance Rights were issued on 19 August 2018 as follows:

- a. 2,890,933 nil exercise performance rights, expiring five years from the date of issue to Yoram Ben Porat — CEO of the Company;
- b. 2,890,933 nil exercise performance rights, expiring five years from the date of issue to Barak Nir — CFO of the Company;
- c. 2,890,933 nil exercise performance rights, expiring five years from the date of issue to Shlomo Talitman — Chairman for Shekel Ningbo Scales Ltd. and who will be Business Development Director of Innovendi Markets from Admission; and
- d. 2,890,933 nil exercise performance rights, expiring five years from the date of issue to Dudi Ben Eliyahu — who will be CEO of Innovendi Markets from Admission.

#### **10. Waiver of Listing Rule 10.1**

The Company has been granted a waiver from ASX Listing Rule 10.1 to the extent necessary to permit the Company not to seek shareholder approval in relation to the rental payments made during the remaining term of the lease agreement dated 22 May 2008 between Shekel Scales, the Kibbutz and Eskay Beit Keshet, a substantial shareholder of the Company (**Lease Agreement**), as described on page 97 of the Prospectus.

This waiver is subject to the following conditions:

- a. The Prospectus, in ASX's opinion, adequately discloses the material terms of the Lease Agreement.
- b. A summary of the material terms of the Lease Agreement is made in each annual report of the Company during the term of the Lease Agreement.
- c. Any material variation to the terms of the Lease Agreement is subject to shareholder approval under Listing Rule 10.1, should listing rule 10.1 apply to the Lease Agreement at that time.
- d. The exercise of any option for renewal of the Lease Agreement, or any agreement to extend the term thereof, will be subject to shareholder approval under Listing Rule 10.1, should listing rule 10.1 apply to the Lease Agreement at that time.

The Company provides the following additional information with respect to the Lease Agreement:

- a. Pursuant to an amendment agreement dated 1 April 2018, the rental fees payable were agreed up until 31 December 2028 — \$15,120 per month (plus VAT) for the period 1 April 2018 to 31 December 2019 inclusive and then \$14,560 (plus VAT) for the period 1 January 2020 to 31 December 2028 inclusive. These fees were set by an independent external real estate appraiser.
- b. The aggregate rental paid by the Company to date in respect of the Lease Agreement is approximately US\$1,808,576 (plus VAT), with a further US\$1,648,534 (plus VAT) yet to be paid on and in accordance with the lease terms over its life.



- c. A further amendment agreement dated 21 October 2018 clarifies that the 1 April 2018 amendment agreement extended the lease term to 31 December 2018 in accordance with the duration of rental payments (ie, the lease term and rental payments have therefore been fixed until 31 December 2028).

The amendment agreement dated 21 October 2018 to the Lease Agreement is provided by way of pre-quotation disclosure.

**For and on behalf of  
Shekel Brainweigh Ltd**

Name: Sophie Raven

Title: Director

Signature:

A handwritten signature in black ink that reads "Sophie Raven". The signature is written in a cursive style. Below the signature is a horizontal line.