

SHEKEL BRAINWEIGH LTD.
Appendix 4D
Half-year report for the period ended June 30, 2024.

1. Entity details

Name of entity:	SHEKEL BRAINWEIGH LTD. (“the consolidated entity”)
ARBN:	625 669 445
Reporting period:	For the half-year ended June 30, 2024.
Previous period:	For the half-year ended June 30, 2023.

2. Results for announcement to the market

All comparisons to Previous period.

Key information	Up/Down	Change	US Dollar in thousands
Revenues from ordinary activities	Down	0.17% to	13,363
Loss from ordinary activities after tax attributable to the owners of the consolidated entity	Down	33.76% to	(1,307)
Loss for the half-year attributable to the owners of the consolidated entity	Down	33.76% to	(1,307)

The Loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,307,000 (For the Previous period: \$1,973,000).

The loss in the reporting period for the consolidated entity is mainly due to the following:

- 1. No revenue growth for the consolidated entity compared to the previous period of the consolidated entity due to decrease in total sales to the medical device markets.
- 2. Decrease in net financing income.
- 3. Continued investment in R&D at the level of about 13% of total revenue which is still a relatively high expense.

The decrease of the loss in the reporting period for the consolidated entity compared to the previous period for the consolidated entity is mainly due to the following:

- 1. GM grew from 32% in the previous period to 35% in the reporting period, allowing GP to grow by US\$358,000 in the reporting period compared to the previous period.
 - 2. Operating expenses dropped by US\$475,000 in the reporting period compared to the previous period.
-

SHEKEL BRAINWEIGH LTD.
Appendix 4D
Half-year report for the period ended June 30, 2024.

3. Net tangible assets

	30 June, 2024 USD	30 June, 2023 USD
Net tangible assets per ordinary security	<u>(0.033)</u>	<u>(0.015)</u>

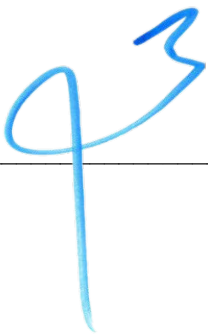
4. Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

5. Attachments

The Interim Report of the consolidated entity for the half-year ended June 30, 2024 is attached.

6. Signed

Signed  _____

Barak Nir
CFO
Tel-Aviv

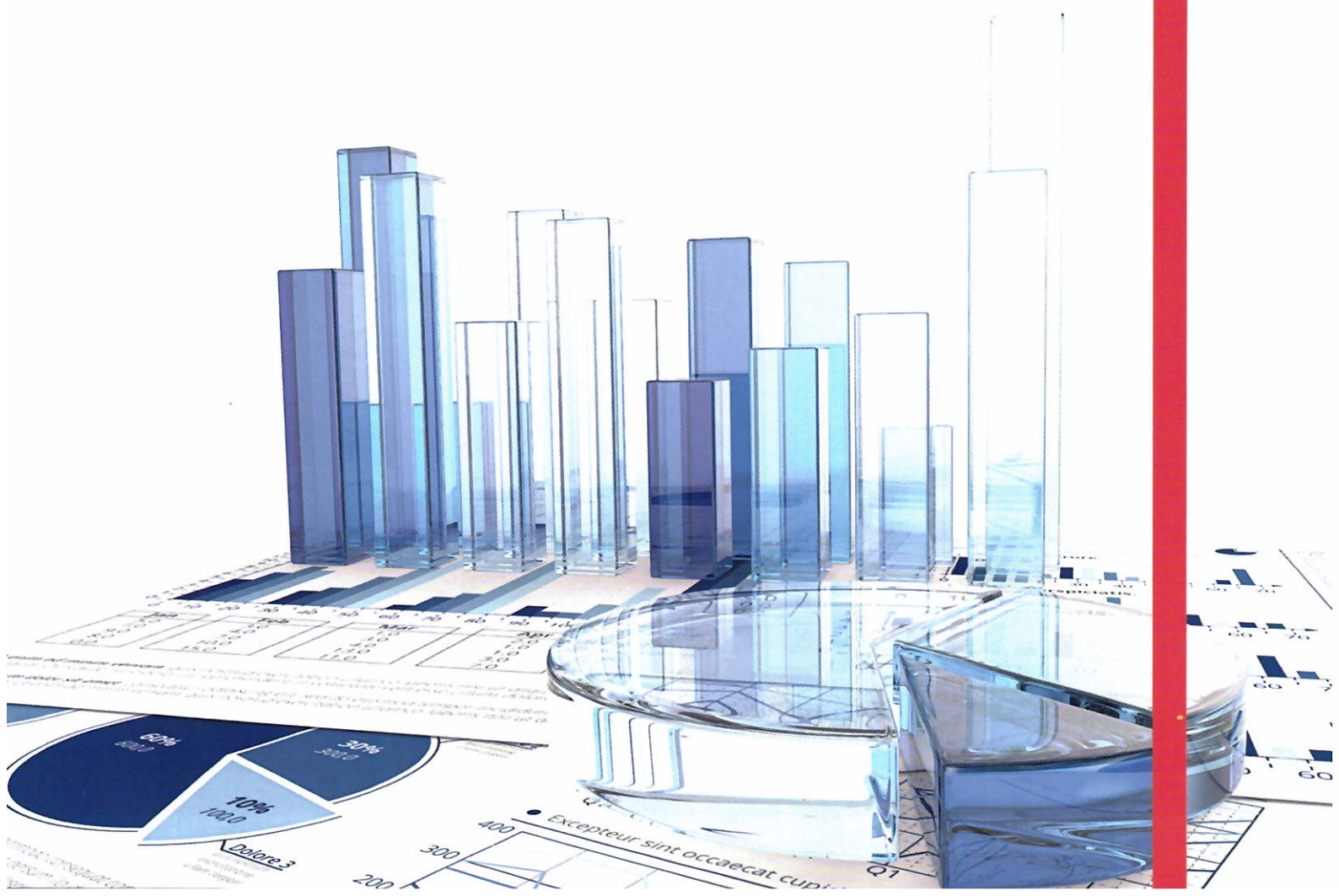
Date: August 28, 2024

SHEKEL BRAINWEIGH LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2024

UNAUDITED



SHEKEL BRAINWEIGH LTD.

TABLE OF CONTENTS

	<u>Page</u>
Review report on interim financial information	1
Unaudited condensed interim consolidated statements of financial position	2-3
Unaudited condensed interim consolidated statements of comprehensive income	4
Unaudited condensed interim consolidated statements of changes in equity (deficit)	5-6
Unaudited condensed interim consolidated statements of cash flows	7-8
Notes to the unaudited condensed interim consolidated financial statements	9-16



Review report on interim financial information
to the shareholders of
SHEKEL BRAINWEIGH LTD.

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Shekel Brainweigh Ltd. (the "Company") as of June 30, 2024 and the related condensed interim consolidated statements of comprehensive income, changes in equity (deficit) and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of Interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information does not present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2024, and of its consolidated financial performance, and of its consolidated changes in equity (deficit) and its consolidated cash flows for the six-month period then ended in accordance International Accounting Standard IAS 34.

Meirav Goldman

Partner

Tel-Aviv, Israel

August 28, 2024


Ziv haft
Certified Public Accountants (Isr.)
BDO Member Firm

Tel Aviv	Jerusalem	Haifa	Beer Sheva	Bnei Brak	Kiryat Shmona	Petah Tikva	Modiin Ilit	Nazrat Ilit
03-6386868	02-6546200	04-8680600	077-7784100	073-7145300	077-5054906	077-7784180	08-9744111	04-6555888

Main office: Beit Amot BDO, 48 Menachem Begin Road, Tel Aviv, 6618001 Email: bdo@bdo.co.il Website: www.bdo.co.il

BDO Israel, an Israeli partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firm

SHEKEL BRAINWEIGH LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(US Dollar in thousands)



	June 30, 2024	December 31, 2023
	Unaudited	
ASSETS		
Current Assets:		
Cash and cash equivalents	2,082	1,724
Trade accounts receivable, net	6,945	7,607
Other accounts receivable	1,100	882
Inventories	5,111	4,628
Loans to related parties	78	160
	<u>15,316</u>	<u>15,001</u>
Non-Current Assets:		
Right of use asset, net	6,566	5,693
Property, plant and equipment, net	965	980
Intangible assets, net	335	569
	<u>7,866</u>	<u>7,242</u>
Total Assets	<u>23,182</u>	<u>22,243</u>

The accompanying notes are an integral part of the financial statements.

SHEKEL BRAINWEIGH LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(US Dollar in thousands)

		June 30, 2024	December 31, 2023
	Note	Unaudited	
LIABILITIES AND DEFICIT			
Current Liabilities:			
Short term loans and current portion of long-term loans	3	11,098	9,218
Trade accounts payable		3,289	3,713
Other accounts payable		3,080	2,996
Convertible loan at fair value	4,6	5,187	6,098
Warrants	3,6	45	116
		<u>22,699</u>	<u>22,141</u>
Non-Current Liabilities:			
Lease liabilities		5,491	4,860
Long term loans	3	893	210
Employee benefit liabilities		21	22
Liability for royalties payable		4	4
		<u>6,409</u>	<u>5,096</u>
Deficit:			
	5		
Deficit attributable to owners of the parent:			
Share capital and premium		14,059	13,652
Foreign exchange reserve		(106)	(89)
Share based payment reserve		1,394	1,361
Retained losses		(21,954)	(20,625)
Total deficiency attributable to owners of the parent		<u>(6,607)</u>	<u>(5,701)</u>
Non - controlling interest		681	707
Total Deficit		<u>(5,926)</u>	<u>(4,994)</u>
Total Liabilities and Deficit		<u>23,182</u>	<u>22,243</u>
 Sagi Cohen CEO	 Barak Nir CFO	August 28, 2024 Date of approval of financial statements	

The accompanying notes are an integral part of the financial statements.

SHEKEL BRAINWEIGH LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(US Dollar in thousands, except for basic and diluted loss per share)

	Six-month period ended June 30,	
	2024	2023
	Unaudited	
Revenue	13,363	13,386
Cost of revenue	8,740	9,121
Gross profit	4,623	4,265
Research and development expenses	1,748	2,113
Selling and marketing expenses	2,098	2,014
General and administrative expenses	2,004	2,283
Expected credit losses (benefit)	77	(8)
Operating loss	(1,304)	(2,137)
Financial income	1,294	968
Financial expense	1,257	662
Loss before tax	(1,267)	(1,831)
Tax on income	19	63
Loss for the period	(1,286)	(1,894)
Other comprehensive income (loss), net of tax:		
Items that will or may be reclassified to profit or loss:		
Exchange rate differentials pursuant to translation of foreign operations	(39)	17
Total comprehensive loss for the period	(1,325)	(1,877)
Profit (loss) for the period attributed to:		
Owners of the parent	(1,307)	(1,973)
Non - controlling interest	21	79
	(1,286)	(1,894)
Total comprehensive income (loss) for the period attributed to:		
Owners of the parent	(1,324)	(1,967)
Non - controlling interest	(1)	90
	(1,325)	(1,877)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)

The accompanying notes are an integral part of the financial statements.

SHEKEL BRAINWEIGH LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(US Dollar in thousands)

For the six-month period ended June 30, 2024 (Unaudited):

	Deficit attributable to owners of the parent					Non-	
	Share capital and premium	Foreign exchange reserve	Share based payment reserve	Retained losses	Total	controlling interest	Total deficit
Balance at January 1, 2024	13,652	(89)	1,361	(20,625)	(5,701)	707	(4,994)
Changes during the period:							
Profit (loss) for the period	-	-	-	(1,307)	(1,307)	21	(1,286)
Other comprehensive loss	-	(17)	-	-	(17)	(22)	(39)
Total comprehensive loss	-	(17)	-	(1,307)	(1,324)	(1)	(1,325)
Share based payment	-	-	33	-	33	-	33
Dividend to non-controlling interest	-	-	-	-	-	(25)	(25)
Exercise of warrants	407	-	-	-	407	-	407
Benefit to owners	-	-	-	(22)	(22)	-	(22)
Balance at June 30, 2024	14,059	(106)	1,394	(21,954)	(6,607)	681	(5,926)

The accompanying notes are an integral part of the financial statements.

SHEKEL BRAINWEIGH LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY(DEFICIT)
(US Dollar in thousands)

For the six-month period ended June 30, 2023 (Unaudited):

	Deficit attributable to owners of the parent					Non- controlling interest	Total equity(deficit)
	Share capital and premium	Foreign exchange reserve	Share based payment reserve	Retained losses	Total		
Balance at January 1, 2023	<u>13,163</u>	<u>(105)</u>	<u>1,527</u>	<u>(14,887)</u>	<u>(302)</u>	<u>586</u>	<u>284</u>
Changes during the period:							
Profit (loss) for the period	-	-	-	(1,973)	(1,973)	79	(1,894)
Other comprehensive income	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>11</u>	<u>17</u>
Total comprehensive income (loss)	-	6	-	(1,973)	(1,967)	90	(1,877)
Share based payment	-	-	14	-	14	-	14
Dividend to non-controlling interest	-	-	-	-	-	(38)	(38)
Exercise of RSU's	227	-	(227)	-	-	-	-
Benefit to owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>(13)</u>	<u>-</u>	<u>(13)</u>
Balance at June 30, 2023	<u>13,390</u>	<u>(99)</u>	<u>1,314</u>	<u>(16,873)</u>	<u>(2,268)</u>	<u>638</u>	<u>(1,630)</u>

The accompanying notes are an integral part of the financial statements.

SHEKEL BRAINWEIGH LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(US Dollar in thousands)

	Six-month period ended June 30,	
	2024	2023
	Unaudited	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the period	(1,286)	(1,894)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	794	1,162
Change in fair value of warrants	(47)	(16)
Issuance of warrants	71	-
Decrease in trade accounts receivable, net	662	476
Increase in other accounts receivable	(224)	(48)
Decrease (increase) in inventories	(483)	62
Increase (decrease) in trade accounts payable	(424)	1,663
Decrease in other accounts payable	(65)	(138)
Increase (decrease) in employee benefit	(1)	149
Share based payment	33	14
Financial income charged to equity	(22)	(13)
Change in fair value of convertible loan	(697)	(486)
Expected credit loss (benefit) expenses	77	(8)
Financial income, net	(114)	(620)
Net cash provided by (used in) operating activities	(1,726)	303
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(94)	(194)
Deposit for a new lease agreement	(17)	(12)
Net cash used in investing activities	(111)	(206)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Exercise of warrants	295	-
Dividend to non-controlling interest	(25)	(38)
Issuance of warrants	17	82
Principal paid on lease liabilities	(343)	(404)
Receipt (payment) of short-term loans, net	2,488	(1,494)
Receipt of long-term loans	-	1,383
Payment of long-term loans	(218)	(129)
Receipt (payment) of short-term finance	20	(97)
Net cash provided by (used in) financing activities	2,234	(697)
Net increase (decrease) in cash and cash equivalents	397	(600)
Cash and cash equivalents at the beginning of the period	1,724	1,892
Effects of exchange rate changes on cash and cash equivalents	(39)	17
Cash and cash equivalents at the end of the period	2,082	1,309

The accompanying notes are an integral part of the financial statements.

SHEKEL BRAINWEIGH LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(US Dollar in thousands)

APPENDIX A: NON-CASH ACTIVITIES

	Six-month period ended June 30,	
	Unaudited	
	2024	2023
Recognition of right of use asset and lease liabilities	1,217	276

APPENDIX B: AMOUNT PAID AND RECEIVED DURING THE PERIOD:

	Six-month period ended June 30,	
	Unaudited	
	2024	2023
Income tax paid	18	20
Interest paid	571	305

The accompanying notes are an integral part of the financial statements.

SHEKEL BRAINWEIGH LTD.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(US Dollar in thousands)

NOTE 1 - GENERAL:

- Shekel Brainweigh Ltd. (hereinafter, the "Company") was incorporated in March, 2018 in Israel. The Company and its subsidiaries (together, the "Group") is one of the global leaders of digital weighing technology and engaged in the development, planning, assembly and marketing of electronic weighing systems.
- Starting October 7, 2023, following the Hamas terrorists attack on Israel, Israel has announced the "Iron Swords" war. At the same time, the clash between Israel and Hezbollah in Lebanon has escalated and there is a possibility that it will turn into a greater regional conflict in the future. The current war situation had an impact on some of the Group's activities as follows:
 - 1) A minor decrease in the volume of orders and sales.
 - 2) Prolongation in delivery schedules and increase in shipping and handling expenses.
 - 3) An increase in the exchange rate of foreign currencies relative to the NIS.
 - 4) Some Israeli citizens were called to active military duty.

As of these financial statements signing date, these events have had no material impact on the Group's operations.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2023 annual financial statements. These condensed interim consolidated financial statements do not include immaterial disclosures to the annual financial statements.

Significant accounting policies

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2023 annual financial statements. Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in future financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

SHEKEL BRAINWEIGH LTD.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(US Dollar in thousands)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

New standards, interpretations and amendments not yet effective

On April 9, 2024, the IASB published IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after January 1st, 2027, the main changes are as follows:

1. Mandatory sub totals to be presented in the profit and loss.
2. Aggregation and disaggregation of information including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.
3. Disclosures related to management defined performance measures (MPMs).

The Company is currently assessing the impact of IFRS 18 on the financial statements, but at this stage it is unable to estimate such an impact. The effect of the new standard, however it may be, will only affect matters of presentation and disclosure.

NOTE 3 - SHORT AND LONG TERM LOANS:

1. During six-month period ended June 30, 2024, the Subsidiary refinanced some of its short-term loans from banks in Israel which amounted to NIS 5.3 million (1,430).

These loans were received in NIS and are NIS linked and bears interest of 7.81%-10% per annum which is paid on a monthly basis. As of June 30, 2024, the total amount of the loans is 2,347.

The Subsidiary is required to comply with certain loan covenants in respect of these loans, which relates to minimum debt service coverage ratios, based on a ratio of: (i) cash flows (ii) Operating working capital ratio, and (iii) Trade accounts receivable ratio.

The covenants are being tested according to the Subsidiary's financial statements except for the cash flow covenant which is tested on a monthly basis. As of June 30, 2024 and the approval date of these financial statements, the Subsidiary complies with all the loans covenants.

SHEKEL BRAINWEIGH LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(US Dollar in thousands)

NOTE 3 – SHORT AND LONG TERM LOANS (CONT.):

2. During 2023, the Company entered into an additional Loan and warrants agreement (the "Additional Loan and Warrants Agreement") with seven lenders. The Company received a total of 3,000 from the lenders. According to the terms of this loan, it will be repaid after 12 months from funding date of each installment. The loan has a maturity of one year and bears interest rate of 12.5% per annum. As part of the Additional Loan and Warrants Agreement, the lenders were given an option (the "Additional Warrants") to purchase the Company's ordinary shares (2.5 shares for every USD 1 loan) no par value per share at a price per share equal to 75% of the volume weighted average price of the Company's shares on ASX the 30 trading days preceding the exercise date of the Additional Warrants. The Additional Warrants may be exercised within 24 months from the funding date. The Additional Warrants are measured in fair value. The loan bears effective interest rate of 17% per annum. In January 2024, all Additional Warrants were converted into 7,500,000 ordinary shares of the Company. As of June 30, 2024, the total amount of those loans including the accrued interest amounted to 2,188.
3. In June 2023, the Company received 250 and 300 from two lenders for a period of three months and one month respectively. The loans bear interest rate of 12.5% per annum. Following negotiations, these loans were renewed in December 2023. The total amount of the loans including accrued interest will be repaid on March 31, 2024. As of June 30, 2024, the total amount of those loans including the accrued interest amounted to 644.
4. In January 2024, the Company received 199 from a lender. According to the terms of the loan, it will be repaid after three months from the funding date. The loan bears an interest rate of 12.5% per annum. As of June 30, 2024, the total amount of those loans including the accrued interest amounted to 210.

SHEKEL BRAINWEIGH LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(US Dollar in thousands)

NOTE 3 – SHORT AND LONG TERM LOANS (CONT.):

5. In January 2024, the Company renewed a part of the loans which were signed during 2023 (2,053) with six lenders. The total amount of the loans including accrued interest will be due and payable in cash on July 15, 2024. The loan bears an interest rate of 12.5% per annum. As part of this loan agreement, the lenders were given an option (the "January 2024 Warrants") to purchase 2,637,362 of the Company's ordinary shares no par value per share at a price per share equal to 75% of the volume weighted average price of the Company's shares on ASX the 30 trading days preceding the exercise date of the January 2024 Warrants. The January 2024 Warrants may be exercised within 24 months from the funding date. As of June 30, 2024, the fair value of the January 2024 Warrants is 18 and the total amount of the loan including the accrued interest amounted to 2,166.
6. In January 2024, the Company renewed the remaining part of the loans which were signed during 2023 (900) and additional part of the loans mentioned in note 3.2 (800) with one lender. The total amount of the loans including accrued interest amounted to 1,809 and will be due and payable in cash on December 31, 2024. As part of this loan agreement, the lender was given an option (the "Second January 2024 Warrants") to purchase 2,537,808 of the Company's ordinary shares no par value per share at a price per share equal to 75% of the volume weighted average price of the Company's shares on ASX the 30 trading days preceding the exercise date of the Second January 2024 Warrants. The Second January 2024 Warrants may be exercised within 24 months from the funding date. As of June 30, 2024, the fair value of the Second January 2024 Warrants is 17 and the total amount of the loan including the accrued interest amounted to 1,695.
7. In January 2024, the Company received 200 from a lender. The loan is due and payable in cash on the 146th day after the funding date. The loan bears an interest rate of 12.5% per annum. As part of this loan agreement, the lender was given an option (the "Third January 2024 Warrants") to purchase 200,000 of the Company's ordinary shares (1 shares for every USD 1 loan) no par value per share at a price per share equal to 75% of the volume weighted average price of the Company's shares on ASX the 30 trading days preceding the exercise date. The Third January 2024 Warrants may be exercised within 24 months from the funding date. As of June 30, 2024, the fair value of the Third January 2024 Warrants is 1 and the total amount of the loan including the accrued interest amounted to 209.

SHEKEL BRAINWEIGH LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(US Dollar in thousands)

NOTE 3 – SHORT AND LONG TERM LOANS (CONT.):

8. In March 2024, the Company received 1,420 from two lenders. The loan is due and payable in cash on July 15, 2024. The loan bears an interest rate of 12.5% per annum. As part of this loan agreement, the lenders were given an option (the "March 2024 Warrants") to purchase 1,153,151 of the Company's ordinary shares no par value per share at a price per share equal to 75% of the volume weighted average price of the Company's shares on ASX the 30 trading days preceding the exercise date of the March 2024 Warrants. The March 2024 Warrants may be exercised within 24 months from the funding date. As of June 30, 2024, the fair value of the March 2024 Warrants is 8 and the total amount of the loan including the accrued interest amounted to 1,460.
9. In June 2024, the Company received 780 from one lender. The loan is due and payable in cash on July 15, 2024. The loan bears an interest rate of 12.5% per annum. As part of this loan agreement, the lenders were given an option (the "June 2024 Warrants") to purchase 208,356 of the Company's ordinary shares no par value per share at a price per share equal to 75% of the volume weighted average price of the Company's shares on ASX the 30 trading days preceding the exercise date of the June 2024 Warrants. The June 2024 Warrants may be exercised within 24 months from the funding date. As of June 30, 2024, the fair value of the June 2024 Warrants is 1 and the total amount of the loan including the accrued interest amounted to 785.

NOTE 4 - CONVERTIBLE LOAN AT FAIR VALUE:

In May 2021, the Company issued convertible notes (the "Notes") in consideration of NIS 16,550 thousand (approximately 5,021). The Notes are nominated in NIS and bears 7% per annum interest which will be paid on a quarterly basis. The Notes will be unsecured notes convertible into ordinary shares of the Company. The maturity date is four years after the issuance date. The investors will have the right to convert the Notes into ordinary shares of the Company starting two years after the issuance date and until the maturity date. The number of ordinary shares that will be issued to the investors will be calculated by dividing the face value of the Notes by 75% of the volume weighted average price of the Company's shares as traded on ASX during the last 25 trading days preceding the conversion of the Notes. The Company and the investors have the right for early repayment on agreed terms. The Company designated the convertible loan to be recognized at fair value through profit or loss. The convertible loan's fair value will be measured at each cut-off date. As of June 30, 2024 the total amount of the convertible loan amounted to 5,187.

SHEKEL BRAINWEIGH LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(US Dollar in thousands)

NOTE 5 – EQUITY:

Restricted Stock Units

Movement in number of shares:	Date	Number of shares
Opening balance as at January 1, 2023	-	192,643,883
Exercise of RSU's	H1 2023	6,212,366
Exercise of warrants	H2 2023	4,429,500
Closing balance at December 31, 2023	-	203,285,749
Exercise of warrants	H1 2024	7,500,000
Closing balance at June 30, 2024	-	210,785,749

NOTE 6 – FINANCIAL INSTRUMENTS

Fair value of financial instrument:

The fair value measurement of the Warrants and the Convertible loan as of June 30, 2024 in the table below was measured using the Monte-Carlo-simulation-based risk-neutral valuation model. The key inputs that were used in measuring the fair value of the Warrants were: risk free interest rate – 4.366%, expected volatility - 80%.

	Fair value measurements using input type			
	Unaudited			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
As of June 30, 2024				
Warrants	-	45	-	45
Convertible loan	-	5,187	-	5,187

	Fair value measurements using input type			
	Unaudited			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
As of December 31, 2023				
Warrants	-	116	-	116
Convertible loan	-	6,098	-	6,098

SHEKEL BRAINWEIGH LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****(US Dollar in thousands)****NOTE 7 – OPERATING SEGMENT INFORMATION:**

Summarized financial information by operating segment, based on the Group's internal financial reporting system utilized by the Group's chief operating decision makers, follows:

For the six months ended June 30, 2024 (Unaudited)

	Retail	HealthCare	Industry	Total
Operating segment revenue	7,468	3,329	2,566	13,363
Segment operating profit (loss)	(1,462)	61	97	(1,304)
Financial income, net				37
Loss before tax				(1,267)

For the six months ended June 30, 2023 (Unaudited)

	Retail	HealthCare	Industry	Total
Operating segment revenue	6,830	4,248	2,308	13,386
Segment operating profit (loss)	(2,420)	147	136	(2,137)
Financial income, net				306
Loss before tax				(1,831)

SHEKEL BRAINWEIGH LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(US Dollar in thousands)

NOTE 8 - SUBSEQUENT EVENTS:

1. In July 2024, the Company received 1,000 from one lender. The loan is due and payable in cash on December 31, 2024. The loan bears an interest rate of 12.5% per annum. As part of this loan agreement, the lenders were given an option (the "July 2024 Warrants") to purchase 1,061,644 of the Company's ordinary shares no par value per share at a price per share equal to 75% of the volume weighted average price of the Company's shares on ASX the 30 trading days preceding the exercise date of the July 2024 Warrants. The June 2024 Warrants may be exercised within 24 months from the funding date.
2. In August 2024, the Company renewed a part of the loans mentioned in note 3 with its lenders (6,989). The total amount of the loans including accrued interest will be due and payable in cash on December 31, 2024. The loans bear an interest rate of 12.5% per annum. As part of these loan renewals, the lenders were given an option (the "August 2024 Warrants") to purchase the Company's ordinary shares (2.5 shares for every USD 1 loan for a period of a full year, and proportionally for a loan for a period shorter than a full year).
3. In August 2024, some of the lenders have committed to extend their loans' due date no earlier than January 1, 2026.