

The background of the slide is a photograph of Earth from space, showing the horizon and a bright sun rising over the horizon, creating a lens flare effect. A yellow curved line is positioned above the sun.

INVESTOR PRESENTATION

JUNE 2019

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Introduction to Shekel Brainweigh

Shekel Brainweigh at a glance



Shekel Scales

- Well established core business with recurring revenues (FY18: US\$18.7M) and **profitable operations**
- Market leader in advanced **weighing technology** for the healthcare and retail industries
- Selling to blue-chip clients, **Toshiba, Fujitsu, Diebold Nixdorf** and **GE Healthcare**



Retail Innovations Division

- Distinct newly established business
- Developing weighing technology for **retail store automation**
- Newly appointed GM to lead the division
- Focus on research & development with products including Innovendi, Smart Shelf and The Promotional Bay
- Pursuing significant **blue sky opportunity** in autonomous retail

Corporate Overview

Leadership Team with strong executional track record



Dave Sharma

Non-Executive Chairman

Mr. Sharma served as Australia's Ambassador to Israel from 2013 to 2017.



Yoram Ben Porat

CEO & Executive Director

Mr. Ben Porat co-founded NUR Macroprinters in 1988, leading the company to its listing on NASDAQ and subsequent sale to Hewlett Packard for US\$117.5m.



Yedidia Yossef

Deputy CEO

Mr. Yossef has over 25 years' experience in telecommunications, including at Motorola, taking products from development through to international distribution.



Barak Nir

Chief Financial Officer

Mr. Nir has over 25 years' experience serving as Chairman, CEO and CFO for several international private and public companies.



Guy Moshe

Chief Technology Officer

Mr. Moshe has extensive expertise in autonomous retail, including overseeing the development of an algorithm for shopping carts to become instant checkouts.

Substantial Shareholders

- Axcel Partners VI LLC: 37.2%
- Consepta Ltd: 25.3%
- Agricultural Cooperative Society Ltd: 16.5%
- Citicorp Nominees Pty Ltd: 1.4%
- Sargon CT Pty Ltd: 1.3%

Corporate Overview

- **ASX Code:** SBW
- **Listed:** Nov 2018
- **Shares issued:** 139 million
- **Share price:** \$0.18¹
- **Market Cap:** A\$25 million¹

Shekel Scales

Growing demand for core weighing division

- ✓ Stable business with recurring revenues.
- ✓ Continued strong demand for core technology from blue-chip customers in the retail and healthcare market.
- ✓ Expected acceleration in the second half of the year.



In **Healthcare**, continued growth in demand for the Company's products and technology. In addition to strengthened relations with the Company's blue chip customers, alongside the establishment of business relations with new customers.

In FY18, **9,827 precision weighing systems** were sold to long-standing client, GE Healthcare (up from 7,822 in FY17).



Retail sales all increased in FY18 compared to the prior year with **35,286 self-checkout units** sold to core customers Toshiba, Fujitsu and Diebold Nixdorf.

Self-checkout remains a high growth market globally and is estimated to surpass US\$4 billion² by 2024.

Retail Innovations Division

Ready to capitalise on the global demand for retail store automation

- ✓ Addressing the main challenges and trends of Global retail disruption, including \$1.1 trillion of inventory losses, market share loss to online alternatives and shrinking profits
- In the process of appointing a highly experienced executive to drive the division and accelerate the development and commercialisation of new products.
- Significant progress made with first commercial order for Shekel's fully autonomous vending machine – **Innovendi**. A minimum of **1,200 machines** to be delivered to Israel's largest dairy manufacturer **Tnuva**. First revenues expected in FY19.
- Signed a joint development and marketing agreement with **Madix**, one of the largest US retail shelf manufacturers.
- Collaboration with Intel and industry partners to advance IoT retail collaborations.
- Focus on building Shekel's **Big Data** assets, analysing big data insights on consumer behaviour.
- Perpetual innovation approach, with continued focus on R&D operations.
- Currently running pilots for the **Smart Shelf** with key retailers located in Israel, Germany and U.S., in addition to a pilot with one of the world's largest retailers.

FY18 Financial highlights

[US Dollar in thousands)	Year ended December 31, 2018	Year ended December 31, 2017
Revenues	18,657	18,221
Cost of revenues	10,349	10,486
Gross Profit	8,308	7,735
Research and development expenses	2,451	912
Selling and marketing expenses	2,427	2,056
General and administrative expenses	3,950	2,316
EBIT/ operating profit	(520)	2,451
Financial income	33	21
Financial expenses	737	246
Profit (loss) before tax on income	(1,224)	2,226
Tax on income	(325)	287
Profit (loss) for the year	(899)	1,939
Underlying profit (excluding one-off IPO expenses of \$950k, granted performance shares and granted option expenses of \$1.1M)	1,201	1,939

Shekel Scales – Strong Core Division

Core Products – Retail



Retail

Shekel's core load cell technology is widely recognised as best in class for its **accuracy** (2.5% error) and **speed** (10 times faster than competition).

Shekel as OEM⁽¹⁾ provides the **weighing technology** integrated into point of sale and self-checkout systems supplied by:



TOSHIBA



FUJITSU



**DIEBOLD
NIXDORF**



DATALOGIC™

Currently developing next generation products including “hands free” application (belt system).

Significant Market Presence



Retail



RETAIL

Shekel Customers

**DIEBOLD
NIXDORF**

FUJITSU

DATALOGIC™

TOSHIBA

Supply World's Largest Retailers

**MARKS &
SPENCER**



Walmart



Waitrose

Wegmans

real
Everyday. At its best.

**DOLLAR
GENERAL**

**GIANT
EAGLE**

CVS

Morrisons

Go to Market partners



Deloitte.

Introduction of new
autonomous retail
solutions to potential
customers

Core Products – Healthcare



OEM

Shekel was among the first companies to have its precision weighing systems integrated into incubators and warmers for premature babies.



Healthweigh®

Shekel offers a wide range of healthcare & fitness scales under its **Healthweigh®** brand, featuring unique designs.

Healthweigh®
Physician Scales



Healthweigh®
Special Needs Scales



Healthweigh®
Baby & Neonatal Scales





Healthcare

Significant Market Presence



HEALTHCARE

HEALTHCARE OEM

Customers

Tier 1



GE Healthcare



Tier 2



HEALTHCARE LINE OF PRODUCTS

Customers

- ✓ Hospitals
- ✓ Long Term Care
- ✓ Private Practices

Retail Innovations Division – Breakthrough Technology for Autonomous Retail

Traditional Retail Faces a Huge Challenge

- Retailers' profitability is under pressure – declining margins, increasing competition.
- Traditional retail is being disrupted by new technology and customer demand for ease and speed of shopping.
- Retailers are placing more emphasis on self-service solutions and profit improvements that reduce labour expense and excess inventory.
- US\$3.4 billion invested in 2018 by retailers on automated customer support⁽¹⁾ to seek to enhance store operations, store automation and customer experience.

The Shekel Solution

Shekel's Product Aware Technology

4D Recognition:

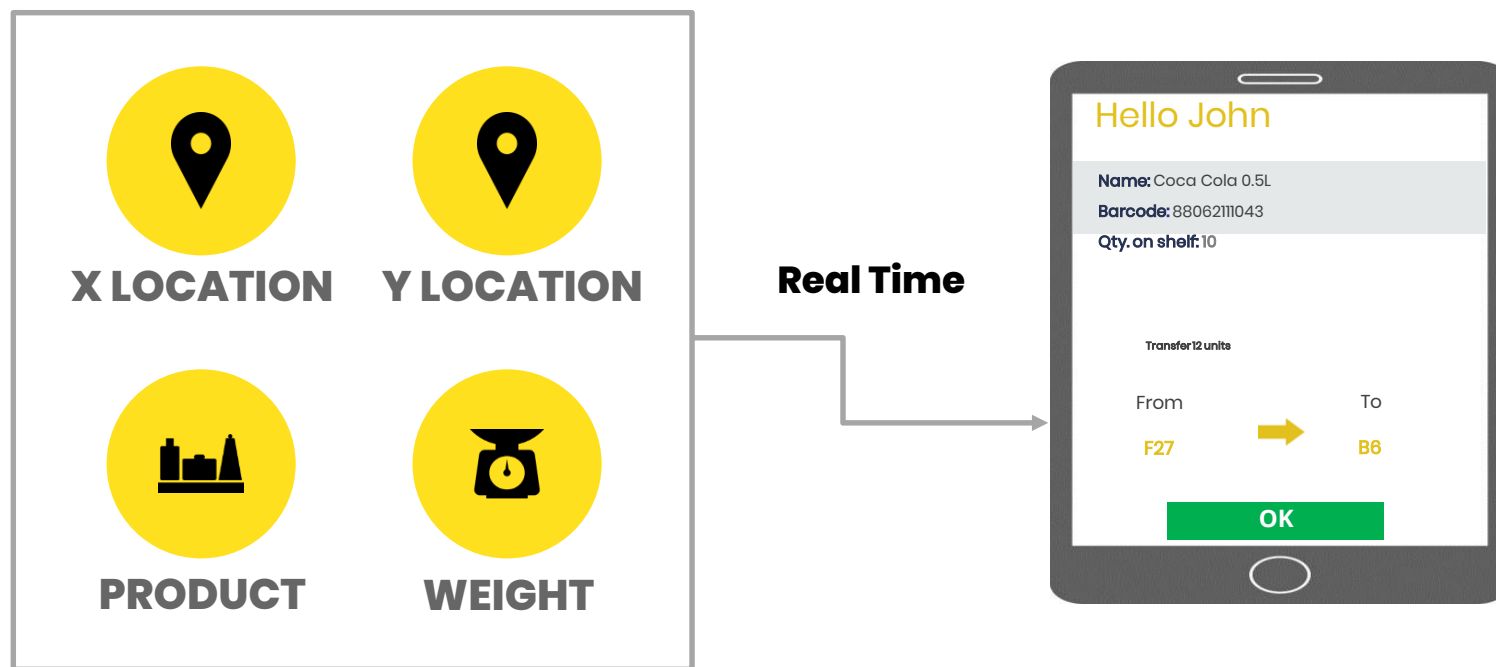
ONE weighing platform, MULTIPLE product recognition



Accurately identifies the quantity and location of individual products on the shelf in real-time



Provides instant feedback when a product is added or removed from a retail shelf



Key Products

Innovendi

Innovative self-service **vending machine** solution



Demo

Core benefits:

- Self-service automated solution allowing for 24/7 availability.
- Automated replenishment plans.
- Sales, inventory status and consumer behaviour communicated in real-time back to the vendor.
- Smarter than traditional vending machines.

Traction:

- First commercial order for a minimum of **1,200 machines** received from **Tnuva**, Israel's largest dairy manufacturer.
- Strong potential in Europe, Australia and the US with the growth of vending machines as a form of autonomous retail.
- Number of pilots underway.

Key Products

The Bay and The Promotional Bay

Converting standard retail shelf into **AI Smart Shelf**



Demo

Key feature:

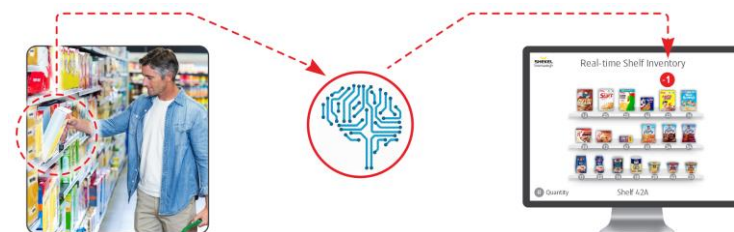
- Retail shelf is converted into AI Smart Shelf by adding Shekel Brainweigh's ultra-thin load cells.

Core benefits:

- Provides retailers with real-time data on shelf inventory levels (items picked up or returned in real time).
- Technology enables "grab-and-go" service for retailers.
- Out-of-stock situations are minimized by ensuring on shelf availability.
- Inventory shrinkage diminished by controlling stock quantities.
- Big data insights provided in real time on consumer behaviour.

Traction:

- In pilot at large US retailer.



Outlook

Well positioned for growth

Strategic priorities for the next 24 months

- Growth of Shekel Scales to capture increased share in retail and healthcare industries.
- Continued investment in the new Retail Innovations Division to capitalise from the global trend in store automation.
 - Leverage the Innovendi solution as a platform to penetrate large global markets for autonomous retail.
 - Assistance of go to market partners such as Madix to develop presence in the US, Europe and Australia.
 - Build proprietary 'Big Data assets' to collect and understand customer behavioural patterns – the Company's most important source of intellectual property.
- Shareholders to benefit from stable, recurring revenues from core division while building on the significant opportunity in the new division with autonomous retail.

THANK YOU



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