

12 July 2022

## **Shekel Brainweigh achieves 23% revenue growth in H1 FY22 compared to the same prior period**

### **Highlights**

- **Shekel Brainweigh grows H1 FY22 revenue by 23% to US\$13.1 million (unreviewed) compared to US\$10.6 million in H1 FY21**
- **Healthcare revenue up 33% compared to the same period in H1 FY21 to US\$5.5 million (unreviewed);**
- **Retail revenue up 27% compared to the same period in H1 FY21 to US\$4.9 million (unreviewed);**
- **Retail Innovation products achieves growth of 165% compared to the same period in H1 FY21, driven by orders for Smart Shelving and Smart Fridges;**
- **First order received from Atos, the fourth largest IT integrator in the world**
- **Shekel continues to manage supply chain and product shortages to ensure customer delivery and satisfaction**

**Shekel Brainweigh Ltd** (ASX:SBW) (**Shekel or the Company**), an advanced weighing technology firm and artificial intelligence innovator, is pleased to announce 23% growth in total revenue in H1 FY22 to US\$13.1 million (unreviewed), up from US\$10.6 million in H1 FY21.

Shekel's Healthcare segment saw the most growth, achieving US\$5.47 million (unreviewed) in H1 FY22, an increase of 33% on the H1 FY21 result of US\$4.1 million.

Shekel's Retail segment posted 27% revenue growth, achieving US\$4.89 million (unreviewed) in H1 FY22, up from US\$3.85 million in H1 FY21.

Local industry and service providing in Israel was up 3% for a H1 FY22 result of US\$2.74 million (unreviewed), compared to the H1 FY21 result of US\$2.67 million.

**Shekel Brainweigh Chairman Arik Schor said:** "Our H1 FY22 result is really pleasing and shows the progress we've made and the recovery we continue to achieve despite ongoing challenges relating to the COVID-19 pandemic. All sectors of our business have reported growth compared to the same period in FY21, with our Healthcare and Retail sector posting strong double-digit revenue growth, underlining the innovation and technology that we provide and the depth and resilience of our business."

**Shekel General Manager Nir Leshem commented:** "We've achieved several exciting and important milestones in H1 FY22, demonstrating our ability to secure new, major customers such as Atos and deliver our technology to a variety of end-users. We are especially excited about the growth of our Retail Innovation products over the first half

and the fact that demand for these products continues to increase over each period, as it bodes well for the future of the innovation side of our business.

While COVID-19 has affected our operations for more than two years, we have been able to achieve revenue and sales growth over the past consecutive three halves – or 1.5 years. We are delivering a strong marketing and business development campaign, having participated at four trade shows around the world in H1 FY22 and we are seeing this flow through to new opportunities for new customers and contracts.”

### **Retail Innovation products growth**

Shekel's Retail Innovation products experienced a major growth of 165% from H1 FY21 with orders for Smart Fridges and autonomous stores driving this growth from US\$382,000 in H1 FY21 to US\$1.01 million in H1 FY22. Highlights included opening the first store in the US (Nourish + Bloom) and stores in Germany and Israel using Shekel Product Aware technology.

Shekel also delivered Hubz smart fridges in Belgium after receiving a follow-up order of 40 Hubz smart cooler units from Smart Technics BV, a subsidiary of Colruyt Group (EBR: COLR), after the initial order and rollout of 67 Hubz units in late 2021.

Shekel also received orders for more than 60 Hubz units in the United States which it will deliver to customers during June and July 2022.  
A major retailer has also ordered two test units.

Some orders could not be delivered in full due to a shortage of electronic components, but Shekel has planned delivery of these orders in Q3 FY22.

### **Smart Cart order**

Shekel received its first major order for the exciting Smart Cart application during the period. The order will be delivered during H2 FY22. Shekel has also received strong indication of an additional order from a different customer for this exciting new application.

### **Atos orders first autonomous store**

Shekel has received its first purchase order from Atos, the fourth largest IT integrator in the world, for an autonomous store in Belgium.

### **Sales, Marketing and Business Development**

Shekel attended EuroCIS 2022, a leading trade show for Retail Technology in Dusseldorf, Germany, worldwide vending event Venditalia in Milan and at the National Automatic Merchandising Association (NAMA) trade show in Chicago, USA in April.

In addition, Shekel Australia will participate in the Australian Vending Association (AVA) trade show in Sydney on 21-22 July 2022.

### **Capital Raising**

As announced to the ASX on 21 January 2022, Shekel raised funds via a Placement (A\$590,000) and Share Purchase Plan (A\$522,500) as well as a US\$3 million unsecured loan as announced to the ASX on 23 May 2022, to facilitate the Company's growth plans.

### **GK Go implementation**

Following a launch late last year, German company GK Software is implementing Shekel Product Aware technology via shelving to create GK Go contactless shopping. Several tier-one retailers have expressed interest in a proof of concept (POC) of the store, with at least three of them expected to place orders before the end of 2022.

### **New stores open with Shekel technology**

A new autonomous store opened in Tel Aviv Israel incorporating Shekel technology and is now in a “soft launch” phase with an official opening to follow.

Shekel received an order indication for a second Nourish + Bloom store in the US, following the successful launch of the first store in Atlanta, Georgia earlier this year. The Nourish + Bloom store marked the first time Shekel’s autonomous store technology had been incorporated in the US.

### **Supply chain management**

Shekel continues to very carefully manage electronic parts and shipment availability and costs to ensure it can secure stock and maintain a profit margin. Shekel is focused on delivery to clients and maintaining customer satisfaction while controlling margins and its balance sheet.

This announcement has been approved for release by the Board of Directors.

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### **About Shekel Brainweigh (“Shekel” or “the Company”)**

Shekel Brainweigh is a global leader in developing scale and weighing technology. The company provides weighing solutions to the highly regulated retail and healthcare markets via global giants such as G.E Healthcare, Toshiba, Fujitsu, Diebold Nixdorf and others.

Utilising its experience in weighing technology, Shekel Brainweigh has established its Retail Innovation Division, which is developing a suite of new products aimed at meeting the challenges that traditional retailers face today, such as store automation, operational efficiency including overstock and understock inventory issues and enhancing the consumer experience.

Shekel’s patented combination of weighing technology with Artificial Intelligence (AI) and Internet of Things (IoT) technology has led to the development of its “Product Aware Technology”. Shekel Brainweigh is committed to continuing to innovate and expand into global markets.

To learn more about Shekel Brainweigh, visit [www.shekelbrainweigh.com](http://www.shekelbrainweigh.com)