

26 March 2024

**To fund its continued growth,
Shekel Brainweigh reaches an agreement with lenders to provide
additional funds and to renew loans it received in early 2023**

Global weighing technology firm Shekel Brainweigh Ltd (**ASX: SBW**) (**Company**) together with its wholly-owned subsidiary Shekel Scales (2008) Ltd (**Shekel Scales**) and together with the Company, (**Shekel**), renews the loans announced on February 7, 2023 (**Renewal of the early 2023 Loans**) and has entered into an additional loan and option agreement (**New Loan and Option Agreement**), pursuant to which Shekel intends to raise up to US\$3.5M from subscribing parties (**Lenders**) (the **Loan**).

Under the Renewal of the early 2023 Loans, the Lenders have agreed to extend their loans and the Company has agreed to grant the Lenders an aggregate amount of 3,800,000 unlisted options in the Company (being an option to purchase 1.25 ordinary shares in the Company for every US\$1 loaned to the Company).

Under the New Loan and Option Agreement, the Lenders have agreed to advance to Shekel an unsecured loan in an amount of up to US\$3.5 million and the Company has agreed to grant the Lenders an aggregate amount of up to 3,000,000 unlisted options in the Company (being an option to purchase 0.85 ordinary shares in the Company for every US\$1.00 loaned to the Company).

Some of the Lenders of the New Loan and Option Agreement participated in the 2023 Loan and Option Agreements and certain of these Lenders have also been shareholders of the Company for many years, all of which the board of directors of the Company believes is a significant expression of confidence that these lenders have in the Company and the direction it has taken.

The Company has experienced strong growth in the last 12 months, and continues to have strong demand for its products and services.

In order to continue to support the growth and accelerate efforts to capitalize on business opportunities, the Company requires the additional funding.

Key terms of the loans of both the Renewal of the early 2023 Loans and the new Loan and Option Agreement (together the Loans)

The key terms of the Loans are as follows:

- **(use of funds)** funds advanced to Shekel under the Loans will be used for general working capital requirements of Shekel;
- **(interest)** The Loans will bear interest at a fixed rate of 12.5% per annum (accruing from the date the Loan is advanced to Shekel until the Loans are repaid by Shekel). In the event of default (see below), the Lenders, without

notice or demand, from and after the occurrence of the default, may raise the rate of interest accruing on the unpaid Loans amount balance to 14.5%;

- **(date for repayment)** unless repaid earlier, the Loans must be repaid, in cash, on July 15, 2024 (**Repayment Date**). Shekel may repay the Loans (or any part of it), at any time prior to the Repayment Date, without any payment of penalty or premium; and
- **(events of default)** the Loans will immediately become due and payable to the Lenders upon the occurrence of customary events of default.

Key terms of the options of both the Renewal of the early 2023 Loans and the New Loan and Option Agreement (together the Options)

Each Option, upon exercise, will entitle the holder of the Option (**Holder**) to be issued one fully paid ordinary share in the Company (**Share**).

The Options have the following key terms:

- **Exercise period:** The Options may be exercised by the Holder for a period of 24 months from the date of advance of the Loans to Shekel (**Exercise Period**). The Options may be exercised at any time during the Exercise Period.
- **Exercise price:** Each Option will have an exercise price per Option which is equal to 75% of the volume weighted average price of the Company's Shares (as traded on ASX) during the 30 trading days preceding the exercise date of the Option (**Exercise Price**).
- **Voting rights:** An Option does not entitle the Holder to any voting rights or other rights as a shareholder of the Company prior to the exercise of such Option.
- **Participation in new issuances of the Company:** The Holder will not be entitled to participate in any new issue of securities to existing shareholders of the Company by virtue of holding the Option unless it first exercises the Option, and acquires the underlying Shares, prior to the record date for determining entitlements to participant in the new issuance.
- **Adjustments:** Any adjustments made to the Exercise Price or the number of Shares which may be issued on exercise of an Option will be in accordance with the ASX Listing Rules.

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

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

Shekel 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 has developed its Retail Tech product line, which is a suite of new products aimed at meeting the challenges that traditional retailers face today, such as store automation, operational efficiency including overstock and under--stock, inventory issues and enhancing the consumer experience.

The new products are sold in a model of one time unit sale and an on-going SAAS (Software as Service) fee.

Shekel’s patented combination of weighing technology with Artificial Intelligence (AI) has led to the development of its “Product Aware Technology”.

Shekel is committed to continue to innovate and expand into global markets.

To learn more about Shekel Brainweigh, visit www.shekelbrainweigh.com