

28th February, 2024

Shekel Brainweigh (ASX:SBW\Shekel\the Company) is pleased to announce the highlights of its FY2023 results: revenue up 12% compared to FY2022 (FY2022 excludes Healthweigh product line revenues) and cash burn from operating activities reduced by 46% compared to FY2022.

Highlights

- **Record Group revenue (for 3rd consecutive year) of US\$27.2M (unaudited) for FY2023, up 12% compared to the FY2022 result of US\$23.1M (FY2022 excludes Healthweigh product line revenues).**
- **Revenue growth driven by the Retail segment revenue growth of 24% compared to FY2022.**
- **46% reduction in Cash burn from operating activities (unaudited).**
- **The Company's funding during FY2023 was through 2 loan tranches, totaling US\$6M, as announced on December 1st 2023.**
Some of the Lenders that participated in these 2 loan tranches are also shareholders of the Company.

Shekel, which specializes in advanced weighing technology and artificial intelligence (AI) used for product recognition, is pleased to report its preliminary financial report for FY2023, with the Company achieving record annual revenue of US\$27.2M (unaudited) while reducing its cash burn from operating activities by 46% to US\$2.6M.

Shekel's Gross Margin declined from 34% in FY2022 to 30% in FY2023 due to 3 main reasons:

- One time effort to transfer the Healthweigh product line to Rice Lake, as part of the sale of the Healthweigh line in December 2022. This effort was completed by December 2023.
- Hostility in Israel which negatively affected sales and services to the Israeli market in Q4/2023. These sales and services have now resumed to normal levels.
- Currency conversion between US\$ and NIS which negatively affected the revenue coming out of Israel (alongside additional negative impact on another section of the P&L report: the financial expenses).

Shekel Brainweigh CEO and Executive Chairman Arik Schor commented:

“As we announced preliminarily on 24th January this year, we are very pleased with the continued growth in revenue for the third consecutive year. The current financial results also demonstrate the significant reduction in cash burn from operating activities, and a major effort to improve the Company's balance sheet.

During FY2023, Shekel took major efforts to restructure its manufacturing and operations in Asia, transferring most of its activities from China to the Philippines. This effort was successfully completed in December 2023, and we expect this move to have a positive impact on gross margin of the products going forward.

In addition, Shekel handled a major one-time effort to transfer technology and operation related to the sale of its Healthweigh line to Shekel distributor Rice Lake in the US. I am pleased that this effort was also successfully completed in December 2023. I look forward to growing demand for the Company's products in 2024, after alignment in the Company's operation and manufacturing capabilities.

Shekel continues to emphasize its major development in AI and sensor technology. During 2024 we announced the launch of Sentinel, a breakthrough capability for the retail industry. Shekel will continue to offer a holistic suite of solutions to this industry with the aim of supporting loss prevention and improving retail operation.”

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 established its Retail Innovation suite of products, which is 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) has led to the development of its “Product Aware Technology”.

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

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