

Shekel Brainweigh Retail segment delivers Q1 revenue up 32% compared to the same period in FY2022

Highlights

- **Q1 Group revenue¹ of US\$6.50 million, up 13% compared to the same period in FY2022**
- **Q1 Retail business segment revenue of US\$3.25 million, up 32% compared to the same period in FY2022, driven by increased demand for Self Checkout products**
- **Q1 Medical business segment revenue up 13.5% compared to the same period in FY2022, achieving US\$2.07 million**
- **SBW continues to optimise operations and reduce cash burn to improve its balance sheet towards profitability**
- **SBW on track for first EBITDA positive quarter by end of 2023.**

Shekel Brainweigh (ASX:SBW), an advanced weighing technology firm and artificial intelligence innovator, is pleased to report double-digit revenue growth across its Retail and Medical business segments for Q1 CY2023 compared to the same period in FY2022.

SBW's Retail business segment achieved revenue of US\$3.25 million in Q1 CY23, an increase of 32% on the Q1 FY22 result of US\$2.46 million. Revenue was driven by strong demand for its Self Checkout product line, particularly in Europe. It is also experiencing increased interest in its Smart coolers

The Medical business segment delivered revenue growth of 13.5% in Q1 CY23 to US\$2.07 million compared to the Q1 FY22 result of US\$1.82 million. This comparison does not include any revenue from the Healthweigh® line of products, following its sale to US-based Rice Lake Systems late last year.

Group revenue was up 13% to US\$6.50 million in Q1 CY23 compared to US\$5.77 million the same period in FY2022. Group revenue was impacted by lower than usual revenue from the Company's Industrial business segment.

Shekel Brainweigh CEO and Executive Chairman Arik Schor commented: "We're really pleased to see this continued double-digit revenue growth, with our Q1 revenue driven by our Retail segment. We positioned the company for growth in this segment two years ago and we are now seeing the results of this, with our Self Checkout products leading the way in driving this revenue growth.

We've achieved a strong start to 2023 with these results across our Retail and Medical segments. Our Industrial segment, which is a project-based segment and the smallest segment of our business, saw reduced revenue in Q1 compared to the same period in FY2022 mainly due to timing of incoming orders for projects.

¹ All Q1 CY23 revenue is unaudited – SBW is not required to report quarterly financial results

We have a solid business plan for 2023 and our results in Q1 exceeded our expectations. We continue to optimise our business and reduce our cash burn as we work to reach a breakeven position and move into profitability.”

Appointing AVS as Master Distributor in Australia with a first order

SBW is pleased to announce Sydney-based **Automatic Vending Specialists (“AVS”)** is the Master Distributor of SBW’s **Smart coolers** in Australia.



AVS is a leading provider of vending and micro market solutions in Australia and assessed a range of smart cooler options before choosing to distribute those made by SBW. Following an initial order of two Innovendi coolers, AVS continue to order 18 Innovendi units, which will arrive in Australia by the end of April 2023. This is important for SBW’s business development in Australia but does not have a material financial impact.

AVS CEO Basil Hourmouzis said: “After reviewing all the options on the market to meet growing demand, we selected Shekel Brainweigh’s product offering and we are excited to partner with SBW to deliver smart vending solutions to our customers.”

Incorporating Shekel technology in Brussels Airport automated store

Shekel recently provided the technology platform for an automated store at Brussels Airport in Belgium. The Quick N’ Easy store offers fully automated duty-free point of sales and is a venture between Lagardère Travel Retail Belgium and Eviden, a digital transformation business owned by Atos.

Using interactive technology hardware and 3D (Lidar) sensors, the store allows the automatic recognition of products selected by the passengers.

After entering the point of sales by scanning their boarding pass, the passengers can select products which are grouped in a virtual basket when they pass the payment terminal. The passengers can then check the details of their basket, finalize the transaction with their credit card and leave the point of sales with the articles they have purchased. The store went



through several weeks of testing and now sells a range of products include Belgian beers and chocolates.

Lagardère Travel Retail is a pioneering global leader in the travel retail industry since 1852, operating more than 5,000 stores across Travel Essentials, Duty Free, Fashion and Foodservice in airports, railway stations and other concessions in 42 countries worldwide. It generated €5.2bn sales in 2022.

More information on the Quick N' Easy store launch is available [here](#).

Demand driving Retail revenue growth

SBW's **Self Checkout** products are driving its revenue growth as demand for these products continues, particularly from Europe. Legacy customers have increased orders in 2023 including Diebold Nixdorf, which has increased its order by more than 50% in 2023 compared to 2022 and Zebra has also indicated increased orders while customers such as Fujitsu, ITAB and Toshiba continue to build SBW's demand.

SBW has a robust customer pipeline for its **Smart Coolers**, with strong order indication from several European and US smart cooler operators over the coming months. In addition, SBW is experienced interest from manufacturers globally to assess its shelving systems.

Following its launch at NRF in New York earlier this year, SBW's **Smart Cart** weighing system is also receiving strong interest. Shekel received and supplied hundreds of smart carts security kits to A2Z Smart Technologies Corp (Nasdaq/TSXV: AZ) to use in the Cust2Mate Smart Cart in 2022.



Multiple (5+) large retailers and smart Cart manufacturers are currently in process to pilot SBW's Scale up Cart technology and SBW expects some of these trials will convert to sales in H2 CY23.

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