

A background image showing a bright sun rising over the horizon of the Earth as seen from space. The sun is positioned in the center, with its rays creating a lens flare effect. The Earth's surface is visible below the horizon, showing clouds and landmasses. A yellow curved line, matching the logo, is positioned below the sun.

INVESTOR PRESENTATION

MARCH 2019

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Introduction to Shekel Brainweigh

Shekel Brainweigh at a glance

ASX Code: SBW

Market Cap (as at 11 March): A\$34 million

Net Cash: A\$8.7 million

Market leader in weighing sensor technology

- Long-term blue-chip customers including **Toshiba, Fujitsu** and **GE Healthcare**
- Operating in the retail, healthcare and industrial markets
- Established core business 'Shekel Scales' now developing next generation of products in retail

Established sales and profits

- Growing **revenue of \$18.7 million for FY18**
- FY18 Gross profit at \$8.3 million
- Stable revenue and profitability supports investment in new technology

Leveraging expertise to develop cutting-edge retail solutions

- Shekel's "**Product Aware Surface Technology**" is a breakthrough novel technology that will enable the development of a range of products designed for the global trend towards autonomous retail

Investment Highlights



Execution Track Record of Management

Management with significant expertise across technology and artificial intelligence sectors, bringing to market commercial products. Experience in listing companies on NASDAQ and on other stock markets.



Years of Operating History

Since its inception, Shekel has grown steadily to establish its position as a leader in the design and manufacturing of weighing technology.



Significant Market Share

Long standing global customers, including Toshiba, Fujitsu and GE Healthcare. Manufacturing in China and Israel, 16 distributors worldwide and products sold in 14 countries.



Strong Revenue Base and Profitable

Regular and growing revenue >**USD\$18m**⁽¹⁾.



Exceptional Growth Opportunity

Uniquely positioned to capitalise on the evolving “autonomous retail” demand via its superior weighing technology and access to Retailers & CPG⁽²⁾ Vendors.

1. CY2018
2. Consumer Packaged Goods

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

Operational highlights

SBW's legacy weighing sensor business

- **Retail** sales were strong with 35,286 self-checkout units sold to its core customers. Self-checkout remains a high growth market globally:
 - 18,816 units sold to **Toshiba's** self-checkout systems (up from 12,891 in F717)
 - 12,461 units sold to **Fujitsu's** self-checkout systems (up from 4,822 in FY17)
 - 4,010 units sold to **Diebold Nixdorf's** self-checkout systems (up from 3,839 in FY17)
- New clients gained in the Netherlands, Sweden, Poland and Uruguay.
- In **Healthcare**, the Company developed and sold 9,827 precision weighing systems in FY18 to its long-standing client, **GE Healthcare** (up from 7,822 in FY17).

SBW's new Product Aware Technology

- First commercial order received (post year end) for Shekel's fully autonomous vending machine – **Innovendi**. Order for a minimum of **1,200 machines** to be delivered over seven years to Israel's largest dairy manufacturer **Tnuva**. The Company expects first revenues from this contract in FY19.
- Signed a joint development and marketing agreement with **Madix**, one of the largest US retail shelf manufacturers, to design and develop new joint products integrating Shekel's existing technology.
- Currently running pilots for the **Smart Shelf** with key retailers located in Israel, Germany and U.S.
- Collaboration with Intel and industry partners to advance IoT retail collaborations.

Leadership Team

with strong executional track record

Multidisciplinary team, Leaders in Business, Technology and Artificial Intelligence

Dave Sharma
Non-Executive
Chairman



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.

Barak Nir
CFO



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

Yedidia Yossef
Deputy CEO



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

Guy Moshe
CTO



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

Strong Legacy Products

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



Shekel Customers



Go to Market partners



Supply World's Largest Retailers



Introduction of new autonomous retail solutions to potential customers

Core Products – Healthcare



Healthcare

OEM

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



GE Healthcare

Healthweigh®

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

Healthweigh®
Physician Scales



Healthweigh®
Baby & Neonatal Scales



Healthweigh®
Special Needs Scales



Healthcare

Significant Market Presence



HEALTHCARE OEM
Shekel Customers



Tier 1



Tier 1



Tier 2

HEALTHCARE LINE OF PRODUCTS
Shekel Customers

- Hospitals
- Long Term Care
- Private Practices

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:

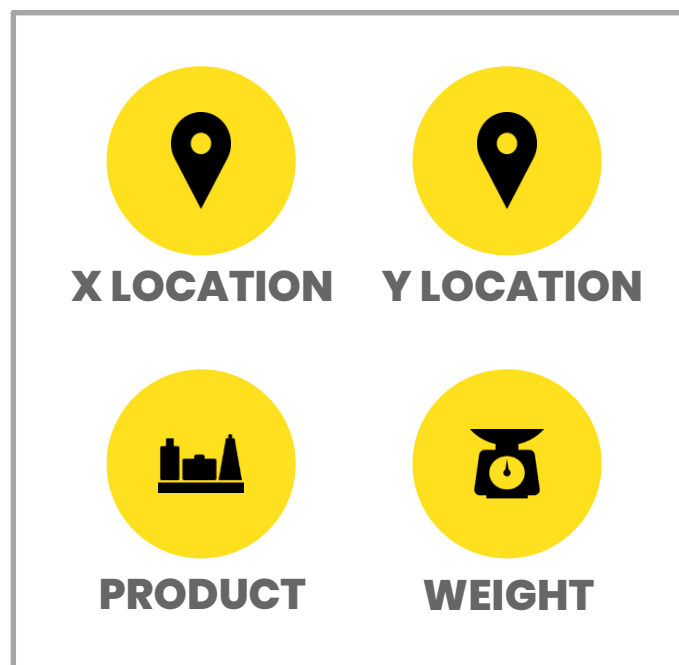
ONE weighing platform, MULTIPLE product recognition



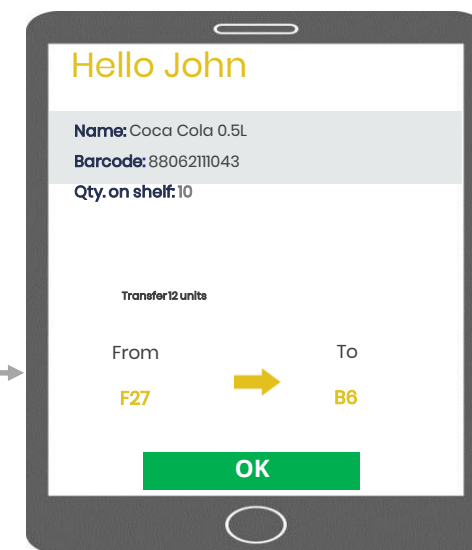
Accurately identifies the quantity and location of individual products on the shelf in real-time



Provides instant feedback when a product is added or removed



Real Time



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

Product Aware Shelf Technology: The Bay and The Promotional Bay Converting standard retail shelf into **AI Smart Shelf**



Demo

Key feature:

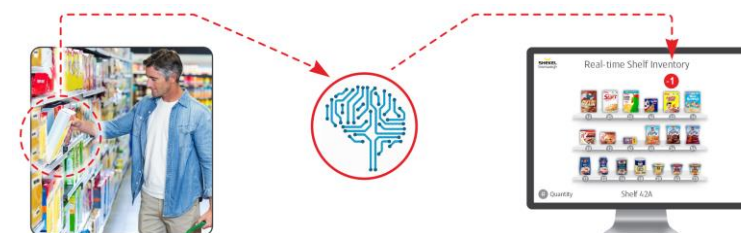
- Retail shelf is converted into AI Smart Shelf by adding Shekel Brainweigh’s ultra-thin load cells.

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

Strategic priorities in the next 24 months

- Leverage the Innovendi solution as a platform to penetrate large global markets for autonomous retail.
- Continue to develop Product Aware Shelf Technology with the assistance of go to market partners such as Madix to develop presence in the US, Europe and Australia.
- Grow legacy weighing solutions business by continued improvements in SBW's load cell technology to capture increased share in retail and healthcare industries.
- Use in field experience to build Shekel's own 'Big Data assets' – the Company's most important source of intellectual property.

THANK YOU



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