

Shekel Brainweigh (SBW) Q1 2021 Business Update

Global weighing technology firm **Shekel Brainweigh Limited** (ASX: **SBW**) is pleased to update on the preliminary (**unaudited**) Q1 2021 results, showing growth in revenue and progress of major milestones planned for 2021.

Major Highlights:

Note: All financial information is unaudited and expressed in US dollars

- Revenues grew 18% from \$3.88M in Q1 2020 to a record \$4.58M in Q1 2021. (Note: the Covid-19 pandemic did not begin to impact 2020 revenues until Q2 2020.)
- The revenue growth in Q1 2021 compared to Q1 2020 was driven by a 33% increase in sales in Israel and a 20% increase in global retail sales.
- The Company completed a capital raise of AU\$2.1M in January 2021 by way of placement.
- The Company executed definitive documents to raise an additional US\$5M by way of convertible note in March 2021.
Assuming approved by shareholders, funds expected to be delivered to the Company towards the end April 2021.

CEO and Executive Chairman, Mr. Arik Schor commented:

“Upon taking office in August 2020, the Company had 3 priority goals: Improve the capital structure and balance sheet, return the Scales division to growth and improved EBITA, and deliver on the Retail Innovation Division promise for the retail industry. The Company is pleased to advise that the capital structure target will be achieved once the funds of the convertible note announced on March 26, 2021 are delivered, and we are making progress on the other two objectives. The Scales division is experiencing a return to revenue growth, and has undergone a major organizational restructuring. Under the leadership of Mr. Nir Leshem, the new CEO, the Scales division is acquiring new customers and investing in important new products and services.

The Retail Innovation Division is also making progress with major milestones underway, including the launching of the first Autonomous store in Paris, and a second project in Israel with a pharmaceutical retailer. In addition, the Division has signed an MOU with two US partners to launch the Hubz Smart Fridge in the US and Latin America markets.

I am confident that Shekel is in on the right way to achieve our primary 2021 goals, and bring new and exciting solutions to the market.”

Shekel Scales

The Scales Division, under the management of Nir Leshem, has undergone a major restructuring, while continuing its business activities with major clients. In addition, the division has progressed well with new product development, with a view to launch and commercialize during 2021.

- **Fast Track** – the project for an improved Self Check Out (SCO) operation is well underway, together with Razor, an Israeli technology firm. The plan is to launch the product in H2 2021. The Fast Track presents a large opportunity to target the entire SCO market with a software-based analytics to improve customer’s SCO experience offering faster and more accurate product recognition.

Retail Innovation Division

- **Revenue** for Q1 2021 was US\$128,723 compared to US\$39,482 in Q1 2020, and total for 2020 of US\$ 268,000.
- **Smart Fridge** - our smart Micro Market coolers are being developed for commercialization in the US with partners Imbera cooling and Parlevel systems. In addition, we continue to sell these units in Israel, with over 100 operational in commercial locations such as transportation hubs, offices and residential buildings.
- Progressing well into the second Capsule Micro autonomous store, in cooperation with Hitachi Vantara. First store expected to open in May 2021 in Israel.
- Another module of Capsule was delivered to Autonomi – a provider of autonomous micro stores.
- Provided first 3 smart Micro Market units to a new value-added reseller in Spain for customer evaluations.
- Shekel Brainweigh’s Innovendi smart micro market cooler won the “IoT Connected Retail Innovation of the Year” Award for 2021 by IoT Breakthrough.
- Shekel Brainweigh Retail Innovation Division has been selected to be included in Deloitte Digital Retail-Tech landscape map 2020 and is now part of Deloitte Catalyst – leveraging worldwide exposure and interest.

Outlook

The Group and the 2 divisions are well positioned for growth in 2021. Q1 2021 is a strong indication that the growth has started, and we expect improved global business conditions to help the Company capitalize on already existing business opportunities. The capital raise during Q1 2021 significantly improved our balance sheet, and the Company is well equipped to execute a significant growth business plan this year.

Ends

Authorised for release by the Board.



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About Shekel Brainweigh

Shekel Brainweigh has for over 40 years been 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 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 their "Product Aware Surface Technology". Shekel Brainweigh is committed to continuing to innovate and expand into global markets.

To learn more about Shekel Brainweigh, visit <http://www.shekelbrainweigh.com/>