

ASX Announcement

31 May 2021

SHEKEL BRAINWEIGH LTD

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING

I am pleased to open the SBW Annual Shareholders Meeting 2021.

As we all experienced, the last year was an extraordinary one, impacting societies and markets. While navigating these conditions, SBW achieved significant results and major milestones. Upon taking office in August 2020, the company set 3 priority targets, which I am happy to update you today on the progress we have made.

The first and immediate target was to raise as much as needed capital for our growth, and improve on the balance sheet. I am happy to advise that the company raised ~ A\$ 8m in 2 separate capital raising, and has largely achieved its target for the current capital needs. Our cash position has improved and together with other improvements, allow us to execute on a growth plan we put forward.

The second target was returning the Scales Division into a growth mode, while improving Gross Profit. I am very pleased to say that we are well underway in this target. Under the leadership of the new GM, Nir Leshem, the Scales Division had its record Q1 revenue results with a revenue of USD 4,503,000 and an improved Gross Profit of 40%. We are in the beginning of this improved business results, and we are confident in our ability to grow the Scales Division even more in 2021. Alongside adding new customers, the division also underwent a restructuring, improving operation and efficiency, which will positively improve Gross Profit.

The third target was to deliver on the exciting promise of the Retail Innovation Division, our new technology venture. In this area too, we experienced a few major milestones, including the highest revenue for Q1 2021, launching the first autonomous store in Paris, collaboration with Hitachi Vantara, and Award winning from Intel. The major developments of the Retail Innovation Division are well underway, and we expect acceleration of commercialization activities in the coming year.

While we continue to focus on the above targets, we started executing an aggressive growth plan, utilizing the capital raising. We expect to strengthen our Sales and Marketing teams in both divisions, streamline activities, and continue on the development of some new and exciting solutions primarily to the retail industry. As we participate in the global discussion of the retail changes, we know that our technology and solutions are well positioned to enable these trends, and we look forward to capitalizing on these developments offering our products.

I thank you all for supporting the company and looking forward to exciting times.

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

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About Shekel Brainweigh (the Company)

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 its "Product Aware Technology". Shekel Brainweigh is committed to continuing to innovate and expand into global markets. For more information, visit www.shekelbrainweigh.com