



# INVESTOR UPDATE

JULY 2021

ASX: SBW

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# OUR BUSINESS

## GLOBAL MARKET LEADER IN ADVANCED WEIGHING TECHNOLOGIES

### OPERATING IN TWO DISTINCT BUSINESS DIVISIONS



1

### SHEKEL SCALES

**ESTABLISHED CORE BUSINESS SINCE 1971**

**Leading supplier of weighing technologies to global retail and healthcare industries**

Operating in two segments:

- Retail (self-checkouts)
- Healthcare (in warmers and incubators)

**Selling to blue chip customers**

Including Toshiba, Fujitsu, Diebold Nixdorf and GE Healthcare



2

### RETAIL INNOVATION DIVISION

**ADDING AI TO IOT LOAD CELL SENSORS**

**Enabling Retail's Digital Transformation & Frictionless Shopping Experiences**

Pursuing significant blue ocean opportunities in autonomous retail to digitise on-shelf activity into valuable retail insights

**R&D and commercialisation of new products**

Innovendi and hubz (SMART vending machines), Product Aware Shelves (instant product recognition) and autonomous stores micro market solution

# CORPORATE OVERVIEW

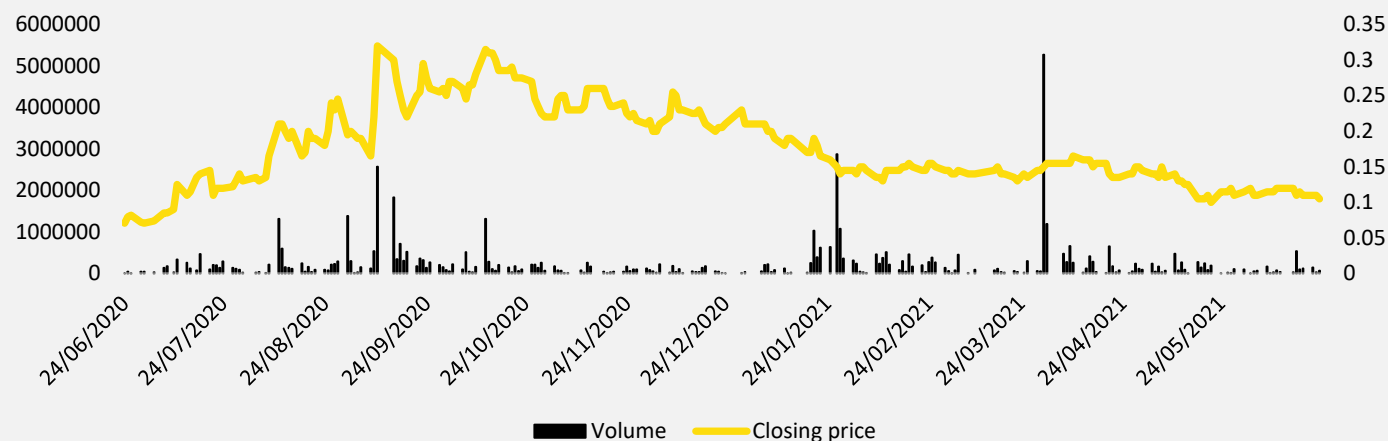
## SHEKEL BRAINWEIGH (ASX: SBW)

Global Industry Classification Standard	Information Technology sector, Software & Services industry group
Market cap <sup>1</sup>	A\$22 million <sup>1</sup>
Employees	155
Markets	Europe, UK, USA, Australia, Japan, China, Israel
Shares issued	~ 153 million
Share price	\$0.11 (June 18, 2021)
Shareholders	<ul style="list-style-type: none"> <li>• Axel Partners 33.7%</li> <li>• Concepta – 23%</li> <li>• Agriculture Cooperative – 15%</li> <li>• Others – 28.3%</li> </ul>

## FINANCIAL OVERVIEW

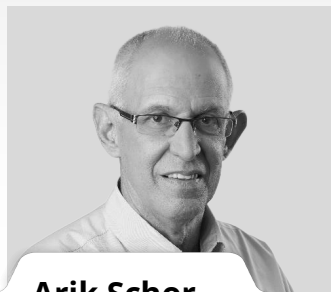
FY2020 Revenue	US\$18.3 million
FY2020 Gross Profit	US\$7 million
Strengthened Balance Sheet	US\$6.6 million raised since start of CY2021
Achieving one-off and recurring revenue	

SBW 12-month share price





# AN EXPERIENCED BOARD



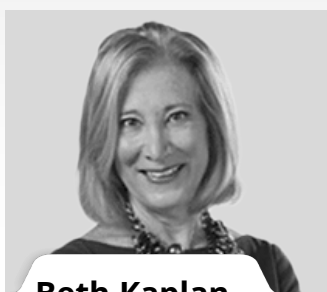
**Arik Schor**  
**CHAIRMAN  
AND CEO**

- Independent Director at Paz Oil Company Ltd
- Chairman of Tadbik, a global leader in packaging solutions and Afimilk, a global leader in computerized systems for the dairy industry
- Former CEO of Tnuva Group (2009 to 2016), Israel's largest food conglomerate
- Former CEO of Holga Kimberly (a subsidiary of Kimberly Clarke).



**Gilead Sher**  
**NON-EXECUTIVE  
DIRECTOR**

- Founding senior partner in Gilead Sher & Co., Law Offices where he practices corporate law; project finance; administrative and constitutional law; and dispute resolution.
- Senior researcher and head of the Center for Applied Negotiations at the Tel Aviv Institute for National Security Studies (INSS).
- Former PM Chief of Staff and Policy Coordinator to former Prime Minister Ehud Barak.



**Beth Kaplan**  
**NON-EXECUTIVE  
DIRECTOR**

- Venture partner and managing member at Axcel Partners LLC for over 10 years
- Experienced director and manager of retail and tech companies
- Deep knowledge in marketing, logistics and optimising retail operations
- Director of Meredith Corporation (media), Howard Hughes Corporation (real estate) and Crocs (footwear) and four private companies.



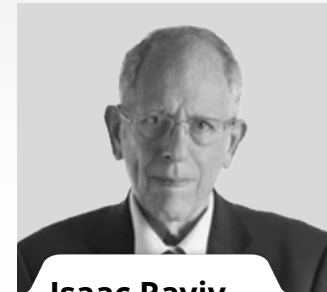
**Shlomo Anikser**  
**NON-EXECUTIVE  
DIRECTOR**

- 23 years of experience in leadership and executive roles across production, inventory, logistics and operation management.
- Held senior positions at Kvutzat Yavne Food Industry, GAASH Diamond Tools and Sales, Century Company and Haaretz Chicken Slaughterhouse.
- Holds a unique set of skills, possessing a deep and trusted network, and depth of experience in production and inventory management.



**Michael Hughes**  
**NON-EXECUTIVE  
DIRECTOR**

- More than 30 years experience across the finance sector including investment management, investor relations and commercial banking. Former commercial director of SeaLink Travel Group, a leading transport and tourism company listed on the ASX.
- Chairman of Wiseway Group (ASX: WWG), a freight and logistics company.



**Isaac Raviv**  
**EXTERNAL  
DIRECTOR**

- More than 30 years' managerial experience across the technology sector for private and public Israeli and international companies.
- Has served as chairman and CEO of various companies
- Played an important role in mergers and acquisitions and fundraising initiatives, with a hi-tech focus.



**Tzipi Avioz**  
**EXTERNAL  
DIRECTOR**

- 25 years' experience in business consulting and technology, with a focus on data analytics and digital transformation.
- EVP customer success APAC and Americas for Mirakl Inc
- Former IT customer solutions director for AMP
- 10 years at Woolworths leading digital commerce

# STRONG START TO FY21

Revenues **grew 18%** from US\$3.88M in Q1 2020\* to a **record US\$4.58M** in Q1 2021

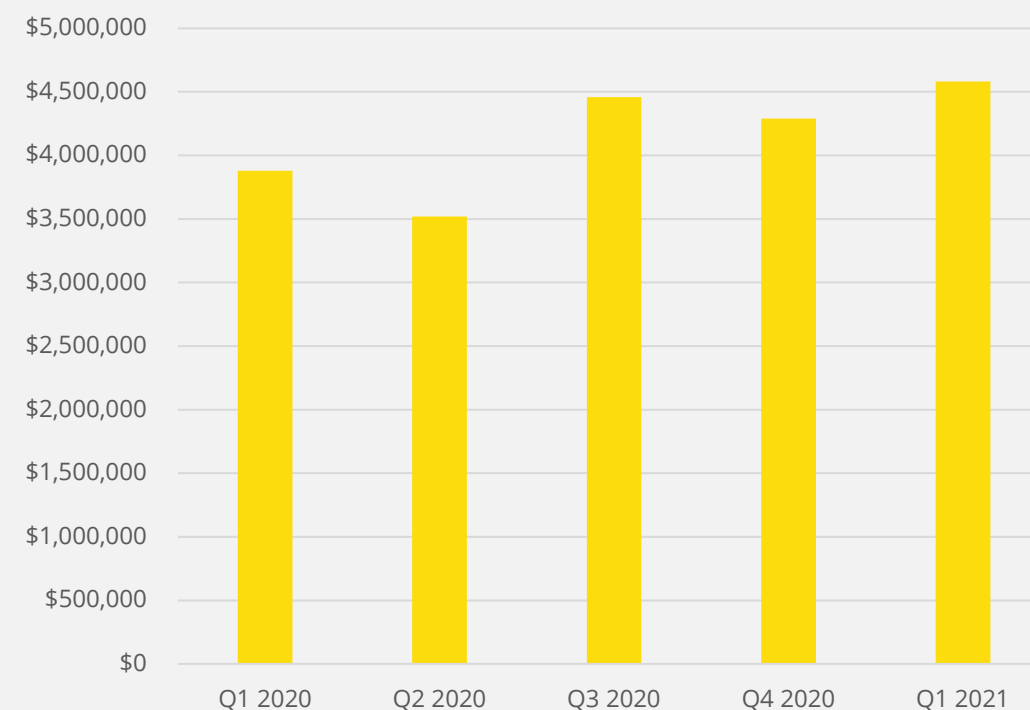
Revenue growth in Q1 2021 driven by a **33% increase in sales** in Israel and **20% increase in global retail sales**

**Record revenue** for Retail Innovation Division in Q1 2021 of US\$128,723

Strengthened balance sheet with **A\$2.1M Placement completed** in January 2021

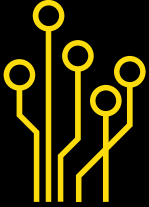
Raised additional **US\$5M** via convertible note in March 2021.

Revenue Growth (\$USD)



\* Covid-19 pandemic did not begin to impact 2020 revenues until Q2 2020

# WHO WE ARE



## TECHNOLOGY INNOVATOR START-UP, UNDERPINNED BY ESTABLISHED BUSINESS

- A precision technology company developing market-leading IP in a 'genius-lab'
- Global markets: supplying leading global blue-chip customers in healthcare and retail – GE Healthcare, Toshiba, Fujitsu, Atom
- Validation in achieving "Gold Partner" status by Intel for Capsule, Innovendi, hubz and as an OEM Supplier – see <https://www.intel.com/content/www/us/en/search.html?ws=text#q=shekel%20brainweigh&t=All>
- Developed the 'Intel inside' equivalent 'Shekel smart' in the self-checkout market



## READY FOR THE FUTURE OF CONTACTLESS SHOPPING IN A POST-COVID WORLD

- Retail needs IoT now more than ever
- Launched AI Retail Innovation platform – to leverage proven sensor technology to enable retail AI applications
- Commercialisation of new products in several markets



# OPPORTUNITY TO UNLOCK FRICTIONLESS RETAIL

**\$387B\***

Estimated value of retail transactions processed by frictionless checkout technologies in 2025, up from just \$2B in 2020

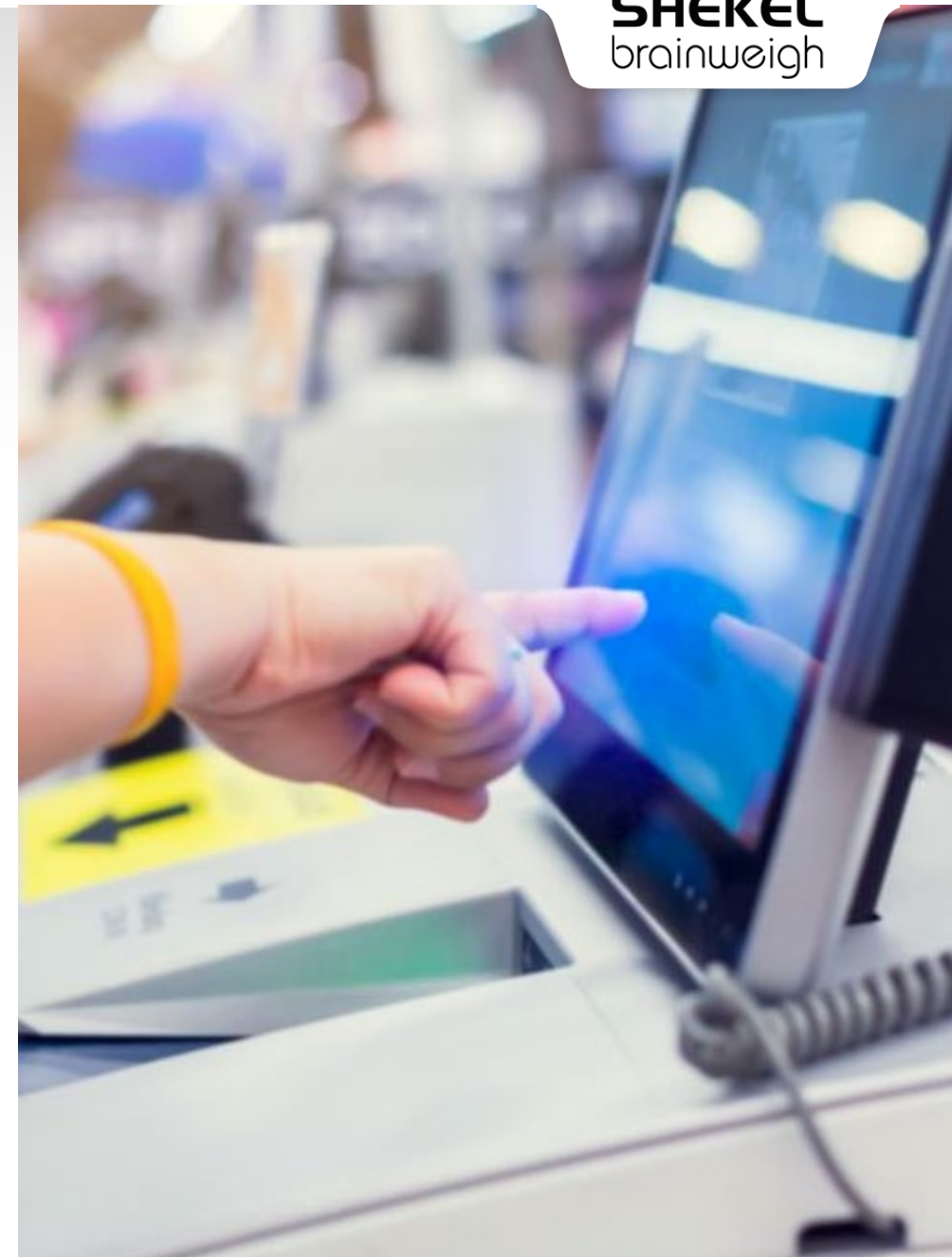
**\$23B\*\***

Estimated investments by retailers in AI by 2025, up from just over \$5B in 2020.

**Most automated recognition solutions** rely on computer vision, RFID tags and traditional scales which **fail** to meet the accuracy threshold. These **eliminate** viable ROI models in this low-margin, giant industry

\* [Sep 2020 – Juniper research](#)

\*\* <https://go.forrester.com/blogs/distinguish-hot-from-hype-in-retail-tech-investments-for-2020/>





# RETAIL INNOVATION

## OUR PRODUCTS



- **Product Aware Shelf** – using IoT, on-shelf electronics, software, AI and algorithms to identify products and movements on shelves
- **Product Aware Bay** – comprising 4-5 Product Aware Shelf units
- **Innovendi** – (1<sup>st</sup> gen) unattended automated locked vending machine incorporating our Product Aware technology
- **hubz** – (2<sup>nd</sup> gen) unattended micro smart cooler enabling sale of a broader range of fresh and refrigerated products
- **Micro Market Capsule** – Autonomous shopping incorporating SBW's Product Aware Bays, Innovendi units and self check-out technology to allow a fully autonomous store.

# RETAIL INNOVATION

## ACCELERATING COMMERCIALISATION

Flagship micro-market project **Capsule** launched in Paris with retailer Casino in November 2020. First fully autonomous store of its kind, with an exciting prospects in a competitive landscape. Second store ordered

SBW's smart vending solution **hubz** micro cooler launched with Imbera (US) and Parlevel (US), targeting North America and Latin America markets. First commercial order (30 units) received, primarily for North America clients

Retail Innovation Division recorded FY20 revenue of US\$308,288 from sales of **Innovendi** and autonomous retail solutions. Innovendi achieved certification as Market Ready IoT Solutions by Intel®.

Paid product pilots for autonomous stores undertaken with very positive feedback from customers

First order from Australia for smart shelving received during H1 2020

Watch the launch of our first Capsule here:

<https://www.olivierdauvers.fr/2020/10/08/monop-box-la-visite-video/>



CAPSULE (BLACK BOX) AUTONOMOUS STORE IN PARIS.

# RETAIL INNOVATION - MARKET DEMAND

## SEGMENTS



SMART COOLER



MICRO MARKETS

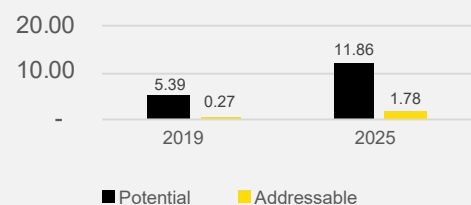


AUTONOMOUS SMALL STORE

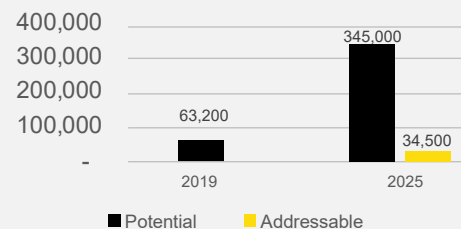


AUTONOMOUS CONVENIENCE

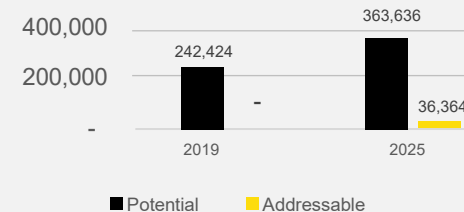
Intelligent Vending Machines Industry (\$B)



Micro Market Locations



Autonomous Stores Locations



Unmanned Convenience Stores Market (\$B)



## MARKET SIZE 2025

**\$1.18B**

Grandview Research 2019  
Intelligent-vending-machines-industry

**\$1.7B**

IMBERA Internal

**\$2.9B**

IMBERA Internal

**\$0.7B**

Research and markets, April 2020  
Unmanned Convenience Store Market

# RECURRING REVENUE MODEL – RETAIL INNOVATION

## SAAS, DAAS & ONE-OFF REVENUE

### HARDWARE

#### PRODUCT RECOGNITION SOLUTION

ONE TIME CHARGE

+

MONTHLY SAAS\*

MACHINE (INCLUDING KIT)

- ✓ Five shelves hardware kit
- ✓ Software development kit/ compute
- ✓ Accessories
- ✓ Professional services

- ✓ Monitoring and alerting
- ✓ Cloud hosting
- ✓ Performance enhancement

OR KIT SOLD SEPARATELY

### DAAS

#### DATA ANALYTICS ENGINE

MONTHLY DAAS\*

- ✓ Shelf insights
- ✓ Rev-share with retailer
- ✓ Targeting consumer packaged goods

• (\*) SaaS (Software as a Service) DaaS (Data analytics as Service)



# RETAIL MARKET PRESENCE

## RETAIL

### SHEKEL CUSTOMERS



### SUPPLYING THE WORLD'S LARGEST RETAILERS



### GO TO MARKET PARTNERS



### INTRODUCTION OF AUTONOMOUS RETAIL SOLUTIONS



# SHEKEL SCALES

## OUR PRODUCTS



### HEALTHCARE

- Healthcare and fitness scales under the Healthweigh® brand:
- Healthweigh® Physician Scales
  - Healthweigh® Special Needs
  - Healthweigh® Baby and Neonatal Scales
  - Healthweigh® Portable Scales



### RETAIL

- Provider of precision checkout electronic scale and weighing solutions:
- Scanner Scales
  - Checkout Systems



### INDUSTRIAL

- Force measurement weighing and scale solutions for industrial needs:
- Agricultural
  - Manufacturing
  - Military
  - Airport baggage check-in



### OEM WEIGHING SOLUTIONS

Seamless integration into OEM applications, supplying market leaders:

GE Healthcare



FUJITSU

DIEBOLD  
NIXDORF

DATALOGIC™

TOSHIBA

# GLOBAL PRESENCE OF SHEKEL PRODUCTS

## SHEKEL PRESENCE

**Long-term clients** in Israel, the US, Europe and the UK, Japan, Brazil

**Global distribution** of Healthweigh including the US, Europe/UK, Asia and Australia

**New orders** in Sweden, Poland and the Netherlands

**Commercialisation** of Innovendi and Product Aware Bays in Israel, UK, Europe and Australia

**Paid pilots** in the US, Australia, France and Israel.

## PRODUCTS & SERVICES

Retail self-checkout technology

AI-enabled retail technology for contactless shopping

Healthcare: precision weighing systems integrated into NICU incubators and warmers for premature babies

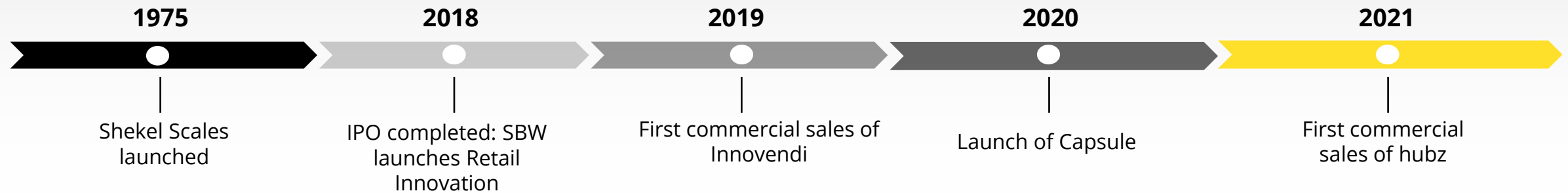
Healthweigh® line



**Our operations:**  
Operations in China (factories) and Hungary (third party)  
Offices in Israel (HQ), the European Union, and Australia

**Our clients and distributors:**  
North America, South America, Asia, Australia, Europe, UK

# MAJOR MILESTONES SINCE IPO



## BUILDING BLOCKS FOR SHEKEL RETAIL INNOVATION

### Retail Innovation – platform for growth established

- Appointed a CEO and expanded R&D team by >100%
- Opened Australian office
- Formed strategic partnerships with Intel, Hitachi, Imbera and Parlevel

### Acceleration & commercialisation of key products

- Commercialisation of Innovendi in Israel, UK and Spain, and entry to Australian market
- Successful commercialisation of Innovendi with over 100 machines deployed in Israel
- Autonomous micro store Capsule launched with more in pipeline
- Developed and commercialised hubz micro market cooler

### Continued earnings from core business to support growth

- Revenue from product sales and SaaS
- Proceeds from product and Proof of Concept pilots



# 2021 OUTLOOK

## POSITIONED WELL FOR GROWTH

Strong momentum in Shekel's core markets in Europe and US in Q1 2021

Plans to accelerate marketing activities in Europe and Asia

Acquired 3 new clients for self check out scales

Fast Track – an innovative self check out solution expected to launch in H2 2021

Anticipated growth in retail and healthcare segments in FY21

Opportunities to grow revenue through product sales and SaaS business model

Sales of Innovendi and hubz expected to grow significantly in 2021

Cash management measures and prudent investing in R&D expected to maintain strong balance sheet.



# WHY INVEST IN SBW

## POTENTIAL TO REVOLUTIONISE RETAIL

1

### 'BEST IN CLASS' TECHNOLOGY, UNIQUE INTELLECTUAL PROPERTY

SBW competitive edge: 'best in class' technology – highest accuracy

IP engineered by 'genius-lab'  
Forefront application of AI-enabled technology and leveraging IoT

Validated by global technology leader Intel

2

### VISIONARY LEADERSHIP WITH A TRACK RECORD OF INNOVATION & COMMERCIALISATION

Highly experienced management team with a vision for the future

Strong culture delivering R&D excellence  
Successful track record of commercialisation in an extremely high barrier market

3

### SENSOR TECHNOLOGY TO ENABLE RETAIL AI-BASED APPLICATIONS AND DATA COLLECTION

Significant income

Established supply chain: global blue-chip customers with long-standing and long-term contracts

Effective and active cost management

## THE FUTURE

### BUILDING BIG DATA ASSETS PLATFORM FOR GROWTH

- Strong growth opportunities in the autonomous retail space.
- New products and services focussed recurring fees sales model.
- Monetize big data assets and 4.0 shopping revolution



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