

22nd January, 2024

Shekel Brainweigh (ASX: SBW\Shekel\the Company) achieves record revenue in FY2023, for the third consecutive year of US\$ 27.2M (Unaudited) representing 12% growth from FY2022 revenue (FY2022 revenue is excluding the HW line revenue which was sold in December 2022).

Shekel Brainweigh expects continued improvement of balance sheet for FY2023 and continued growth in 2024, driven by its retail business segment.

Highlights

- **Third consecutive year of double-digit revenue growth of 12% (unaudited) driven by the retail business segment revenue (FY2022 revenue excluding the HW line which was sold in December 2022). The Company' strategy to focus on growth in the retail business segment is progressing well into its third year with a strong outlook ahead.**
- **Revenue includes retail, healthcare and local (industrial and service) business segments. Significant growth of the retail business segment revenue of US\$ 13.65M (unaudited) for FY2023, represents 24% growth from FY2022.**
- **The Company expects improvement of its balance sheet, and continued reduction of cash burn for operating activities. The Preliminary Financial Report is expected to be released in late February.**
- **By the end December 2023, Shekel successfully completed the process of shutting down its manufacturing facility in China and moving the manufacturing and assembly of its products to a subcontractor in the Philippines, a move which is expected to further reduce costs and improve margins in 2024.**
- **During 2023 Shekel completed 2 loan tranches, as recently reported on December 1st 2023.**

Shekel Retail market segment has achieved major growth of 24% compared to FY22, to US\$13.65M. The growth is driven primarily from our weighing solutions for the self-checkout market for clients in Europe. The Company can also confirm receipt of major orders for its Smart Cooler, and continued progress of the retail innovation products.

Shekel continued to commercialize its retail business segment solutions based on AI technology. Alongside the Smart Coolers, the Company commenced further trials for Smart Cart and automated stores.

The Shekel Healthcare business segment experienced steady growth of 14% compared to FY2022, for a total revenue of US\$9.2M (unaudited). This revenue includes the revenue for OEM products and the distribution in France. For the first year the revenue does not include the Healthweight line that was sold in late 2022 to Rice Lake from the US but includes the revenue from selling the Healthweight products in Israel, as Rice Lake's distributor.

The Shekel Israeli Local market segment experienced a reduction of 16% compared to FY2022, for a total revenue of US\$4.35M (unaudited). This business segment is only serving the local market in Israel. Up to the end September 2023, the revenue was in line with expectations, however, from the start of hostility in Israel on October 7th 2023, the Company experienced a major reduction in orders in the months of October and November, with start resuming activities in December 2023.

In late 2023, Shekel completed a major move from manufacturing and assembly of most of its products in its own facility in China, to manufacturing and assembly by a subcontractor in the Philippines. The move which took almost 1 year to conclude, was successfully completed in December 2023. With this change, the Company expects reduction in its COGS, and

improved margins on its products. Shekel expects to further streamline its manufacturing, operation and supply chain during 2024.

While Shekel continues to invest in R&D of its new retail solutions, the Company took steps to further reduce its cash burn from operating activities. In 2022 Shekel experienced the beginning of this reduction, and in 2023 this trend continued. The Company will release its preliminary financial results before the end February 2024, and expects to demonstrate this further reduction.

As Israel experienced the impact of the commencement of hostility since October 7th 2023, Shekel took immediate steps to continue and serve its clients, most of them operating globally. As previously announced, Shekel maintained operations and continued to serve its clients almost completely un-interrupted. The major impact was on the Israeli local market segment, that came to a complete halt during October 2023, and showed first signs of recovery only in December 2023. As a result, the Company missed its plan for this segment in 2023.

Commenting on the results, **Mr. Arik Schor, Shekel Chairman and CEO:**

“We are very pleased with the continued growth in revenue for the third consecutive year. Our retail products including our retail innovation solutions continue to receive strong recognition and demand from global clients. Shekel’s holistic approach of providing a suite of solutions, positions us in an excellent place to answer the growing demand for automation in retail.

Shekel also made significant efforts to streamline manufacturing and operations globally. Following the sale of the Healthweigh line to Rice Lake, we commenced the major activity of closing our facility in China and moving manufacturing to the Philippines. This effort was successfully completed in December 2023, and I congratulate our team for this major effort. Going forward we expect improvement of COGS and margins on our products.

Shekel has funded these growing activities through 2 loan tranches provided during 2023, predominantly from major shareholders of the Company. We are pleased to receive their continued support and confidence in the Company’s operations and direction. Looking forward into 2024, we expect continued strong demand, and even further growth in opportunities for our retail business segment solutions. Our current clients for Smart Coolers, as well as trials in Smart Carts points in a direction of significant interest in these products, and we look forward to capitalizing on these opportunities.”

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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.

Utilizing its experience in weighing technology, Shekel has established its Retail Innovation product line, aimed at meeting the challenges that traditional retailers face today, such as store automation, operational efficiency including overstock and under stock inventory issues and enhancing the consumer experience.

Shekel’s patented combination of weighing technology with Artificial Intelligence (AI) has led to the development of its “Product Aware Technology”.

Shekel is committed to continuing to innovate and expand into global markets.

To learn more about Shekel Brainweigh, visit www.shekelbrainweigh.com