For the offer of up to 29,000,000 fully paid ordinary shares (Shares) in the capital of Shekel Brainweigh Ltd (Company) at a price of AU$0.35 per Share to raise AU$10,150,000 (before costs and expenses) (Offer); and for the offer of 4,170,000 Lead Manager Options.

The Company is an Israel incorporated entity registered under the Israeli Companies Law, 5759-1999, with registration number 515817351.

The Company is also registered as a foreign corporation under the Corporations Act, with Australian Registered Business Number (ARBN) 625 669 445.

Lead Manager:
RM Corporate Finance Pty Ltd
AFS Licence No. 315235

IMPORTANT NOTICE
This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.
Corporate Directory

DIRECTORS

Mr Dave Sharma  Non-Executive Chairman
Mr Yoram Ben Porat  Executive Director and CEO
Mr Isaac Raviv  Non-Executive Director and External Director
Mrs Beth Kaplan  Non-Executive Director
Mrs Tzipi Avioz  Non-Executive Director and External Director
Mrs Sophie Raven  Non-Executive Director

JOINT COMPANY SECRETARIES

Ms Sinead Teague
Mr Andrew Bursill

PRINCIPAL OFFICE (Israel)

Kibbutz Beit Keshet, Lower Galilee Mobile Mail 1524700
Telephone: +972-72-3725721 Facsimile: +972-4-6765775
Email: info@shekelonline.com

REGISTERED OFFICE

Automic Registry Services
Level 3, 50 Holt Street, Surry Hills NSW 2010
Telephone: +61 8 9381 7555
Email: shekel@automic.com.au

PROPOSED ASX CODE

SBW

SHARE REGISTRY

Automic Registry Services
Level 3, 50 Holt Street, Surry Hills NSW 2010
Australian telephone: 1300 288 664
International telephone: +61 2 9698 5414
Email: shekel@automic.com.au

AUDITOR

BDO Ziv Haft Israel
Amot BDO House
48 Menachem Begin Road TEL AVIV 6618001, Israel

AUSTRALIAN LEGAL ADVISORS

Gilbert + Tobin
Level 16, Brookfield Place Tower 2
123 St Georges Terrace, Perth WA 6000

ISRAELI LEGAL ADVISORS

Amit, Pollak, Matalon & Co.
APM House, 18 Raoul Wallenberg St.
Ramat Hachayal, TEL AVIV 6971915, Israel

INVESTIGATING ACCOUNTANT

BDO

LEAD MANAGER

RM Corporate Finance Pty Ltd (AFSL 315235)
Level 1, 1205 Hay Street, West Perth WA 6005

INTELLECTUAL PROPERTY EXPERT

Wrays
Level 7, 863 Hay Street, Perth WA 6000

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Their name is included for information purposes only.
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6 Investigating Accountant’s Report
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Annexure A – Rights attaching to Shares
Annexure B – Terms and conditions of Performance Rights
Application Form
The Offer contained in this Prospectus is an invitation for you to acquire fully paid ordinary shares in Shekel Brainweigh Ltd (Israeli Company number 515817351) (Shekel Brainweigh or the Company) (Shares). This Prospectus also contains an offer of Lead Manager Options to the Lead Manager. This Prospectus is issued by the Company.

See Section 2.11 and Annexure A for further information regarding Shares.

This Prospectus is dated, and was lodged with ASIC on, 20 August 2018 (Prospectus Date).

ASIC and ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Israeli Securities Authority has not approved or disapproved of these securities or passed upon the adequacy, completeness or accuracy of this Prospectus. Any representation to the contrary is a criminal offence.

The expiry date of the Prospectus is 13 months after the Prospectus Date (Expiry Date). No securities will be allotted, issued or transferred on the basis of this Prospectus after the Expiry Date.

Application will be made for the admission of the Company to the Official List and quotation of its Shares on ASX (Admission) with the proposed ASX Code SBW within seven days after the Prospectus Date. The fact that ASX may list the Shares of the Company is not to be taken in any way as an indication of the merits of the Company or the Shares. ASX takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

Applications for securities offered pursuant to this Prospectus can only be submitted on an original Application Form, which accompanies this Prospectus. This Prospectus also contains an offer of Lead Manager Options to the Lead Manager. This Prospectus is issued by the Company.

See Section 2.11 and Annexure A for further information regarding Shares.

This Prospectus is dated, and was lodged with ASIC on, 20 August 2018 (Prospectus Date).

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Applications for securities offered pursuant to this Prospectus can only be submitted on an original Application Form, which accompanies this Prospectus. This Prospectus also contains an offer of Lead Manager Options to the Lead Manager. This Prospectus is issued by the Company.

Exposure Period

The Corporations Act prohibits the Company from processing Applications under the Offer in the seven day period after lodgement of this Prospectus with ASIC (Exposure Period). This Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge Applications prior to the expiry of the Exposure Period.

Not investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company.

In particular, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the Company. See Sections 1.4 and 6 for some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital or any return on investment made pursuant to this Prospectus. This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

No cooling-off rights

Cooling-off rights do not apply to an investment in securities issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.
Important Notices

Obtaining a copy of this Prospectus

A hard copy of the Prospectus is available free of charge during the Offer period to any eligible person in Australia by calling RM Corporate Finance Pty Ltd, the Lead Manager, on +61 8 6380 9200 between 8.30am and 5.30pm (WST), Monday to Friday.

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic Application Forms on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic Application Form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the website of the Company at www.shekelbrainweigh.com. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company or the Lead Manager and the Company/Lead Manager will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus or any of those documents were incomplete or altered.

Foreign jurisdictions

This Prospectus does not constitute an offer or invitation in any place in which, or to persons to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (FMC Act). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

> is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
> meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
> is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
> is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
> is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the Shares.

This document is issued on a confidential basis to “qualified investors” (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances which do not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000, as amended, and (ii) who are large within the meaning of Article 20(2) (high net worth bodies corporate and unincorporated associations).

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000, as amended, and (ii) who are large within the meaning of Article 20(2) (high net worth bodies corporate and unincorporated associations).

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances which do not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000, as amended, and (ii) who are large within the meaning of Article 20(2) (high net worth bodies corporate and unincorporated associations).
Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

**United States**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

**Canada**

This document constitutes an offering of Shares only in the Provinces of British Columbia, Ontario and Quebec (the Provinces) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are “accredited investors” within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Shares or the offering of Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

**Statutory rights of action for damages and rescission**

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Shares purchased pursuant to this document (other than (a) a “Canadian financial institution” or a “Schedule III bank” (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that,
if this document contains a misrepresentation, a purchaser who purchases the Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that:

(a) the Company will not be liable if it proves that the purchaser purchased the Shares with knowledge of the misrepresentation;

(b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon; and

(c) in no case shall the amount recoverable exceed the price at which the Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than:

(a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action, other than an action for rescission, the earlier of:

(i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.*

**Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the *SFO*). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong or elsewhere that is directed at, or in which the contents of which are likely to be accessed or read, by the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong).

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

**Singapore**

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the *SFA*), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.
This document has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In the State of Israel, this document is being distributed only to, and is directed only at, and any offer of the ordinary shares is directed only at, (i) a limited number of 35 persons or entities in accordance with the Securities Law and the regulations thereunder and (ii) investors listed in the first addendum, or the Addendum, to the Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds (all as defined under the Israeli law), entities with equity in excess of ILS 50 million (other than entities formed for the acquisition of securities from a certain offer) and “qualified individuals,” each as defined in the Addendum (as it may be amended from time to time), collectively referred to as Qualified Investors, and (ii) investors listed in the first addendum, or the Addendum, to the Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds (all as defined under the Israeli law), entities with equity in excess of ILS 50 million (other than entities formed for the acquisition of securities from a certain offer) and “qualified individuals,” each as defined in the Addendum (as it may be amended from time to time), collectively referred to as Qualified Investors, and (ii) investors listed in the Addendum (as it may be amended from time to time), collectively referred to as Qualified Investors (in each case purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified Investors will be required to submit written confirmation that they fall within the scope of the Addendum, and are aware of the meaning of same and agree to it. Certain Qualified Investors may be required to submit additional confirmations.

Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

The Company does not propose to give any taxation advice and, to the maximum extent permitted by law, the Company, its Directors, officers and each of their respective advisers accept no responsibility or liability for any taxation consequences of acquiring Shares under this Prospectus. You should consult your own professional tax advisers in regard to taxation implications of the Offer.

Website

No document or information included on the Company’s website is incorporated by reference into this Prospectus.

Privacy Statement

Shekel Brainweigh collects information about Shareholders when they apply for Shares under the Offer for the purposes of processing their Application and, if the Application is successful, to administer their security holding in Shekel Brainweigh.

By applying for Shares, each Shareholder agrees that Shekel Brainweigh may use the information provided for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Lead Manager, Shekel Brainweigh’s related bodies corporate, agents, contractors and third party service providers (including mailing houses), ASX, ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as ASX Settlement Operating Rules.

Shekel Brainweigh may be required to include information about a Security holder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a Security holder of Shekel Brainweigh. Information contained in Shekel Brainweigh’s registers is also used to facilitate distribution payments and corporate communications (including Shekel Brainweigh’s financial results, annual reports and other information that Shekel Brainweigh may wish to communicate to its Security holders) and compliance by Shekel Brainweigh with legal and regulatory requirements. The Company’s agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

A person who has provided such information has a right to gain access to the information that Shekel Brainweigh holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Shekel Brainweigh’s registered offices.
Forward-looking statements

This Prospectus contains forward looking statements which are identified by words such as “may”, “could”, “believes”, “estimates”, “expects”, “intends” and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, at the Prospectus Date, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements. See Sections 1.4 and 6 for these risk factors. Past performance should not be relied upon as being indicative of future performance.

Regulation of Shekel Brainweigh

As the Company is not established in Australia, its general corporate activities (apart from offering securities in Australia) are not regulated by the Corporations Act or by ASIC, but instead are regulated by the Companies Law and the Ministry of Justice – Corporations Authority of the State of Israel. See Section 10.8 for further information.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Offer subject to quotation

If ASX does not admit the Shares to Official Quotation before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not allot or issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

Governing law

The Prospectus and the contracts that arise from the acceptance of the Applications and bids under this Prospectus are governed by the law applicable in Western Australia and each Applicant and bidder submits to the exclusive jurisdiction of the courts of Western Australia.

Financial information presentation

Historical financial information contained in this Prospectus, including the pro forma financial information, has been prepared and presented in accordance with the recognition and measurement principles prescribed by the International Financial Reporting Standards (IFRS). The historical financial information also complies with the recognition and measurement principles of the IFRS and interpretations adopted by the International Accounting Standards Board.

Glossary

Certain terms or abbreviations used in this Prospectus have defined meanings which are explained in the glossary in Section 12. A reference to a Section is a reference to a Section in this Prospectus.

Currency conversions

Where an amount is expressed in this Prospectus in EU€, AU$, ILS or US$, the conversion is based on the Indicative Exchange Rates (being EU€1.00 = US$1.19; AU$1.00 = US$0.757; or ILS1.00 = US$0.28). The amount when expressed in EU€, AU$, ILS or US$ may change as a result of fluctuations in the exchange rate between those currencies.

Questions

If you have any questions in relation to the Offer, contact the Lead Manager, RM Corporate Finance Pty Ltd on +61 8 6380 9200.

This document is important and should be read in its entirety.
# Key Offer Information and Indicative Timetable

## The Offer

<table>
<thead>
<tr>
<th>Description</th>
<th>Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer Price per Share</td>
<td>AU$0.35</td>
</tr>
<tr>
<td>Shares on issue as at the Prospectus Date</td>
<td>110,000,000</td>
</tr>
<tr>
<td>Shares to be issued under the Offer</td>
<td>29,000,000</td>
</tr>
<tr>
<td><strong>Total number of Shares on issue following the Offer</strong></td>
<td><strong>139,000,000</strong></td>
</tr>
<tr>
<td>Plan Options on issue as at the Prospectus Date</td>
<td>19,427,064</td>
</tr>
<tr>
<td>Lead Manager Options to be issued under this Prospectus</td>
<td>4,170,000</td>
</tr>
<tr>
<td><strong>Total number of Options on issue following the Offer</strong></td>
<td><strong>23,567,064</strong></td>
</tr>
<tr>
<td>Gross proceeds of the Offer (before costs and expenses)</td>
<td>AU$10,150,000</td>
</tr>
<tr>
<td>Indicative market capitalisation at the Offer(^2)</td>
<td>AU$48,650,000</td>
</tr>
</tbody>
</table>

**Notes:**

1. See Section 2.3 for further details relating to the Company’s proposed capital structure.
2. The market capitalisation is calculated based on the Offer Price multiplied by the number of Shares on issue after the Offer. There is no guarantee that the Shares will trade at the Offer Price upon Admission.

## Event

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodgement of this Prospectus with ASIC</td>
<td>20 August 2018</td>
</tr>
<tr>
<td>Opening Date of the Offer</td>
<td>24 September 2018</td>
</tr>
<tr>
<td>Closing Date of the Offer (5.00pm WST)</td>
<td>12 October 2018</td>
</tr>
<tr>
<td>Settlement date of the Offer</td>
<td>19 October 2018</td>
</tr>
<tr>
<td>Issue of Shares under this Prospectus</td>
<td>24 October 2018</td>
</tr>
<tr>
<td>Despatch of holding statements</td>
<td>24 October 2018</td>
</tr>
<tr>
<td>Expected date for Shares to commence trading on ASX</td>
<td>26 October 2018</td>
</tr>
</tbody>
</table>

**Note:**

This timetable is indicative only. Unless otherwise indicated, all times given are Western Standard Time, Australia. The Company, in consultation with the Lead Manager, reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.
Dear Investor,

On behalf of the Directors, I am pleased to present this Prospectus and to offer you the opportunity to become an investor in Shekel Brainweigh Ltd (“Shekel Brainweigh” or the “Company”), the holding company of a long established Israeli group (“Group”) at the forefront of the electronic weighing industry.

With this Prospectus, the Company is inviting investors to subscribe for fully paid ordinary shares (Shares), at an Offer Price of AU$0.35 to raise AU$10,150,000 (before costs and expenses).

The Group has been developing, manufacturing and distributing advanced weighing technology solutions for the retail, healthcare and manufacturing markets for over 40 years. It was an early participant in the development of digital scaling in the 1970s, and provides precision weighing solutions to customers including Toshiba, Fujitsu, Datalogic, Diebold-Nixdorf and GE Healthcare.

While the Group has a track record of revenue and profitability from its existing operations, it is also developing new weighing technologies. The Group’s innovations in this area have led to the development of its Product Aware Surface Technology, an integral part of the Retail Solutions Suite which the Company proposes to offer to this sector.

Traditional retail faces three significant challenges today, namely, store automation, operational efficiency and enhancing consumer experience as described in further detail in this Prospectus. The Directors believe that the combination of favourable growth characteristics of the key retail and healthcare markets in which the Group operates, on the one hand, and the Company’s development and commercialisation of its Retail Solutions Suite, on the other hand, will support the Company’s strategic plans in each of those markets.

The proceeds of the Offer will enable further research and development in this area and in addition to earnings from its core business, provide Shekel Brainweigh with the working capital required for the proposed global deployment of its Retail Solutions Suite. The Company may also undertake acquisitions of complementary products or businesses should appropriate opportunities arise, as it has done in the past.

The Company is incorporated under the laws of Israel and there are a number of differences between those laws and the laws of Australia, as described in further detail in this Prospectus. The Prospectus also provides an overview of potential risks associated with investing in Shekel Brainweigh, including, among others, risks inherent to the Group’s key intellectual property assets, manufacturing and production, competition and new technology.

This Prospectus includes full details of the Offer and the Company. The Offer is being Lead Managed by RM Corporate Finance Pty Ltd (AFSL 315235).

I urge you to read this Prospectus carefully and seek professional advice to determine whether this investment is appropriate for you.

On behalf of the Directors of Shekel Brainweigh, I invite you to take part in this exciting investment opportunity. I look forward to the continuing support of our existing shareholders and welcoming new investors to the Company.

Yours faithfully

Dave Sharma
Chairman
Shekel Brainweigh Ltd
Investment Overview

This Section is a summary only and is not intended to provide full information for investors intending to apply for any Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment or payment of dividends, nor can any guarantee be given about the future value of the Shares.
1.1 The Company, its strategy and business model

<table>
<thead>
<tr>
<th>Item</th>
<th>Summary</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who is the issuer of this Prospectus?</td>
<td>Shekel Brainweigh Ltd (ARBN 625 669 445) (Shekel Brainweigh or the Company), a company incorporated in, and registered under the laws of, Israel with registration number 515817351.</td>
<td>Section 3.1</td>
</tr>
<tr>
<td>What is the Company and what does it do?</td>
<td>From Admission, the Company will be the holding company of the Group. The Group has been developing, manufacturing and distributing advanced weighing systems for the retail, healthcare and industrial markets since the 1970s. The Company’s Research and Development (R&amp;D) team has designed the hardware and software required to produce key components of digital scales. These key components are then incorporated into either weighing products produced by third party Original Equipment Manufacturers (OEMs) or the Company’s own branded products, which are sold directly in France and Israel and through a global network of distributors around the world. Recently the Company opened an innovation lab in Tel Aviv, staffed by algorithm engineers and Artificial Intelligence (AI) researchers, in order to generate innovative end-to-end solutions, primarily for the retail market.</td>
<td>Section 3</td>
</tr>
<tr>
<td>What is the Group’s business model?</td>
<td>The Group is fundamentally a technology, manufacturing and R&amp;D group specialising in the development of advanced weighing hardware and software. To date, the Group’s business model has involved: &gt; Research and Development: the Group’s R&amp;D team in Israel researches and develops ways to improve its digital weighing hardware and software; &gt; Manufacturing: from its facilities in China and Israel, the Group manufactures and assembles weighing products for distribution to customers; and &gt; Sales: the Company then sells its products, either as components to OEMs, or, directly in Israel and France and via a network of distributors elsewhere in the world, as Shekel Brainweigh’s own-branded products, in the retail, healthcare and industrial markets. The Group has largely relied on this business model to generate income since its inception. However, more recently, the Group’s R&amp;D team has focused on applying AI algorithms to the raw data generated by its load cells to develop new scaling and weighing technologies. The result of this focus has been the development of the basic components of the Company’s Product Aware Surface Technology. In addition to continuing its existing business, the Company intends to capture new revenue streams by deploying that technology, along with a suite of innovative new products collectively referred to as the Retail Solutions Suite, to large retail supermarkets and Consumer Packaged Goods (CPG) vendors.</td>
<td>Section 3</td>
</tr>
<tr>
<td>Item</td>
<td>Summary</td>
<td>Further information</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------</td>
</tr>
</tbody>
</table>
| What products and services does the Company currently offer and what does it plan to offer in the future? | The Group currently designs and manufactures a wide range of high-precision weighing systems for retail, healthcare and industrial sectors. The range consists of small weighing systems that integrate into self-checkout and Point of Sale (POS) solutions as an OEM component. In addition, the Company’s precision weighing systems were one of the first in the world to be incorporated to warmers and incubators for premature babies and are now sold as an integrated component for such products. The Company also produces its own range of physician’s scales, special needs scales (such as wheelchair and ramp scales) and domestic scales. The Company markets these products under the Healthweigh® brand. In addition to its existing products, the Company is developing and intends to sell the following products, which together comprise the Retail Solutions Suite:  
> **Product-aware shelf:** a shelf system using the Company’s Product Aware Surface Technology, which identifies the quantity and location of individual objects on the shelf in real-time, providing instant feedback on inventory levels and product rotation.  
> **The Bay:** composed of five product-aware shelves, providing a ready-to-install solution for retailers.  
> **The Promotion Bay:** located at store endcaps, this product provides accurate real-time data for retailers and CPG vendors in promotion campaign roll outs, inventory levels and consumer behaviour.  
> **Innovendi:** an autonomous vending machine utilising the Product Aware Surface Technology.  
> **Singular:** a real-time analytics solution for the retail sector with advanced, predictive deep learning capabilities.  
> **Goopi:** a cloud-based portal allowing retailers, based on a customer’s barcode scanning, to cheaply and quickly create customised digital video at check-out advertisements that can be delivered through a range of technology platforms.  
> **iPC Scale:** a digital scale for use at grocery store checkouts, which automatically recognises the fruit, vegetable, meat or other product that is being weighed. | Sections 3.5 and 3.6 |
| How does the Company generate income?                                 | The Company currently generates income primarily from sales of scaling solutions and weighing systems to OEMs in the retail and healthcare sector globally and to industrial customers in Israel. Income is also derived from the sale of branded weighing products to the healthcare industry globally. The Company also generates income from the provision of after-sales service to customers in Israel and France. The Company currently intends that, once fully developed, some of its Retail Solutions Suite (being, The Bay, The Promotion Bay, Singular and Goopi) will be offered on an “as a service” model, whereby customers will not be required to pay up front for any of the Group’s hardware components of those solutions, but will instead pay the Company a fee through which the cost of deployment of that hardware will be recouped. The Innovendi product will include an upfront fee from customers. The Company’s intention is to apply a similar model for the sale of the iPC Scale. The business model to be applied to the Company’s new products will be refined as the go-to-market strategy is developed. | Section 3.10 |
### Investment Overview

<table>
<thead>
<tr>
<th>Item</th>
<th>Summary</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will the Company require more debt or equity to be raised?</td>
<td>The growth of the Group’s business as set out in Section 3 will initially be funded by a combination of the Company’s existing cash flow, funds raised by this Offer and existing bank debt. These sources are expected to be sufficient for the Company’s purposes for at least the next two years. If the Company’s development and marketing of its Retail Solutions Suite, as set out in Section 3.6, is successful, the Company anticipates requiring further capital.</td>
<td>Sections 3.6 and 3.8</td>
</tr>
<tr>
<td>Does the Group have its own intellectual property?</td>
<td>Yes, the Group has a suite of intellectual property rights, including patents, in relation to its core load cell products and related technology. See the Intellectual Property Report in Section 8 for details of the Group’s registered intellectual property. In addition, the Group has received a number of quality accreditations and other industry certifications which may represent a barrier to entry for new market participants. In addition, the Group’s OEM customers have received a number of industry standards for their solutions incorporating the Company’s weighing solutions.</td>
<td>Sections 3.7 and 8</td>
</tr>
<tr>
<td>What jurisdictions does the Group operate in?</td>
<td>The Group’s principal operations are located in Israel, where management, R&amp;D and manufacturing for local customers are located, and in China, where the Group operates a manufacturing and assembly facility and undertakes marketing and sales. The Group also has a presence in Luxembourg, France and the US, for the purpose of servicing customers in the European and North American markets, and, from Admission will operate in the UK through the acquisition of Goopi Ltd.</td>
<td>Section 3.3</td>
</tr>
<tr>
<td>What laws apply to the Company?</td>
<td>The Company operates under the Companies Law and the Ministry of Justice – Corporations Authority of the State of Israel. The Company is also registered as a foreign company in Australia pursuant to the Corporations Act. As Shekel Brainweigh was not established in Australia, its general corporate activities (apart from any offering of securities in Australia and its obligations as a registered foreign company) are not regulated by the Corporations Act or by ASIC but instead are regulated by the Companies Law and the Ministry of Justice – Corporations Authority of the State of Israel. See Section 10.8 for a comparison of laws governing the Company as an Israel registered company with the laws governing Australian publicly listed companies generally.</td>
<td>Section 10.8</td>
</tr>
<tr>
<td>What is the Company’s strategy for growth?</td>
<td>In the future, in addition to continuing to operate its core R&amp;D, manufacturing and sales business, the Company plans to leverage its expertise in, and access to, the retail industry, to offer the Retail Solutions Suite. The Directors believe these solutions will address some of the key barriers to profitability and growth being experienced by the global retail industry, during a period of rapid evolution.</td>
<td>Sections 3.6, 3.8 and 4.1</td>
</tr>
<tr>
<td>Item</td>
<td>Summary</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>What are the key dependencies of the Group’s business model?</td>
<td>The Group’s key dependencies include:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&gt; continuing demand from OEMs for the Company’s weighing technology at prices sufficient to generate an acceptable return;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&gt; the Company’s ability to retain its industry certifications and continue to meet its own quality standards, which are essential in the regulated markets of retail and healthcare;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&gt; the successful development, and rate of uptake, of the Company’s Retail Solutions Suite;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&gt; effective protection of the Group’s intellectual property rights;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&gt; the rate of development of competing technologies, particularly in the retail sector; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&gt; the Group’s ability to attract and retain employees and key management personnel with appropriate technical qualifications.</td>
<td></td>
</tr>
</tbody>
</table>

Sections 3.7, 4 and 8
### 1.2 Directors, Key Management Personnel and security interests

#### Who are the Directors and Key Management Personnel of the Company?

The Directors of Shekel Brainweigh are:

- **Dave Sharma – Non-Executive Chairman.**
- **Yoram Ben Porat – Executive Director;**
- **Isaac Raviv – Non-Executive Director and External Director;**
- **Beth Kaplan – Non-Executive Director;**
- **Tzipi Avioz – Non-Executive Director and External Director; and**
- **Sophie Raven – Non-Executive Director.**

Key Management Personnel includes:

- **Yoram Ben Porat – CEO;**
- **Yedidia Yossef – Deputy CEO;**
- **Barak Nir – Chief Financial Officer;**
- **Guy Moshe – Chief Technology Officer;**
- **Sinead Teague – Joint Company Secretary; and**
- **Andrew Bursill – Joint Company Secretary.**

#### What are the Directors’ and Key Management Personnels’ current relevant interests in Securities in Shekel Brainweigh?

The Directors’ and Key Management Personnels’ current relevant interests in Securities in Shekel Brainweigh are:

<table>
<thead>
<tr>
<th>Director</th>
<th>Shares</th>
<th>% of Shares</th>
<th>Performance Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dave Sharma</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Yoram Ben Porat¹</td>
<td>35,221,200</td>
<td>32.0%</td>
<td>2,890,933</td>
</tr>
<tr>
<td>Beth Kaplan²</td>
<td>51,718,791</td>
<td>47.0%</td>
<td>Nil</td>
</tr>
<tr>
<td>Isaac Raviv</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Tzipi Avioz</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Sophie Raven</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Barak Nir</td>
<td>Nil</td>
<td>Nil</td>
<td>2,890,933</td>
</tr>
</tbody>
</table>

**Notes:**

1. Represents Shares held by Consepta in which Mr Yoram Ben Porat holds approximately 37.4% of the shares.
2. Represents Shares held by Axcel Partners VI LLC. Axcel Partners VI LLC is managed by Axcel Managers LLC, which is in turn controlled by Beth Kaplan and Bruce Sholk.
3. See Section 10.10 for further details of the Directors’ interests in the Company and see Section 10.1 for further details on the Company’s Shareholders as discussed at Notes 1. and 2. above.

Of the Directors, Dave Sharma intends to participate in the Offer by subscribing for 10,500 Shares.
What are the Directors’ remuneration arrangements and benefits?

Details of Directors’ total remuneration, for the period from 17 August 2016 to date are set out in the table below:

<table>
<thead>
<tr>
<th>Director</th>
<th>Remuneration (AU$)</th>
<th>Remuneration (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dave Sharma</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Yoram Ben Porat</td>
<td>310,397</td>
<td>234,271</td>
</tr>
<tr>
<td>Beth Kaplan</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Isaac Raviv</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Tzipi Avioz</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Sophie Raven</td>
<td>21,571</td>
<td>16,329</td>
</tr>
</tbody>
</table>

Details of the Directors’ proposed total annual remuneration, from Admission, are set out in table below. The Board considers these arrangements to constitute reasonable remuneration.

<table>
<thead>
<tr>
<th>Director</th>
<th>Remuneration (AU$)</th>
<th>Remuneration (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dave Sharma</td>
<td>60,000</td>
<td>45,420</td>
</tr>
<tr>
<td>Yoram Ben Porat</td>
<td>215,271</td>
<td>162,960</td>
</tr>
<tr>
<td>Beth Kaplan</td>
<td>36,000</td>
<td>27,252</td>
</tr>
<tr>
<td>Isaac Raviv</td>
<td>36,000</td>
<td>27,252</td>
</tr>
<tr>
<td>Tzipi Avioz</td>
<td>36,000</td>
<td>27,252</td>
</tr>
<tr>
<td>Sophie Raven</td>
<td>36,000</td>
<td>27,252</td>
</tr>
</tbody>
</table>

The Directors may also participate in the Group’s 2018 Share Option Plan. See Section 10.5 for further information. In addition to the above, the Directors are parties to the Exculpation, Insurance and Indemnification Agreements. See Section 10.11(b).
As at the Prospectus Date, the substantial Shareholders of Shekel Scales are as follows:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of Shares held</th>
<th>% of Shares held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axcel Partners VI LLC¹</td>
<td>51,718,791</td>
<td>47.0</td>
</tr>
<tr>
<td>Consepta²</td>
<td>35,221,200</td>
<td>32.0</td>
</tr>
<tr>
<td>Eskay Beit Keshet³</td>
<td>23,060,009</td>
<td>21.0</td>
</tr>
</tbody>
</table>

Notes:

1. Beth Kaplan and Bruce Sholk control Axcel Managers LLC which manages Axcel Partners V1 LLC and would, under the substantial shareholder provisions of the Corporations Act (which do not apply to the Company - see Section 10.8(o)), also be deemed to be substantial shareholders.

2. Yoram Ben Porat and Shlomo Talitman each hold more than 20% of Consepta (37.4% and 24.96% respectively) and would, under the substantial shareholder provisions of the Corporations Act (which do not apply to the Company - see Section 10.8(o)), also be deemed to be substantial shareholders.

3. Kibbutz Beit Keshet and Beit Keshet Holding – Agricultural Corporation Ltd. each hold a 50% interest in Eskay Beit Keshet. Both would, under the substantial shareholder provisions of the Corporations Act (which do not apply to the Company – see section 10.8(o)), also be deemed to be substantial shareholders.

4. The above shareholding percentages are calculated prior to dilution for the Options or conversion of the Performance Rights.

5. See Section 10.1 for further details on the Company’s Shareholders.

From Admission, the substantial Shareholders of the Company will be as follows:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of Shares held</th>
<th>% of Shares held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axcel Partners VI LLC¹</td>
<td>51,718,791</td>
<td>37.2</td>
</tr>
<tr>
<td>Consepta²</td>
<td>35,221,200</td>
<td>25.3</td>
</tr>
<tr>
<td>Eskay Beit Keshet³</td>
<td>23,060,009</td>
<td>16.6</td>
</tr>
</tbody>
</table>

Notes:

1. Beth Kaplan and Bruce Sholk control Axcel Managers LLC which manages Axcel Partners V1 LLC and would, under the substantial shareholder provisions of the Corporations Act (which do not apply to the Company - see Section 10.8(o)), also be deemed to be substantial shareholders.

2. Yoram Ben Porat and Shlomo Talitman each hold more than 20% of Consepta (37.4% and 24.96% respectively) and would, under the substantial shareholder provisions of the Corporations Act (which do not apply to the Company - see Section 10.8(o)), also be deemed to be substantial shareholders.

3. Kibbutz Beit Keshet and Beit Keshet Holding – Agricultural Corporation Ltd. each hold a 50% interest in Eskay Beit Keshet. Both would, under the substantial shareholder provisions of the Corporations Act (which do not apply to the Company – see section 10.8(o)), also be deemed to be substantial shareholders.

4. The above shareholding percentages are calculated prior to dilution for the Options or conversion of the Performance Rights.

5. See Section 10.1 for further details on the Company’s Shareholders.
### 1.3 Financial information

<table>
<thead>
<tr>
<th>Item</th>
<th>Summary</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the financial position of the Group (Balance Sheet)?</td>
<td>The following table sets out a summary of the Pro Forma Consolidated Balance Sheet of the Group as at 31 December 2017:</td>
<td>Section 7</td>
</tr>
<tr>
<td><strong>Pro Forma Consolidated Balance Sheet of the Group as at 31 December 2017 (US$'000)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Current assets</td>
<td>18,022</td>
</tr>
<tr>
<td></td>
<td>Non current assets</td>
<td>2,906</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>20,928</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Current liabilities</td>
<td>8,014</td>
</tr>
<tr>
<td></td>
<td>Non current liabilities</td>
<td>221</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>8,235</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>12,693</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. This is a summary only. See the Investigating Accountant’s Report in Section 7 for detailed financial information in relation to the Group.

| What has been the financial performance of the Group (Profit and Loss)? | The Group has a history of generating profits from its operations. The following table sets out the consolidated revenue, gross profit, operating profit and profit after tax of the Group for the financial years ended 31 December 2015, 2016 and 2017. | Section 7 |
| | | |
| | **Revenue** | 2015 (US$'000) | 2016 (US$'000) | 2017 (US$'000) |
| | Gross Profit | 4,957 | 5,461 | 7,256 |
| | Operating Profit | 486 | 944 | 2,451 |
| **Profit for the year after tax** | 90 | 443 | 1,939 |

Notes:
1. This is a summary only. See the Investigating Accountant’s Report in Section 7 for detailed financial information in relation to the Group.

| Are there any forecasts of future earnings? | Having considered the matters detailed in ASIC Regulatory Guide 170, the Directors determined that they do not have a reasonable basis to include any forecast financial information in this Prospectus. | Section 3.9 |

| Will the Company have sufficient funds for its activities? | In the opinion of the Directors, upon successful completion of the Offer, the Company will have sufficient funds to pursue its activities for at least the next two years. | Sections 2.1 and 2.2 |
**Investment Overview**

**What is the outlook for the Company?**

In the opinion of the Directors, the key retail and healthcare markets in which the Group operates have favourable growth characteristics which will support the Company’s strategic plans in each of those markets.

In particular, the retail industry is currently facing a number of profitability challenges as a result of the rapid evolution of the industry which is being driven by new technologies and the entry of new players. These dynamics are expected to be favourable for the Company and supportive of the planned deployment of the Company’s Retail Solutions Suite.

The Directors also believe that for a range of demographic and policy reasons, the healthcare industry will continue to grow and this growth will be supportive to the Company.

**1.4 Key risks**

Prospective investors should be aware that subscribing for securities in the Company involves a number of risks and uncertainties. The risk factors set out in Section 6, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. An investment in the Shares should be considered speculative. Investors may lose some or all of their investment.

Based on the information available, a non-exhaustive list summarising the key risk factors affecting the Company is set out below. Investors should refer to the more comprehensive list of risks set out in Section 6. Where relevant, the risks below assume completion of the Offer has occurred. The occurrence of any one of the risks below could adversely impact the Company’s operating or financial performance.

<table>
<thead>
<tr>
<th>Key Risks</th>
<th>Summary</th>
<th>Further Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intellectual property</td>
<td>The Company relies on its intellectual property rights and there is a risk that the Company may fail to protect its rights for a number of reasons. The Company’s technologies are protected by a portfolio of issued and pending patents. As the Company grows, there is a risk that this portfolio of issued and pending patents may not be adequate and may not prevent the misappropriation of its intellectual property or deter independent development of similar products by others. The Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. There is also a risk that the Company may contravene, or be alleged to have contravened, the intellectual property rights of third parties. The Company has not to date had in place a formalised intellectual property protection policy. The Company may fail to adequately protect the Group’s intellectual property rights or identify and address circumstances in which it might compromise the intellectual property rights of third parties, which could have a material adverse effect on the Company’s business, operating results and financial condition. Further, there is a risk under Israeli law that employees of the Company will claim royalties with respect to inventions developed by them during their term of service.</td>
<td>Section 6.1(a)</td>
</tr>
<tr>
<td>Manufacturing and Production</td>
<td>Any disruption to the Company’s manufacturing processes could cause the Company significant business disruption and adversely impact revenues. As a manufacturer and supplier of products, the Company faces an inherent risk of exposure to warranty and product liability claims. Such claims may have an adverse effect on the business.</td>
<td>Section 6.1(b)</td>
</tr>
<tr>
<td><strong>Key Risks</strong></td>
<td><strong>Summary</strong></td>
<td><strong>Further Information</strong></td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td><strong>Israeli company</strong></td>
<td>The Company is incorporated and based in Israel. Accordingly, political, economic and military conditions in Israel and the surrounding region may directly affect the Company’s business. Any hostilities involving Israel or the interruption or curtailment of trade within Israel or between Israel and its trading partners, or the mandatory military service obligations of Israeli citizens (including the Company’s Israeli-based Directors and key management and scientific personnel) could materially and adversely affect the Company’s business. Based on the Company’s Key Management Personnel as at the Prospectus Date, the mandatory Israeli military service obligations will only apply to Guy Moshe (Chief Technology Officer of the Company).</td>
<td>Section 6.1(c)</td>
</tr>
<tr>
<td><strong>Applicability of Israeli law</strong></td>
<td>The rights and responsibilities of the Company’s Shareholders are governed by the Company’s Articles and Israeli law, which differ in some material respects from the rights and responsibilities of Australian company shareholders (see Section 10.8 for more detail). Accordingly, there is a risk that Israeli law may impose additional obligations and liabilities on the Company’s Shareholders. There is also a risk that Australian judgments made against the Company may be difficult to enforce against the Company and its directors or officers in Israel.</td>
<td>Sections 6.1(d) and 10.8</td>
</tr>
<tr>
<td><strong>Competition and new technologies</strong></td>
<td>The Company has direct competitors in the industries in which it operates. Rival product offerings by existing and new competitors or technology developments by third party competitors may have a materially adverse effect on the value and prospects of the Company.</td>
<td>Section 6.1(e)</td>
</tr>
<tr>
<td><strong>Retail Solutions Suite in early stages of development with limited testing</strong></td>
<td>The Retail Solutions Suite is in the early stages of development and implementation. The Company cannot guarantee that it will complete its commercial implementation of the Retail Solutions Suite. There is also no guarantee that the Retail Solutions Suite, if successfully commercially implemented, will be adopted by the relevant markets, which may have a negative effect on the Company’s future revenues.</td>
<td>Section 6.1(f)</td>
</tr>
<tr>
<td><strong>Industry standards</strong></td>
<td>Should any of the Company’s products fail to meet industry standards, such products will be limited in sales and become obsolete and unmarketable. This, in turn, may adversely affect the Company’s business, financial conditions and operating results.</td>
<td>Section 6.1(g)</td>
</tr>
<tr>
<td><strong>Key customers</strong></td>
<td>A small group of the Company’s key customers make up a large part of the Company’s total revenues and it is expected that the Company will continue to remain dependent on this small group. If the Company is unable to retain current levels of business with these customers and attract new business from them, the Company’s operations and financial conditions may be adversely affected. The Company has main customers which are not covered by definitive agreements. These customers may terminate arrangements with immediate effect without notice. Even where the Company has contracts in place with existing customers, none of them are long-term. Should any of the main customers terminate their arrangements with the Company, the Company’s operations and financial conditions may be adversely affected.</td>
<td>Section 6.1(h)</td>
</tr>
</tbody>
</table>
Group treasury and secretarial controls

During the course of preparing for this Offer, it has become apparent that Group treasury and secretarial controls have in some instances been lacking and this has led to a number of instances of non-compliance with applicable laws. Whilst the Company is taking steps to remedy each such issue identified, there is a risk that the Company may be subject to legal or regulatory action in any of the jurisdictions in which the Group operates, including fines or other adverse consequences. This could have a material adverse effect on the Company’s operations, financial performance and reputation.

From Admission, the Company expects that it will have in place internal corporate and secretarial controls which are appropriate for an ASX-listed company.

1.5 Overview of the Offer

<table>
<thead>
<tr>
<th>Item</th>
<th>Summary</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the Offer?</td>
<td>The Offer is an initial public offering of 29,000,000 Shares at the Offer Price of AU$0.35 per Share to raise AU$10,150,000 (before costs). This Offer is made to the general public. This Prospectus also contains an offer of Lead Manager Options to the Lead Manager.</td>
<td>Section 2</td>
</tr>
</tbody>
</table>
| What are the key investment highlights? | The key investment highlights for Shekel Brainweigh are:  
  > strong and consistent revenues;  
  > significant market share in the markets in which the Company supplies its products with well-established customer relationships;  
  > an exciting new suite of technologies with early stage interest from market leading participants; and  
  > strong board and management experience and shareholder support for the Offer. | Sections 3.5, 3.6, 5, 3.8 |
| Is there a minimum subscription? | Yes. The minimum subscription is 29,000,000 Shares at the Offer Price of AU$0.35 per Share to raise AU$10,150,000. If the Minimum Subscription is not raised within four months of the Prospectus Date (or such period as varied by ASIC), the Company will not proceed with the Offer and will repay all Application Monies (without interest) as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest in accordance with the Corporations Act. | Section 2.1 |
| What rights and liabilities attach to the Shares being offered? | The Shares will rank equally with the Shares currently on issue in the Company. There are certain differences between the Shares and ordinary shares which are typically issued by Australian incorporated public companies. A description of the Shares, including the rights and liabilities attaching to them, is set out in Annexure A. | Section 2.1 and Annexure A |
Why is the Offer being conducted?

The purpose of the Offer is to raise AU$10,150,000 under the Offer, to facilitate an Application by the Company to list on ASX and to position the Company to achieve its strategy as set out in Section 3.8.

Key Offer Information and Indicative Timetable, and Sections 2.2 and 3.8

How will existing funds and the funds raised under the Offer be used?

The Company intends to apply funds raised from the Offer as follows:

<table>
<thead>
<tr>
<th>Use of Funds</th>
<th>Expense (AU$’000)</th>
<th>Proportion of Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D(^1)</td>
<td>2,480</td>
<td>24.4%</td>
</tr>
<tr>
<td>Manufacturing(^2)</td>
<td>1,700</td>
<td>16.8%</td>
</tr>
<tr>
<td>Marketing and sales(^3)</td>
<td>2,270</td>
<td>22.4%</td>
</tr>
<tr>
<td>Working capital(^4)</td>
<td>1,400</td>
<td>13.8%</td>
</tr>
<tr>
<td>Capital expenses(^5)</td>
<td>700</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

Total: 10,150 100%

Notes:

1. R&D includes relevant internal or external labour costs in connection with R&D relating to the Company’s products, materials required as part of the research process and the costs of acquiring necessary equipment for developing the Retail Solutions Suite.

2. Manufacturing includes labour costs, the costs of acquiring necessary equipment for manufacturing and the costs of upgrading existing and/or establishing new manufacturing processes or premises.

3. Marketing and sales includes relevant labour costs, costs relating to sales and marketing initiatives in connection with the Company’s products and the costs incurred in negotiating contracts with potential customers of those products (including, in each case, any associated travel expenses).

4. Working capital includes salaries and wages, rents and other corporate costs with managing the Company, including legal and accounting costs.

5. Capital expenses include the costs of manufacturing and producing the hardware components for The Bays.

6. Estimated expenses of the Offer include accounting fees, legal fees, ASX listing fees, corporate advisory fees, brokerage commissions, Share Registry fees, printing fees and other miscellaneous expenses associated with the Offer (see Section 10.15).

7. The table above represents the Company’s current intentions as at the Prospectus Date based on the current business plan of the Company and business conditions. The amount and timing of the actual expenditure may vary and will depend upon numerous factors, including the timing and success of the Company’s activities and the risk factors outlined in Section 6.
**Investment Overview**

**What is the effect of the Offer on the capital structure of the Company?**

The capital structure of the Company following completion of the Offer is summarised below.

<table>
<thead>
<tr>
<th>Item</th>
<th>Summary</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Structure – Shares</strong></td>
<td>Number</td>
<td>Section 2.3</td>
</tr>
<tr>
<td>Shares on issue as at the Prospectus Date</td>
<td>110,000,000</td>
<td></td>
</tr>
<tr>
<td>Shares to be issued under the Offer</td>
<td>29,000,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Shares on issue following the Offer</strong></td>
<td>139,000,000</td>
<td></td>
</tr>
</tbody>
</table>

| **Capital Structure – Options** | Number | |
| Plan Options issued as at the Prospectus Date | 19,427,064 | |
| Lead Manager Options | 4,170,000 | |
| **Total Options on issue following the Offer** | 23,597,064 | |

| **Capital Structure – Performance Rights** | Number | |
| Total Performance Rights on issue following the Offer | 11,563,732 | |

**Notes:**

1. See Annexure A for the terms and conditions of the Shares.
2. See Section 10.7 for the terms and conditions of the Plan Options.
3. See Section 9.1 for the terms and conditions of the Lead Manager Options.
4. See Annexure B for the terms and conditions of the Performance Rights.

**What is the minimum Application size under the Offer?**

The minimum Application size under the Offer is 6,000 Shares (equivalent to AU$2,100) and thereafter in multiples of 1,500 Shares (equivalent to AU$525).

**How do I apply for Shares under the Offer?**

Applications for Shares can be made by using the Application Form attached to this Prospectus. If an Applicant is paying by:

- **cheque:** the cheque must be in Australian dollars for the full amount of the Application being $0.35 per Share applied for. Cheques must be made payable to “Shekel Brainweigh Ltd.” and should be crossed “Not Negotiable”. The Applicant’s completed Application Form and accompanying cheque must be mailed or delivered to the Company’s Lead Manager at the address indicated on the form; or

- **electronic funds transfer (EFT):** funds must be transferred to the Shekel Brainweigh Ltd. Share Offer Account in Australian dollars for the full amount of the Application being AU$0.35 per Share applied for. To pay by EFT the Applicant must first email the completed Application Form to the Company’s Lead Manager, RM Corporate at nbarbarich@rmcf.com.au with the subject line of “Shekel Brainweigh Ltd. Share Offer”. The Company’s Lead Manager will then contact the Applicant regarding the procedure for making payment by EFT.

Completed Application Forms and cheques or EFT payments must be received by 5.00pm WST on the Closing Date of 12 October 2018. The Company reserves the right to extend the Closing Date or close the Offer early without notice (in its absolute discretion).

The offer of the Lead Manager Options is only made to the Lead Manager and may be accepted by completing and returning a personalised Application Form.
<table>
<thead>
<tr>
<th>Item</th>
<th>Summary</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td>When will I know if my Application was successful?</td>
<td>It is expected that holding statements will be sent to successful Applicants by post on or about 24 October 2018.</td>
<td>Key Offer Information and Indicative Timetable</td>
</tr>
<tr>
<td>Is there a cooling off period?</td>
<td>No.</td>
<td></td>
</tr>
<tr>
<td>Can the Offer be withdrawn by the Company?</td>
<td>Yes. The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded as soon as practicable in accordance with the requirements of the Corporations Act. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.</td>
<td>Section 2.12</td>
</tr>
<tr>
<td>Who is the Lead Manager of the Offer?</td>
<td>The Lead Manager is RM Corporate Finance Pty Ltd (AFSL 315235). The contact person is Nathan Barbarich, Head of Corporate Finance, contactable on +61 8 6380 9200 or <a href="mailto:nbarbarich@rmcf.com.au">nbarbarich@rmcf.com.au</a>.</td>
<td>Sections 2.5 and 9.1</td>
</tr>
<tr>
<td>Is the Offer underwritten?</td>
<td>No.</td>
<td></td>
</tr>
<tr>
<td>Will the Shares be quoted on ASX?</td>
<td>The Company will apply to ASX for its admission to the Official List and quotation of Shares on ASX (which is expected to be under the code “SBW”). If ASX does not admit the Shares to Official Quotation before the expiration of three months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not allot or issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.</td>
<td>Section 2.11</td>
</tr>
<tr>
<td>What is the Company's dividend policy?</td>
<td>The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business and new products and services. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings, operating results, the financial condition of the Company, future capital requirements and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company. Any dividends paid by the Company are unlikely to be franked.</td>
<td>Section 3.11</td>
</tr>
</tbody>
</table>
## Investment Overview

### Will any Securities be restricted in accordance with the ASX Listing Rules?

The Company will apply to be admitted to trading on ASX under the so-called “Profits Test” in the ASX Listing Rules. Assuming the Company is Admitted on this basis, no mandatory escrow will apply. However, the current Shareholders have entered into voluntary escrow arrangements and their Shareholdings will be held in escrow for 12 months from the date of Admission, in respect of the number of shares set out in the table below:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of Shares held in escrow</th>
<th>Proportion of Shares on Admission (%)&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axcel Partners VI LLC</td>
<td>51,718,791</td>
<td>37.2</td>
</tr>
<tr>
<td>Consepta</td>
<td>35,221,200</td>
<td>25.3</td>
</tr>
<tr>
<td>Eskay Beit Keshet</td>
<td>23,060,009</td>
<td>16.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>110,000,000</strong></td>
<td><strong>79.1%</strong></td>
</tr>
</tbody>
</table>

Note:

1. The above Shareholding percentages are calculated prior to dilution of Options or conversion of the Performance Rights.

The number of Shares voluntarily escrowed will represent approximately 79.1% of all of the Shares on issue following the Offer (prior to dilution upon exercise of Options or conversion of the Performance Rights).

### Is there any brokerage, commission or stamp duty payable by Applicants?

No brokerage, commission or stamp duty should be payable by Applicants on acquisition of Shares under the Offer.

### Are there any taxation considerations?

The tax consequences of any investment in the Shares will depend upon an investor’s particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.

A summary of the taxes and duties payable in Israel is set out in Section 10.9 of this Prospectus.

### Where can I find out more information about the Offer?

Questions relating to the Offer can be directed to the Lead Manager, Nathan Barbarich, Head of Corporate Finance, RM Corporate, on +61 8 6380 9200 or nbarbarich@rmcf.com.au.

### How can I obtain further advice?

By speaking to your accountant, stockbroker or other professional adviser.
Details of the Offer
2.1 The Offer

By this Prospectus, the Company invites Applications for 29,000,000 Shares at an issue price of AU$0.35 to raise AU$10,150,000, before associated costs.

This Prospectus also offers Lead Manager Options to the Lead Manager on the terms and conditions set out at Section 9.1.

No Shares will be issued unless the Subscription has been received. If the Subscription is not received within four months after the Prospectus Date (or such period as varied by ASIC), the Company will not proceed with the Offer and will repay all Application Monies (without interest) as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest in accordance with the Corporations Act.

The Shares will rank equally with the Shares currently on issue in the Company. There are certain differences between the Shares and ordinary shares which are typically issued by Australian incorporated public companies. A description of the Shares, including the rights and liabilities attaching to them, is set out in Annexure A. A description of the Lead Manager Options, is set out at Section 9.1.

If ASX does not admit the Shares to Official Quotation before the expiration of three months after the Prospectus Date, or such period as varied by ASIC, the Company will not allot or issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

2.2 Purpose of the Offer and proposed sources and uses of funds

The purpose of this Offer is to:

(a) raise AU$10,150,000 from Applications for 29,000,000 Shares at an issue price of AU$0.35 per Share;
(b) facilitate an Application by the Company to seek admission to the Official List and to assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules; and
(c) position the Company to achieve its strategy as set out in Section 3.8.

The Company intends to apply the funds raised from the Offer, together with existing cash reserves (which stood at approximately US$1.725 million as at 31 December 2017), and cash flows from the operation of the Group’s existing business, over the two years following admission of the Company to the Official List of ASX as follows:

<table>
<thead>
<tr>
<th>Use of Funds</th>
<th>Expenses (AU$’000)</th>
<th>Proportion of Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D¹</td>
<td>2,480</td>
<td>24.4%</td>
</tr>
<tr>
<td>Manufacturing²</td>
<td>1,700</td>
<td>16.8%</td>
</tr>
<tr>
<td>Marketing and sales³</td>
<td>2,270</td>
<td>22.4%</td>
</tr>
<tr>
<td>Working capital⁴</td>
<td>1,400</td>
<td>13.8%</td>
</tr>
<tr>
<td>Capital expenses⁵</td>
<td>700</td>
<td>6.9%</td>
</tr>
<tr>
<td>Expenses of the Offer⁶</td>
<td>1,600</td>
<td>15.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,150</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Notes:

1 R&D includes relevant internal or external labour costs in connection with R&D relating to the Company’s products, materials required as part of the research process and the costs of acquiring necessary equipment for developing the next generation of the Company’s various products.
2 Manufacturing includes labour costs, the costs of acquiring necessary equipment for manufacturing and the costs of upgrading existing and/or establishing new manufacturing processes and premises.
3 Marketing and sales includes relevant labour costs, costs relating to sales and marketing initiatives in connection with the Company’s products and costs incurred in negotiating contracts with potential customers of the Company’s products (including, in each case, any associated travel expenses).
4 Working capital expenses includes salaries and wages, rents and other corporate costs with managing the Company, including legal and accounting costs.
5 Capital expenses include the costs of manufacturing and producing the hardware components for the Bays.
6 Estimated expenses of the Offer include accounting fees, legal fees, ASX listing fees, corporate advisory fees, brokerage commissions, Share Registry fees, printing fees and other miscellaneous expenses associated with the Offer (see Section 10.15).

The table above represents the Company’s current intentions as at the Prospectus Date based on the current business plan of the Company and business conditions. The amount and timing of the actual expenditure may vary and will depend upon numerous factors, including the timing and success of the Company’s activities and the risk factors outlined in Section 6. As with any work plan and budget, intervening events and new circumstances have the potential to affect the manner in which funds are ultimately applied. Accordingly, the actual expenditures may vary from the above estimates and the Board reserves the right to vary the expenditures dependent on circumstances and other opportunities.

The Board believes that funds raised from the Offer, together with existing cash reserves, will provide the Company with sufficient working capital to carry out its stated objectives.
2.3 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

<table>
<thead>
<tr>
<th>Capital Structure – Shares</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares on issue as at the Prospectus Date</td>
<td>110,000,000</td>
</tr>
<tr>
<td>Shares to be issued under the Offer</td>
<td>29,000,000</td>
</tr>
<tr>
<td>Shares on issue following the Offer</td>
<td>139,000,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Structure – Options</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Options issued as at the Prospectus Date</td>
<td>19,427,064</td>
</tr>
<tr>
<td>Lead Manager Options</td>
<td>4,170,000</td>
</tr>
<tr>
<td>Total Options on issue following the Offer</td>
<td>23,597,064</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Structure – Performance Rights</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Performance Rights on issue following the Offer</td>
<td>11,563,732</td>
</tr>
</tbody>
</table>

Notes:
1. See Annexure A for the terms and conditions of the Shares.
2. See Section 10.7 for the terms and conditions of the Plan Options.
3. See Section 9.1 for the terms and conditions of the Lead Manager Options.
4. See Annexure B for the terms and conditions of the Performance Rights.

As at the Prospectus Date, the substantial Shareholders of the Company are as follows:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of Shares held</th>
<th>% of Shares/ voting power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axcel Partners VI LLC</td>
<td>51,718,791</td>
<td>37.2</td>
</tr>
<tr>
<td>Consepta</td>
<td>35,221,200</td>
<td>25.3</td>
</tr>
<tr>
<td>Eskay Beit Keshet</td>
<td>23,060,009</td>
<td>16.6</td>
</tr>
</tbody>
</table>

Notes:
1. Beth Kaplan and Bruce Sholk control Axcel Managers LLC which manages Axcel Partners V1 LLC and would, under the substantial shareholder provisions of the Corporations Act (which do not apply to the Company - see Section 10.8(a)), also be deemed to be substantial shareholders.
2. Yoram Ben Porat and Shlomo Talitman each hold more than 20% of Consepta (37.4% and 24.96% respectively) and would, under the substantial shareholder provisions of the Corporations Act (which do not apply to the Company - see section 10.8(a)), also be deemed to be substantial shareholders.
3. Kibbutz Beit Keshet and Beit Keshet Holding – Agricultural Corporation Ltd. each hold a 50% interest in Eskay Beit Keshet. Both would, under the substantial shareholder provisions of the Corporations Act (which do not apply to the Company – see section 10.8(o)), also be deemed to be substantial shareholders.
4. The above shareholding percentages are calculated prior to dilution for the Options or conversion of the Performance Rights.
5. See Section 10.1 for further details on the Company’s Shareholders.

2.4 Key dates

Set out below are key dates relating to the Offer:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodgement of this Prospectus with ASIC</td>
<td>20 August 2018</td>
</tr>
<tr>
<td>Opening Date of the Offer</td>
<td>24 September 2018</td>
</tr>
<tr>
<td>Closing Date of the Offer (5.00pm)</td>
<td>12 October 2018</td>
</tr>
<tr>
<td>Settlement date of the Offer</td>
<td>19 October 2018</td>
</tr>
<tr>
<td>Issue of Shares under this Prospectus</td>
<td>24 October 2018</td>
</tr>
<tr>
<td>Despatch of holding statements</td>
<td>24 October 2018</td>
</tr>
<tr>
<td>Expected date for Shares to commence trading on ASX</td>
<td>26 October 2018</td>
</tr>
</tbody>
</table>

Note: This timetable is indicative only. Unless otherwise indicated, all times given are Western Standard Time, Australia. The Company, in consultation with the Lead Manager, reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

2.5 Lead Manager

The Offer is not underwritten. RM Corporate is the Lead Manager to the Offer. A summary of the terms of the engagement of the Lead Manager is set out in Section 9.1.
2.6 How to apply under the Offer

Application for Shares may be made using the Application Form.

If you wish to make payment by cheque, the cheque must be made payable to “Shekel Brainweigh Ltd” and crossed “Not Negotiable” and, together with the completed Application Form, mailed or delivered to the Lead Manager at the address indicated on the Application Form.

If you are paying by cheque, your completed Application Form and accompanying cheque must reach the Lead Manager at the address indicated on the form by the Closing Date.

If you wish to make payment by EFT, then you must email the completed Application Form to the Lead Manager at nbarbarich@rmcf.com.au (with the subject line of “Shekel Brainweigh Ltd”). The Lead Manager will then contact you regarding the procedure for making payment by EFT. All EFT payments must be received by the Company by the Closing Date.

It is your responsibility to be aware of your financial institution’s cut-off time for making payments.

If you are paying by EFT:

(a) your completed Application Form must reach the Company’s Lead Manager at the address indicated on the form by the Closing Date; and

(b) your EFT payment must reach the Company by the Closing Date.

No brokerage, commission or stamp duty is payable by Applicants on an acquisition of Shares under the Offer.

The Opening Date for the Offer is 24 September 2018 and the Closing Date for the Offer is 5.00pm WST on 12 October 2018, or such earlier or later date as the Directors, in their absolute discretion, may determine. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

2.7 Minimum and maximum Application size under the Offer?

Applications under the Offer must be for a minimum of AU$2,100 worth of Shares (being 6,000 Shares at AU$0.35 each) and in multiples of AU$525 worth of Shares (being 1,500 Shares at AU$0.35) thereafter.

The Lead Manager and the Company reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.

2.8 How to obtain a copy of this Prospectus

Please contact your broker for instructions. You may also obtain a copy of this Prospectus from the Lead Manager. Please telephone on +61 8 6380 9200 to obtain a copy.

Subject to Sections 2.11 and 2.12 the Shares to be issued under the Offer will be issued as soon as practicable after the Closing Date. It is expected that holding statements will be sent to successful Applicants by post on or about 24 October 2018.

2.9 Control implications

The number of Shares to be issued pursuant to the Offer is 29,000,000 Shares. The existing Shareholders of the Company will continue to hold a majority of the Company’s shares (including Shares) on issue after the Offer.

2.10 Application Monies to be held on trust

To the extent required by the Corporations Act, until the Shares are issued under this Prospectus, the Application Monies for Shares will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. However, the Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest. If the Shares to be issued under this Prospectus are not admitted to quotation within three months after the date of the Prospectus, no Shares will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

2.11 Allocation policy, issue of Shares, Admission and discretion

(a) Allocation policy

The Directors in their sole discretion reserve the right to determine the allocation of Shares under this Offer, including to reject any Application or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus Application Monies will be refunded, without interest, to the Applicant as soon as practicable after the Closing Date.

(b) Issue of Shares

Allotment of Shares offered by the Prospectus will take place as soon as practicable after the Closing Date subject to ASX granting conditional approval for the Company to be admitted to the Official List.

It is expected that holding statements will be sent to successful Applicants on or about 24 October 2018.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

(c) Admission

Within seven days after the Prospectus Date, the Company will apply to ASX for Admission and for the Shares, including those offered by the Prospectus, to be granted Official Quotation. However, Applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has received the approval of ASX to be admitted to the Official List. As such, Shares offered under the Offer may not be able to be traded for some time after the close of the Offer.

If ASX does not admit the Shares to Official Quotation before the expiration of three months after the Prospectus Date, or such period as varied by ASIC, the Company will not allot or issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.
The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

2.12 Discretion to not proceed or withdraw the Offer

The Company reserves the right, in consultation with the Lead Manager, not to proceed with the Offer, withdraw the Offer, or any part of it, at any time before the issue of Shares to successful Applicants. If the Offer (or any part of it) does not proceed, Application Monies will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

The Company also reserves the right (subject to the ASX Listing Rules and the Corporations Act) to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than the amount applied for. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.

2.13 Restricted Securities

The Company has entered into voluntary restriction arrangements with the existing Shareholders of the Company as follows:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of Shares held in escrow</th>
<th>Proportion of Shares on Admission (%)</th>
<th>Escrow period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axcel Partners VI LLC</td>
<td>51,718,791</td>
<td>37.2</td>
<td>12 months from Admission</td>
</tr>
<tr>
<td>Consetpa</td>
<td>35,221,200</td>
<td>25.3</td>
<td>12 months from Admission</td>
</tr>
<tr>
<td>Eskay Beit Keshet</td>
<td>23,060,009</td>
<td>16.6</td>
<td>12 months from Admission</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>110,000,000</td>
<td>79.1</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. The above Shareholding percentages are calculated prior to dilution of Options or conversion of the Performance Rights.

The Restricted Securities will represent approximately 79.1% of all of the Shares on issue following the Offer (prior to any dilution upon exercise of Options or conversion of the Performance Rights).

During the voluntary escrow period, the existing Shareholders may not dispose of the Restricted Securities. The restrictions on the holder of Restricted Securities include prohibitions on selling, assigning, transferring or otherwise disposing of any interest in the Restricted Securities (or agreeing to do any of those things), granting, or agreeing to grant, a security interest over the Restricted Securities, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Restricted Securities.

2.14 Applications outside Australia

(a) General notice

This Prospectus does not, and is not intended to, constitute an offer in any place in which, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions.

Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register this Prospectus or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

(b) Israel

This Prospectus does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In the State of Israel, this document is being distributed only to, and is directed only at, and any offer of the ordinary shares is directed only at, (i) a limited number of 35 persons or entities in accordance with the Securities Law and the regulations thereunder and (ii) investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds (all as defined under the Israeli Law), entities with equity in excess of ILS 50 million (other than entities formed for the acquisition of securities from a certain offer) and “qualified individuals,” each as defined in the Addendum (as it may be amended from time to time), collectively referred to as Qualified Investors (in each case purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified Investors will be required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it. Certain Qualified Investors may be required to submit additional confirmations.

(c) Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of Shares only in the Provinces and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are “accredited investors” within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.
right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that:

(i) the Company will not be liable if it proves that the purchaser purchased the Shares with knowledge of the misrepresentation;
(ii) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon; and
(iii) in no case shall the amount recoverable exceed the price at which the Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than:

(i) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
(ii) in the case of any action, other than an action for rescission, the earlier of:
   (A) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action; or
   (B) three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.
WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company’s Shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the Shares.

This document is issued on a confidential basis to “qualified investors” (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.
Details of the Offer

(h) New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (FMC Act). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

2.15 Commencement of trading

It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants trading in Shares prior to receiving a holding statement do so at their own risk. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them, by a broker or otherwise.

Shares are expected to commence trading on ASX on a normal settlement basis in accordance with the key dates at the start of this Prospectus.

2.16 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. To the maximum extent permitted by law, neither the Company nor any of its Directors, officers nor any of their respective advisers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

2.17 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Shares under this Prospectus. Any investment in the Company under this Prospectus should be considered speculative in nature.

Questions relating to the Offer can be directed to the Lead Manager, RM Corporate Finance Pty Ltd, on +61 8 6380 9200.
Company Overview, Products and Strategy
3.1 Company background

Founded in 1971, Shekel Brainweigh has been developing, manufacturing, marketing and distributing advanced weighing systems for the retail, healthcare and industrial markets for over 40 years.

The Company specialises in the development of complex, high precision weighing solutions, employing a multidisciplinary team of experts in the fields of analogue and digital scaling technology, AI and big data analytics, alongside a sales team with a proven track record in the global retail and healthcare markets.

Shekel Brainweigh has established a network of global partners and clients in the retail and healthcare markets. Shekel Brainweigh designs and manufactures weighing systems for OEMs including GE Healthcare, Toshiba, Fujitsu, Diebold-Nixdorf and Datalogic. These relationships provide Shekel Brainweigh with the data and testing ground to optimise its designs, as well as a broad distribution network for both existing and proposed new products. Geographically, Shekel Brainweigh’s products are sold across Australia, North and South America, China, Europe, Japan, New Zealand, Israel and Africa.

Recently, Shekel Brainweigh has developed its Product Aware Surface Technology. This Technology allows real-time identification of individual products and objects placed on a given surface (i.e. on a grocery shop shelf, a self-checkout station, etc.). The Directors believe that through its Product Aware Surface Technology, and a number of other products which together form the Retail Solutions Suite, the Company can offer customers in the retail industry the ability to address some of the significant challenges facing that industry today (see Sections 3.6 and 4 for further information).

3.2 Company history – from inception to present

In the past, scaling and weighing technology operated on a simple mechanical basis. This remained relatively unchanged for thousands of years, until the late twentieth century when digital scaling technology emerged. Shekel Brainweigh participated in this development by improving and combining material, digital, and analogue signalling technologies to create proprietary weighing systems required for the production of high precision digital scaling systems.

Between 1995 and 2007, Shekel Brainweigh was granted several global certifications including, among others, ISO 9001 and ISO 13485. These certifications have further enhanced the Company’s global reach in the retail and healthcare markets. Although over the years Shekel Brainweigh had developed a strong international reputation for the quality of its products, it remained regional, largely limiting itself to the Israeli market. For its entry to the US market, the Company opened an office in the US in 2006.

In 2008, Shekel Brainweigh shifted its focus to two fast growing and heavily regulated industries: retail and healthcare, with a view to leveraging its technological and regulatory advantages. This change in strategy saw Shekel Brainweigh evolve from a regional player into a global organisation providing advanced technological solutions.

From 2010, Shekel Brainweigh refined its focus to providing OEM solutions in the retail and healthcare markets. Since then, Shekel Brainweigh has signed several OEM and distribution agreements for onward sales of its products around the world, establishing itself as a reputable provider of autonomous store technologies. Through this focus on the OEM market, Shekel Brainweigh has accelerated its revenue streams without the up-front costs of marketing and sales. Shekel Brainweigh has gained valuable knowledge about the key issues and value drivers for the retail and healthcare industries through its experience over the years in developing and manufacturing OEM solutions.

The Group has further expanded geographically, opening a manufacturing facility in China in 2011 and an EU office in Luxembourg in 2014.
3.3 Corporate and organisational structure

The corporate structure of the Company and its subsidiaries on Admission is set out below in Figure 1.

**Figure 1: Corporate and organisational structure of Shekel Brainweigh on Admission**

Shekel Brainweigh Ltd. (Israel)  
100%  

Shekel Scales (2008) Ltd. (Israel)  
100%  

Shekel Shanghai China Trading Co. Ltd. (China)  
100%  

Shekel (Ningbo) Scales Ltd. (China)  
100%  

Innovendi Markets Ltd. (Israel)  
100%  

Goopi Ltd. (UK)  
100%  

Shekel USA LLC  
100%  

Shekel EU S.A. (Luxembourg)  
60%  

Shekel (Ningbo) Scales Ltd. (China)  
100%  

Abilanx (France)  
100%  

Shekel (Ningbo) Scales Ltd. (China)  
100%  

Abilanx, which is 60% owned by Shekel EU S.A and 40% owned by a private investor, is domiciled in France and has nine employees. Abilanx distributes medical scales and medical equipment, including the Company’s own products, to Europe’s healthcare industry.

Shekel Shanghai China Trading Co. Ltd is domiciled in China and has been established to support the Group’s future import and export trade activities in China. It is currently a non-operating subsidiary.

Shekel (Ningbo) Scales Ltd. has been domiciled in China since 2011 and conducts the bulk of the Group’s manufacturing and assembly operations and employs 65 people. The Group’s manufacturing facility, located in Ningbo, is leased exclusively by the Company and also houses marketing and sales operations for China and the Asia Pacific region. The Company also has a strategic partner, True-Tec, domiciled in Beijing. Shekel Brainweigh outsources assembly work (mainly for the retail markets) to True-Tec. True-Tec works closely with Shekel Brainweigh personnel to ensure compliance with the Company’s manufacturing standards.

Innovendi Markets was incorporated in Israel in 2018 and produces and will distribute the Company’s Innovendi products (described in Section 3.6).

Goopi Ltd, which from Admission will be wholly-owned by Shekel Brainweigh in accordance with the Goopi Acquisition Contract outlined in Section 9.6, is incorporated in the UK, with a wholly-owned subsidiary in Luxembourg. Goopi Ltd is a software company which has developed a cloud-based portal allowing retailers to cheaply and quickly create customised digital video advertisements that can be delivered through a range of technology platforms, manually and automatically.
In total, as of the Prospectus Date, the Group has 176 employees, performing the following major functions:

<table>
<thead>
<tr>
<th>Primary function</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Israel</td>
</tr>
<tr>
<td>Executive and management(^1)</td>
<td>9</td>
</tr>
<tr>
<td>Finance and administration</td>
<td>8</td>
</tr>
<tr>
<td>Engineering and development</td>
<td>29</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>9</td>
</tr>
<tr>
<td>Technical services</td>
<td>17</td>
</tr>
<tr>
<td>Procurement and logistics</td>
<td>3</td>
</tr>
<tr>
<td>Quality assurance</td>
<td>8</td>
</tr>
<tr>
<td>Manufacturing and production</td>
<td>15</td>
</tr>
<tr>
<td>Supply chain</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sub totals</strong></td>
<td><strong>98</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>176</strong></td>
</tr>
</tbody>
</table>

Notes:
1. The headcount for Israel and Europe includes Mr Nir and Mr Ben Porat, who each provide their services on a consultancy rather than employment basis. See Section 9.2 for details of their engagements.

### 3.5 Overview of the technology underlying Shekel Brainweigh’s products

Shekel Brainweigh’s products, current and under development, consist of some or all of three key components. In broad terms, these are as follows:

(a) **Hardware**: The Company develops and designs hardware known as load cells. Load cells act as transducers that are used to create electrical signals which are directly proportional to the force being measured. The hardware also consists of electronic boards.

(b) **Firmware**: Firmware is embedded in the Company’s electronic boards. This is a form of computer software that provides low-level electrical control of the hardware. Through the firmware, the Company is able to collect electrical signals, record their magnitude and monitor and control parameters such as stabilisation time from each load cell.

(c) **Software**: The Company’s computer software is designed to perform a group of coordinated functions and tasks for the benefit of the user (including, for example, displaying the weight of a particular object or proprietary software that detects and records micro-changes in weight and weight distribution on any surface it is applied to, measuring and processing these changes to allow accurate, real-time identification of specific objects and their exact location on any given surface).

It is a combination of some or all of these components which provide Shekel Brainweigh’s products with their key performance characteristics.

### 3.6 Shekel Brainweigh’s current products

**Overview**

The hardware, firmware and software components of Shekel Brainweigh’s current products can be summarised as follows:

(i) **Hardware**: Load cells which take weight measurements at a high speed to provide fast and accurate, weighing and scaling as well as electronic boards.

(ii) **Firmware**: Computer software embedded in the electronic boards which calculates weights and location.

(iii) **Software**: The software displays accurate weight in the user’s desired measurement unit and confirms product identification.

Utilising this technology, Shekel Brainweigh currently develops, manufactures and supplies a suite of electronic weighing solutions for the healthcare and retail industries.
(a) Retail
Shekel Brainweigh produces and sells approximately 44,000 scales and weighing components annually for the retail OEM market with customers including Datalogic, Diebold Nixdorf, Toshiba and Fujitsu. Shekel Brainweigh’s OEM solutions consist of POS systems such as:

(i) checkout scanner scales; and

(ii) security scales for self-checkout systems (scales that compare the weight of a product scanned by a customer with the actual weight of the product for security purposes) (see Figure 2 below).

Shekel Brainweigh distributes and sells these retail products via its retail OEM customers - Toshiba, Datalogic, Diebold Nixdorf and Fujitsu – for onward selling to their retail customers who may, for example, include companies such as Walmart, Whole Foods, Waitrose, UK Coop, CVS Kroger, Dollar General, Wegmans, Morrisons, Marks & Spencer, Lidl, Giant Eagle, Home, Depot and Carrefour.

Figure 2: Self-checkout security scale incorporated in a self-checkout scale, incorporating the Shekel Brainweigh weighing technology

(b) Healthcare
Shekel Brainweigh’s healthcare weighing systems are distributed via two channels:

> the OEM channel for incubator and baby warmer manufacturers; and

> the Company’s own branded Healthweigh® products, sold to medical centres, clinics, hospitals, long term care and fitness centres mainly via distributors.

(i) Healthweigh®
Shekel Brainweigh produces approximately 14,500 scales and weighing components annually, which are marketed under the Healthweigh® brand. The Company’s Healthweigh products can be categorised as follows:

(A) Physician scales (see Figure 3). These precisely measure the BMI of an individual via a single body mass index calculation based on the individual’s height.

(B) Low-profile personal scales and personal floor scales for everyday use.

(C) Handrail and wheelchair scales (see Figure 4). These provide patients and caregivers with a wide side ramp accessible scale which uses advanced movement compensation technology to eliminate involuntary movement and calculate patient weight separate from the wheelchair.

(D) Baby and neonatal scales.

Figure 3: Healthweigh® physician scale with height rod

Figure 4: Healthweigh® wheelchair scale
Shekel Brainweigh sells its Healthweigh™ products via 14 distributors in 11 countries or regions: Australia, North & South America, New Zealand, Germany, the UK, France, Sweden, the Netherlands, Spain, Austria and Poland.

(ii) Healthcare OEM precision weighing systems

Shekel Brainweigh provides its precision weighing systems for integration into incubators and warmers to GE Healthcare, ATOM Medical and Fanem. The Company sells almost 10,000 units annually. The use of the Company’s precision weighing systems in incubators allows caregivers to accurately weigh preterm babies without removing them from the incubator. This helps maintain the thermal environment and minimises unnecessary repositioning or disruption to the baby.

(c) Industrial

Shekel Brainweigh designs and develops measurement weighing and scale solutions for a number of industrial purposes from high-tech laboratories to weighbridges for the Israeli market. The Company services a number of sectors including transportation, agricultural, manufacturing and military. Shekel Brainweigh’s products include industrial scales, vehicle weighbridges (see Figure 5), axle scales, airport scales, digital indicators and bag filling systems.

As at the Prospectus Date, Shekel Brainweigh’s industrial purpose products are made available in Israel.

(d) Shekel Brainweigh’s key advantages

The Directors believe Shekel Brainweigh has the following key competitive advantages in relation to its current product range:

(i) Fast settling time: The software used in Shekel Brainweigh’s current product range has a 66 millisecond response time. For the retail market, scales that stabilise at fast rate, allow for a faster response time at the cashier, therefore processing more customers at a given time. For the healthcare market, use of the Company’s scales allow for consistent measurements of moving premature babies or elderly patients.

(ii) Flexible product offerings: Shekel Brainweigh offers customers the option to purchase either the weighing system or its component parts.

(iii) Multi-disciplinary: Shekel Brainweigh has almost five decades of experience in researching and developing digital scales. As a result, the Company has gained extensive knowledge and built a multidisciplinary team that properly understands the needs and commercial drivers of its customers in the retail, healthcare and industrial industries.

Figure 5: Shekel weighbridge

3.6 Shekel Brainweigh products under development

(a) Overview

Shekel Brainweigh continues to expand its product line through the development of innovative technological advancements in the area of weighing and scaling in combination with AI and data analysis for the retail market.

Over the last few years, by combining its high precision analogue and digital weighing system technologies with AI analytics, Shekel Brainweigh’s R&D team has developed a proprietary technology, the Product Aware Surface Technology, which provides high-precision measurement insights in real-time about products placed on a surface (such as a store shelf or vending machine) in three “dimensions”:

(i) weight of the product;
(ii) position of the product on the surface (i.e. X,Y coordinates / dimensions); and
(iii) identity of the product.

The hardware, firmware and software components of Shekel Brainweigh’s Product Aware Surface Technology are as follows:

(i) Hardware: Ultra-thin load cells and electronic boards;
(ii) Firmware: Computer software embedded in the electronic boards which calculates weights and locations as well as providing raw data streams from each load cell; and
(iii) Software: The Company’s proprietary software detects and records micro-changes in weight and weight distribution on different surfaces it is applied to, measuring and processing these changes to allow accurate, real-time identification of specific objects and their exact location on any given surface. The software is powered by cloud-based machine learning algorithms that allow accurate identification of objects placed upon a given surface with no need for human intervention or any other identification system such as visual recognition apparatus or bar-coding.
Inventory data is communicated in real-time with the vending machine operator and, in the event of a product purchase, the billing company.

Shekel Brainweigh is currently developing software that allows Innovendi operators to automate and enhance the operational efficiency of vending machines.

(v) **Singular**: A cloud-based AI solution for retailers and CPG vendors, providing advanced predictive analytic capabilities. Singular was developed through collaboration with partner Singular Intelligence to provide real-time insights on optimisation of assets and in-store experience. Through the use of deep learning models, Singular’s algorithms develop predictions relating to product transactions based on the product position, shelf position, price and other market information.

(vi) **Goopi**: A simple, open and versatile solution for high definition video-advertisement creation. Goopi utilises dynamic purchasing data as well as other external triggers to create engaging, cross-platform promotional content for consumers in real-time, augmenting the shopping experience. Goopi is provided in combination with The Promotion Bay as described at 3.6(b)(iii) and as a standalone platform to interested customers.

(vii) **iPC Scale**: A self-checkout and autonomous shopping solution for fruits, vegetables and meat products. iPC Scale is a hardware and software solution that utilises computer vision technology for product recognition. This product is currently under development.

Utilising these solutions, the Directors believe the Company is able to assist retailers to address three of the most significant challenges facing the sector today:

- **Store automation** – Shekel Brainweigh’s Product Aware Surface Technology and complementary Retail Solutions Suite create value in the global trend towards autonomy, playing a role in evolving labour roles within the retail landscape.
- **Operational efficiency** – Shekel Brainweigh’s Retail Solutions Suite can assist retailers to minimise out-of-stock and over-stock issues in “bricks and mortar” stores, as well as improve efficiency in e-commerce.
- **Enhancing consumer experience** – Shekel Brainweigh’s products create a seamless and engaging experience for retail consumers.

These issues are described in further detail in Section 4.1 of this Prospectus.
(b) Shekel Brainweigh’s key advantages

Of the Company’s Retail Solutions Suite, the Product Aware Shelf, The Bay, The Promotion Bay and Innovendi products fall under the smart shelf category. See Section 4.1 for further information.

The Directors believe Shekel Brainweigh’s smart shelf products, which utilise the Company’s Product Aware Surface Technology, have the following key competitive advantages:

(i) Quality of data: Shekel Brainweigh’s Product Aware Surface Technology – consisting of the relevant hardware, firmware and software components – can pinpoint the weight and location of a product on a given surface in real-time with high precision, irrespective of the distribution and stacking of that product on the surface. The Technology uses complex algorithms that extrapolate each object’s identity from weight, 2D placement and algorithmic analysis of big-data. This makes product recognition simple, reliable and cost-effective. Camera-based technologies available on the market tend to show shelf front view only.

(ii) Integration simplicity: Shekel Brainweigh’s Product Aware Surface Technology can be retrofitted to existing in-store shelves such that there is no requirement for integration with, and alignment to, the store’s planogram (a detailed “map” taxonomy of products placed on the shelf and their location). The Technology has a self-learning capability and minimal customer on-boarding process. Specifically, the customer does not have to pre-enter data detailing where individual products are displayed on the shelf.

(iii) Marginal cost of deployment and maintenance: Products are cost effective with minimal human intervention. The retailer / operator knows inventory levels remotely at all times, allowing for automated re-stocking plans to be put in place.

(iv) Increased ability to cross-sell / up-sell products: Shekel Brainweigh’s ability to collect highly precise real-time AI “big-data” makes it easier to discern customer buying habits and, therefore, optimise sales across product lines.

(v) Versatility: Shekel Brainweigh’s Product Aware Surface Technology can be effectively applied on different surfaces. It has a movement compensation algorithm allowing for consistent and fast measurement even when the object is moving. The flexible platform enables easy adaption for different segment movements.

3.7 Intellectual property, certifications and networks

The Group’s proprietary patents, quality certifications and quality assurance checks (discussed below) help the Company to maintain its competitive advantage.

(a) Intellectual property

The Group has a number of registered patents, designs and trademarks, including a number of applications which have been filed and remain pending across the countries in which the Group operates.

In particular, the Group has:

(i) two granted patents in the US and China for a load cell technology used in the Company’s existing products;

(ii) four UK pending patent applications relating to hardware components of the Product Aware Surface Technology (two of which cover aspects of the ultra-thin load cell technology and two of which relate to weighing apparatus). Each of these applications is still within the Paris Convention timeframe for priority filing, which means the Company can file additional applications in any of the 177 countries party to the Paris Convention;

(iii) one UK pending patent application (also still within the Paris Convention timeframe for priority filing) relating to aspects of the software components of the Product Aware Surface Technology;

(iv) five pending patent applications in Israel, the US, Canada, Europe and China for various aspects of the hardware components of the Product Aware Surface Technology (covering, for example, the ultra-thin load cell technology);

(v) ten registered designs protecting the appearance of the Company’s weighing scales used in its existing product range; and

(vi) registered trademarks in China, Europe, Israel and the US.

From Admission, the Group will also own one granted US patent relating to the software component of the technology platform for Goopi.

The Group retains various features of its software innovations – including those pertaining to its Product Aware Surface Technology and Retail Solutions Suite – as trade secrets.

The Directors believe that the Group’s intellectual property portfolio sufficiently protects the key aspects of:

(i) the load cell technology used in the Company’s existing products; and

(ii) subject to the approval of the Group’s pending patent applications, the key structural components of the Company’s Product Aware Surface Technology to be used in the Retail Solutions Suite.

The Company has not committed to any royalties or encumbrances in respect of its registered intellectual property and the Company has full commercial discretion to commercialise the intellectual property in any way it so chooses.
3.8 Shekel Brainweigh’s growth strategy and vision

(a) Growth strategy for current products

The Company’s proposed strategy and the intended next steps following Admission for its current products are outlined below:

(i) OEM customers

In its current third party OEM relationships, the Company is involved at the design stage of a customer product where the Company’s products are integrated as components. Shekel Brainweigh intends to focus on furthering these strategic third party OEM relationships. Through this, the Company intends to increase its level of involvement in the design, implementation and certification of a client product so that the Company’s products are appropriately adapted and integrated as components of the particular customer’s product and the customer is also supported at the certification stage.

Strengthened strategic OEM relationships and further involvement in the design, implementation and certification of a client product will also provide the Company with:

(A) ongoing income through the Company’s products being components of the customer products; and

(B) an increased likelihood of Shekel Brainweigh’s products being integrated into a customer’s future products.

(ii) End customer products sales

The Company has an international presence in 11 countries worldwide where its current products are sold via third party distributors.

Following Admission, the Company intends to:

(C) support these existing distributors; and

(D) recruit new distributors not only in countries where it already has a presence but also expand its product distribution and sales in other countries through forming new relationships with other third party distributors. Establishing further relationships with distributors who are experienced and in the relevant target markets is critical. However, this can take time, particularly where local certifications are required.

(iii) Direct sales in Israel

Shekel Brainweigh is a key offeror of weighing solutions in Israel. The Company will seek to expand its market share in Israel.

(b) Networks

Through over four decades of operation, Shekel Brainweigh has established a network of global partners and clients in the retail and healthcare markets.

Shekel Brainweigh designs and manufactures solutions for OEMs including GE Healthcare, Toshiba, Fujitsu, Diebold-Nixdorf and Datalogic. Geographically, Shekel Brainweigh’s products and solutions are sold across Australia, North and Central America, China, Europe, Japan, New Zealand, Israel and Africa. These relationships not only provide Shekel with the data and testing ground to optimise its designs, but also a broad distribution network for both existing and, in the future, new products.

This access translates to tested and optimised AI, insights into market needs and the design specifications necessary to meet them, as well as the distribution network to ensure that Shekel Brainweigh’s solutions reach those who need them.
(b) Growth strategy for Retail Solutions Suite

Shekel Brainweigh intends to seek increased penetration into the retail sector during 2018 by providing a combined hardware and cloud-based Software as a Service (SaaS) solution for retailers and the Innovendi hardware and software solution for CPG vendors. See Section 3.6 for further detail.

Once assimilated into the new retail landscape, Shekel Brainweigh intends to provide real-time AI-based supply chain optimisation solutions and strategies for the retail market, enabled through big-data analytics, predictive product purchase patterns, real-time stock asset optimisation and more. The Shekel Brainweigh product range is designed to be open and modular, enabling an easy to integrate and install experience for existing retail infrastructure.

Shekel Brainweigh aims to become an established smart-retail platform, well known throughout the entire retail ecosystem. Third party stakeholders, as well as retailers, suppliers and brands in the retail ecosystem, will be allowed to build new tailor made supply-chain optimisation solutions based on Shekel Brainweigh’s cloud-based, SaaS platform and cloud-connected hardware. This business model is expected to support recurring revenue streams for Shekel Brainweigh.

(i) Product pilots

Of the five Retail Solutions Suite, The Bay, The Promotion Bay, Goopi and Innovendi are currently being piloted as set out below. Commercial discussions are underway for further pilots of the Retail Solutions Suite.

Vestcom: Vestcom is a leading retail solution provider in the US which specialises in branding and on-shelf promotions. It is currently piloting The Bay with the first demonstration unit installed in mid-May 2018. As part of the pilot, Vestcom will present The Bay to its customers.

Heidia: Heidia, a POP branding and promotion company in Israel, providing services to large retail networks and CPG vendors, is currently piloting The Bay, The Promotion Bay and Goopi. The Directors anticipate entering into a distribution agreement with Heidia by the end of August 2018.

Diebold Nixdorf: Diebold Nixdorf is a global technology and solutions provider for retail and financial institutes. It has been piloting The Bay for its innovation lab in Germany since May 2018.

Undisclosed US retailer: Since March 2018, The Bay has been piloted by a US multinational retailer. The Company is now in the process of scaling up the pilot programme to support real store operation by the end of 2018.

The Tnuva Group: The Tnuva Group is an Israeli food processing company owned by the Chinese conglomerate BrightFood. It has been piloting Innovendi since April 2018, with the pilot expected to conclude by the end of 2018. If successful, the Directors anticipate that orders for Innovendi will be made by the end of 2018.

(ii) Phases to commercialisation post-Admission

The Company intends to commence offering The Bay, The Promotion Bay and Innovendi to the global retail industry in 2018.

The commercialisation of Innovendi will focus on providing the relevant hardware and software for CPG vendors and vending machine operators. For further information see Section 3.6. As discussed in Section 3.8(b)(i), Shekel Brainweigh is currently piloting Innovendi with the Tnuva Group. The Director’s anticipate that through the Tnuva Group, as well as the Company’s sale force in China - Innovendi, as well as the Company’s other products, can be introduced to China, particularly by the Tnuva Group’s holding company, BrightFood.

The commercialisation of The Bay and The Promotion Bay will include working with the following bodies:

(A) vertical specialists with access to retailers;
(B) retail shelf manufacturers such as Midax, Lozier and Wanzl;
(C) distributors who will be responsible for product logistics, localisation and service, developing a value added reseller (VAR) network and approaching major accounts;
(D) VARs who will be responsible for creating sales in their relevant location;
(E) system integrators who will be responsible for installing The Bay and The Promotion Bay as well as managing retail innovation project execution;
(F) consultants who will be responsible for creating demand and re-tuning value propositions to attract local customers; and
(G) service providers such as Heidia.

As described in Section 3.8(b)(i), the Company has already commenced, and intends to pursue further, pilots of The Bay and The Promotion Bay with various retailers to ensure the product performs as required, and where necessary, adapt The Bay and The Promotion Bay to reflect the customer need and reach further potential customers. In addition to Vestcom’s pilot of The Bay and The Promotion Bay that is currently being undertaken as described in Section 3.8(b)(i), the Company is also currently in discussions with Vestcom regarding a business plan and relationship model for Vestcom to become the Company’s distributor and system integrator with a clear sales and target plan. The Company’s discussions with Vestcom also intend to address the potential to continue the demonstration centre set up for the pilots of The Bay and The Promotion Bay. The Director’s anticipate that the Company will finalise discussions with Vestcom before the end of 2018.

This Section 3.8 on the Company’s growth strategy and vision contains statements of current intentions as at the Prospectus Date. Investors should note that, as with any business plan, the steps and anticipated timing set out in this Section may change depending on a number of factors, including the outcome of operational and development activities and the materialisation of risk (see Section 6 for information on the risk factors).
3.11 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. Any dividends paid by the Company are unlikely to be franked.

3.10 Financing of the Company

To date, the Company has been financed through a combination of operating cash flow, equity capital and Israeli bank finance.

As at the Prospectus Date, the Group has in place two Israeli bank loan facilities as follows:

(a) a 12-month term loan from Bank Discount to Shekel Scales which falls due on 26 February 2019; and

(b) a 12-month loan from Bank Hapoalim to Shekel Scales which falls due on 1 April 2019.

It has been the practice of the Group, in order to minimise borrowing costs, to access funding through the short term bank market, and to roll the amounts owing on a periodic basis. The Directors are not aware of any reason why the Group will not continue to be able to do so in respect of the above facilities.

The business of the Company as set out in Section 3 will initially be funded by a combination of the Company’s existing cash flow, funds raised by this Offer and existing bank debt. However, if the Company’s development of its Retail Solutions Suite, as set out in Section 3.6, is successful, the Company anticipates requiring further capital in order to deliver on the strategy set out in section 3.8. The amount and nature of this additional funding will be determined based on market conditions and the needs of the business at the relevant time.
Industry Overview and Competitors
4.1 The global retail market

(a) Overview

The global retail market has experienced steady growth in recent years, which Shekel Brainweigh expects to continue.

The Directors consider Ingenico, VeriFone, PAX Technology, Panasonic, NEC, Toshiba, Samsung, HP, Datalogic and Cisco to be the main manufacturers in the POS market. In 2017, Shekel Brainweigh sold less than 5,000 weighing solutions in the POS market and the Directors anticipate selling a similar number of units in 2018.

The Directors consider that NCR, Diebold Nixdorf, Fujitsu and Toshiba are the main manufacturers of self-checkout systems, of which Diebold Nixdorf, Fujitsu and Toshiba are existing customers of the Company.

Additionally, the Directors anticipate increased levels of e-commerce activity (purchase over the web) in the near future.

(b) Profitability and cost challenges

In recent years, one of the main challenges facing the retail market has been low profitability. Despite major advancements such as digital transformation and improved supply chain management, the net profit margin of top global retailers is in the low single digits. Profitability continues to decline in some markets. There are several causes, including rising cost pressures, increased competition from various channels and the need to invest heavily in new technologies.

Profitability challenges are being addressed in several ways. One method receiving increased focus and investment is cost effective innovation that increases efficiency and productivity. This includes automation and technologies such as robotics and AI.

(c) Main challenges shaping the global retail market

Globally, the retail market has entered a period of enormous transformation. With broader retail market growth at a pace of 3-4% annually, many retailers as well as consumer packaged goods (CPG) vendors are facing numerous challenges to retain profitability while growing their market share. Global market forces, combined with a proliferation of retail purchase channels, commoditisation of products and downward pressures on pricing, are forcing retailers to adapt.

As part of this transformation, there are several main market challenges:

(i) **Store automation**: Automation is a significant challenge in retail today, as the “death of checkout”, the push for supply chain transparency and the need for immediate availability of products all create pressure in the retail market. Shekel Brainweigh believes that these forces will push retailers to further invest in automation technologies such as self-checkout systems.

(ii) **Operational efficiency**: Operational efficiency continues to be one of the major challenges facing the retail industry. Out-of-stock and overstock items contribute to significant revenue losses experienced by retailers; largely due to inadequate inventory controls including internal sharing of inventory information. Self-checkout lanes offer another opportunity to minimise operational costs by allowing stores to reallocate labour to more profitable departments.

(iii) **Enhancing customer experience**: Consumer mindsets in relation to retail are changing and their expectations continue to increase. Aligning customer journey processes with customer preferences and creating on-demand retail to feed instant gratification can meet these expectations. Additionally, real-time AI optimises both the customer’s retail experience and product sales.

Other challenges that contemplate or enhance the above include:

(i) **Internet of Things (IoT) as a way to fortify supply chain management**: Innovative IoT technologies are driving major advancement in the retail market, enabling more intelligent supply chain strategies, reducing operational costs and providing real-time universal inventory visibility. This includes so-called smart shelves (such as Shekel Brainweigh’s Product Aware Surface Technology), enabling real-time visibility of in-store inventory or Amazon Go’s recent “just walk out” technology, enabling shoppers to pick up products from the shelf and leave the store, without the need for checkout stations.

(ii) **Robotics and automation**: Robotics and cognitive automation have become significant features in the retail market. Many retailers are using automation in both their front and back office to help deliver digital transformation and increase both cost and operational efficiencies. Shekel Brainweigh believes this trend will continue as technology investments by retailers focus on operational excellence.

(iii) **“Store 4.0”**: The growth of online shopping means that stores will play a different role in the future: one that is focused on the customer experience. Many new store concepts use technology to either enhance the customer buying experience by offering a great product showcase, or by finding ways to bridge the gap between the digital and the physical “divide” to make it more convenient and compelling for the customer.

(iv) **Continuation of digital transformation**: The trend towards digital retailing is being driven by the growth agenda of the leading pure-play retailers, who have now also adopted an omni-channel approach to their businesses. For all players in the retail industry, online channels are continuing to rise in importance.
Industry Overview and Competitors

(a) Shekel Brainweigh’s key competitors in the retail industry

Shekel Brainweigh’s Product Aware Surface Technology competes mainly in the retail market, under a sub-category commonly referred to as “smart shelves”.

The Company’s key competitors can be broadly categorised as follows:

(i) “Smart shelf” start-ups: This category includes WiseShelf, ShelfIX, AWM Smart Shelf and PowerShelf.

(ii) Established companies entering the “Store 4.0” or “smart shelf” field: This category includes both technology companies (such as Intel) and retail solution integrators (such as HMY) that either develop smart shelf concepts or offer smart shelf solutions.

(iii) Retail market leaders: This category comprises the key global retailers that are creating an all-round solution, based on big data technologies, for automation and maximum operational efficiency for use in their own stores. The main example is Amazon.com, which recently announced its “Amazon Go” store initiative allowing customers to shop and pay without going through check-out lines.

(iv) Retail OEM: This category includes Flintec Inc., Vishay Precision Group Inc., Mettler Toledo and Scale-Tron.

Notwithstanding Shekel Brainweigh has direct competitors in the retail market, the Directors believe that Shekel Brainweigh’s Product Aware Surface Technology - and, therefore, its current products and Retail Solutions Suite under development – have certain advantages as set out in Sections 3.5(e) and 3.6(c) above.

4.2 Scales and balances in healthcare

(a) Overview

The healthcare industry sector is large and continues to grow, shaped by demographic and economic changes, as well as technological developments. The most significant of these include a rapidly aging population, developing market expansion, changing lifestyle and dietary patterns, rise in chronic diseases, rising per capita healthcare spending and overall increased visits to clinics and hospitals.

While the overall marketplace is robust, healthcare providers themselves have been experiencing shrinking margins and rising costs. In a bid to offset this pressure, hospitals and clinics have been considering new technologies that will allow them to provide higher levels of care, as well as other margin-enhancing strategies.

Within the healthcare OEM industry, Shekel Brainweigh provides its precision weighing systems for incorporation into incubators and warmers to GE Healthcare, ATOM Medical and Fanem.

(b) Neonatal healthcare

The Directors estimate that sales in the global infant incubator market were approximately $268 million in 2016.

This figure is projected to increase significantly to over $400 million by 2023. Demand continues to rise as rates of preterm birth and low birthweight infants grow. In the US today, approximately one in ten babies are born preterm. Shekel Brainweigh’s directors believe that factors driving this demand include:

(i) increased maternal comorbidities (such as obesity, asthma, maternal hypertension and greater alcohol, tobacco and drug consumption) and the increased maternal age mean in most developed countries, which have contributed to an increase in birth complications; and

(ii) a greater focus by governments on enhancing neonatal care.

The incubator market split into three main product lines: NICU stationary incubators, delivery incubators and transport incubators. Non-invasive continuous monitoring improves patient care and outcomes.

(c) Senior healthcare

An ageing population is the main growth driver in the senior healthcare market. The Directors anticipate that this growth may provide business opportunities for the Company in the senior healthcare market.

The Company’s weighing products allow for accurate and consistent weight measurements to be taken even when the person is not stable on the scales.

(d) Shekel Brainweigh’s key competitors in the healthcare industry

The Company’s key competitors in the healthcare market are as follows:

(i) Healthcare OEM precision weighing systems for incubators and warmers: This category includes Flintec Inc., Vishay Precision Group Inc., Mettler Toledo and Natus Medical Incorporated.


Notwithstanding Shekel Brainweigh has direct competitors in the healthcare market, the Directors believe that Shekel Brainweigh’s healthcare products have certain advantages as set out in Section 3.5(e) above.
Directors, Key Management Personnel and Corporate Governance
5.1 Overview
As Shekel Brainweigh is a company incorporated under the laws of Israel rather than Australia, the primary source of regulation relating to the conduct of the Board and the management of the Company is the Companies Law, which differs in many respects to the Australian Corporations Law. This Section provides information on the Board and Key Management Personnel of the Company and explains how the Board will manage the Company’s business, with particular focus on the operation of the Companies Law.

5.2 Directors
Under the Articles, the Board will consist of up to nine Directors, including at least two External Directors (see Section 5.3 below).

The Directors of the Company as at the Prospectus Date are:

(i) Dave Sharma – Non-Executive Chairman;
(ii) Yoram Ben Porat – Executive Director (and CEO);
(iii) Isaac Raviv – Non-Executive Director and External Director;
(iv) Beth Kaplan – Non-Executive Director;
(v) Tzipi Avioz – Non-Executive Director and External Director; and
(vi) Sophie Raven – Non-Executive Director.

(a) Mr Dave Sharma – Non-Executive Chairman
Mr Sharma is currently Director and Principal at Kelly+Partners Government, Incentives & Innovation practice.

Mr Sharma served as Australia’s Ambassador to Israel from 2013 to 2017. This period coincided with some of the busiest and most productive years for the Australia-Israel relationship, with trade, investment and innovation ties strengthened significantly.

Mr Sharma also served overseas in senior roles at Australian diplomatic missions in Washington DC and Papua New Guinea. He undertook peacekeeping duties with the Peace Monitoring Group in Bougainville.

In Canberra, Mr Sharma’s roles included advising the Prime Minister on Australia’s international relations, adviser to then Foreign Minister Alexander Downer, managing Australia’s diplomatic presence in Africa, and director of the Indonesia desk.

Mr Sharma holds a Bachelor of Arts (Law) and a Master of Arts from the University of Cambridge as well as a Master of Arts (International Relations) from Deakin University.

Mr Sharma is not an External Director.

(b) Mr Yoram Ben Porat – Executive Director and CEO
In 1988, Mr Ben Porat co-founded NUR Macroprinters Ltd, an Israeli-based international manufacturer of industrial digital printers. Between 1988 and 2000, Mr Ben Porat acted as CEO for NUR Macroprinters, during which time, in 1995, the company listed on NASDAQ. NUR Macroprinters was subsequently sold in 2007 to Hewlett Packard, a multinational information technology company, for US$117.5 million.

In 2007, Mr Ben Porat also co-founded Nomad Media Solutions Ltd, a Swiss print and media technology company, but no longer is involved in the company’s management.

Mr Ben Porat previously co-founded Israeli-based technology companies Print Electronics (in 1983) and Light Piezo Tech (in 1985), acting as Director of Business Development, Sales and Marketing for Print Electronics until 1985 and as Director of Sales and Marketing for Light Piezo Tech until 1988.

Mr Ben Porat is not an External Director.

(c) Mr Isaac Raviv – Non-Executive Director and External Director
Mr Raviv has over 30 years’ managerial experience across the technology sector for both private and public Israeli and international companies. During his time as chairman and CEO of various companies, Mr Raviv has played an important role in mergers and acquisitions and fund raising initiatives, with a technology focus.

Between 1990 and 1993, Mr Raviv served as chief executive officer for Aerotel, a developer and supplier of medical devices and digital dialling platforms. From 1994 until 2015, Mr Raviv was chief executive officer of IDR International Marketing. IDR International Marketing was a business development and marketing company focusing on marketing worldwide Israeli technology products. Before this, Mr Raviv was senior corporate vice-president for international sales and marketing at Tadiran Electronic Industries Ltd for 10 years, with responsibility for telecoms, communications and electronics sales and marketing. In this role, he was responsible for numerous sales and cooperation agreements with major international companies and governmental bodies involved the sale of complete products and systems as well as providing insight into production and technical support. Across these roles, Mr Raviv has gained extensive knowledge in commercialising technology products developed by Israeli companies to new overseas markets.

Between 1995 and 2016, Mr Raviv has also been chair for a number of technology companies including for Maytronics, SafePlace, BlueEye and, more recently, Eltam and Engage lot Technologies. During Mr Raviv’s time as chair for Maytronics, a public pool cleaning robotics manufacturer, the company’s annual sales grew from US$4 million in 1995 to US$25 million in 2004. While chair of SafePlace, an electronic safes company focusing on hotel chains and nursing homes, company’s sales increased 10% annually. In 2008, Mr Raviv also initiated and oversaw the sales process of SafePlace to Elsafe, a subsidiary of Assa Aboy for US$27 million.

Mr Raviv holds a BA in Economics, Sociology and Political Sciences from Hebrew University.

Mr Raviv is an External Director.
Mrs Avioz is an External Director.

Hebrew University.

Mrs Avioz holds a BA in Sociology and Political Sciences from prior to this, from 2003 to 2006, as Chief Information Officer as Group Head for Digital Commerce and Contact Centre and, Mrs Avioz's previous roles include 10 years' experience at this directorship following Admission. The Board does not consider that Mrs Avioz's current directorships and business activities will affect her ability to act as a Non-Executive Director of the Company.

Mrs Avioz has over 20 years' experience in the technology sector, with a particular focus on data analytics and delivering large digital transformation programs. Since April 2016, Mrs Avioz has served as IT customer solutions director for AMP, a financial services company in Australia and New Zealand, advising ASX-listed and unlisted companies in the resources, gas, telecommunications and technology industries. Over the past 10 years, Mrs Avioz has held positions as company secretary with Golden West Resources Limited, Sunbird Energy Limited, Citation Resources Ltd, Whitebark Energy Ltd, Salt Lake Potash Limited, Cradle Resources Limited, Orinoco Gold Limited, Tianmei Beverage Group Corporation Limited, Australian Potash Limited and TV2U International Limited.

Mrs Raven holds a Bachelor of Laws from the University of Western Australia, and is a member of the Australian Institute of Company Directors. Mrs Raven is a board member of Parkerville Children and Youth Care (Inc), a not-for-profit organisation.

Mrs Sophie Raven is not an External Director.

The Directors bring relevant experience and skills to the Board, including industry and business knowledge, financial management and corporate governance experience. In light of the Company’s size, nature and stage of development, the Board considers that the composition of the current Board is appropriate. As the Company’s activities develop, the size of the Board and the need for additional corporate governance policies and structures will be reviewed.

The Articles provide that at least one director is elected annually and all of the directors must be re-elected once every three years at the general meeting of the Shareholders by a vote of the holders of a majority of the voting power present and voting, in person or by proxy, at that meeting. External Directors are subject to special election requirements under the Companies Law, as set out in Section 5.3 below.

Under the Companies Law, any Shareholder that holds at least 1% of the Company’s voting power may nominate one or more persons for election as a director at a general meeting. The Shareholder must deliver written notice of its intent to nominate that person to the Company’s registered office. The notice must set out the details required to be provided under the Companies Law.

Under the Companies Law, the Board must determine the minimum number of directors who are required to have accounting and financial expertise. In determining the number of directors required to have such expertise, the Board must consider, among other things, the type and size of the company and the scope and complexity of its operations. The Board has determined that the minimum number of directors who are required to have accounting and financial expertise is one.

Under the Companies Law, shareholders of a public company may appoint the Chairman of the Board to also serve as the CEO of the company. This dual office term will remain in effect for three years and can be extended for additional three year terms, subject to shareholders’ special majority approval as defined in the Companies Law and the Articles' provisions relating to director rotational requirements in compliance with the ASX Listing Rules (see paragraph (k) of Annexure A for more detail).
5.3 External Directors

Under the Companies Law, the Company is required to have at least two directors who qualify as External Directors. The definition of External Director under the Companies Law includes a set of statutory criteria that must be satisfied, including criteria whose aim is to ensure that there is no factor that would impair the ability of the External Director to exercise independent judgment.

The External Directors of the Company do not have to be Israeli residents (since the securities of the Company have been offered outside of Israel). Section 10.8(c) sets out further information in relation to the Companies Law provisions relating to External Directors. Although there is no binding legal definition of an “independent director” for the purposes of the Australian Corporations Act and ASX Listing Rules, it is generally expected that directors who are classified as External Directors under the Companies Law would be considered “independent” for the purposes of ASX Recommendations (see Sections 5.6 and 10.8(c) for further information).

Currently, Isaac Raviv and Tzipi Avioz are considered to be External Directors of Shekel Brainweigh for the purpose of the Companies Law.

5.4 Chairman of the Board

In accordance with the Companies Law and the Articles, the Board is required to appoint one of its members to serve as chairman of the Board. The Board has appointed Dave Sharma to serve as Chairman of the Board.

5.5 Key Management Personnel

Key Management Personnel includes:

(i) Yoram Ben Porat – CEO;
(ii) Yedidia Yossef – Deputy CEO;
(iii) Barak Nir – Chief Financial Officer;
(iv) Guy Moshe – Chief Technology Officer;
(v) Sinead Teague – Joint Company Secretary; and
(vi) Andrew Bursill – Joint Company Secretary.

Mr Ben Porat’s biography is set out in Section 5.2(b) above. Biographies for the remaining Key Management Personnel are set out below.

(a) Mr Yedidia Yossef – Deputy CEO

Mr Yossef has over 25 years’ managerial experience in product engineering and development in the telecommunications sector. He has deep exposure to taking products from the initial stages of development through manufacturing and production processes to introduction and distribution to both Israeli and international markets.

Previously, over a 20 year period, Mr Yossef has held senior managerial positions at Motorola Israel. This includes acting as a director for cellular development at Motorola USA throughout 1997 and 1998. More recently, Mr Yossef has acted as vice president in engineering and operations for ACT ICT Ltd (throughout 2011 and 2012) and MALCAM Ltd (from 2012 to 2015).

Mr Yossef holds a B.Sc. in electrical engineering from Ben Gurion University and an MBA from Tel Aviv University.

(b) Mr Barak Nir – Chief Financial Officer

Mr Nir has over 25 years’ experience serving as chair, CEO and chief financial officer for several international private and public companies in the fields of technology, real estate, finance and electronics. Mr Nir currently serves as chair of four companies (Kiryat Anavim, Anavid, Sufa and Horshim). He is also currently a director of Thermakir. Mr Nir will cease his positions at Sufa, Horshim and Thermakir within 90 days of Admission. Mr Nir intends to continue to hold his positions as chairman of Kiryat Anavim and non-executive director of Anavid following Admission. The Board does not consider that these chair and directorship roles will affect Mr Nir’s ability to act as Chief Financial Officer of the Company.

Previously, over a period of 25 years, Mr Nir has served as chairman, CEO and chief financial officer for a number of companies. These roles include chairman of Elior, an industrial company in the field of magnetic cores, and chief financial officer of Kiryat Anavim, which has a hotel, industrial, real estate and agricultural focus, as well as other senior management positions in those industries.

Mr Nir holds a BA in Economics and an MBA from Hebrew University.

(c) Mr Guy Moshe – Chief Technology Officer

Mr Moshe has four years of autonomous retail experience, with a strong understanding of AI algorithms and advanced technological solutions from initial concept to a valuable operating solution.

Between 2014 and 2016, Mr Moshe was the co-founder and chief executive officer of Supersmart Ltd, during which time he oversaw the development of an algorithm for shopping carts to become instant checkouts.

Prior to this between 2008 and 2014, Mr Moshe served as an officer in a technological unit of the Israeli Defence Force. Initially, Mr Moshe was a project manager leading digital transformation in the ground forces and later on head of an in-house R&D team that executed end-to-end technological solutions in agile methodology.

Mr Moshe has a B.Sc. in electrical engineering from Lev Academic Centre and a M.Sc. in Financial Mathematics from Bar Ilan University.

(d) Ms Sinead Teague – Joint Company Secretary

Ms Teague is a Chartered Company Secretary (AGIA) with over ten years’ experience in both Australia, Ireland and the UK having qualified through the Institute of Chartered Secretaries and Administrators.

Ms Teague has a broad range of company secretarial skills and experience gained across a number of industries such as mining and exploration, technology, financial services, plastics and environmental services, working in both in-house and service provider roles.

Ms Teague holds a MSc in Management and Corporate Governance and an LLB Hons in Law with Government from the University of Ulster.
(e) Mr Andrew Bursill – Joint Company Secretary

Mr Bursill is a Chartered Accountant and a Fellow of the Governance Institute in Australia with 20 years of company secretarial and accounting experience. He is a principal at CFO Innovation, part of the Automic Group, where he has assisted publicly listed and unlisted companies since 1998 with capital raising activities, financial management, investor relations and company secretarial services and compliance.

During this time, Mr Bursill has worked in a range of industries covering mineral exploration, oil and gas exploration, biotechnology, technology, medical devices, retail, venture capital and wine manufacture and distribution.

In addition to his position at Shekel Brainweigh, Mr Bursill is company secretary of numerous publicly listed entities and several unlisted public and private companies.

5.6 Corporate Governance

This Section 5.6 sets out how the Board will manage the Company’s business.

Companies incorporated under the laws of the State of Israel, whose shares are publicly traded, including companies with Shares listed on ASX, are required to comply with various corporate governance requirements under Israeli law relating to such matters as External Directors, the audit committee, remuneration committee and remuneration policy, Company’s auditors, and an internal auditor. This is the case even if the Company’s shares are not listed on the Tel Aviv Stock Exchange. These requirements are in addition to applicable provisions of Australian laws and the Listing Rules to which the Company will become subject upon the listing of the Shares on ASX, such as the ASX Recommendations (see Section 5.6(m) below).

The main corporate governance policies and practices adopted by the Company, as at the Prospectus Date (unless otherwise stated in this Section), are summarised below.

(a) Board of Directors

The Board is responsible for the corporate governance of the Company. It monitors the operational, financial position and performance of Shekel Brainweigh and oversees its business strategy, including approving the strategic goals of the Company.

The Board is committed to maximising performance, generating value and financial returns for Shareholders and building the growth and success of the Company. To further these objectives, the Board has created a framework for managing the Company, including the adoption of relevant internal controls, risk management processes and corporate governance policies and practices which the Board believes are appropriate for the business and which are designed to promote the responsible management and conduct of the Company.

Further, the Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) Composition of the Board

Following Admission, the Board shall be comprised of five Non-Executive Directors (Dave Sharma, Isaac Raviv, Beth Kaplan, Tzipi Avioz and Sophie Raven), and one Executive Director (Yoram Ben Porat). Biographies of the Directors are set out in Section 5.2.

Isaac Raviv and Tzipi Avioz are considered to be External Directors.

Each Director has confirmed to Shekel Brainweigh that he or she anticipates being able to perform his or her duties as a Director without constraint from other commitments.

As the Company’s activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) Board Charter

The responsibilities of the Board are set out in the Company’s Board Charter, which has been prepared having regard to the ASX Recommendations.

(i) Identification and management of risk

The Board’s collective experience will enable accurate identification of the principal risks that may affect the Company’s business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(ii) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(iii) Nomination and risk functions

The Board will undertake the role and functions typically undertaken by a nomination and risk committee. Where necessary, the Board will seek the advice of external advisors in relation to these roles.

(iv) Independent professional advice

Subject to the Chair’s approval (not to be unreasonably withheld), the Directors, at the Company’s expense, may obtain independent professional advice on issues arising in the course of their duties.

(d) Board committees

Under the Companies Law and the Articles, the Board is permitted to form committees, and to delegate to any such committee powers allotted to the Board, subject to certain exceptions. Certain committees are required by the Companies Law to be formed, as detailed below.

Other committees not mandated by law may be established by the Board as and when required. Membership of these Board committees will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors. Only members of the Board can be members of a board committee, unless the committee is solely advisory.
(i) Audit committee
Under the Companies Law, the Company must establish an audit committee, comprising at least three directors and including all External Directors then serving on the Board. The External Directors must also comprise a majority of the committee and an External Director must serve as the chair.

With effect from the date of Admission, the Company’s audit committee will consist of Isaac Raviv, who will also serve as the audit committee’s chair, Tzipi Avioz, and Sophie Raven.

In addition to the requirements under the Companies Law, the audit committee is governed by the Company’s audit committee charter established by the Board, which is subject to review by the Board from time to time.

The audit committee charter, to take effect from the date of Admission, charges the audit committee with duties including, but not limited to, monitoring and reviewing any matters of significance affecting financial reporting of the Company, the Company’s internal financial control system and risk management systems and external audit function.

(ii) Remuneration committee
Under the Companies Law, the Company must establish a remuneration committee, which must include all External Directors then serving on the Board. The External Directors must also comprise a majority of the remuneration committee and an External Director must serve as the chair.

With effect from the date of Admission, the Company’s remuneration committee will consist of Isaac Raviv, who will also serve as the remuneration committee’s chair, Tzipi Avioz, and Sophie Raven.

In addition to the requirements under the Companies Law, the remuneration committee is governed by the Company’s remuneration committee charter established by the Board, which is subject to review by the Board from time to time.

The remuneration committee must also recommend to the Board a remuneration policy regarding the terms of engagement of the Directors and of specified members of senior management. The remuneration policy, also to take effect from the date of Admission, must be adopted by the Board, after considering the recommendations of the remuneration committee. Shareholder approval, by way of a special majority, as defined in the Companies Law will also be required for adoption of the remuneration policy.

An External Director’s remuneration is determined prior to his or her appointment and must not be amended throughout the three year term. The remuneration of each External Director must be the same.

(e) Internal auditor
Under the Companies Law, the Company must appoint an internal auditor based on the recommendation of the audit committee, meeting certain independence requirements.

The internal auditor’s duty is to assist the Board of Directors, the Company’s CEO and the audit committee. Specifically, the internal auditor will be responsible for reviewing the Company’s compliance with applicable law and the appropriateness of its business management.

The Companies Law requires that the internal auditor submits an annual or periodic working plan proposal to either the Board of Directors or the audit committee for their approval.

With effect from the date of Admission, the Company will appoint an internal auditor.

(f) Diversity policy
The Board values diversity and recognises the benefits it can bring to the Company’s ability to achieve its goals. Accordingly, Shekel Brainweigh has adopted a diversity policy. The diversity policy provides a framework for the Company to achieve, amongst other things, the Company’s diversity objectives relating to gender, age, cultural background and ethnicity and a workplace culture characterised by inclusive practices and behaviours.

(g) Privacy policy
The Board recognises the need to ensure the right to privacy is maintained. The Company has, therefore, adopted a privacy policy. The privacy policy governs the processing and transfer of personal data collected on the Company’s website, or with services otherwise provided by the Company.

The privacy policy applies to all jurisdictions. Additionally, Shekel Brainweigh only collects data from people over the minimum age for providing consent in the relevant jurisdiction to the processing of personal data. As a result, if the Company becomes aware that a person under the relevant minimum age for providing consent has provided us with personal data, the Company will delete such data from our databases.

Under the privacy policy, the Company also commits to not selling, trading or otherwise providing users’ personal data to third parties unless in connection with the provision of services to the users or in other limited circumstances.

(h) Code of conduct
The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a code of conduct which sets out the way Shekel Brainweigh conducts business. Shekel Brainweigh is committed to conducting its business and activities ethically and responsibly with integrity and honesty and compliance with all laws and regulations.

The code of conduct applies to all jurisdictions in which Shekel Brainweigh operates and applies to all of the Company’s Directors, officers, employees, contractors and other Shekel Brainweigh representatives.

Responsibilities in the code of conduct include protection of Shekel Brainweigh’s business, using Brainweigh’s resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

(i) Securities trading policy
Shekel Brainweigh has adopted a securities trading policy that sets out the guidelines on the sale and purchase of securities in the Company by its Directors, Key Management Personnel and the Company’s employees. The securities trading policy generally provides that the written acknowledgement of the CEO or Joint Company Secretaries must be obtained prior to trading.
(j) Shareholder communication

The Board's aim is to ensure that Shareholders are informed of all major developments affecting the Company. Shekel Brainweigh has adopted a communications strategy to promote effective two-way communication of information with Shareholders through various methods.

The communications strategy is contained in the Company’s continuous disclosure policy as available on the Shekel Brainweigh's website at www.shekelbrainweigh.com.

(k) Continuous disclosure policy

Once Listed, Shekel Brainweigh will need to comply with the continuous disclosure requirements of the ASX Listing Rules to ensure that the Company discloses to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. Accordingly, Shekel Brainweigh’s continuous disclosure policy sets out certain procedures and measures that are designed to ensure that the Company complies with its continuous disclosure obligations. The CEO will be responsible for implementing the continuous disclosure policy.

(l) Anti-bribery and corruption policy

The Company is committed to complying with all laws of the jurisdictions in which it operates, including those relating to bribery and corruption. The anti-bribery and corruption policy sets out the responsibilities of Shekel Brainweigh’s personnel, including in their dealings with and through third parties. It addresses protection of the Company’s personnel in seeking to comply with this policy, dealing with false reports, investigations, consequences for breach, examples of improper conduct, contact with government officials, donations, no-cash gifts and corporate hospitality, political and charitable contributions and sponsorships, facilitation payments, secret commissions and money laundering.

(m) ASX Corporate Governance Principles

The Company is seeking Admission on ASX. The ASX Corporate Governance Council has developed and released corporate governance principles and recommendations for ASX listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. The ASX Recommendations (which are in their third edition) are not prescriptive, but are guidelines.

The Board anticipates that it will follow all of the ASX Recommendations following Admission, except as set out in the table below:

<table>
<thead>
<tr>
<th>ASX Recommendations</th>
<th>Explanation for departure</th>
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<tbody>
<tr>
<td>Recommendation 2.1</td>
<td>The Board considers that the Company is not currently of a sufficient size to justify the formation of a nomination committee. Accordingly, as set out in the Shekel Brainweigh’s Board Charter, the Board performs the role and functions which would otherwise be undertaken by this committee. Where necessary, the Board will seek the advice of external advisors in relation to this role. The Board will reassess the need to establish a nomination committee as the Company reaches the requisite corporate and commercial maturity and products continue to develop.</td>
</tr>
<tr>
<td>Recommendation 7.1</td>
<td>The Board considers that the Company is not currently of a sufficient size to justify the formation of a risk committee. Accordingly, as set out in the Shekel Brainweigh’s Board Charter, the Board performs the role and functions which would otherwise be undertaken by this committee. Where necessary, the Board will seek the advice of external advisors in relation to this role. The Board will reassess the need to establish a risk committee as the Company reaches the requisite corporate and commercial maturity and products continue to develop.</td>
</tr>
</tbody>
</table>

Under the ASX Listing Rules, Shekel Brainweigh will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where Shekel Brainweigh does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.
5.7 Exculpation, insurance and indemnification agreements with Directors and officers

The Company has obtained directors’ and officers’ liability insurance for the benefit of the Company’s office holders and intends to continue to maintain such coverage and pay all premiums thereunder to the fullest extent permitted by the Companies Law.

In addition the Company has entered into agreements with each of the Company’s current office holders undertaking to indemnify them to the fullest extent permitted by the Companies Law and the Company’s Articles, to the extent that these liabilities are not covered by insurance. Section 10.11(b) sets out these indemnification agreements.

The Company also intends to purchase Public Offering of Securities Insurance (POSI).

As of the Prospectus Date, no claims for directors’ and officers’ liability insurance have been filed under this insurance policy and the Company is not aware of any pending or threatened litigation or proceeding involving any of the Company’s directors or officers in which indemnification is sought.
The Shares offered under this Prospectus are considered speculative. Before applying for Shares, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position.

There can be no guarantee that the Company will deliver on its business strategy, or that any forward looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

The Directors strongly recommend investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for the Shares pursuant to this Prospectus.

In addition, investors should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company’s business and are largely beyond the control of the Company and the Directors because of the nature of the business of the Company. Those risks, along with other specific and general risks involved in investing in the Company, are set out in more detail in this Section 6.

The risks described below are not to be taken as exhaustive. Where relevant, the risks below assume completion of the Offer has occurred. The specific risks considered below and other risks and uncertainties not currently known to the Company, or that are currently considered immaterial, may materially and adversely affect the Company’s business operations, the financial performance of the Company and the value and market price of Shares.
6.1 Specific risks to the Company

(a) Intellectual property

(i) Protection of intellectual property

The Company’s interest in its technologies is protected by a portfolio of issued and pending patents. If the Company fails to protect its intellectual property rights adequately, competitors may gain access to its technology, which may significantly harm its business.

Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value from the development of information technology. Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which the Company’s products may eventually be sold. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

The Company relies on trade secrets to help protect its proprietary knowhow. However, trade secrets are difficult to protect. The Company attempts to protect its trade secrets through contractual agreements with its employees, consultants, partners, vendors and customers. These methods may not prevent unauthorised use or disclosure of confidential information and may not provide an adequate remedy in the event of such unauthorised use or disclosure. In addition, others may independently discover the Company’s trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of the Company’s proprietary rights. Failure to obtain or maintain trade secret protection could enable competitors to use the Company’s proprietary information to develop products that compete with the Company’s products, which may adversely affect the business, operating results and financial condition of the Company.

The Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not successful, may adversely affect the business, operating results and financial condition of the Company and cause a distraction to management.

The Company has not to date had in place a formalised policy for identifying and protecting its intellectual property. Specifically, the Company lacks an active surveillance programme to monitor the protection and use of the intellectual property it develops, including formalised reporting processes within the Group’s risk management framework for escalating any material issues to the Board and awareness training for its employees on intellectual property related issues. The absence of a formalised intellectual property protection policy means there is a risk the Company may fail to adequately protect its intellectual property rights or identify circumstances in which the Company’s intellectual property rights have been compromised by third parties, which could materially affect the Company’s business, operating results and financial condition.

Further, the Company’s standard forms of employment contract have not to date obtained irrevocable waivers from employees with respect to their rights under Israeli Patent Law 5727-1967. Therefore, there is a risk that employees who were engaged under such terms and who either have developed or may develop inventions for the Company during their term of service will claim royalties with respect to any such inventions. The Company has, nonetheless, obtained an appropriate waiver from the Company’s main inventor of patents to date and is also in the process of seeking the appropriate waivers from current employees who are involved in the development of the Group’s intellectual property. Also, as of the Prospectus Date, the Company’s standard forms of employment contract now obtain the appropriate waivers from employees. Third party infringement of intellectual property

If a third party accuses the Company of infringing its intellectual property, or if a third party commences litigation against the Company for infringement of its intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Costs that the Company may incur in defending such third-party infringement actions would also include diversion of management’s and technical and scientific personnel’s time.

In addition, parties making claims against the Company may be able to obtain injunctive or other equitable relief that could prevent the Company from further developing or commercialising its products.

In the event of a successful claim for infringement against the Company, it may be required to pay damages and obtain one or more licenses or consents from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, or at all, it could encounter delays in developing and commercialising its products and loss of substantial resources while it attempts to rebrand or adjust its business plans.

Defence of any claim for infringement or failure to obtain any of these licenses or consents could prevent the Company from commercialising its products and could cause it to incur substantial expenditure.

The Company is not aware of any third party interests in relation to the intellectual property rights to be utilised by the Company, and has taken steps to protect and confirm its interest in the required intellectual property rights. However, there is always a risk of third parties alleging that their intellectual property rights have been infringed.

As noted in Section 6.1 (a)(i) above, the Company has not to date had in place a formalised intellectual property protection policy. The Company may, therefore, fail to identify and address circumstances in which the Company either has compromised or may compromise third parties’ intellectual property rights, which could materially affect the Company’s business, operating results and financial condition.
(b) Manufacturing and production

The Group’s business involves complex manufacturing and production processes. Any disruption to the Group’s manufacturing and production processes, including those of its strategic partner True-Tec, may result in a failure to meet purchase orders, reduced or cancelled orders and/or a delay in the Company’s timeline to production of any of its products. This could cause the Company significant business disruption and adversely impact revenues.

As a manufacturer and supplier of products, the Company faces an inherent risk of exposure to warranty and product liability claims. The Company’s products may fail to perform as expected or be defective. Based on the Company’s experience and industry standards, the Company will have insurance coverage that is adequate to cover claims generally experienced by companies engaged in the Company’s business. If the Company was to suffer one or more significant claims in the future or be required, or elect, to undertake certain actions in response to these claims (such as a product recall), such claims or actions could have a material adverse effect on the Company’s reputation and financial condition and cause a distraction to management.

(c) Risks of Israeli company

The Company is incorporated in Israel and its development and R&D facilities are based in Israel. Accordingly, political, economic and military conditions in Israel and the surrounding region, and national, company, consumer and other boycotts, may directly affect the Company’s business. Any hostilities involving Israel, or the interruption or curtailment of trade within Israel or between Israel and its trading partners, or the mandatory military service obligations of Israeli citizens (including the Company’s Israeli-based Directors and key management and scientific personnel) could materially and adversely affect the Company’s business and make it more difficult for the Company to raise capital.

Furthermore, several countries, principally in the Middle East, restrict business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies whether as a result of hostilities or otherwise. In addition, there have been increased efforts by activists to cause companies and consumers to boycott Israeli goods based on Israeli government policies. Such actions, particularly if they become more widespread, may have an adverse impact on the Group’s ability to sell its products, its business operations and financial performance.

(d) Applicability of Israeli law

The rights and responsibilities of Shareholders will be governed by Israeli law which differs in some material respects from the rights and responsibilities of shareholders of Australian companies. In certain respects, Israeli law may be interpreted as imposing additional obligations and liabilities on the Company’s Shareholders than would typically be the case for shareholders of companies incorporated in Australia (see Section 10.5 for more detail). It may be difficult to enforce a judgment of an Australian court against the Company, its officers and directors in Israel or elsewhere, to assert Australian securities laws claims in Israel or to serve process on the Company’s officers and directors. Provisions of Israeli law may delay, prevent or otherwise impede a merger with, or an acquisition of, the Company even when the terms of such a transaction are favourable to the Company and its Shareholders.

However, it should be noted that since its inception the Company has never been affected by any of the above mentioned adversaries.

(e) Competition and new technologies

The Group has direct competitors in the industries in which it operates. Section 4 sets out the main competitors of the Group.

Rival product offerings by existing and new competitors or technology developments by third party competitors may have a materially adverse effect on the value and prospects of the Company. There is no assurance that the Group’s competitors will not succeed in developing products that are more effective or economic than the products manufactured or developed by the Group, or which would render the products obsolete and/or otherwise uncompetitive.

The Company may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share. Such competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect the Company’s future business, operating results and financial position.

The Company is relying on the Group’s ability to develop and commercialise its Retail Solutions Suite. A failure to successfully develop and commercialise its Retail Solutions Suite could lead to a loss of opportunities and adversely affect the Company’s operating results and financial position. Even if successful, the Company expects in the short and mid-term to recognise costs associated with marketing, commercialising and delivering its Retail Solutions Suite earlier than the anticipated benefits.

(f) Retail Solutions Suite in early stages of development with limited testing

The Retail Solutions Suite is in the very early stages of development and testing. There is no guarantee that the Company will be able to complete its development of the Retail Solutions Suite necessary for the introduction into new markets contemplated by the Company. Failure to:

(i) successfully complete the development of any of the Retail Solutions Suite;

(ii) anticipate market trends and retain competitive advantage in what is a rapidly evolving industry; or

(iii) estimate timeframes for development and commercialisation accurately,

may adversely affect the Company’s operating results and financial position. Further, even if the Company successfully completes its development of the Retail Solutions Suite, there is no guarantee that the Retail Solutions Suite will be adopted by the relevant markets, which may negatively impact the Company’s revenues.

(g) Industry standards

The Company’s products and product components need to meet certain standards for certain industries to which the Company markets its products. In addition, new industry standards in such industries could cause some or all of the Company’s products and services to become obsolete and unmarketable, which would adversely affect the Company’s results of operations. Non-compliance with any of these standards could limit the Company’s sales and adversely affect the Company’s business, operating results and financial condition.
(h) Reliance on key customers and no long term contracts
A small group of the Company’s key customers make up a large part of the Company’s total revenues and it is expected that the Company will continue to remain dependent on this small group. In the years ended 31 December 2015, 2016 and 2017, a group of seven key customers accounted for 36.31%, 38.09% and 39.1% respectively of the Company’s total revenues. The Company expects that a significant portion of its future revenues will continue to be dependent on this small group of customers. If the Company is unable to retain current levels of business with these customers and attract sufficient new business from any of them, the Company’s operations and financial conditions may be adversely affected.

Further, the Company has main customers which are not covered by definitive agreements. These customers may terminate arrangements with immediate effect without notice. Even where the Company has contracts in place with existing customers, none of them are long-term. Should any of the main customers terminate their arrangements with the Company, the Company’s operations and financial conditions may be adversely affected.

(i) Group treasury and secretarial controls
During the course of preparing for this Offer, it has become apparent that Group secretarial controls have in some instances been lacking and this has led to a number of instances of non-compliance with applicable laws, including, for example, late annual account filings, improper execution of documents relating to intergroup arrangements, absence of, or incomplete documentation relating to, company incorporation and ownership details, deficient minuting of board and shareholder meetings and errors in intellectual property registration filings, and lack of attention generally to legal and regulatory developments affecting the Group’s business operations. Some instances of non-compliance or uncertainty regarding the application of Israeli tax laws were also identified which although not individually material may cumulatively have a material adverse effect on the Company.

Whilst the Company is taking steps to remedy each such issue identified, there is a risk that the Company may be subject to legal or regulatory action in any of the jurisdictions in which the Group operates, including fines or other adverse consequences. This could have a material adverse effect on the Company’s operations, financial performance and reputation.

From Admission, the Company expects that it will have in place internal corporate and secretarial controls which are appropriate for an ASX-listed company.

(j) International operations and new markets
From Admission, the Company will have nine subsidiaries in six jurisdictions and expects to continue to do business internationally. The Group’s operations will therefore be subject to a number of risks inherent in global operations, including:

(i) political and economic instability in foreign markets (including, for example, imposition of product tariffs and other trade barriers and foreign currency fluctuations);
(ii) inconsistent product regulation and changing requirements, and associated compliance costs;
(iii) difficulty in enforcing intellectual property rights;
(iv) added complexity and risks relating to international tax regulation;
(v) the practicalities of staffing and managing foreign operations; and
(vi) language and other cultural barriers.

Further, if the Company successfully develops its Retail Solutions Suite, the Company’s efforts to introduce any of these new products to market holds the risk that the product offering will not meet the needs or demands of that market. New markets usually cost substantially more to penetrate than a known market. Accordingly, such efforts may have a materially adverse effect on the value and prospects of the Company.

(k) Litigation
The Company is subject to litigation risks. All industries, including the retail, healthcare and industrial industries in which the Company operates, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material adverse effect on the Company’s financial position, operating results or financial condition and cause a distraction to management.

(l) Payments to satisfy the Company’s indemnification obligations
The Company’s has agreements with its directors and senior officers which may require the Company, subject to Israeli law and certain limitations in the agreements, to indemnify the Company’s directors and senior officers for certain liabilities and expenses that may be imposed on them due to acts performed, or failures to act, in their capacity as office holders as defined in the Companies Law. These liabilities may include financial liabilities imposed by judgments or settlements in favour of third parties, and reasonable litigation expenses imposed by a court in relation to criminal charges from which the indemnitee was acquitted or criminal proceedings in which the indemnitee was convicted of an offence that does not require proof of criminal intent. Furthermore, the Company agreed to exculpate its directors and officers with respect to a breach of their duty of care towards the Company.

The Company could be required to expend significant amounts of cash to meet the Company’s indemnification obligations. Payments made pursuant to such indemnification obligations may materially adversely affect the Company’s financial condition.

(m) Reliance on key personnel
The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel (including the Directors). There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or if one or more of the Directors cease to be directors of the Company.
Success of the business will depend on the Directors and the officers of the Company to develop the business and manage operations, and on the ability to attract and retain key quality staff and consultants.

The management team is currently comprised of a team of personnel who the Directors consider can cover on a temporary basis for any other member of the team who may leave the Company, until such time as the Company engages a replacement. However, the loss of multiple persons or the inability to find a new key persons (or delays in finding such key persons) could have a material adverse effect on the business.

(n) Counterparty risk
The Company has entered into a number of commercial agreements with third parties and expects to enter into further contracts. There is a risk that the counterparties may not meet their obligations under those agreements.

Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and financial performance of the Company. It is not possible for the Company to predict or protect itself against all such risks.

(o) Future capital needs
The Company may require additional funds for working capital, capital expenditure or any future acquisitions or other initiatives which are part of its growth strategy. The Company has traditionally used the short term debt market for financing needs and there is no guarantee that the Company will be able to continue to roll its short term loan facilities (described in Section 3.10) or obtain additional debt or equity finance when required, or if it can, on favourable or acceptable terms. As a result, the Company’s ongoing financial position may be adversely affected.

(p) Market opportunity and forecasts of market growth
This Prospectus includes the Company’s internal estimates of the addressable market for the Company’s products. Market opportunity estimates and growth forecasts, whether obtained from third party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates and forecasts in this Prospectus relating to the size and expected growth of the Company’s target market, market demand and adoption, capacity to address this demand, and pricing may prove to be inaccurate. In particular, the estimates regarding Company’s current and projected market opportunity are subject to a number of assumptions that may not prove accurate.

(q) Company’s revenue growth rate
The Company’s actual revenue growth rate from 31 December 2015 up to and including 31 December 2017 should not be viewed as an indication of the Company’s year on year revenue growth rate in the future. The Company may not be able to sustain its growth rate in earnings owing to a number of factors including, but not limited to, the timing and success of the Company’s activities and materialisation of other risks set out in this Section 6.

6.2 General investment risks
Some of the general risks of investment which are considered beyond the control of the Company are as follows:

(a) Economic
Changes in the general economic conditions in which the Group operates may adversely affect the Company’s exploration, development and production activities, its ability to fund those activities and its financial performance more broadly.

Factors that may contribute to that general economic climate include general economic outlook, interest rates and inflation rates, currency exchange rates, tax reform, including to the Law for Encouragement of Capital Investments 5719-1959, new legislation, changes in investor sentiment, and the demand for, and supply of, capital.

(b) Regulatory
Changes in relevant taxes, legal and administrative regimes, accounting practice and government policies or legislation of Israel or any other country that the Company has economic interests in may adversely affect the viability and profitability of the Company.

(c) Securities investments
The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company. The price at which the Company’s Shares trade may be above or below the Offer Price and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company’s operational performance.

(d) Taxation
The acquisition, holding and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.
6.3 Risks relating to the Offer

Some of the risks relating to the Offer which are considered beyond the control of the Company are as follows:

(a) Admission

If ASX does not admit the Shares to Official Quotation before the expiration of three months after the Prospectus Date, or such period as varied by ASIC, the Company will not allot or issue any Shares and will repay all Application Money for the Shares within the time prescribed under the Corporations Act, without interest.

(b) Share market

There is currently no public market for the Shares, the price of Shares is subject to uncertainty and there can be no assurance that an active market for the Shares will develop or continue after the Offer.

Following Admission, the market price of the Shares may fall as well as rise and may be influenced by the varied and unpredictable movements in the equity markets. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Liquidity

There is no guarantee that, upon Admission, there will be an ongoing liquid market for the Company’s Shares. Accordingly, there is a risk that should the market for the Company’s Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

In particular, as set out in Section 2.13, certain Shares will be subject to Restriction Agreements for up to 12 months from the date of Admission. During this period, trading in Shares may be less liquid which may impact on the ability of Shareholders to dispose of their Shares in a timely manner.

(d) Release of Shares from escrow

Upon release from escrow under the Restriction Agreements referred to in Section 2.13, a total of 110,000,000 Shares will become freely tradeable. If a substantial proportion of those Shares are offered for sale on the market at the same or similar time, this may have the effect of reducing the market price of Shares at around that time.

6.4 Speculative nature of investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or investors. The above factors, and others not specified, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative in nature and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.
Investigating Accountant’s Report
INVESTIGATING ACCOUNTANT’S REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd (‘BDO’) has been engaged by Shekel Brainweigh Limited, a company incorporated in Israel (‘the Company’) to prepare this Investigating Accountant’s Report (‘Report’) in relation to certain financial information for inclusion in a prospectus (‘Prospectus’) to be issued by the Company in respect of the proposed initial public offering (‘IPO’) and listing on the Australian Securities Exchange (‘ASX’). The Company has entered into an agreement to acquire Shekel Scales (2008) Ltd (‘Shekel Scales’) which is the parent entity of the operational entities.

Broadly, the Prospectus will offer 29 million Shares at an issue price of A$0.35 each to raise A$10.15 million before costs (‘the Offer’).

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd (‘BDO’) holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a review engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by International Financial Reporting Standards (‘IFRS’) and other mandatory professional reporting...
requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

The Company has requested BDO to review the following historical financial information of Shekel Scales (together the ‘Historical Financial Information’) included as appendices to our Report:


The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in IFRS and the Company’s adopted accounting policies. The Historical Financial Information has been extracted from the audited financial reports of Shekel for the years ended 31 December 2015, 31 December 2016 and 31 December 2017.

[The financial reports for Shekel Scales for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 were audited by BDO Ziv haft in accordance with International Standards On Auditing. BDO Ziv haft issued unmodified audit opinions on the financial reports for these periods.]

The Historical Financial Information is presented in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by IFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

**Pro Forma Historical Financial Information**

You have requested BDO to review the following pro forma historical financial information (the ‘Pro Forma Historical Financial Information’) of the Company included in this Report:

- the Pro forma Historical Consolidated Statement of Financial Position as at 31 December 2017 which includes:
  - the subsequent events outlined in section 6 of our Report; and
  - the pro forma adjustments for the events outlined in section 7 of our Report.

The stated basis of preparation is the recognition and measurement principles contained in IFRS applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 6 and section 7 of this Report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by the Company to illustrate the impact of the events or transactions described in section 6 and section 7 of this Report on the Company’s financial position as at 31 December 2017. As part of this process, information about the Company’s financial position has been extracted by Shekel Scales from its financial statements for the period ended 31 December 2017.

**3. Directors’ responsibility**

The directors of the Company are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal
controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Our review procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our review engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:


is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 2 of this Report.

Pro Forma Historical Financial Information

Based on our review engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the Pro forma Historical Consolidated Statement of Financial Position of the Company as at 31 December 2017 which include:
  - the subsequent events outlined in section 6 of our Report; and
  - the pro forma adjustments for the events outlined in section 7 of our Report,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 2 of this Report.

6. Subsequent Events

The Pro forma Historical Consolidated Statement of Financial Position reflects the events that have occurred subsequent to the period ended 31 December 2017 for the Company.
- The Company entered into a share swap with Shekel Scales, which resulted in 110,000,000 shares being on issue at the date of the Prospectus. In accordance with IFRS, Shekel Scales is considered to be the accounting parent and continuation accounting is applied, resulting in no adjustment to the financial statements as a result of the acquisition; and
- The issue of 19,427,064 Plan Options on 11 March 2018

The following events were considered but were not adjusted for
- The acquisition of Goopi Ltd., a UK company, according to which the Company acquired 100% of Goopi Ltd. Goopi is immaterial to the consolidated group and has not been adjusted in the Pro Forma Historical Financial Information

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of the Company or Shekel not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro forma Historical Financial Information

The Pro forma Historical Consolidated Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements of Shekel and the Company as at 31 December 2017, the subsequent events set out in section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:
- The issue of 29 million Shares at an issue price of A$0.35 to raise $10.15 million Australian Dollars;
- The issue of 4,170,000 Lead Manager Options;
- The issue of 11,563,732 Performance Rights;
- Costs of the offer of $1,600,217 Australian Dollars;
- An AUD to USD exchange rate of 0.7570.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO Audit (WA) Pty Ltd is the auditor of the Company and from time to time, BDO provides the Company with certain other professional services for which normal professional fees are received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.
Without modifying our conclusions, we draw attention to section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

Adam Myers
Director
APPENDIX 1
Shekel Scales

HISTORICAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th></th>
<th>Audited for the year ended 31-Dec-17 USD $'000</th>
<th>Audited for the year ended 31-Dec-16 USD $'000</th>
<th>Audited for the year ended 31-Dec-15 USD $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>18,221</td>
<td>15,529</td>
<td>16,284</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>(10,965)</td>
<td>(10,068)</td>
<td>(11,327)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>7,256</td>
<td>5,461</td>
<td>4,957</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>(433)</td>
<td>(518)</td>
<td>(332)</td>
</tr>
<tr>
<td>Selling and marketing expenses</td>
<td>(2,056)</td>
<td>(1,849)</td>
<td>(1,854)</td>
</tr>
<tr>
<td>General and administration expenses</td>
<td>(2,316)</td>
<td>(2,150)</td>
<td>(2,285)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>2,451</td>
<td>944</td>
<td>486</td>
</tr>
<tr>
<td>Financial income</td>
<td>21</td>
<td>62</td>
<td>10</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>(246)</td>
<td>(340)</td>
<td>(275)</td>
</tr>
<tr>
<td>Profit before tax on income</td>
<td>2,226</td>
<td>666</td>
<td>221</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(287)</td>
<td>(223)</td>
<td>(131)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>1,939</td>
<td>443</td>
<td>106</td>
</tr>
<tr>
<td>Other comprehensive loss (income), net of tax:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will or may be reclassified to profit or loss:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange rate differentials pursuant to conversion of foreign activities</td>
<td>(25)</td>
<td>21</td>
<td>16</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>1,914</td>
<td>464</td>
<td>106</td>
</tr>
<tr>
<td>Profit for the year attributed to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of the parent</td>
<td>1,904</td>
<td>399</td>
<td>77</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>35</td>
<td>44</td>
<td>13</td>
</tr>
<tr>
<td>Total comprehensive income for the year attributed to:</td>
<td>1,939</td>
<td>443</td>
<td>90</td>
</tr>
<tr>
<td>Owners of the parent</td>
<td>1,857</td>
<td>423</td>
<td>101</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>57</td>
<td>41</td>
<td>5</td>
</tr>
<tr>
<td>Total comprehensive income for the year attributed to:</td>
<td>1,914</td>
<td>464</td>
<td>106</td>
</tr>
</tbody>
</table>

The Historical Statements of Profit or Loss and Other Comprehensive Income show the historical financial performance of Shekel Scales and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4. Past performance is not a guide to future performance.
# APPENDIX 2

**Shekel Brainweigh**

**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

The Pro forma Historical Consolidated Statement of Financial Position after the Offer is as per the Consolidated Statement of Financial Position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The Pro forma Consolidated Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4.

<table>
<thead>
<tr>
<th>Notes</th>
<th>Audited as at 31-Dec-17 USD $'000</th>
<th>Subsequent events USD $'000</th>
<th>Pro-forma adjustments USD $'000</th>
<th>Pro-forma after issue USD $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2</td>
<td>1,725</td>
<td>-</td>
<td>6,472</td>
</tr>
<tr>
<td>Short term investments</td>
<td></td>
<td></td>
<td></td>
<td>330</td>
</tr>
<tr>
<td>Trade receivables, net</td>
<td></td>
<td></td>
<td></td>
<td>5,299</td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td></td>
<td></td>
<td>671</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td></td>
<td></td>
<td>3,525</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td>11,550</td>
</tr>
<tr>
<td><strong>NON CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td>603</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td>1,170</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans to related parties</td>
<td></td>
<td>929</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td></td>
<td>204</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL NON CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td>2,906</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td>14,456</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short term loans and current portion of long term loans</td>
<td></td>
<td>4,628</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trade payables</td>
<td></td>
<td>1,394</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other payables</td>
<td></td>
<td>1,992</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
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<td></td>
<td></td>
<td>8,014</td>
</tr>
<tr>
<td><strong>NON CURRENT LIABILITIES</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Long term loans</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee benefit liabilities</td>
<td></td>
<td>201</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Liability for royalties payable</td>
<td></td>
<td>20</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL NON CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td>221</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td>8,235</td>
</tr>
<tr>
<td><strong>NET ASSETS/(LIABILITIES)</strong></td>
<td></td>
<td></td>
<td></td>
<td>6,221</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>3</td>
<td>1,796</td>
<td>-</td>
<td>6,350</td>
</tr>
<tr>
<td>Foreign exchange reserve</td>
<td></td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>4</td>
<td>4,121</td>
<td>(1,004)</td>
<td>(3,589)</td>
</tr>
<tr>
<td>Share based payment reserve</td>
<td>5</td>
<td>1,004</td>
<td>3,711</td>
<td>4,715</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td></td>
<td>303</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td>6,221</td>
</tr>
</tbody>
</table>
APPENDIX 3  
Shekel Scales

**HISTORICAL STATEMENTS OF CASH FLOWS**

<table>
<thead>
<tr>
<th></th>
<th>Audited for the year ended</th>
<th>Audited for the year ended</th>
<th>Audited for the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31-Dec-17</td>
<td>31-Dec-16</td>
<td>31-Dec-15</td>
</tr>
<tr>
<td></td>
<td>USD $'000</td>
<td>USD $'000</td>
<td>USD $'000</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit for the period</td>
<td>1,939</td>
<td>443</td>
<td>90</td>
</tr>
<tr>
<td>Depreciation</td>
<td>182</td>
<td>153</td>
<td>175</td>
</tr>
<tr>
<td>Decrease / (increase) in trade receivable, net</td>
<td>(1,281)</td>
<td>104</td>
<td>226</td>
</tr>
<tr>
<td>Decrease / (increase) in other receivable</td>
<td>(201)</td>
<td>107</td>
<td>101</td>
</tr>
<tr>
<td>Decrease / (increase) in inventories</td>
<td>(172)</td>
<td>252</td>
<td>193</td>
</tr>
<tr>
<td>Increase / (decrease) in trade payable</td>
<td>173</td>
<td>(707)</td>
<td>295</td>
</tr>
<tr>
<td>Increase / (decrease) in other payable</td>
<td>536</td>
<td>141</td>
<td>(394)</td>
</tr>
<tr>
<td>Change in accrued severance pay, net</td>
<td>101</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td>Change in short term investments</td>
<td>8</td>
<td>(13)</td>
<td>79</td>
</tr>
<tr>
<td>Increase in provision for grant received</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial income charged to equity</td>
<td>(20)</td>
<td>(17)</td>
<td>(10)</td>
</tr>
<tr>
<td>Financial income (expense), net</td>
<td>389</td>
<td>170</td>
<td>(515)</td>
</tr>
<tr>
<td>Taxes on income, net</td>
<td>(152)</td>
<td>19</td>
<td>27</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>1,504</td>
<td>659</td>
<td>286</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan to related party</td>
<td>-</td>
<td>(518)</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(193)</td>
<td>(153)</td>
<td>(169)</td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>9</td>
<td>39</td>
<td>-</td>
</tr>
<tr>
<td>Capitalised development costs</td>
<td>(835)</td>
<td>(233)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(1,019)</td>
<td>(865)</td>
<td>(169)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of shares</td>
<td>-</td>
<td>518</td>
<td>-</td>
</tr>
<tr>
<td>Receipt of short term loans</td>
<td>4,039</td>
<td>3,593</td>
<td>3,593</td>
</tr>
<tr>
<td>Payment of short term loans</td>
<td>(4,039)</td>
<td>(3,593)</td>
<td>(3,593)</td>
</tr>
<tr>
<td>Receipt of long term loans</td>
<td>-</td>
<td>-</td>
<td>527</td>
</tr>
<tr>
<td>Payment of long term loans</td>
<td>(277)</td>
<td>(106)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash provided by / (used in) financing activities</strong></td>
<td>(277)</td>
<td>412</td>
<td>527</td>
</tr>
<tr>
<td>Effects of exchange rate changes on cash and cash equivalents</td>
<td>(25)</td>
<td>21</td>
<td>16</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>183</td>
<td>227</td>
<td>660</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>1,542</td>
<td>1,315</td>
<td>655</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>1,725</td>
<td>1,542</td>
<td>1,315</td>
</tr>
</tbody>
</table>

The Historical Statements of Cash Flows show the historical cash flows of Shekel Scales and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4.
NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

Shekel Brainweigh Limited. (hereinafter, “the Company”) was domiciled in Israel. The Company and its subsidiaries (together, the “Group”) is a global leader of digital weighing technology and engaged in the development, planning, assembly and marketing of electronic weighing systems.

SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies followed in the preparation of the financial statement, on a consistent basis, are:

Basis of preparation

The principal accounting policies adopted in the preparation of the financial information are set out below. These financial statements have been prepared in accordance with the measurement and recognition requirements of International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets and financial liabilities at fair value through profit or loss. The Group has elected to present the statement of comprehensive income using the function of expense method.

Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights.

The consolidated financial statements of the Group include the accounts of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies were eliminated in full.

The consolidated financial statements of the Group include the accounts of the following companies:

<table>
<thead>
<tr>
<th>Entity name</th>
<th>State incorporated</th>
<th>Ownership percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shekel Brainweigh Limited</td>
<td>Israel</td>
<td>Parent Company</td>
</tr>
<tr>
<td>Shekel Scales Ltd.</td>
<td>Israel</td>
<td>100%</td>
</tr>
<tr>
<td>Shekel EU S.A</td>
<td>Luxemburg</td>
<td>100%</td>
</tr>
<tr>
<td>Shekel USA LLC</td>
<td>USA</td>
<td>100%</td>
</tr>
<tr>
<td>Shekel (Ningbo) Scales Ltd.</td>
<td>China</td>
<td>100%</td>
</tr>
<tr>
<td>Shekel Shanghai Trading Co. Ltd.</td>
<td>China</td>
<td>100% - Shekel EU S.A</td>
</tr>
<tr>
<td>Abil anx</td>
<td>France</td>
<td>60% - Shekel EU S.A</td>
</tr>
</tbody>
</table>

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree’s identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of
comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquirer’s identifiable net assets.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary and also gains or losses on disposals to non-controlling interests are recorded in equity.

Foreign currency
The consolidated financial statements are prepared in US Dollars (the functional currency). Transactions and balances in foreign currencies are converted into US Dollars in accordance with the principles set forth by International Accounting Standard (IAS) 21 “The Effects of Changes in Foreign Exchange Rates”.

Foreign currency transactions
Transactions and balances have been converted as follows

- Monetary assets and liabilities - at the rate of exchange applicable at the consolidated statements of financial position date;
- Exchange gains and losses from the aforementioned conversion are recognised in the statement of profit or loss.
- Expense items - at exchange rates applicable as of the date of recognition of those items.
- Non-monetary items are converted at the rate of exchange at the time of the transaction.

Foreign operations
On consolidation, the results of foreign operations are translated into US Dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of foreign operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date.

Exchange differences arising on translating the opening net assets at opening rate and the results of foreign operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve. Exchange differences recognised in profit or loss in the Group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation. On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are classified to profit or loss as part of the profit or loss on disposal.

Cash equivalents
Cash equivalents are considered by the Group to be highly-liquid investments, including, inter alia, short-term deposits with banks and the maturity of which do not exceed three months at the time of deposit and which are not restricted.

Use of estimates and assumptions in the preparation of the financial statements
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.
Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Classification by fair value hierarchy

Assets and Liabilities presented in the statement of financial position at fair value are grouped into classes with similar characteristics using the following fair value hierarchy which is determined based on the source of input used in measuring fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.
Level 3 - Inputs that are not based on observable market data (valuation techniques that use inputs that are not based on observable market data).

Financial assets

The Group classifies its financial assets depending on the purpose for which the asset was acquired. The Group’s accounting policy for each category is as follows:

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are initially recognised at fair value and subsequently measured at amortised cost less any provision for impairment.

Financial Liabilities

The Group’s financial liabilities are trade accounts payable, other accounts payable and loans, which are initially recognised at fair value net of direct transaction costs and subsequently measured at amortised cost using the effective interest rate method.

De-recognition of financial instruments:

Financial assets: A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or the Group has transferred its contractual rights to receive cash flows from the financial asset or assumes an obligation to pay the cash flows in full without material delay to a third party and has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities: A financial liability is derecognised when it is extinguished, that is when the obligation is discharged or cancelled or expires. A financial liability is extinguished when the creditor:

- discharges the liability by paying in cash, other financial assets; or
- is legally released from the liability.
Intangible assets

Intangible assets include internally generated capitalised development costs. Intangible assets with a finite useful life are amortised over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each year end. The carrying amount of these assets is reviewed whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite life intangibles, at each reporting date, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis. The Group’s intangible assets were not depreciated yet as of 31 December 2017 (see also “Impairment of non-financial assets”).

Property, plant and equipment

Property, plant and equipment are initially recognised at cost, including costs directly attributable to the acquisition of the property, plant and equipment and bringing it to the location and condition necessary for use. The cost of an item of property, plant and equipment is the amount equal to the cash price on the date of recognition. In periods subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation and amortisation methods - the Group depreciates separately each part of the property, plant and equipment with a cost that is significant in relation to the total cost of the item. Depreciation expenses for each period are recognised in profit or loss, unless they are included in the carrying amount of another asset.

Depreciation is computed by the straight line method, based on the estimated useful lives of the assets, as follows:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Annual depreciation rate (%)</th>
<th>Main depreciation rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicles</td>
<td>15-20</td>
<td>20</td>
</tr>
<tr>
<td>Electronic equipment and software</td>
<td>10-20</td>
<td>10</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>6-33</td>
<td>33</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

Impairment of non-financial assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of the non-financial asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to dispose), the asset is written down and impairment charge is recognised accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset’s cash-generating unit (i.e. the smallest group of assets to which the asset belongs that generates cash inflow that are largely independent of cash inflows from other assets).

An impairment loss allocated to asset, is reversed only if there have been changes in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. Reversal of an impairment loss, as above, is limited to the lower of the carrying amount of the asset that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior years and the assets recoverable amount. The reversal of impairment loss of an asset is recognised in profit or loss. Impairment charges are included in general and administrative expenses.
During the years ended December 31, 2017, 2016 and 2015, no impairment charges of non-financial assets were recognised.

**Impairment of financial assets**

The Group assesses at the end of each reporting period whether there is any objective evidence of impairment of a financial asset as follows. Financial assets carried at amortised cost:

There is objective evidence of impairment of loans and receivables if one or more events have occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows. Evidence of impairment may include indications that the debtor is experiencing financial difficulties, including liquidity difficulty and default in interest or principal payments. The amount of the loss recorded in profit or loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred) discounted at the financial asset’s original effective interest rate (the effective interest rate at initial recognition).

If the financial asset has a variable interest rate, the discount rate is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. In a subsequent period, the amount of the impairment loss is reversed if the recovery of the asset can be related objectively to an event occurring after the impairment was recognised. The amount of the reversal, which is limited to the amount of any previous impairment, is recorded in profit or loss.

**Inventories**

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The Group measures cost of raw materials and work in process on FIFO basis and finished goods according to costs based on direct costs of materials and labour and loading of indirect expenses.

**Research and development costs**

Expenditure on research activities is recognised in profit or loss as incurred. Expenditure on internally developed products is capitalised if it can be demonstrated that:
- it is technically feasible to develop the product for it to be sold adequate resources are available to complete the development
- there is an intention to complete and sell the product
- the Group is able to sell the product
- sale of the product will generate future economic benefits, and
- expenditure on the project can be measured reliably.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

Capitalised development costs are not being amortised yet because the development has not been completed and the assets are yet to be in use. Subsequent expenditure on capitalised intangible assets is capitalised only where it clearly increases the economic benefits to be derived from the asset to which it relates. All other expenditure, including that incurred in order to maintain an intangible assets current level of performance, is expensed as incurred. During the years 2017, 2016 and 2015 the Group capitalised development costs in the amounts of 835, 233 and nil respectively.

**Deferred tax**

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the estimated timing and level of future taxable profits together with future tax planning strategies.

Deferred taxes are computed in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts attributable for tax purposes.
Deferred taxes are measured at the tax rates that are expected to apply in the period when the temporary differences are reversed in profit or loss, other comprehensive income or equity, based on tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is not probable that they will be utilised. In addition, temporary differences (such as carry forward losses) for which deferred tax assets have not been recognised are reassessed and deferred tax assets are recognised to the extent that their recoverability is probable. Any resulting reduction or reversal is recognised on "income tax" within the statement of comprehensive income. All deferred tax assets and liabilities are presented in the statement of financial position as non-current items, respectively. Deferred taxes are offset in the statement of financial position if there is a legally enforceable right to offset a current tax asset against a current tax liability and the deferred taxes relate to the same taxpayer and the same taxation authority.

**Earnings per share**

Earnings per share is calculated by dividing the net profit attributable to owners of the parent, by the weighted number of ordinary shares outstanding during the period. Basic earnings per share only include shares that were actually outstanding during the period.

**Liability for royalties payable**

The Group measured its governmental liabilities on grants received, each period, based on discounted cash flows derived from Group's future anticipated revenues.

**Provision for warranty**

The Group generally offers up to one-year warranty on its products. The Group records the provision for warranty based on past experience.

**Revenue recognition**

Revenues are recognised in profit or loss when the revenues can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenues are measured at the fair value of the consideration received or receivables less any trade discounts, volume rebates and returns.

Revenues from the sale of goods and repair services are recognised when all the significant risks and rewards of ownership of the goods have passed to the buyer and the seller no longer retains continuing managerial involvement. The delivery date is usually the date on which risks and rewards pass.

**Allowance for doubtful accounts**

The allowance for doubtful accounts is based on specific receivables, which their collection, in the opinion of Group's management, is in doubt. Trade accounts receivable are charged off in the period in which they are deemed to be uncollectible. As of December 31, 2017, 2016, and 2015, the Group record allowance for doubtful accounts in the amount of 40, 26 and 40 respectively.

**Employee benefits**

The Group contributes towards the state pension in accordance with local legislation where required. The only obligation of the Group is to make the required contributions. Costs related to such contributions are expensed in the period in which they are incurred.

The Group has several employee benefit plans as to Israeli and Chinese employees:

1. **Short-term employee benefits**: Short-term employee benefits include salaries, paid annual leave, paid sick leave, recreation and social security contributions and are recognised as expenses as the services are rendered. A liability in respect of a cash bonus or a profit-sharing plan is recognised when the Group has a legal or constructive obligation to make such payment as a result of past service rendered by an employee and a reliable estimate of the amount can be made.
2. Post-employment benefits: The plans are normally financed by contributions to insurance companies and classified as defined contribution plans or as defined benefit plans. In Israel, the Group has defined for most of its employees contribution plans pursuant to Section 14 to the Severance Pay Law since 2004 under which the Group pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods.

Contributions to the defined contribution plan in respect of severance or retirement pay are recognised as an expense simultaneously with receiving the employee’s services and no additional provision is required in the financial statements except for the unpaid contribution. The Group also operates for some employees an immaterial defined benefit plan in respect of severance pay pursuant to the Severance Pay Law.

New accounting policies and disclosures
Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative:
The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information in note 11.

New IFRSs in the period prior to their adoption

IFRS 9 Financial Instruments:
In July 2014, the IASB published the final and complete version of IFRS 9 “Financial Instruments” (hereinafter - “IFRS 9”), which replaces IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 focuses mainly on the classification and measurement of financial assets and applies to all assets within the scope of IAS 39. The IAS 39 requirements relating to recognition and derecognition were carried forward unchanged to IFRS 9.

Key differences between IFRS 9 and IAS 39 are summarised below:
Classification and measurement of financial assets
IFRS 9 replaces the rules based model in IAS 39 with an approach which bases classification and measurement on the business model of an entity, and on the cash flows associated with each financial asset. This has resulted in:

i. Elimination of the ‘held to maturity’, ‘loans and receivables’ and ‘available-for-sale’ categories. Instead, IFRS 9 introduces two classification categories: ‘amortised cost’ and ‘fair value through other comprehensive income’ to accompany ‘fair value through profit or loss’.

ii. Elimination of the requirement to separately account for (i.e. bifurcate) embedded derivatives in financial assets. However, the concept of embedded derivatives has been retained for financial liabilities and for non-financial assets.

iii. Elimination of the limited exemption to measure unquoted equity investments at cost rather than at fair value, in the rare circumstances in which the range of reasonable fair value measurements is significant and the probabilities of the various estimates cannot reasonably be assessed.

Classification and measurement of financial liabilities: IFRS 9 introduces a requirement for most changes in fair value related to an entity’s credit risk to be recorded in other comprehensive income and not profit or loss. The IAS 39 requirements relating to recognition and derecognition were carried forward unchanged to IFRS 9.

IFRS 9 sets out a new forward looking ‘expected loss’ impairment model which replaces the incurred loss model in IAS 39 and applies to:
- Financial assets measured at amortised cost,
- Debt investments measured at fair value through other comprehensive income, and

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- Certain loan commitments and financial guarantee contracts. Under the IFRS 9 ‘expected loss’ model, a credit event (or impairment ‘trigger’) no longer has to occur before credit losses are recognised. An entity will now always recognise (at a minimum) 12-month expected credit losses in profit or loss. Lifetime expected losses will be recognised on assets for which there is a significant increase in credit risk after initial recognition.

The effective date of IFRS 9 is for annual reporting periods beginning on or after 1 January 2018. Early adoption is permitted. IFRS 9 will not have a material effect on the consolidated financial statements.

IFRS 15 - Revenue from Contracts with Customers
IFRS 15 shall replace other IFRS provisions relating to revenue recognition.

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 sets out a single revenue recognition model, according to which the entity shall recognise revenue in accordance with the said core principle by implementing a five-step model framework:
1) Identify the contract(s) with a customer.
2) Identify the performance obligations in the contract.
3) Determine the transaction price.
4) Allocate the transaction price to the performance obligations in the contract.
5) Recognise revenue when the entity satisfies a performance obligation.

IFRS 15 provides guidance about various issues related to the application of the said model, including: recognition of revenue from variable consideration set in the contract, adjustment of the price of transaction set in the contract in order to reflect the effect of the time value of money and costs to obtain or fulfil a contract.

IFRS 15 extends the disclosure requirements regarding revenue and requires, among other things, that entities disclose qualitative and quantitative information about significant judgments made by management in determining the amount and timing of the revenue.

The standard shall be applied retrospectively for annual reporting periods starting on January 1, 2018 or thereafter, IFRS 15 will not have a material impact on the financial statements.

IFRS 16 - Leases (hereafter - IFRS 16)
Adoption of IFRS 16 will result in the Group recognising right of use assets and lease liabilities for all contracts that are, or contain, a lease.

In the new model, a lessee may elect to account for lease payments as an expense on a straight-line basis over the lease term or another systematic basis for the following two types of leases:

i) leases with a lease term of 12 months or less and containing no purchase options - this election is made by class of underlying asset; and

ii) leases where the underlying asset has a low value when new (such as personal computers or small items of office furniture) - this election can be made on a lease-by-lease basis.

For leases currently classified as operating leases, under current accounting requirements the Group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

Instead of recognising an operating expense for its operating lease payments, the Group will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets.
IFRS 16 Leases is effective for reporting periods (interim and annual) beginning on or after January 1, 2019.

The Group is currently evaluating the impact of the amended guidance on its financial statements, but does not expect it to have a material impact.

<table>
<thead>
<tr>
<th>NOTE 2. CASH AND CASH EQUIVALENTS</th>
<th>Audited</th>
<th>Pro-forma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31-Dec-17</td>
<td>after Offer</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,725</td>
<td>8,197</td>
</tr>
</tbody>
</table>

Adjustments to arise at the pro-forma balance:
Audited balance of Shekel at 31 December 2017 $1,725

Pro-forma adjustments:
Proceeds from shares issued under this Prospectus $7,684
Costs of the offer - listing expenses and capital raising costs $(1,211)

Pro-forma Balance $8,197

<table>
<thead>
<tr>
<th>NOTE 3. CONTRIBUTED EQUITY</th>
<th>Audited</th>
<th>Pro-forma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31-Dec-17</td>
<td>after Offer</td>
</tr>
<tr>
<td>Contributed equity</td>
<td>$1,796</td>
<td>8,146</td>
</tr>
</tbody>
</table>

Adjustments to arise at the pro-forma balance:
Fully paid ordinary share capital $11,415 $1,796
Subsequent event - share swap $109,988,585 -

Pro-forma adjustments:
Proceeds from shares issued under this Prospectus $29,000,000 $7,684
Capital raising costs - lead manager options $(648)
Capital raising costs - (686)

Pro-forma Balance $139,000,000 $8,146
The options have been valued using the Black Scholes model, the key inputs are as follows:

- **Underlying share price**: $0.35
- **Exercise Price**: $0.20 for the Plan options and $0.42 for the Lead Manager Options
- **Estimated Volatility**: 100%

This results in an underlying value of A$0.2717 for the Plan options and A$0.2067 for the Lead Manager Options.

The terms of the options are detailed in the Prospectus. The Plan Options have been expensed in accordance with the applicable vesting periods.

The Performance rights have been valued at A$0.35 per right.
Intellectual Property Report
Dear Sirs

Intellectual Property Report

We have been requested to provide this report for the purpose of its inclusion in a prospectus (the Prospectus) for Shekel Brainweigh Ltd (the Company) to be lodged with the Australian Securities and Investments Commission (ASIC).

We are instructed that, from admission of the Company to the Official List of the ASX, the Company will be the holding company for a number of subsidiary companies operating in different jurisdictions (the Company and its subsidiaries, together the Group). Details of the company structure are set out elsewhere in the Prospectus.

Scope of Report

This report provides details of the registered intellectual property in the name of companies in the Group, including:

1. Patents.
2. Registered designs (also known in some jurisdictions as design patents).
3. Trade marks.

This report does not deal with any unregistered intellectual property owned by the companies in the Group such as copyright or rights to confidential information.

The contents of this report are based on the information on the intellectual property identified and provided to us by the Company, which information has been checked against information publicly available on the various intellectual property registers referred to (where available).

This report is subject to the limitations and disclaimers set out below.

Summary of Report

The registered intellectual property owned by companies in the Group consists of:

1. Various granted patents or patent applications in the United Kingdom, the United States of America, China, Europe, Canada and Israel, as set out in Annexure 1.
2. Various registered designs (or design patents) in the United States of America,
Europe and China, as set out in Annexure 2.

3. Various registered trade marks in China, Europe, Israel and the United States of America and a trade mark application in the United States of America, as set out in Annexure 3.

Patent Protection and the Requirements for Patentability

Patent rights provide protection for new, non-obvious and useful inventions for a limited period, typically 20 years. Patents may be granted in respect of new or improved products, methods and processes in almost all areas of current scientific, commercial and industrial activities.

The grant of a patent gives the patentee the exclusive rights to exploit the invention the subject of the patent, subject to the detailed requirements of the law in each country in which a patent is granted.

Patent rights are essentially national rather than trans-national and a patent must be obtained in each country where protection of an invention is required.

Pursuant to international conventions, such as the Paris Convention, an application made in one country can be used to establish a priority date for applications subsequently made in other countries. For example, the Patent Cooperation Treaty (PCT) allows for an international application to be made claiming priority from an application made in a participating country. But ultimately, with the PCT system, a patent application must be made in each country where patent protection is sought.

The European Patent Convention (EPC) system allows a single patent application to be made to the European Patent Office (EPO) and if it meets the requirements, a European patent is granted by the EPO. Subject to validation by a member state, a European patent gives the owner equivalent rights to the rights conferred by a national patent in the member state.

A fundamental requirement of the patent system is that the invention be ‘new’ at the time of first filing of the patent application. Newness in this sense is judged in relation to what was publicly known or used at the priority date of the application. Another requirement is for a distinct inventive advance over what was previously known. This means that valid patent protection cannot be obtained for trivial or obvious developments.

In most countries, patent rights may be kept in force for a period of 20 years from the date of filing of the complete application on which the patent is granted, and while the patent is in force the owner has the exclusive right to exploit the invention. Periodic renewal payments in each relevant country or region are required to keep patents in force.

A patent can be enforced by the patentee, or in some circumstances an exclusive licensee, taking legal action against the alleged infringer in the Courts of the relevant country.

Potential Limitation of Patent Protection

In most countries, a patent application is subjected to examination for novelty, inventive step and other requirements before a patent is granted. There can be no assurance that each of the patent applications set out in Annexure 1 will result in the grant of a patent, or that the scope of protection provided by any granted patent will be identical to the scope of the application as originally filed. Furthermore, the scope of protection provided by a granted patent in one jurisdiction may differ from that provided by a granted patent in another jurisdiction, due to differences in examination and scope of available protection.
It should be noted that the grant of a patent does not guarantee validity of that patent since it may be revoked on the grounds of invalidity at any time during its life. If none of the claims of a granted patent are valid then the patent is unenforceable. For example, relevant prior disclosures may be discovered that were not raised during examination, which may limit the scope of patent protection sought, perhaps to a very narrow field.

Further, it should also be noted that the granting of a patent does not guarantee that the patentee has freedom to operate the invention claimed in the patent. It may be that working of a patented invention is prevented by the existence of another patent in the name of another party.

Registered Designs

A registered design protects the appearance of an article and gives the owner the exclusive right to make and sell an article made in accordance with the registered design, subject to the detailed requirements of the law in each country in which a registered design is granted.

As with patents, registered designs are essentially national rather than trans-national and a registered design must be obtained in each country where protection is required. In the European Union it is possible to apply for a registered design covering the member states within the European Union.

While the requirements of registered design protection vary from country to country, there is a general requirement that the registered design must be “new” and materially different to the prior art. The validity of a registered design is open to challenge at any time during its term.

The term of a registered design varies from country to country and is dependent on payment of relevant renewal fees.

A registered design is enforced by the owner taking legal action against the alleged infringer in the Courts of the relevant country.

Trade marks

A trade mark is a means by which a trader distinguishes its goods or services from the goods or services of another trader and typically can consist of a word, phrase, logo, artwork or other sign. A registered trade mark gives the owner the right to prevent other traders from using the same or a similar trade mark in the country in which the trade mark is registered, subject to the detailed requirements of the law in each country or region in which the trade mark is registered.

As with patents, trade marks are essentially national rather than trans-national and a trade mark must be obtained in each country where protection is required. An exception to this is the European Union where a trade mark can be registered which can be enforced in the relevant countries within the European Union.

While the requirements of trade mark protection vary from country to country, there is a general requirement that the trade mark must not be the same as or similar to existing trade marks registered or used by other traders. Some countries have a “first to use” system while others have a “first to register” system.

The validity of a trade mark is open to challenge at any time during its term. A trade mark can also be removed on the ground that it is not used within specified periods.

The term of a trade mark can be indefinite subject to payment of renewal fees.
A trade mark is enforced by the owner taking legal action against the alleged infringer in the Courts of the relevant country. The owner of the registered trade mark owner may also have rights pursuant to national consumer laws (e.g. which prohibit forms of misleading or deceptive conduct).

**Disclaimers and Limitations**

**No Guarantee of Grant**

It should be noted that the filing of a patent application does not, in most situations, guarantee the subsequent grant of that patent application. The scope of the claims of a patent specification may change during the application process, most commonly as a result of examination.

**Limitation of Protection**

Typically, it is what is defined in the claims of the specification of a granted patent that defines the monopoly granted thereby. That is, the patentee has the exclusive right to exploit the invention defined in the claims of the granted patent. In general terms, a granted patent provides the owner of that patent with an exclusive right to exercise or practise the invention defined and claimed therein, and to prevent others from exercising the invention, in the country in which that patent is granted.

**No Guarantee of Ability to Practise**

The granting of a patent does not guarantee that the patentee is entitled to practice the invention claimed in the patent. It may be that the working of a patented invention is prevented by the existence of another patent in the name of another party or a patent application which has still to mature to a patent and which has an earlier priority date than the patented invention.

This report does not provide any guarantee that the subject inventions may be commercially exploited without risk of infringement of earlier patents. No freedom to operate searches or analysis have been carried out by us.

**No Guarantee of Validity**

This report is not to be construed as a legal opinion as to the registrability of the patent applications referred to above. No conclusions as to validity based on this report should be made. We have not been instructed to consider the validity of the patents referred to in this report.

The grant of a patent does not guarantee validity of that patent since it may be revoked on the grounds of invalidity at any time during its life. If none of the claims of a granted patent are valid then the patent is unenforceable. For example, relevant prior disclosures may be discovered which may limit the scope of patent protection available.

**Ownership**

Generally, the person (individual or entity) which is entitled to apply for a patent is the inventor (or inventors in the case of a joint invention) or persons entitled to claim ownership by reason of a contractual or other relationship with the inventor or inventors (e.g. where an employee creates an invention pursuant to his or her employment, the right to apply for a
patent will usually reside in his or her employer, subject to the terms of employment). Disputes as to ownership of patents are common and are resolved by analysing who made or contributed to the invention and the relationships between them. Such disputes can arise at any time during the term of a patent.

In preparing this report, we have not been asked to make any enquiries or carry out any investigations in relation to the issue of ownership of the patents. The information on ownership is based solely on what is contained in the records relied on.

Records Relied Upon

The information contained in this report is based on publically available records obtained from the Intellectual Property Offices of each of the countries or regions specified in the attached tables. In so doing, we have relied on the accuracy of the information from these sources and not made any independent enquiries or carried out any other investigations as to the records relied on.

Company structure

In preparing this report, we have relied on information about the Company and the structure of the companies within the Group provided by the Company. We have not independently verified this information from public records or otherwise.

Statement of Independence

This report has been prepared by Wrays Lawyers with the assistance of Wrays Patent and Trade Mark Attorneys (collectively Wrays). Wrays provides a wide range of services in relation to all aspects of intellectual property, including making and prosecuting applications for patents, registered designs and trade marks, conducting intellectual property litigation and preparing agreements relating to the commercialisation of intellectual property.

Neither Wrays nor any of its Principals or Directors has any entitlement to any shares in the Company or any company in the Group.

Wrays has not acted in the prosecution and filing of any of the patents, registered designs or trade marks referred to in this report. Wrays will be paid its usual professional fee for the preparation of this report.

We have given our consent to the publication of this report in the Prospectus.

Yours faithfully

WRAYS

Guy Provan
Principal

guy.provan@wrays.com.au
(08) 9216 5182
### Annexure 1: List of Patents

<table>
<thead>
<tr>
<th>Ref No.</th>
<th>Country</th>
<th>Application/Grant No.</th>
<th>Official Title</th>
<th>Owner</th>
<th>Filing / Entry Date</th>
<th>Status</th>
<th>Grant Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>P3</td>
<td>US</td>
<td>15/676,409</td>
<td>Load Cell Device</td>
<td>SHEKEL SCALES (2008) LTD.</td>
<td>14-Aug-17</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>P5</td>
<td>US</td>
<td>14/896,779</td>
<td>Weighing Systems Having Location Calibration</td>
<td>AKA ADVANCED TECHNOLOGIES LTD.</td>
<td>8-Dec-15</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>P6</td>
<td>EP</td>
<td>14732979.1</td>
<td>Weighing Systems Having Location Calibration</td>
<td>AKA ADVANCED TECHNOLOGIES LTD.</td>
<td>7-Jan-16</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>P7</td>
<td>CA</td>
<td>2,951,756</td>
<td>Weighing Systems Location Having Calibration</td>
<td>AKA ADVANCED TECHNOLOGIES LTD.</td>
<td>9-Dec-16</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>P8</td>
<td>US</td>
<td>15/329,126</td>
<td>Low-Profile Load Cell Assembly</td>
<td>SHEKEL SCALES (2008) LTD</td>
<td>25-Jan-17</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>P9</td>
<td>EP</td>
<td>15830246.3</td>
<td>Low-Profile Load Cell Assembly</td>
<td>SHEKEL SCALES (2008) LTD</td>
<td>1-Mar-17</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>P10</td>
<td>IL</td>
<td>250377</td>
<td>Low-Profile Load Cell Assembly</td>
<td>SHEKEL SCALES (2008) LTD</td>
<td>3-Aug-15</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>P11</td>
<td>CN</td>
<td>2015800511584</td>
<td>Low-Profile Force Sensor Assembly</td>
<td>SHEKEL SCALES (2008) LTD</td>
<td>22-Mar-17</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>P12</td>
<td>CA</td>
<td>2,998,281</td>
<td>Low-Profile Load Cell Assembly</td>
<td>SHEKEL SCALES (2008) LTD</td>
<td>18-Jan-18</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>P14</td>
<td>GB</td>
<td>GB1721864.5</td>
<td>Planar Load Cell Assembly</td>
<td>SHEKEL SCALES (2008) LTD</td>
<td>24-Dec-17</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>P15</td>
<td>GB</td>
<td>GB1800611.4</td>
<td>Planar Load Cell Assembly</td>
<td>SHEKEL SCALES (2008) LTD</td>
<td>15-Jan-2018</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>Ref No.</td>
<td>Country</td>
<td>Application/Grant No.</td>
<td>Official Title</td>
<td>Owner</td>
<td>Filing/Entry Date</td>
<td>Status</td>
<td>Grant Date</td>
</tr>
<tr>
<td>---------</td>
<td>---------</td>
<td>-----------------------</td>
<td>----------------</td>
<td>-------</td>
<td>------------------</td>
<td>--------</td>
<td>------------</td>
</tr>
<tr>
<td>P16</td>
<td>GB</td>
<td>GB1807918.6</td>
<td>Weighing Assemblies and Arrangements Employing Them</td>
<td>SHEKEL SCALES (2008) LTD</td>
<td>16-May-18</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>P17</td>
<td>GB</td>
<td>GB1809332.8</td>
<td>Weighing Assemblies and Arrangements Employing Them</td>
<td>SHEKEL SCALES (2008) LTD</td>
<td>06-Jun-18</td>
<td>Pending</td>
<td>-</td>
</tr>
<tr>
<td>P18</td>
<td>GB</td>
<td>GB 1810672.4</td>
<td>Systems and Methods for Weighing Products on a Shelf</td>
<td>SHEKEL SCALES (2008) LTD</td>
<td>28-Jun-18</td>
<td>Pending</td>
<td>-</td>
</tr>
</tbody>
</table>

**Notes**

1. We are instructed that each of the companies listed above (except AKA Advanced Technologies Ltd and Goopi Sarl) is a company within the Group. We are further instructed that, from admission of the Company to the Official List of the ASX, Goopi Sarl will also be a Group company.

2. With references P5 to P7, the patent is held in the name of Shekel Scales (2008) Ltd and AKA Advanced Technologies Ltd as joint owners.

3. References P1 and P7 show the owner's name with the word Co which is incorrect. We are instructed that the Company is in the process of amending the records with the relevant patent office.

4. With references P14 to P18, each application is still within the Paris Convention deadline, enabling additional applications drawing priority from this document to be filed in selected countries from among all 177 participating countries.
### Annexure 2: List of Registered Designs

<table>
<thead>
<tr>
<th>Ref No.</th>
<th>Country</th>
<th>Application/Grant No.</th>
<th>Official Title</th>
<th>Owner</th>
<th>Filing / Entry Date</th>
<th>Status</th>
<th>Grant Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>D3</td>
<td>CN</td>
<td>301704061.5</td>
<td>Body weight scale</td>
<td>SHEKEL SCALES 2008 LTD</td>
<td>7-Apr-11</td>
<td>Registered</td>
<td>19-Oct-11</td>
</tr>
<tr>
<td>D5</td>
<td>CN</td>
<td>301702831 S</td>
<td>Weighing Chair</td>
<td>SHEKEL SCALES 2008 LTD</td>
<td>7-Apr-11</td>
<td>Registered</td>
<td>19-Oct-11</td>
</tr>
<tr>
<td>D7</td>
<td>EP</td>
<td>001308426-0001</td>
<td>Weigh Scales</td>
<td>SHEKEL SCALES CO. (2008) LTD.</td>
<td>4-Jan-12</td>
<td>Registered</td>
<td>4-Jan-12</td>
</tr>
<tr>
<td>D8</td>
<td>EP</td>
<td>001308456-0002</td>
<td>Weigh Scales (part of)</td>
<td>SHEKEL SCALES CO. (2008) LTD.</td>
<td>4-Jan-12</td>
<td>Registered</td>
<td>4-Jan-12</td>
</tr>
</tbody>
</table>

*US = United States of America  
EP = European  
CN = China*
1. We are instructed that each of the companies listed above is a company within the Shekel Scales Group.

2. A number of the records show the owner’s name with the word "Co" which is incorrect. We are instructed that, where necessary, steps will be taken to amend the records with each of the relevant patent or designs offices.
### Annexure 3: List of Trade Marks

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Official Number</th>
<th>Mark</th>
<th>Class of Goods/Specification</th>
<th>Status</th>
<th>Owner</th>
<th>Registration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>14710719</td>
<td>协科</td>
<td>0904-Letter scales, weighing apparatus and instruments, weights, balances, weighbridges, precision balances, automatic metering machine, scales, weighing machines, the balance (balance)</td>
<td>Registration process finished</td>
<td>Shekel (Ningbo) Scales Co. Ltd</td>
<td>28/5/16</td>
</tr>
<tr>
<td>European Union</td>
<td>015419013</td>
<td>SHEKEL</td>
<td>9: Apparatus and instruments for weighing, scales, weighing machines</td>
<td>Registered</td>
<td>Shekel EU S.A.R.L</td>
<td>12/9/16</td>
</tr>
<tr>
<td>European Union</td>
<td>015418981</td>
<td>Healthweigh</td>
<td>9: Apparatus and instruments for weighing, Scales, weighing machines.</td>
<td>Registered</td>
<td>Shekel EU S.A.R.L</td>
<td>12/9/16</td>
</tr>
<tr>
<td>European Union</td>
<td>015418999</td>
<td>IPC-Scale</td>
<td>9: Apparatus and instruments for weighing, scales, weighing machines.</td>
<td>Registered</td>
<td>Shekel EU S.A.R.L</td>
<td>9/5/16</td>
</tr>
<tr>
<td>European Union</td>
<td>015419038</td>
<td>BGT</td>
<td>9: Apparatus and instruments for weighing, Scales, weighing machines.</td>
<td>Registered</td>
<td>Shekel EU S.A.R.L</td>
<td>12/9/16</td>
</tr>
<tr>
<td>Israel</td>
<td>211965</td>
<td>SHEKEL</td>
<td>9: Scales; all included in class 9.</td>
<td>Active</td>
<td>Shekel Scales 2008 Ltd.</td>
<td>7/1/10</td>
</tr>
<tr>
<td>Jurisdiction</td>
<td>Official Number</td>
<td>Mark</td>
<td>Class of Goods/Specification</td>
<td>Status</td>
<td>Owner</td>
<td>Registration Date</td>
</tr>
<tr>
<td>----------------</td>
<td>-----------------</td>
<td>----------</td>
<td>----------------------------------------------------------</td>
<td>-----------------------------</td>
<td>--------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>United States</td>
<td>875568817</td>
<td>IPC-Scale</td>
<td>9: apparatus and instruments for weighing, scales, weighing machines</td>
<td>Pending (Published for opposition)</td>
<td>SHEKEL SCALES (2008) LTD.</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes

We are instructed that each of the companies listed above is a company within the Shekel Scales Group.
9

Material Contracts
The material contracts of the Group are set out below. Agreements set out in the Section 9 are, on their face, enforceable and legally binding in accordance with their terms.

A brief overview of where to find the material contracts in this Section is set out below:

<table>
<thead>
<tr>
<th>Section number</th>
<th>Contract name</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1</td>
<td>Lead Manager Mandate</td>
</tr>
<tr>
<td>9.2</td>
<td>Executive Services Agreements</td>
</tr>
<tr>
<td>9.3</td>
<td>Key Customer Contracts</td>
</tr>
<tr>
<td>9.4</td>
<td>Lease Agreement</td>
</tr>
<tr>
<td>9.5</td>
<td>Share Exchange Agreement</td>
</tr>
<tr>
<td>9.6</td>
<td>Goopi Acquisition Contract</td>
</tr>
<tr>
<td>9.7</td>
<td>Singular Analytics Contract</td>
</tr>
<tr>
<td>9.8</td>
<td>Consepta Loan Agreement</td>
</tr>
<tr>
<td>9.9</td>
<td>Innovendi Agreement</td>
</tr>
<tr>
<td>9.10</td>
<td>Phantom Shares Agreement</td>
</tr>
<tr>
<td>9.11</td>
<td>IP Assignment</td>
</tr>
</tbody>
</table>

**9.1 Lead Manager Mandate**

The Company has agreed to appoint the Lead Manager as the sole lead manager and sole bookrunner to the Offer. The key terms of the IPO Mandate are set out in the table below.

<table>
<thead>
<tr>
<th>Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Corporate advisory fee – The Company must pay the Lead Manager a corporate advisory fee of $15,000 (plus GST) payable in cash on the first day of each calendar month commencing 1 December 2017, for a minimum period of seven months.</td>
</tr>
<tr>
<td>(b) Placement fee – Following Admission, the Lead Manager will be paid a placement fee of 6% (plus GST) in respect of the total amount raised under the Prospectus offer.</td>
</tr>
<tr>
<td>(c) Lead Manager share / option issue – Prior to listing on ASX, the Company shall issue to the Lead Manager options equal to 3% of the issued capital of the Company at a strike equal price of AU$0.42 with a term of three years from the date of the IPO listing to acquire fully paid ordinary shares in Shekel Brainweigh (Lead Manager Options).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Term and Termination</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company has engaged the Lead Manager as a corporate advisor for a minimum period of seven months from 5 December 2017. During this time, the Company will have access to the Lead Manager’s corporate team as required.</td>
</tr>
<tr>
<td>Throughout the term of the IPO Mandate, any party may terminate the IPO Mandate with cause by providing the other party with 14 days’ notice.</td>
</tr>
</tbody>
</table>
9.2 Executive Services Agreements

The Company has entered into the following Executive Services Agreement with the executives set out in Section 9.2.

(a) Yoram Ben Porat

<table>
<thead>
<tr>
<th>Position</th>
<th>CEO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commencement Date</td>
<td>The date of Admission</td>
</tr>
<tr>
<td>Remuneration</td>
<td>US$13,580 plus VAT paid monthly</td>
</tr>
<tr>
<td>Termination payments for material diminution</td>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Termination by the Company</th>
<th>60 days' notice via written notice to Mr Porat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termination by Mr Ben Porat</td>
<td>60 days’ notice via written notice to the Company</td>
</tr>
<tr>
<td>Post engagement restraints</td>
<td>Standard confidentiality obligations and for a period of 24 months following termination, non-compete and non-solicitation obligations.</td>
</tr>
<tr>
<td>Termination benefits under the agreement</td>
<td>None</td>
</tr>
</tbody>
</table>

Notes:
1. Mr Ben Porat will provide the service as a consultant and not as an employee.

(b) Barak Nir

<table>
<thead>
<tr>
<th>Position</th>
<th>Chief Financial Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commencement Date</td>
<td>The date of Admission</td>
</tr>
<tr>
<td>Remuneration</td>
<td>US$13,580 plus VAT paid monthly</td>
</tr>
<tr>
<td>Termination payments for material diminution</td>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Termination by the Company</th>
<th>60 days' notice via written notice to Mr Nir</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termination by Mr Nir</td>
<td>60 days’ notice via written notice to the Company</td>
</tr>
<tr>
<td>Post engagement restraints</td>
<td>Standard confidentiality obligations and for a period of 24 months following termination, non-compete and non-solicitation obligations.</td>
</tr>
<tr>
<td>Termination benefits under the agreement</td>
<td>None</td>
</tr>
</tbody>
</table>

Notes:
1. Mr Nir will provide the service as a consultant and not as an employee.

9.3 Key customer contracts

As at the Prospectus Date, the Company has in place three written OEM supply agreements (OEM Agreements), which contain many of the standard provisions that would ordinarily be found in such arrangements. The OEM Agreements oblige the relevant customer to sell the Company’s products, components and spare parts in such amounts as that customer may order from time to time.

The customers are required to submit purchase orders detailing the products to be purchased, shipping arrangements and any other material terms. Payment is to be made within a specified time, usually a month or two after the submission of an invoice.

Generally, the term of the OEM Agreements can be extended by mutual agreement or terminated with notice.

In addition to the OEM Agreements, the Company has a number of long-standing verbal agreements to sell its products to corporate customers on an as-needed basis. Historically, the Company will receive purchase orders from such customers, which will set out the terms on which the Company will supply and the purchaser will pay for the Company’s products on a given occasion.

9.4 Lease Agreement

Shekel Scales entered into a lease agreement with Kibbutz and Eskay Beit Keshet dated 22 May 2008 with respect to Shekel Scales’ lease of its factory and main offices in the Kibbutz (Lease Agreement). Pursuant to an amendment agreement dated 1 April 2016, the initial term of the Lease Agreement was extended until 30 August 2026. Pursuant to a further amendment agreement dated 17 April 2018, the parties set the rent of the lease facilities to $15,120 per month plus VAT for the period from 1 April 2018 to 31 December 2019 inclusive and then $14,560 plus VAT for the period from 1 January 2020 to 31 December 2028 inclusive.

9.5 Share Exchange Agreement

Shekel Brainweigh has entered into a share exchange agreement dated 16 August 2018 by and among Shekel Brainweigh, Shekel Scales and the Shekel Scales shareholders, Eskay Beit Keshet, Consepta and Axcel (Share Exchange Agreement). Subject to Shekel Brainweigh receiving written confirmation of the ASX’s conditional approval to be Admitted, shareholders of Shekel Scales will transfer their shares to the Company for nil consideration, and Shekel Scales will become a wholly-owned subsidiary of the Company on and in accordance with the terms of the Share Exchange Agreement.

9.6 Goopi Acquisition Contract

Shekel Scales has entered into a share purchase agreement dated 9 August 2018 with the Goopi Ltd shareholders, pursuant to which, upon Shekel Brainweigh receiving written confirmation of ASX’s conditional approval to be Admitted, and in consideration for Shekel Scales paying to Goopi Ltd €1 and assuming Goopi Ltd’s debts up to a maximum of €165,000, Goopi Ltd will become a wholly owned subsidiary of Shekel Scales.
9.7 Singular Analytics Contract

Shekel Scales entered into an OEM Agreement with Singular Intelligence Limited, a company incorporated under the laws of England (Singular), dated 22 May 2018. Pursuant to the agreement, Shekel Scales will integrate Singular’s software (the Software) in its products, so as to create one or more independent products promoted and/or distributed by Shekel Scales and/or by its OEM customers (the Integrated Products). Shekel Scales undertook to ensure that Singular’s branding is explicitly recognised and mentioned in its communications.

According to the agreement, Singular grants Shekel Scales a non-exclusive, worldwide, non-transferable, sub-licensable, royalty-free license, for the term of the agreement, to distribute, license and supply the Software as integrated within the Integrated Products to customers, and Singular will also provide Shekel Scales development services and onboarding services which will be covered by a relevant statement of work and support services.

The term of the agreement, unless sooner terminated as per the terms of the agreement, is for 24 months and thereafter renew automatically for successive terms of 12 months each. Either party may terminate the agreement, for convenience, by providing the other party a 6-month prior written notice, provided that such notice shall not expire within the first 24-month period or during each renewal term. A customer using the Integrated Products may continue to use the Software, while it is still a customer of Shekel Scales, and all licenses granted under the agreement shall terminate when all customers have ceased using the Integrated Products.

Shekel Scales will pay Singular a one-time fee of £50,000, if certain terms are met, in two instalments as follows: (a) 50% within 10 days of the Shekel Scales’ final approval (which shall be given at Shekel Scales’ sole discretion) of the special development detailed in Schedule 1 attached to the agreement, not later than 31 July 2018; and (b) 50% when the first customer deal is signed. Further, unless otherwise expressly agreed, Shekel Scales shall pay Singular the fee(s) for the Software and its ongoing support services to clients in accordance with the agreement. Unless Shekel Scales disputes an invoice on reasonable grounds, Singular may charge interest rate on all sums outstanding beyond the due date of the relevant invoice.

In the event that Shekel Scales does not pay an invoice issued by Singular for a specific customer, as per the terms of the agreement, Singular may offer such customer the Software.

Nothing in the agreement shall cause the ownership of any intellectual property rights belonging to one party to be transferred to the other, but Shekel Scales shall be the sole IP owner of the specifically developed customizations of the Software.

The agreement includes mutual indemnity clauses with respect to infringement of IP of third parties, provided that the indemnification by Shekel Scales shall not apply to the extent that such third party’s claim would be covered by the indemnity by Singular.

Pursuant to the agreement, the parties will sign an escrow agreement with an escrow agent for the deposit of the Software by Singular with such escrow agent, the expenses of which shall be borne by Shekel Scales. Upon the occurrence of any of the following, the Software will be released from escrow unless otherwise agreed by Shekel Scales: (a) Singular suffers or undergoes an Insolvency Event (as defined therein); or (b) Singular has materially failed in its obligations in relation to the support services as per the agreement.

The agreement is governed by the English law.

9.8 Consepta Loan Agreement

Pursuant to a loan agreement dated 29 June 2016 between Shekel Scales and Consepta (Consepta Loan Agreement), Consepta borrowed US$929,000 from Shekel Scales with an interest rate as set forth in the regulations by virtue of section 3(j) of the Israeli Tax Ordinance [New Version] 1961. The Consepta Loan Agreement does not specify a maturity date. According to the Consepta Loan Agreement, the loan will be repaid in full by dividends to be distributed by Shekel Scales to Consepta on the date of their distributions. As at 31 December 2017, the amount of the Consepta loan outstanding was US$929,000. The Directors intend that this loan to Consepta will remain in place at Admission.

9.9 Innovendi Agreement

Shekel Scales entered into an agreement dated 30 July 2018 with Innovendi Markets, pursuant to which, Shekel Scales will supply Innovendi Markets with electronic weighing shelf kits and granted a worldwide, sub-licensable, royalty-free and exclusive license to use the Technology in the Innovendi product with a view to Innovendi Markets then commercialising and selling that Retail Solutions Suite product. Shekel Scales is and will remain the sole owner of all rights, including IP rights, underlying, related to and embedded in the kits.

9.10 Phantom Shares Agreement

Innovendi Markets entered into an agreement dated 31 July 2018 with two Israeli entrepreneurs unrelated to the Company (each a Consultant). Pursuant to the Phantom Shares Agreement, and in consideration of the services provided by the Consultants to Innovendi Markets prior to entry into this agreement and upon the occurrence of certain specified events relating to Innovendi Markets (including, among others, for example, an IPO, acquisition or merger of Innovendi Markets), each Consultant is entitled to receive five units (with each unit being equivalent to one ordinary share of Innovendi Markets). Until the occurrence of an event triggering the Consultants’ right to receive from Innovendi Markets an amount equal his or her number of units multiplied by a price to be determined on and in accordance with the Phantom Shares Agreement), each Consultant is entitled to receive 0.5% of Innovendi Market’s annual turnover.

9.11 IP Assignment

Shekel Scales entered into an assignment, declaration, waiver and release agreement dated 28 June 2018 (IP Assignment) with Innovendi Ltd., an Israeli company with registration number 515526861 (not part of the Group) and Innovendi Ltd.’s executives. Pursuant to the IP Assignment, Innovendi Ltd. and its executives assigned to Shekel Scales all of their rights in the name “Innovendi” and in any and all of their business contacts related to the business of Innovendi Ltd, including specifically the vending machines business. For the avoidance of doubt, Innovendi Ltd. and its executives also waived under the Assignment Agreement all other intellectual property rights, which, according to the Directors, was developed by Shekel Scales.
Additional Information
10.1 Corporate information

On 18 March 2018, the Company was incorporated in Israel with company number 515817351. The liability of the members is limited.

The Shareholders of the Company as at the Prospectus Date are Axcel Partners VI LLC, Consepta and Eskay Beit Keshet, holding 47%, 32% and 21% respectively of the shares in the Company.

Axcel Partners VI LLC is an investment company incorporated in Baltimore Maryland, US managed by Axcel Managers LLC, which in turn is controlled by Beth Kaplan and Bruce Sholk.

Consepta is a private company in which Shekel Brainweigh executives Yoram Ben Porat, Shlomo Talitman, David Ben Eliyahu and Barak Nir hold 37.4%, 24.96%, 16.33% and 10.68% of the shares respectively. The remainder of the shares (10.68%) are held by unrelated parties.

Eskay Beit Keshet is an Israeli company in which Kibbutz Beit Keshet (where the Company’s principal Israeli operations are located) and Beit Keshet Holding – Agricultural Holding Ltd (also and Israeli company) each hold a 50% interest.

10.2 Foreign company registration in Australia

On 22 May 2018, the Company was registered as a foreign company in Australia pursuant to the provisions of the Corporations Act with an ARBN of 625 669 445. As part of this process, the Company has appointed the Share Registry as its local agent from Admission.

10.3 Company tax status and financial year

The Company is registered in Israel.

The Company is a tax resident in Israel and is subject to tax at the Israeli corporate tax rate.

The Company is not a tax resident in Australia.

The financial year of the Company ends on 31 December of each year.

10.4 Shares

Detailed information regarding the rights attaching to Shares is provided at Annexure A.

10.5 Performance Rights

Detailed information regarding the terms and conditions attaching to Performance Rights is provided in Annexure B.

10.6 Share Option Plan

The key terms and conditions of the Group’s 2018 Share Option Plan (Plan) dated 7 February 2018 are set out below:

(a) The Board, or a share option compensation committee should the Board elect one, have the power to administer the Plan.

(b) The persons eligible to participate in the Plan are employees and non-employees of the Company.

(c) The total number of shares reserved for issuance under the Plan shall be determined by the Board.

(d) The purchase price at which a share will be purchased upon exercise of the Plan Options shall be determined by the Board, or the share option compensation committee, should the Board elect one.

(e) Plan Options granted under the Plan shall terminate on the earlier of:

(i) the date set forth in any option agreement;

(ii) the expiration of an extension period (due to termination without cause, or termination as a result of death or disability); and

(iii) seven years from the date the shares are granted.

(f) Each Plan Option shall be in such form and shall contain such terms and conditions as determined by the Company.

(g) Plan Options shall be separately designated as:

(i) 3(i) options;

(ii) options granted under section 102 of the Israeli Income Tax Ordinance [New Version] 1961 and any regulations, rules, orders or other procedures promulgated thereunder as now in effect or as hereafter amended; or

(iii) Non-Israeli options.

(h) The Plan is governed by the laws of Israel.

While the Company is admitted to the ASX, the provisions of the ASX Listing Rules of the ASX will apply to the Plan, and to the extent that the Plan and the ASX Listing Rules are inconsistent, the provisions of the ASX Listing Rules will prevail.

10.7 Terms and conditions of Plan Options

The terms and conditions of the Plan Options issued as at the Prospectus Date are as follows:

(a) Entitlement

Each Plan Option entitles the holder to subscribe for one fully paid ordinary Share in the Company upon exercise of the Plan Option.

(b) Exercise Price

The amount payable upon exercise of each Plan Option will be AU$0.20 (Exercise Price).

(c) Vesting Commencement Date

The vesting of the Plan Options commenced on 11 March 2018 (Vesting Commencement Date) on and in accordance with certain vesting conditions set out in the table below.

(d) Expiry Date

Each Plan Option will expire at 5:00 p.m. Israel time ten years from the date of grant, being 11 March 2028 (Expiry Date). A Plan Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
### Plan Option holder | Number of Plan Options | Vesting Commencement Date | Vesting Conditions | Expiry Date |
--- | --- | --- | --- | --- |
Guy Moshe | 6,475,688 | 11 March 2018 | 1. 25% vest on the date that is 12 months from the Vesting Commencement Date (being 11 March 2019); with 2. 6.25% vesting at the end of each three month period thereafter over a period of three years from the Vesting Commencement Date | Ten (10) years from the date of the grant, being 11 March 2028 unless the Plan Options expire earlier in accordance with the Plan |
Eliran Vaknin | 6,475,688 | 11 March 2018 | 1. 25% vest on the date that is 12 months from the Vesting Commencement Date (being 11 March 2019); with 2. 6.25% vesting at the end of each three month period thereafter over a period of three years from the Vesting Commencement Date | Ten (10) years from the date of the grant, being 11 March 2028 unless the Plan Options expire earlier in accordance with the Plan |
Evyatar Yedai | 6,475,688 | 11 March 2018 | 1. 25% vest on the date that is 12 months from the Vesting Commencement Date (being 11 March 2019); with 2. 6.25% vesting at the end of each three month period thereafter over a period of three years from the Vesting Commencement Date | Ten (10) years from the date of the grant, being 11 March 2028 unless the Plan Options expire earlier in accordance with the Plan |
Total | 19,427,064 | | | |

(e) Exercise Period
The Plan Options are exercisable at any time on and from the Company advising the holder that the Plan Option has vested in accordance with the vesting conditions of the relevant Plan Option listed above, until the Expiry Date, provided that the holder is employed by or providing services to the Company or any of its affiliates, at all times during the period from grant of the Plan Option until exercise of the Plan Option.

(f) Notice of Exercise
The Plan Options may be exercised during the exercise period by notice in writing to the Company in the manner specified in the option letter (Notice of Exercise) and payment of the exercise price in such manner as shall be determined by the Administrator.

(g) Exercise Date
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Plan Option being exercised in cleared funds (Exercise Date).

(h) Issue of Shares on exercise
Upon the delivery of a duly signed Notice of Exercise and the payment to the Company of the exercise price with respect to all the Plan Options specified therein, the Company shall issue the underlying Shares.

(i) Adjustments
In the event of recapitalisation, stock split, reverse stock split, reorganisation, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, may (in its sole discretion) adjust the number and class of shares that may be delivered under the Plan and/or the number, class, and price of shares covered by each outstanding Plan Option.
There are no participation rights or entitlements inherent in the Plan Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Plan Options without exercising the Plan Options.

(k) Transferability
The Plan Options are not transferable or assignable.

### 10.8 Key differences between Israeli and Australian company law

As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the Israeli Companies Law 5759-1999 (Companies Law) and the Ministry of Justice – Corporations Authority of the State of Israel.

This section contains a general description of the principal differences between the laws and regulations concerning shares in a company incorporated in Israel as opposed to Australia. It is provided as a general guide only and does not purport to be a comprehensive analysis of all the consequences resulting from acquiring, holding or disposing of such shares or interest in such shares. The laws, regulations, policies and procedures described are subject to change from time to time.

#### (a) Corporate identity and procedures

(i) Australian law
In Australia, the regulation of companies is generally governed by the Corporations Act. A limited liability company, incorporated under the Corporations Act, will generally be considered a separate legal entity from its shareholders. There are a number of corporate procedures that require shareholder approval via an ordinary or special resolution. An ordinary resolution requires a simple majority for it to pass.

Where an ordinary resolution may be required includes:

- (A) the election of directors;
- (B) the appointment of an auditor; and
- (C) accepting reports at a general meeting.

A special resolution requires 75% of the votes cast at the shareholders meeting. Examples of where special resolutions are required include changing the company name or winding up a company.

(ii) Israeli law
In Israel, the regulation of companies is generally governed by the Companies Law. As with Australian company law, a limited liability company incorporated under the Companies Law will generally be considered a separate legal entity from its shareholders. Further, certain corporate procedures require approval by a special resolution of shareholders under the Companies Law like under the Corporations Act, including the approval of an extraordinary transaction with a controlling shareholder or the terms of employment or other engagement of a director and the controlling shareholder or such controlling shareholder’s relative (even if not extraordinary). In addition, a resolution for the voluntary winding up, or an approval of a scheme of arrangement or reorganisation, of a company requires the approval of holders of 75% of the voting rights of the Company represented at the meeting.

#### (b) Transactions requiring shareholder approval

(i) Australian law
Under the Corporations Act, the principal transactions or actions requiring shareholder approval include:

- (A) adopting or altering the constitution of the company;
- (B) appointing or removing a director or auditor;
- (C) certain transactions with related parties of the company;
- (D) putting the company into liquidation; and
- (E) changes to the rights attached to shares.

Shareholder approval under the Corporations Act is also required for certain transactions affecting share capital (e.g., share buybacks and share capital reductions).

(ii) Israeli law
The types of transactions that require shareholder approval are governed by the Companies Law and the applicable articles.

Generally, under the Companies Law transactions that require shareholder approval include:

- (A) amendments to the articles;
- (B) mergers or consolidations;
- (C) appointment or removal of company auditors;
- (D) approval of certain related party transactions; and
- (E) any changes in a company’s capital structure such as a reduction of capital, increase of capital or share split.

#### (c) External Directors

(i) Australian law
There is no concept of External Directors under Australian company law.

(ii) Israeli law
The Companies Law provides that two External Directors must be elected by a majority vote of the shares present and voting at a shareholders’ meeting, provided that either:

- (A) such majority includes at least a majority of the shares held by all shareholders who are not controlling shareholders and do not have a personal interest in the election of the External Director (other than a personal interest not deriving from a relationship with a controlling shareholder) that are voted at the meeting, excluding abstentions, to which the company refers as a disinterested majority; or
- (B) the total number of shares voted against the election of the External Director by non-controlling shareholders and by shareholders who do not have a personal interest in the election of the External Director (other than a personal interest not deriving from a relationship with a controlling shareholder) does not exceed 2% of the aggregate voting rights in the company.
Under the Companies Law, the term "controlling shareholder" means a shareholder with the ability to direct the activities of the company, other than by virtue of serving as an office holder.

A shareholder is presumed to be a controlling shareholder if the shareholder:

(A) holds 50% or more of the voting rights in a company; or

(B) has the right to appoint more than half of the directors of the company or its general manager.

For the purpose of approving transactions with controlling shareholders, a controlling shareholder is deemed to include any shareholder that holds 25% or more of the voting rights in a public company if no other shareholder holds more than 50% of the voting rights in the company.

Under the Companies Law, the initial term of an External Director is three years.

Thereafter, an External Director may be re-elected to serve in that capacity for no more than two additional three year terms, provided that either:

(A) his or her service for each such additional term is recommended by one or more shareholders holding at least 1% of the company’s voting rights and is approved at a shareholders’ meeting by a disinterested majority, where the total number of shares held by non-controlling, disinterested shareholders voting for such re-election exceeds 2% of the aggregate voting rights in the company, provided that the nominating shareholder, the External Director, and certain of their related parties meet additional independence requirements;

(B) his or her service for each such additional term is recommended by the board of directors and is approved at a shareholders’ meeting by the same majority required for the initial election of an External Director (as described above); or

(C) the External Director has recommended that he or she be nominated for each such additional term and such nomination is approved at a shareholders’ meeting by the same majority and under the same criteria required as if he had been recommended by a shareholder.

External Directors may be removed from office by an extraordinary general meeting of shareholders called by the Board, which approves such dismissal by the same shareholder vote percentage required for their election or by a court, in each case, only under limited circumstances, including ceasing to meet the statutory qualifications for appointment, or violating their duty of loyalty to the company. If an external directorship becomes vacant and there are fewer than two External Directors on the Board at the time, then the Board is required under the Companies Law to call a shareholders’ meeting as soon as possible to appoint a replacement External Director.

The Companies Law provides that a person is not qualified to serve as an External Director if:

(A) the person is a relative of a controlling shareholder of the company; or

(B) if that person or his or her relative, partner, employer, another person to whom he or she was directly or indirectly subject, or any entity under the person’s control, has or had, during the two years preceding the date of appointment as an External Director: (a) any affiliation or other disqualifying relationship with the company, with any person or entity controlling the company or a relative of such person, or with any entity controlled by or under common control with the company; or (b) in the case of a company with no shareholder holding 25% or more of its voting rights, had at the date of appointment as External Director, any affiliation or other disqualifying relationship with a person then serving as chairman of the board or chief executive officer, a holder of 5% or more of the issued share capital or voting power in the company, or the most senior financial officer.

The term "relative" is defined under the Companies Law as a spouse, sibling, parent, grandparent, or descendant; spouse’s sibling, parent, or descendant; and the spouse of each of the foregoing persons.

Under the Companies Law, the term "affiliation" and the similar types of prohibited relationships include (subject to certain exceptions):

(A) an employment relationship;

(B) a business or professional relationship even if not maintained on a regular basis (excluding insignificant relationships);

(C) control; and

(D) service as an office holder, excluding service as a director in a private company prior to the initial public offering of its shares if such director were appointed as a director of the private company in order to serve as an External Director following the initial public offering.

The term "office holder" is defined under the Companies Law as the general manager, chief executive officer, chief business manager, deputy general manager, vice general manager, any other person assuming the responsibilities of any of these positions regardless of that person’s title, and a director, or a manager directly subordinate to the general manager.

No person may serve as an External Director if that person’s position or professional or other activities create, or may create, a conflict of interest with that person’s responsibilities as a director or otherwise interfere with that person’s ability to serve as an External Director or if the person is an employee of the Israel Securities Authority or of an Israeli stock exchange. A person may furthermore not continue to serve as an External Director if he or she received direct or indirect remuneration from the company including amounts paid pursuant to indemnification or exculpation contracts or commitments and insurance coverage for his or her service as an External Director, other than as permitted by the Companies Law and the regulations promulgated thereunder.
According to the Companies Law, a person may be appointed as an External Director only if he or she has professional qualifications or if he or she has accounting and financial expertise (each, as defined below). In addition, at least one of the External Directors must be determined by the Board to have accounting and financial expertise.

(d) Disclosure of personal interests of an office holder and approval of certain transactions

(i) Australian law

Under Australian law, a director or officer of a company is required to disclose any material personal interests in a matter to be considered by the board of the company. The materiality of such an interest depends on the circumstances of each case but it is not a requirement that it is financial or pecuniary in nature. Considerations that go towards a material personal interest include:

(A) where a director or officer has a personal interest that could impact decisions made in their capacity as director or officer; and

(B) where a director has a personal interest that has the potential to influence the director’s vote on a matter.

There doesn’t need to be a conflict of interest present for the director or officer to disclose the interest. Under both common law and the Corporations Act, it is essential that directors and officers disclose any material personal interests to the company so as to comply with their duties.

(ii) Israeli law

The Companies Law requires that an office holder promptly disclose to the company:

(A) any personal interest that he or she may be aware of; and

(B) all related material information or documents concerning any existing or proposed transaction by the company.

An interested office holder’s disclosure must be made promptly and in any event no later than the first meeting of the board of directors at which the transaction is considered. An office holder is not obliged to disclose a personal interest if it derives solely from the personal interest of his or her relative in a transaction that is not considered an extraordinary transaction.

A “personal interest” is defined under the Companies Law to include a personal interest of any person in an act or transaction of a company, including the personal interest of such person’s relative or of a corporate body in which such person or a relative of such person is a 5% or greater shareholder, director, or general manager or in which he or she has the right to appoint at least one director or the general manager, but excluding a personal interest solely stemming from one’s ownership of shares in the company.

A personal interest furthermore includes the personal interest of a person for whom the office holder holds a voting proxy or the personal interest of the office holder with respect to his or her vote on behalf of a person for whom he or she holds a proxy even if such shareholder has no personal interest in the matter. An office holder is not, however, obliged to disclose a personal interest if it derives solely from the personal interest of his or her relative in a transaction that is not considered an extraordinary transaction.

Under the Companies Law, an extraordinary transaction is defined as any of the following:

(A) a transaction other than in the ordinary course of business;

(B) a transaction that is not on market terms; or

(C) a transaction that may have a material impact on the company’s profitability, assets, or liabilities.

If it is determined that an office holder has a personal interest in a transaction which is not an extraordinary transaction, approval by the board of directors is required for such transaction, unless the company’s articles of association provide for a different method of approval. An extraordinary transaction in which an office holder has a personal interest requires approval first by the company’s audit committee and subsequently by the board of directors. In general, the remuneration of, or an undertaking to indemnify or insure, an office holder who is not a director requires approval first by the company’s remuneration committee, then by the company’s board of directors, and, if such remuneration arrangement or an undertaking to indemnify or insure is inconsistent with the company’s stated remuneration policy or if the office holder is the chief executive officer (apart from a number of specific exceptions), then such arrangement is subject to a special majority approval. Arrangements regarding the remuneration, exculpation, indemnification, or insurance of a director require the approval of the remuneration committee, board of directors, and shareholders by ordinary majority, in that order, and under certain circumstances, a special majority approval.

Generally, a person who has a personal interest in a matter which is considered at a meeting of the board of directors or the audit committee may not be present at such a meeting or vote on that matter unless the chairman of the relevant committee or board of directors (as applicable) determines that he or she should be present in order to present the transaction that is subject to approval. If a majority of the members of the audit committee or the board of directors (as applicable) has a personal interest in the approval of a transaction, then all directors may participate in discussions of the audit committee or the board of directors (as applicable) on such transaction and the voting on approval thereof, but shareholder approval is also required for such transaction.

(e) Disclosure of personal interests of controlling shareholders and approval of certain transactions

(i) Australian law

There is no direct equivalent to the below law in Israel for Australia, although transactions which may confer a financial benefit on related parties of an Australian public company (including controlling shareholders and certain other parties) may require approval under Chapter 2E of the Corporations Act.

(ii) Israeli law

Pursuant to Israeli law, the disclosure requirements regarding personal interests that apply to directors and executive officers also apply to a controlling shareholder of a public company. In the context of a transaction involving a shareholder of
the company, a controlling shareholder also includes a shareholder who holds 25% or more of the voting rights in the company if no other shareholder holds more than 50% of the voting rights in the company. For this purpose, the holdings of all shareholders who have a personal interest in the same transaction will be aggregated.

The approval of the audit committee or remuneration committee, the board of directors, and a special majority, in that order, is required for:

(A) extraordinary transactions with a controlling shareholder or in which a controlling shareholder has a personal interest;
(B) the engagement with a controlling shareholder or his or her relative, directly or indirectly, for the provision of services to the company;
(C) the terms of engagement and remuneration of a controlling shareholder or his or her relative who is not an office holder; or
(D) the employment of a controlling shareholder or his or her relative by the company, other than as an office holder.

For this purpose, a “special majority” approval requires shareholder approval by a majority vote of the shares present and voting at a meeting of shareholders called for such purpose, provided that either:

(A) such majority includes at least a majority of the shares held by all shareholders who do not have a personal interest in such remuneration arrangement; or
(B) the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in the remuneration arrangement and who vote against the arrangement does not exceed 2% of the company’s aggregate voting rights.

To the extent that any such transaction with a controlling shareholder is for a period extending beyond three years, approval is required once every three years, unless, with respect to certain transactions, the audit committee determines that the duration of the transaction is reasonable given the circumstances related thereto.

(f) Fiduciary duties of directors and officers

Both Australian law (Corporations Act and common law) and the Companies Law impose broad fiduciary duties on company directors and officer. While similar in operation, the terms of the relevant statutory provisions are not identical.

(i) Australian law

Under the Australian law, the Corporations Act requires directors and officers to:

(A) act in good faith and for a proper purpose;
(B) act with care and diligence;
(C) avoid improper use of information;
(D) avoid improper use of position; and
(E) disclose certain interests.

(ii) Israeli law

The Companies Law imposes a duty of care and a fiduciary duty on all office holders of a company.

The duty of care requires an office holder to act with the degree of proficiency with which a reasonable office holder in the same position would have acted under the same circumstances. The fiduciary duty requires that an office holder act in good faith and in the best interests of the company.

The duty of care includes a duty to use reasonable means to obtain:

(A) information on the advisability of a given action brought for his or her approval or performed by virtue of his or her position; and
(B) all other important information pertaining to these actions.

The fiduciary duty includes a duty to:

(A) refrain from any act involving a conflict of interest between the performance of his or her duties to the company and his or her other duties or personal affairs;
(B) refrain from any activity that is competitive with the company;
(C) refrain from exploiting any business opportunity of the company to receive a personal gain for himself or herself or others; and
(D) disclose to the company any information or documents relating to the company’s affairs which the office holder received as a result of his or her position as an office holder.

(g) Shareholders’ duties

(i) Australian law

Under Australian law, shareholders generally do not owe any fiduciary duties to each other or to the company of which they are a member.

(ii) Israeli law

Under the Companies Law, a shareholder has a duty to act in good faith and in a customary manner toward the company and other shareholders and to refrain from abusing his or her power in the company, including, among other things, in voting at general meetings of shareholders and class meetings of shareholders with respect the following matters:

(A) an amendment of the articles of association or memorandum of association of the company;
(B) an increase in the company’s authorised share capital;
(C) a merger; or
(D) the approval of related party transactions and acts of office holders that require shareholder approval.

A shareholder also has a general duty to refrain from discriminating against other shareholders. In addition, certain shareholders have a duty of fairness toward the company.
These shareholders include any controlling shareholder, any shareholder who knows that he or she has the power to determine the outcome of a shareholder vote and any shareholder who has the power to appoint or to prevent the appointment of an office holder of the company or other power. The Companies Law does not define the substance of the duty of fairness, except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty to act with fairness.

(h) Exculpation, insurance and indemnification of Directors and officers

(i) Australian law

Under Australian law, company constitutions set out rights of indemnity for directors and officers, and often include provision for directors and officers insurance. A provision for an indemnity in a constitution is only enforceable as a contract by a limited set of current officers, which does not include former officers.

Under the Companies Law, a company may not indemnify or exculpate a director from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care but only if a provision authorising such exculpation is included in its articles of association. The Company’s Articles include such a provision. A company may not exculpate a director from liability arising out of a prohibited dividend or distribution to shareholders.

(ii) Israeli law

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care but only if a provision authorising such exculpation is included in its articles of association. The Company’s Articles include such a provision. A company may not exculpate a director from liability arising out of a prohibited dividend or distribution to shareholders.

Under the Companies Law and the Securities Law, an Israeli company may indemnify an office holder with respect to the following liabilities and expenses incurred for acts performed as an office holder, either in advance of an event or following an event, provided a provision authorising such indemnification is contained in its articles of association:

(A) financial liability imposed on him or her in favour of another person pursuant to a judgment, including a settlement or arbitrator’s award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company’s activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking must detail the abovementioned foreseen events and amount or criteria;

(B) reasonable litigation expenses, including attorneys’ fees, incurred by the office holder: (i) as a result of an investigation or proceeding instituted against him or her by an authority authorised to conduct such investigation or proceeding, provided that (a) no indictment was filed against such office holder as a result of such investigation or proceeding and (b) no financial liability was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offence that does not require proof of criminal intent; and (ii) in connection with a monetary sanction;

(C) expenses associated with an administrative procedure, as defined in the Securities Law, conducted regarding an office holder, including reasonable litigation expenses and reasonable attorneys’ fees; and

(D) reasonable litigation expenses, including attorneys’ fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf or by a third party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offence that does not require proof of criminal intent.

Under the Companies Law and the Securities Law, a company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company’s articles of association:

(A) a breach of duty of care to the company or to a third party, including a breach arising out of the negligent conduct of the office holder;

(B) a breach of fiduciary duty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;

(C) a monetary liability imposed on the office holder in favour of a third party; and

(D) expenses incurred by an office holder in connection with an administrative procedure, including reasonable litigation expenses and reasonable attorneys’ fees.

Under the Companies Law, a company may not indemnify or insure an office holder against any of the following:

(A) a breach of fiduciary duty, except for indemnification and insurance for a breach of the fiduciary duty to the company and to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;

(B) a breach of duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;

(C) an act or omission committed with intent to derive illegal personal benefit; or

(D) a fine or forfeit levied against the office holder.
Under the Companies Law, exculpation, indemnification, and insurance of office holders in a public company must be approved by the remuneration committee and the board of directors and, with respect to certain office holders or under certain circumstances, by the shareholders.

(i) Security holders’ right to convene a meeting

(i) Australian law

The Corporations Act specifies that members of proprietary or public companies may call a general meeting if members with at least 5% of the votes that may be cast at the general meeting request it. A company’s constitution may also contain provisions prescribing an alternative means for members to call a general meeting.

(ii) Israeli law

Under the Companies Law, a board of directors is required to convene an extraordinary general meeting of shareholders upon the written request of one or more shareholders holding, in the aggregate, either (a) 5% or more of the outstanding issued shares and one percent of the outstanding voting power or (b) five percent or more of the outstanding voting power.

(j) Right to appoint proxies

(i) Australian law

Under the Corporations Act, shareholders have the right to appoint a proxy, who need not be a shareholder of the company. If a shareholder is entitled to two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. To appoint proxies, shareholders will generally complete a proxy form, which is distributed in a notice of general meeting.

(ii) Israeli law

At a general meeting, every shareholder present in person, proxy or written ballot has one vote for each ordinary share held on all matters submitted to a vote. Holders of Shares can attend but cannot vote in person at a general meeting, and must instead direct their proxy how to vote in advance of the meeting.

(k) Changes to rights attaching to shares

(i) Australian law

In Australia, the Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares.

If a company does not have a constitution, or has a constitution that does not set out a procedure, such rights may only be varied or cancelled by:

(A) a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or

(B) a written consent of members with at least 75% of the votes in the class.

(ii) Israeli law

The Companies Law provides that, unless otherwise provided by the articles, the rights of a particular class of shares may not be adversely modified without the vote of a majority of the affected class at a separate class meeting.

(l) Takeovers

(i) Australian law

In Australia, the Corporations Act governs a takeover.

The Corporations Act contains a general rule that a person must not acquire a Relevant Interest in issued voting shares of a company if, because of the transaction, a person’s voting power in the company:

(A) increases from 20% or below to more than 20%; or

(B) increases from a starting point, which is above 20% but less than 90%.

Certain exceptions apply, such as acquisitions of Relevant Interests in voting shares made under takeover bids or made with shareholder approval, or creeping acquisitions of 3% per six months.

Australian law permits compulsory acquisition by 90% holders.

(ii) Israeli law

In Israel, the Companies Law requires a purchaser to conduct a tender offer in order to purchase shares in publicly held companies, if as a result of the purchase:

(A) the purchaser would hold more than 25% of the voting rights of a company in which no other shareholder holds more than 25% of the voting rights; or

(B) the purchaser would hold more than 45% of the voting rights of a company in which no other shareholder holds more than 45% of the voting rights.

The tender offer must be extended to all shareholders, but the offeror is not required to purchase more than five percent of the company’s outstanding shares, regardless of how many shares are tendered by shareholders. The tender offer generally may be consummated only if at least five percent of the voting rights in the company will be acquired by the offeror.

The requirement to conduct a tender offer shall not apply to:

(A) the purchase of shares in a private placement, provided that such purchase was approved by the company’s shareholders for this purpose;

(B) a purchase from a holder of more than 25% of the voting rights of a company that results in a person becoming a holder of more than 25% of the voting rights of a company; and

(C) a purchase from the holder of more than 45% of the voting rights of a company that results in a person becoming a holder of more than 45% of the voting rights of a company.

In addition, under the Companies Law, a person may not purchase shares of a public company if, following the purchase of shares, the purchaser would hold more than 90% of the company’s shares, unless the purchaser makes a tender offer to purchase all of the target company’s shares. If, as a result of the tender offer, the purchaser would hold more than 95% of the company’s shares and more than half of the offerees that have no personal interest have accepted the tender offer, the ownership of the remaining shares will be transferred to the purchaser. Alternatively, the purchaser will be able to purchase all shares if the percentage of the offerees that did not accept the offer constitute less than 2% of the company’s shares.
If the purchaser is unable to purchase 95% or more of the company’s shares, the purchaser may not own more than 90% of the shares of the target company.

(m) Merger

(i) Australian law

In Australia, the Corporations Act does not have a regime to effect merger transactions. Combinations between companies can be effected by the acquisition of shares such that the purchased company becomes a subsidiary of the purchasing company.

(ii) Israeli law

The Companies Law permits merger transactions if approved by each party’s board of directors and, unless certain requirements described under the Companies Law are met, by a majority vote of each party’s shareholders, and, in the case of the target company, a majority vote of each class of its shares, voted on the proposed merger at a shareholders meeting.

The board of directors of a merging company is required pursuant to the Companies Law to discuss and determine whether in its opinion there exists a reasonable concern that, as a result of a proposed merger, the surviving company will not be able to satisfy its obligations towards its creditors, taking into account the financial condition of the merging companies. If the board of directors has determined that such a concern exists, it may not approve a proposed merger. Following the approval of the board of directors of each of the merging companies, the boards of directors must jointly prepare a merger proposal for submission to the Israeli Registrar of Companies.

For purposes of the shareholder vote, unless a court rules otherwise, the merger will not be deemed approved if a majority of the votes of shares represented at the shareholders meeting that are held by parties other than the other party to the merger, or by any person (or group of persons acting in concert) who holds (or hold, as the case may be) 25% or more of the voting rights or the right to appoint 25% or more of the directors of the other party, vote against the merger. If, however, the merger involves a merger with a company’s own controlling shareholder or if the controlling shareholder has a personal interest in the merger, then the merger is instead subject to the same special majority approval that governs all extraordinary transactions with controlling shareholders.

If the transaction would have been approved by the shareholders of a merging company but for the separate approval of each class or the exclusion of the votes of certain shareholders as provided above, a court may still approve the merger upon the request of holders of at least 25% of the voting rights of a company, if the court holds that the merger is fair and reasonable, taking into account the value of the parties to the merger and the consideration offered to the shareholders of the target company.

Upon the request of a creditor of either party to the proposed merger, the court may delay or prevent the merger if it concludes that there exists a reasonable concern that, as a result of the merger, the surviving company will be unable to satisfy the obligations of the merging entities, and may further give instructions to secure the rights of creditors.

In addition, a merger may not be consummated unless at least 50 days have passed from the date on which a proposal for approval of the merger was filed by each party with the Israeli Registrar of Companies and at least 30 days have passed from the date on which the merger was approved by the shareholders of each party.

(n) Anti-takeover measures

(i) Australian law

In Australia, directors’ response to potential takeovers is guided by their statutory and fiduciary duties, particularly to act in the best interests of shareholders as a whole. Further guidance is provided by the Takeovers’ Panel concerning action taken by a target board where the bid may be withdrawn, lapse or not proceed. In general terms, in Australia law and policy dictate that it is shareholders who should ultimately decide on the outcome of any proposed acquisition of control over the voting shares in the company and there should be a reasonable and equal opportunity for shareholders to participate in the proposal. Some frustrating actions may be a breach of directors’ duties or unacceptable circumstances.

(ii) Israeli law

The Israeli Companies Law allows the Company to create and issue shares having rights different from those attached to the ordinary shares, including shares providing certain preferred rights with respect to voting, distributions or other matters and shares having pre-emptive rights. As of the Prospectus Date, no preferred shares will be authorised under the Articles. In the future, if the Company do authorise, create and issue a specific class of preferred shares, such class of shares, depending on the specific rights that may be attached to it, may have the ability to frustrate or prevent a takeover or otherwise prevent the Company’s shareholders from realising a potential premium over the market value of their ordinary shares. The authorisation and designation of a class of preferred shares will require an amendment to the Articles, which requires the prior approval of the holders of a majority of the voting power attaching to the Company issued and outstanding shares and voting at a general meeting. The convening of the meeting, the shareholders entitled to participate and the majority vote required to be obtained at such a meeting will be subject to the requirements set forth in the Companies Law.

(o) Substantial shareholder reporting

(i) Australian law

Under Australian law, a shareholder who begins to or ceases to have a “substantial holding” in an ASX listed company, or has a substantial holding in such a listed company and there is a movement of at least 1% in their holding, must give notice to the company and to ASX. A person has a substantial holding if that person and that person’s associates have a Relevant Interest in 5% or more of the voting shares in the company.

It is also expected that, as a condition of Admission, ASX will require reporting relating to substantial Shareholders in the Company as well as specified information to be included in the Company’s annual reports (including, among other things, details of any substantial Shareholders) on and in accordance with the ASX Listing Rules.
(ii) Israeli law

Under the securities laws of the State of Israel, substantial shareholder reporting by a company listed and traded on the Tel Aviv Stock Exchange (which will not apply to the Company) applies for shareholders that own 5% or more of the outstanding share capital and at every change of 2% or more thereafter.

(p) Related party transactions

(i) Australian law

In Australia, related party transactions (that is, transactions between a public company and a director, an entity controlled by a director, or a parent company of the public company) are regulated under the Corporations Act by a requirement for disinterested shareholder approval, unless the transaction is on "arm's length terms". In this case, it requires audit committee approval prior to the approval of the board of directors. A director with a personal interest in a matter that is considered at a meeting of the board of directors or the audit committee may attend that meeting or vote on that matter if a majority of the board of directors or the audit committee also has a personal interest in the matter (or if the board or committee chairman determined that such presence is necessary for the presentation of the matter); however, if a majority of the board of directors have a personal interest, shareholder approval is also required. A transaction with an office holder or a transaction in which an office holder has a personal interest also may not be approved if it is adverse to the company’s interest.

(q) Protection of minority shareholders – oppressive conduct

(i) Australian law

In Australia, a shareholder may apply to the court under the Corporations Act to bring an action in cases of conduct which is either contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholders in their capacity as shareholder, or themselves in capacity other than as a shareholder.

(ii) Israeli law

In Israel, a right to apply to the court to have a transaction with an office holder or a transaction in which an office holder has a personal interest generally requires board approval, unless the transaction is an extraordinary transaction, in which case it requires audit committee approval prior to the approval of the board of directors. A director with a personal interest in a matter that is considered at a meeting of the board of directors or the audit committee may attend that meeting or vote on that matter if a majority of the board of directors or the audit committee also has a personal interest in the matter (or if the board or committee chairman determined that such presence is necessary for the presentation of the matter); however, if a majority of the board of directors have a personal interest, shareholder approval is also required. A transaction with an office holder or a transaction in which an office holder has a personal interest also may not be approved if it is adverse to the company’s interest.

(r) Rights of security holders to bring or intervene in legal proceedings

(i) Australian law

The Corporations Act permits a shareholder to apply to the court for leave to bring proceedings on behalf of the company, or to intervene in proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings.

(ii) Israeli law

Under the Companies Law, a shareholder of the Company is entitled, subject to the fulfilment of various pre-conditions, to bring or intervene in legal proceedings on behalf of the Company. Examples of the preconditions under the Companies Law include the requirement that prior notice of the application must be given to the Company and to the chairman of the board of directors, that the action must be brought in good faith and that the action must be in the interest of the Company.

(s) “Two strikes” rule

(i) Australian law

Under Australian law, an ASX listed company is required to hold a “spill vote” if its remuneration report receives a 25% “No” vote at two successive annual general meetings. If the spill vote receives a simple majority, the company must hold a general meeting within 90 days to vote on whether to keep the existing directors.

(ii) Israeli law

There is no equivalent rule under the laws of Israel.

10.9 Israeli tax considerations

The following is a discussion of Israeli tax consequences material to the Company’s shareholders. To the extent that the discussion is based on tax legislation which has not been subject to judicial or administrative interpretation, the views expressed in the discussion might not be accepted by the tax authorities in question or by court. The discussion is not intended, and should not be construed, as legal or professional tax advice and does not exhaust all possible tax considerations.

Holders of the Company’s Shares should consult their own tax advisors as to the Australian, Israeli or other tax consequences of the purchase, ownership and disposition of ordinary shares, including, in particular, the effect of any foreign, state or local taxes.

(a) General corporate tax structure

Israeli companies are generally subject to income tax on their taxable income. The regular corporate tax rate in Israel for 2018 is 23%. However, the effective rate of tax payable by a company which is qualified under Israeli law as an "Industrial Company" which derives income among others from a “preferred enterprise” or “preferred technological enterprise” (as further discussed below) may be lower. See "Tax Benefits under the Law for the Encouragement of Capital Investments, 5719-1959".

(b) Tax benefits under the Law for the Encouragement of Industry (Taxes), 5729-1969

Pursuant to the Law for the Encouragement of Industry (Taxes), 5729-1969, or the Industry Encouragement Law, a company qualifies as an “Industrial Company” if it is a resident of Israel, was incorporated in Israel and at least 90% of its income in any tax year (exclusive of income raising from certain governmental security loans) is derived from an “Industrial Enterprise” it owns, which is located in Israel. An “Industrial Enterprise” is defined for purposes of the Industry Encouragement Law as an enterprise whose principal activity in a given tax year is production.
The Directors believe that the Company is currently an Industrial Company. An Industrial Company is entitled to certain tax benefits, including a deduction of the purchase price of patents or the right to use a patent or know-how used for the development or promotion of the Industrial Enterprise at the rate of 12.5% per annum, commencing the year in which such rights were first exercised.

The tax laws and regulations dealing with the adjustment of taxable income for local inflation provided that Industrial Enterprises, such as the Company, were eligible for special rates of depreciation deductions.

Eligibility for benefits under the Industry Encouragement Law is not contingent upon the prior approval of any Government agency. There can be no assurance that the Company will continue to so qualify, or will be able to avail itself of any benefits under the Industry Encouragement Law in the future.

(c) Tax benefits under the Law for the Encouragement of Capital Investments, 5719-1959

In December 2010, the Israeli Parliament passed the Law for Economic Policy for the Years 2011 and 2012 (Amended Legislation), 5771-2011, which prescribes, among other things, amendments to the Encouragement of Capital Investments, 5719-1959 (the “Investment Encouragement Law”), effective as of January 1, 2011 (the “2011 Amendment”). The 2011 Amendment introduced new benefits for income generated by a “Preferred Company” through its Preferred Enterprise (as such terms are defined in the Investment Encouragement Law), if certain criteria are met. The new tax benefits (described below) would be available, subject to certain conditions, to production facilities that generally derive more than 25% of their annual revenue from export, or that do not derive 75% or more of their annual revenue in a single market, or, to competitive facilities in the field of renewable energy. A “Preferred Company” is defined in the amendment as either (i) a company incorporated in Israel and not wholly-owned by governmental entities; or (ii) a partnership (a) that was registered under the Israeli Partnerships Ordinance; and (b) all of its partners are companies incorporated in Israel which are in general not transparent for Israeli tax purposes and that not all of them are fully owned by governmental entities and such companies or partnerships own, among other conditions, Preferred Enterprises and are controlled and managed from Israel.

In accordance with the 2011 Amendment and further amendments made in 2013 and 2017, a Preferred Company is entitled to reduced corporate tax with respect to income derived by it Preferred Enterprise (and subject to certain conditions) at the rate of 15% in 2011-2012, unless it is located in a certain development zone, in which case the rate will be 10%. Such corporate tax rate was reduced to 12.5% and 7%, respectively, in 2013, was raised to 16% and 9% (respectively) in 2014 and was reduced in 2017 and thereafter to 16% and 7.5% respectively.

Under the amendments, dividends distributed out of income which is generally attributed to a Preferred Enterprise are subject to withholding tax at the rate of 20%. However, upon distribution of a dividend attributed to income generated in Israel, to an Israeli company, no withholding tax will apply.

The 2011 Amendment applies to income generated as of January 1, 2011.

The Company may elect to implement the 2011 Amendment by May 31 of any year, and such an election shall apply as of the tax year following the year on which the Company’s tax return (and the election) was filed. Electing to implement the 2011 Amendment is irreversible.

To date, the Company has claimed tax benefits as a Preferred Company. The Directors believe that it qualifies for the status of a Preferred Company pursuant to the 2011 Amendment, however it has certain disagreements with the tax authorities with respect to recognition of preferred income under this amendment of part of its income from its Chinese operations and certain sales in the Israeli market. The Company also contemplates the implementation of the 2011 Amendment in future tax years.

(d) The new technological enterprise incentives regime

Amendment 73 to the Investment Encouragement Law, which became effective on 1 January 2017 (the “2017 Amendment”), enacted new incentives regime applicable to a “Preferred Technological Enterprise” held by a “Preferred Company”.

A Preferred Technological Enterprise is defined in the 2017 Amendment as an enterprise that meets certain conditions, including, inter alia the following:

(i) investment of at least 7% of its income (in average, over a three years’ period preceding the current tax year), or at least ILS 75 million during the above three years period in R&D activities; and

(ii) one of the following:

(A) at least 20% of the workforce, or at least 200 employees are employed in R&D and their salaries are classified as R&D expenses;

(B) a venture capital fund has previously invested at least ILS 8 million in the Company and the Company has not change its engagement following such investment;

(C) during the three years prior to the current tax year, the Company’s revenue grew each year by an average of 25% in relation to the preceding tax year and the annual revenue in each of the above years and in the current tax year was no less than ILS 10 million; or

(D) during the three years prior to the current tax year, the Company increased its number of employees each year by an average of 25% in relation to the preceding tax year and the Company had at least 50 employees in the current tax year in and the three preceding tax years.

A “Special Preferred Technological Enterprise” is an enterprise that meets, inter alia conditions (i) and (ii) above, and in addition has total annual consolidated revenues of at least ILS 10 billion.

Preferred Technological Enterprises are subject to a corporate tax rate of 7.5% on income which is generally derived from intellectual property (“Technological Income”) in areas in Israel designated as Zone A and 12% elsewhere, while Special Preferred Technological Enterprises are subject to 6% on such income. A reduced 4% withholding tax rate may apply to dividends distributed to a foreign company provided that at least 90% of the shares of the distributing company are held
in aggregate by one or more foreign resident companies. For other dividend distributions, the withholding tax rate shall be 20%, which may be reduced under certain tax treaties, if applicable.

A Preferred Company may claim tax benefits applicable to Preferred Technological Enterprise owned by it with respect to Technological Income generated in 2017. The Company is still evaluating if it is qualified for the classification of a Preferred Technological Enterprise allowing it to claim the above tax benefits with respect to a portion of its income generated in the 2017 tax year.

(e) Taxation under inflationary conditions

The Income Tax Law (Inflationary Adjustments), 5745-1985, or the Inflationary Adjustments Law, is intended to neutralise the erosion of capital investments in business and to prevent tax benefits resulting from deduction of inflationary expenses. This law applies a supplementary set of inflationary adjustments to the nominal taxable profits computed under regular historical cost principles.

On 26 February 2008, the Israeli Income Tax Law (Inflationary Adjustments) (Amendment No. 20), 5768-2008 was passed by the Israeli parliament. According to the amendment, the inflationary adjustments law will no longer be applicable following the 2007 tax year, excluding certain Sections as provided in the transitional provisions whose objectives are to prevent distortion of the income tax calculations.

(f) Taxation of gains upon disposition of, and dividends paid on, the Company’s Shares

(i) Taxation of Israeli resident shareholders

Israeli law imposes a capital gains tax on the sale of capital assets. The law distinguishes between real gain and inflationary surplus. The inflationary surplus is a portion of the total capital gain that is equivalent to the increase of the relevant asset’s purchase price which is attributable to the increase in the CPI between the date of purchase and the date of sale. Foreign residents who purchased an asset in foreign currency may request that the inflationary surplus will be computed on the basis of the devaluation of the ILS against such foreign currency. The real gain is the excess of the total capital gain over the inflationary surplus. The inflationary surplus accumulated from and after 31 December 1993, is exempt from any capital gains tax in Israel while the real gain is taxed at the applicable rate discussed below.

Dealers in securities in Israel are taxed at regular tax rates applicable to business income.

Subject to certain provisions relating to the linear calculation method applicable to the determination of the capital gain tax pertaining to capital gains derived from the sale of assets, purchased prior to 1 January 2003, or prior to 1 January 2012 (with respect to sale of assets or securities not listed in a stock exchange prior to 1 January 2012), the tax rate on capital gains, including capital gain from the sale of securities listed on a stock exchange and on dividends, is generally, for individuals 25% or 30% for substantial individual shareholders (that are, generally, holders of 10% or more of the shares of the company on the date of the sale of the shares or at any date during the 12 months period preceding such sale). Israeli corporations are subject to corporate tax rate (23% in 2018) with respect to capital gains. Dividends paid to an Israeli company by another Israeli company are not subject to tax, unless received or stems among others from income derived or accrued outside of Israel.

On the distribution of dividends other than bonus shares (stock dividends) to individual Israeli residents shareholders or to individual non-Israeli shareholders, income tax applies at the rate of 25% or 30%, as described above, or the lower rate payable with respect to dividends received out of income derived from a preferred enterprise or a preferred technological enterprise (see “Investment Encouragement Law” above). As set forth above, dividends paid to an Israeli company by another Israeli company are not subject to corporate tax, unless the dividend stems from income produced or accrued abroad.

(ii) Taxation of non-Israeli resident shareholders

Capital gains from the sale of shares by non-Israeli residents would be tax exempt as long as the shares of the Company are listed on the ASX or any other stock exchange recognised by the Israeli Ministry of Finance, and provided that certain other conditions are met.

The most relevant conditions are as follows:

(A) the capital gain is not attributed to the foreign resident’s permanent establishment in Israel, and

(B) the shares were acquired by the foreign resident after the Company’s shares had been listed for trading on the foreign exchange.

The purchaser of the shares of the Company may be required to withhold capital gains tax on all amounts paid by it for the purchase of shares of the Company, for so long as the capital gain derived by the seller is not exempt from Israeli capital gains tax.

In addition, non-residents of Israel are subject to income tax on income accrued or derived from sources in Israel. Such sources of income include passive income such as dividends, royalties and interest, as well as non-passive income from services rendered in Israel. Distributions of dividends other than bonus shares or stock dividends to individual shareholders of the Company are subject to income tax at the rate of 25% or 30% pursuant to Israeli domestic law as described above. Distributions of dividends to corporate shareholders are subject to Israeli corporate tax at the rate of 23% in 2018. However, under the Investment Encouragement Law, dividends generated by a preferred enterprise and/or preferred technological enterprise are subject to lower tax rates of 20% or 4% in certain events, as set forth above.

To date, Israel and Australia have yet to engage in a tax treaty for the relief from double taxation. However, authorised governmental representatives of Israel and Australia have been negotiating for purposes of signing a tax treaty between Israel and Australia.
10.10 Disclosure of interests

The Companies Law provides that the remuneration of Non-Executive Directors in total in any year will be not more than the aggregate fixed sum determined by a general meeting. The current limit is, in addition to any other securities approved by shareholders in the future, AU$360,000 per annum.

The remuneration of any executive director that may be appointed by the Board will be fixed by the Board and in case of Directors, all approved by the shareholders. Directors are not required to hold any Shares.

Details of the Directors’ and Key Management Personnels’ relevant interests in the Securities of the Company at the Prospectus Date are set out in the table below.

<table>
<thead>
<tr>
<th>Shares</th>
<th>% of Shares /voting power</th>
<th>Performance Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dave Sharma</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Yoram Ben Ben Porat&lt;sup&gt;1&lt;/sup&gt;</td>
<td>35,221,200</td>
<td>32.02%</td>
</tr>
<tr>
<td>Isaac Raviv</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Beth Kaplan&lt;sup&gt;2&lt;/sup&gt;</td>
<td>51,718,791</td>
<td>47.02%</td>
</tr>
<tr>
<td>Tzipi Avioz</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Sophie Raven</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Barak Nir</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Notes:
1. Represents Shares held by Consepta in which Mr Ben Porat holds approximately 37.4% of the shares.
2. Represents Shares held by Axcel Partners. Axcel Partners is managed by Axcel Managers LLC, which is in turn controlled by Beth Kaplan and Bruce Sholik.
3. See Section 10.1 for further details on the Company’s Shareholders as discussed at Notes 1. and 2. above.

Of the Directors, Dave Sharma intends to participate in the Offer by subscribing for 10,500 Shares.

Details of Directors’ total remuneration for the period from 17 August 2016 to date are set out in the table below:

<table>
<thead>
<tr>
<th>Director</th>
<th>Remuneration (AU$)</th>
<th>Remuneration (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dave Sharma</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Yoram Ben Porat</td>
<td>310,397</td>
<td>234,971</td>
</tr>
<tr>
<td>Isaac Raviv</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Beth Kaplan</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Tzipi Avioz</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Sophie Raven</td>
<td>21,571</td>
<td>16,329</td>
</tr>
</tbody>
</table>

Details of the Directors’ total remuneration, from Admission, are set out in table below. The Board considers these arrangements to constitute reasonable remuneration.

<table>
<thead>
<tr>
<th>Director</th>
<th>Annual remuneration (AU$)</th>
<th>Annual remuneration (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dave Sharma</td>
<td>60,000</td>
<td>45,420</td>
</tr>
<tr>
<td>Yoram Ben Porat</td>
<td>215,271</td>
<td>162,960</td>
</tr>
<tr>
<td>Beth Kaplan</td>
<td>36,000</td>
<td>27,252</td>
</tr>
<tr>
<td>Isaac Raviv</td>
<td>36,000</td>
<td>27,252</td>
</tr>
<tr>
<td>Tzipi Avioz</td>
<td>36,000</td>
<td>27,252</td>
</tr>
<tr>
<td>Sophie Raven</td>
<td>36,000</td>
<td>27,252</td>
</tr>
</tbody>
</table>
10.11 Related party transactions

(a) Executive Services Agreements

The Company has entered into Executive Services Agreements with senior management executives, which are set out in Section 9.2.

(b) Exculpation, insurance and indemnification agreements

The Company has entered into agreements with each of the current directors and officers exculpating them from a breach of their duty of care to Shekel Brainweigh to the fullest extent permitted by law, subject to limited exceptions, and undertaking to indemnify them to the fullest extent permitted by law, subject to limited exceptions, including, with respect to liabilities resulting from this offering, to the extent that these liabilities are not covered by insurance. This indemnification is limited, with respect to any monetary liability imposed in favour of a third party, to events determined as foreseeable by the board of directors based on Shekel Brainweigh’s activities.

The maximum aggregate amount of indemnification that the Company may pay to directors and officers based on such indemnification agreement is 25% of the Company’s shareholders’ equity pursuant to its audited financial statements for the year preceding the year in which the event in connection of which indemnification is sought occurred. Such indemnification amounts are in addition to any insurance amounts.

(c) Consepta Loan Agreement

Pursuant to a loan agreement dated 29 June 2016 between Shekel Scales and Consepta, Consepta borrowed US$ 929,000 from Shekel Scales. Please see Section 9.8 for more information on the Consepta Loan Agreement.

(d) Other

Other related party transactions may be proposed from time to time. Any such transactions occur in the normal course of business, and the terms and conditions of the transactions are no more favourable than those available, or which might reasonably be expected to be available, for similar transactions with unrelated entities on an arms’ length basis.

See Section 10.8(p) for a description of the differences between Israeli and Australian law regarding related party transactions.

10.12 Interests of Directors

Other than as set out elsewhere in this Prospectus, no Director holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;
(b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons:

(d) as an inducement to become, or to qualify as, a Director; or
(e) for services rendered in connection with the formation or promotion of the Company or the Offer.

10.13 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, or in the past two years has held, any interest in:

(a) the formation or promotion of the Company;
(b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer;

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(c) the formation or promotion of the Company; or
(d) the Offer.
During the 24 months preceding lodgement of this Prospectus with ASIC the Company or its wholly owned subsidiaries have paid the following fees to experts and advisors named in this Prospectus:

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Approximate Fees (including disbursements) paid for other services provided (excluding GST) AU$</th>
<th>Estimated fees of the Offer (excluding GST) AU$</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM Corporate Finance Pty Ltd</td>
<td>Lead Manager</td>
<td>0</td>
<td>759,000</td>
</tr>
<tr>
<td>BDO Corporate Finance (WA) Pty Ltd</td>
<td>Investigating Accountant</td>
<td>0</td>
<td>21,000</td>
</tr>
<tr>
<td>BDO Ziv Haft Israel</td>
<td>Auditor</td>
<td>0</td>
<td>188,904</td>
</tr>
<tr>
<td>Gilbert + Tobin</td>
<td>Australian Lawyers</td>
<td>0</td>
<td>240,000</td>
</tr>
<tr>
<td>Wrays</td>
<td>Intellectual Property Expert</td>
<td>0</td>
<td>18,450</td>
</tr>
</tbody>
</table>

**10.14 Consents**

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those set out in this Section;

(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as set out in this Section;

(c) has given and has not, before the date of lodgement of this Prospectus with ASIC, withdrawn its written consent:

(i) to be named in this Prospectus in the form and context which it is named; and

(ii) to the inclusion in this Prospectus of the statement(s) and / or report(s) (if any) by that person in the form and context in which they appear in this Prospectus.

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Statement / Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM Corporate Finance Pty Ltd</td>
<td>Lead Manager</td>
<td>RM Corporate Finance Pty Ltd has given its written consent to being named.</td>
</tr>
<tr>
<td>BDO Corporate Finance (WA) Pty Ltd</td>
<td>Investigating Accountant</td>
<td>Investigating Accountant’s Report in Section 7 and any other references to its contents in this Prospectus.</td>
</tr>
<tr>
<td>Gilbert + Tobin</td>
<td>Australian Lawyers</td>
<td>Gilbert + Tobin has given its written consent to being named as the Australian solicitors to the Company in this Prospectus.</td>
</tr>
<tr>
<td>Wrays</td>
<td>Intellectual Property Expert</td>
<td>Intellectual Property Report in Section 8 and any references to its contents in this Prospectus.</td>
</tr>
</tbody>
</table>

None of the consenting parties has authorised or caused the issue of this Prospectus and does not make any offer of Shares.
10.15 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately $1,600,217 comprising the following major categories:

<table>
<thead>
<tr>
<th>Item of expenditure</th>
<th>AU$ estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIC fees</td>
<td>2,400</td>
</tr>
<tr>
<td>ASX fees</td>
<td>114,083</td>
</tr>
<tr>
<td>Lead Manager fees</td>
<td>759,000</td>
</tr>
<tr>
<td>Australian legal fees</td>
<td>240,000</td>
</tr>
<tr>
<td>Foreign legal fees</td>
<td>247,180</td>
</tr>
<tr>
<td>Investigating Accountant’s fees</td>
<td>21,000</td>
</tr>
<tr>
<td>IP Advisor fees</td>
<td>18,450</td>
</tr>
<tr>
<td>Printing and distribution</td>
<td>9,200</td>
</tr>
<tr>
<td>Audit Fees</td>
<td>188,904</td>
</tr>
<tr>
<td>Total</td>
<td>1,600,217</td>
</tr>
</tbody>
</table>

10.16 Litigation

So far as the Directors are aware, other than as described below or elsewhere in this Prospectus, there is no current or threatened civil litigation, arbitration, proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned or which is likely to have a material adverse impact on the business or financial position of the Company.

10.17 Documents available for inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

(a) this Prospectus;
(b) the Articles; and
(c) the consents set out in Section 10.14.

10.18 Continuous disclosure obligations

The Company will be a “disclosing entity” after Admission (as defined in section 111AC of the Corporation Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities, subject to certain exceptions.

Price sensitive information will be published through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.19 ASX waiver for Performance Rights

On 16 July 2018, the Company received from ASX in-principle approval for a waiver from ASX Listing Rule 1.1, Condition 12 to permit Shekel Brainweigh to have on issue, at the time of Admission, options (being the Performance Rights) with an exercise price of less than $0.20 each.

10.20 Privacy Act

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that the Company or the Share Registry holds about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.
This Prospectus is issued by Shekel Brainweigh and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with ASIC.

Dave Sharma
Chairman
FOR AND ON BEHALF OF Shekel Brainweigh Ltd.
Glossary
<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abilanx</td>
<td>means Abilanx, a limited liability company incorporated in France with registration number RCS Vannes 500 822 127</td>
</tr>
<tr>
<td>Addendum</td>
<td>means the first addendum to the Securities Law</td>
</tr>
<tr>
<td>Admission</td>
<td>means the admission of the Company to the Official List</td>
</tr>
<tr>
<td>AI</td>
<td>means Artificial Intelligence</td>
</tr>
<tr>
<td>Applicant</td>
<td>means an investor that applies for Shares using an Application Form pursuant to this Prospectus</td>
</tr>
<tr>
<td>Application</td>
<td>means a valid application for Shares under the Offer made pursuant to an Application Form</td>
</tr>
<tr>
<td>Application Form</td>
<td>means the application form attached to this Prospectus</td>
</tr>
<tr>
<td>Application Monies</td>
<td>means the amount accompanying an Application Form submitted by an investor</td>
</tr>
<tr>
<td>Articles</td>
<td>means the Company’s Articles of Association which will take effect from Admission</td>
</tr>
<tr>
<td>ASIC</td>
<td>means the Australian Securities and Investments Commission</td>
</tr>
<tr>
<td>ASX</td>
<td>means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it</td>
</tr>
<tr>
<td>ASX Listing Rules</td>
<td>means the listing rules of ASX</td>
</tr>
<tr>
<td>ASX Operating Rules</td>
<td>means the operating rules as published by the ASX</td>
</tr>
<tr>
<td>ASX Recommendations</td>
<td>means the Corporate Governance Principles and Recommendations (3rd Edition) for Australian listed entities as published by the ASX Corporate Governance Council</td>
</tr>
<tr>
<td>ASX Settlement</td>
<td>means ASX Settlement Pty Ltd (ABN 49 008 504 532)</td>
</tr>
<tr>
<td>ASX Settlement Operating Rules</td>
<td>means the operating rules of the settlement facility provided by ASX Settlement as amended from time to time</td>
</tr>
<tr>
<td>Australian Accounting Standards</td>
<td>means accounting standards, principles and practices applying by law or otherwise generally accepted and consistently applied in Australia</td>
</tr>
<tr>
<td>Axcel Partners</td>
<td>means Axcel Partners VI, LLC, a limited liability company incorporated in Maryland, US</td>
</tr>
<tr>
<td>US$, Dollar or $</td>
<td>means US dollars unless otherwise stated</td>
</tr>
<tr>
<td>Board</td>
<td>means the board of Directors</td>
</tr>
<tr>
<td>Business Day</td>
<td>means a day on which trading takes place on the stock market of ASX</td>
</tr>
<tr>
<td>CEO</td>
<td>means Chief Executive Officer</td>
</tr>
<tr>
<td>Chairman or Chair</td>
<td>means Dave Sharma</td>
</tr>
<tr>
<td>Closing Date</td>
<td>means the closing date for receipt of Application Forms under this Prospectus being 12 October 2018 (unless extended or closed early by the Company in its absolute discretion)</td>
</tr>
<tr>
<td>Company</td>
<td>means Shekel Brainweigh</td>
</tr>
<tr>
<td>Companies Law</td>
<td>means the Israeli Companies Law, 5759-1999</td>
</tr>
<tr>
<td>Company or Shekel Brainweigh</td>
<td>means Shekel Brainweigh, a company incorporated under the laws of Israel with company number 515817351 or it and its subsidiaries as the context requires</td>
</tr>
<tr>
<td>Consepta</td>
<td>means Consepta (2006) Ltd, a company incorporated in Israel</td>
</tr>
<tr>
<td>Consultant</td>
<td>has the meaning given to that term in Section 9.10 of this Prospectus</td>
</tr>
<tr>
<td>Consepta Loan Agreement</td>
<td>has the meaning given to that term in Section 9.8 of this Prospectus</td>
</tr>
<tr>
<td>Corporations Act</td>
<td>means the Corporations Act 2001 (Cth)</td>
</tr>
<tr>
<td>CPG</td>
<td>means Consumer Packaged Goods</td>
</tr>
<tr>
<td>Directors</td>
<td>means the directors of the Company</td>
</tr>
<tr>
<td>EFT</td>
<td>means electronic funds transfer</td>
</tr>
<tr>
<td>Eskay Beit Keshet</td>
<td>means Eskay Beit Keshet – Agricultural Cooperative Society Ltd, an Agricultural Cooperative Society incorporated in Israel</td>
</tr>
<tr>
<td>EU or €</td>
<td>means euros unless otherwise stated</td>
</tr>
<tr>
<td>Expiry Date</td>
<td>means the date that is 13 months after the date of the Prospectus</td>
</tr>
<tr>
<td>Exposure Period</td>
<td>means the period of seven days from the date of lodgement of the Prospectus with ASIC. This period may be extended by ASIC for a further period of up to seven days</td>
</tr>
<tr>
<td>External Director</td>
<td>means a director of the Company that is considered to be an external director under the Companies Law</td>
</tr>
<tr>
<td>Financial Information</td>
<td>means the financial information set out in Section 7</td>
</tr>
<tr>
<td>Free Float</td>
<td>has the meaning given to that term in chapter 19 of the ASX Listing Rules</td>
</tr>
<tr>
<td>Term</td>
<td>Meaning</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Goopi</td>
<td>means a cloud-based portal allowing retails, based on a customer’s barcode scanning, to create customised digital video advertisements that can be delivered through a range of technology platforms</td>
</tr>
<tr>
<td>Goopi Acquisition Contract</td>
<td>has the meaning given to that term in Section 9.6 of this Prospectus</td>
</tr>
<tr>
<td>Group</td>
<td>means Shekel Brainweigh and its Subsidiaries from Admission</td>
</tr>
<tr>
<td>IFRS</td>
<td>means the International Financial Reporting Standards</td>
</tr>
<tr>
<td>ILS</td>
<td>means Israeli Shekel</td>
</tr>
<tr>
<td>Independent or Independent Director</td>
<td>means a non-executive Director that the Board considers to be independent as set out in Section 5.2 and for the purpose of the ASX Recommendations</td>
</tr>
<tr>
<td>Indicative Exchange Rate</td>
<td>means EU€1.00 = US$1.19; $AU1.00 = US$0.757; ILS1.00 = US$0.28 being the exchange rates relied upon when preparing this Prospectus</td>
</tr>
<tr>
<td>Innovendi Markets</td>
<td>means Innovendi Markets Ltd.</td>
</tr>
<tr>
<td>Innovendi</td>
<td>means the Company’s autonomous vending machines using the Product Aware Surface Technology</td>
</tr>
<tr>
<td>Intellectual Property Report</td>
<td>means the report set out in Section 8</td>
</tr>
<tr>
<td>Investigating Accountant’s Report or IAR</td>
<td>means the Report set out in Section 7 of this Prospectus</td>
</tr>
<tr>
<td>IoT</td>
<td>means Internet of Things</td>
</tr>
<tr>
<td>IPO Mandate</td>
<td>means the agreement between the Company and the Lead Manager dated 7 December 2017 and set out in Section 9.1</td>
</tr>
<tr>
<td>Key Management Personnel</td>
<td>has the meaning given in the ASX Listing Rules</td>
</tr>
<tr>
<td>Lead Manager</td>
<td>means RM Corporate Finance Pty Ltd (AFSL 315235)</td>
</tr>
<tr>
<td>Lead Manager Options</td>
<td>means the options to be issued a Share under the IPO Mandate as set out in Section 9.1</td>
</tr>
<tr>
<td>Lease Agreement</td>
<td>has the meaning given to the term in Section 9.4 of this Prospectus</td>
</tr>
<tr>
<td>LED</td>
<td>means Light Emitting Diode</td>
</tr>
<tr>
<td>Listing Rules</td>
<td>means the listing rules of ASX</td>
</tr>
<tr>
<td>NFC</td>
<td>means near field communication</td>
</tr>
<tr>
<td>NICU</td>
<td>means neonatal intensive care unit</td>
</tr>
<tr>
<td>OEM</td>
<td>means original equipment manufacturers</td>
</tr>
<tr>
<td>Offer</td>
<td>means the offer under this Prospectus for 29,000,000 Shares by the Company at the Offer Price</td>
</tr>
<tr>
<td>Offer Price</td>
<td>means AU$0.35 per Share</td>
</tr>
<tr>
<td>Official List</td>
<td>means the official list of ASX</td>
</tr>
<tr>
<td>Official Quotation</td>
<td>means quotation on the official list of ASX</td>
</tr>
<tr>
<td>Opening Date</td>
<td>means the opening date for receipt of Application Forms under this Prospectus being 24 September 2018</td>
</tr>
<tr>
<td>Options</td>
<td>means collectively the Lead Manager Options and the Plan Options</td>
</tr>
<tr>
<td>Performance Rights</td>
<td>means performance rights in the Company as set out in Annexure B</td>
</tr>
<tr>
<td>Plan</td>
<td>means the Group’s 2018 Share Option Plan</td>
</tr>
<tr>
<td>Plan Option</td>
<td>means an option to acquire a Share with the terms and conditions in Section 10.7</td>
</tr>
<tr>
<td>POP</td>
<td>means Point of Purchase</td>
</tr>
<tr>
<td>POS</td>
<td>means Point of Sale</td>
</tr>
<tr>
<td>Privacy Act</td>
<td>means Privacy Act 1988 (Cth)</td>
</tr>
<tr>
<td>Product Aware Shelf</td>
<td>means the Company’s smart shelf solution which uses real-time inventory visibility to identify individual objects and their location on a given surface to minimise inventory issues and improve efficiency</td>
</tr>
<tr>
<td>Product Aware Surface Technology or Technology</td>
<td>means the Company’s technology described in Section 3.6(a) and consisting of the relevant hardware, firmware and software components</td>
</tr>
<tr>
<td>Prospectus</td>
<td>means this Prospectus</td>
</tr>
<tr>
<td>Prospectus Date</td>
<td>means 20 August 2018</td>
</tr>
<tr>
<td>Provinces</td>
<td>means the provinces of British Columbia, Ontario and Quebec</td>
</tr>
<tr>
<td>Qualified Investors</td>
<td>has the meaning as defined in the Addendum</td>
</tr>
</tbody>
</table>
### Glossary

**Term** | **Meaning**
--- | ---
R&D | means research and development
Relevant Interest | has the meaning provided in the Corporations Act
Restricted Securities | means Securities held by current Shareholders that are subject to voluntary restriction arrangements
Retail Solutions Suite | means the new product suite being developed by the Company, as set out in Section 3.6(a)
RM Corporate | means the Lead Manager
SaaS | Software as a Service
Section | means a section of this Prospectus
Securities Law | means the Israeli Securities Law, 5728-1968
Security | means a Share, Performance Right or Option
Share | means a fully paid ordinary share in the capital of the Company and, where the context permits, means the Shares the subject of the Offer
Share Exchange Agreement | has the meaning given to the term in Section 9.5 of this Prospectus
Share Registry | means Automic Registry Services
Shareholders | means the holders of Shares from time to time
Shekel Brainweigh | means Shekel Brainweigh Ltd ARBN 625 669 445, a company incorporated in Israel, which is the holding company of the Group
Singular | means a cloud-based AI product which predicts product position, shelf position, price and other market information
Singular Intelligence | means Singular Intelligence Limited, a company incorporated in, and registered under the laws of, the UK with company registration number 08826313
Singular Analytics Contract | has the meaning given to that term set out in Section 9.7 of this Prospectus
The Bay | means the Company’s ready-to-install set of five product aware shelves which uses the Product Aware Surface technology to provide on-shelf product data in real-time
The Promotion Bay | means the Company’s product which provides accurate real-time data for retailers and CPG vendors in promotion campaign roll outs, inventory levels and consumer behaviour
True-Tec | means Beijing True-Tec Co. Ltd.
UK | means United Kingdom
US | means United States of America
VAR | means Value Added Reseller
VAT | means Value Added Tax
WA | means Western Australia
WST | means Western Standard Time
(a) General

The rights attaching to ownership of the Shares are detailed in the Articles of the Company and, in certain circumstances, regulated by the Companies Law, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law. A copy of the Articles may be inspected during normal business hours at the registered office of the Company.

The following is a broad summary of the more significant rights, privileges and restrictions attaching to the Company’s Shares upon Admission. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

All Shares issued pursuant to this Prospectus will, from the time that they are issued, rank equally with the Company’s existing issued Shares.

(b) Voting

Subject to the Articles and the Companies Law:

(i) every shareholder shall have one vote for each Share held by such shareholder of record or in his name with an “exchange member” and held of record by a “nominees company” (as such terms are defined under Section 1 of the Companies Law), on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means; and

(ii) two or more shareholders (not in default in payment of any sum referred to in the Articles), present in person or by proxy and holding shares conferring in the aggregate at least 25% of the voting power of the Company, shall constitute a quorum at general meetings.

General meetings may be held telephonically or by any other means of communication, provided that each shareholder participating in such meeting can hear all of the other shareholders participating in such meeting.

(c) Dividends

Subject to the Companies Law, the ASX Listing Rules, and the Articles, the Board of Directors may declare and cause the Company to pay, interim, special or final dividends as, in their judgment, the financial position of the Company justifies and as permitted by applicable law.

Subject to any special terms and conditions of issue, the amount which the Board of Directors from time to time determine to distribute by way of dividend are divisible among the shareholders in proportion to the amounts paid up on the Shares held by them. Interest is not payable by the Company in respect of any dividend.

(d) Issue of shares

Subject to the Articles, the Companies Law, the ASX Listing Rules and the ASX Settlement Operating Rules, the Board of Directors have the right to issue unissued shares of the Company or grant options over unissued shares to any person and they may do so at such times as they think fit and on the conditions, either at par or at a premium, or subject to the provisions of the Companies Law, at a discount and/or with payment of commission, as they think fit. Such shares may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise as the Board of Directors think fit.

(e) Variation of class rights

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied with the written consent of the holders of more than 50% of the shares of the relevant class.

(f) Transfer of shares

Subject to the Articles and to the rights or restrictions attached to any shares or class of shares, holders of Shares may transfer them by a proper transfer effected in accordance with the ASX Settlement Operating Rules and an instrument in writing in any form and substance satisfactory to the Board of Directors which has been submitted to the Company (or its transfer agent), together with such other evidence of title as the Board of Directors may reasonably require.

The Board of Directors may decline to register a transfer of Shares for reasons including where the transfer is not in registrable form or where the refusal to register the transfer is permitted under the ASX Listing Rules or the ASX Settlement Operating Rules.

(g) Small holdings

The Board of Directors may sell the Shares of a Shareholder if that Shareholder holds less than a marketable parcel of Shares, provided that the procedures set out in the Articles are followed. A non-marketable parcel of Shares is defined in the ASX Listing Rules and is, generally, a holding of shares with a market value of less than $500.

(h) Restricted Securities

In the event of a breach of the ASX Listing Rules or a breach of a restriction agreement entered into by the Company under the ASX Listing Rules relating to Restricted Securities (as defined in the ASX Listing Rules), the Shareholder holding the Restricted Shares in question shall cease to be entitled to any dividends, distribution or any voting rights in respect of those Restricted Securities during the period of such breach.

(i) General meetings and notices

Subject to the Articles and to the rights or restrictions attached to any shares or class of shares, each shareholder is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to shareholders under the Articles or the Companies Law. Shareholders may requisition meetings in accordance with the Companies Law and the Articles.
(j) Winding up
Subject to any special or preferential rights attaching to any class or classes of shares, shareholders will be entitled in a winding up to share in any surplus assets of the Company in proportion to the shares held by them, less any amounts which remain unpaid on these shares at the time of distribution. Any amount unpaid on a share is the property of the Company and may be required to be contributed to the Company in the event of a winding up.

(k) Alteration of share capital
Subject to the ASX Listing Rules, the Articles and the Companies Law, the Company may alter its share capital.

(l) Preference shares
The Company may issue preference shares including preference shares which are liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in the Articles.

(m) Variation of the Articles
In accordance with the Companies Law, the Articles can only be amended by a resolution passed by the majority of shareholders present and voting at a general meeting of the Company. The Company must give a written notice of its intention to propose a resolution as a special resolution as required by the provisions of the Companies Law, related regulations and other applicable laws.

(n) Share buy-backs
The Company may buy back shares in accordance with the provisions of the Companies Law.

(o) ASX Listing Rules
As the Company is listed on ASX, the Articles provide that notwithstanding anything in the Articles, if the ASX Listing Rules prohibit an act being done, the act must not be done. Nothing in the Articles prevents an act being done that the ASX Listing Rules require to be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the ASX Listing Rules require the Articles to contain a provision or not to contain a provision, the Articles are deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Articles is or becomes inconsistent with the ASX Listing Rules, the Articles are deemed not to contain that provision to the extent of the inconsistency.
**Annexure B – Terms and conditions of Performance Rights**

### 1 Rights attaching to Performance Rights

(a) **(Performance Rights)** Each Performance Right represents a contractual right to acquire a fully paid ordinary share (Share) in the capital of Shekel Brainweigh Limited (ARBN 625 669 445) (Company).

(b) **(General meetings)** The Performance Rights confer on the holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to holders of fully paid ordinary shares in the capital of the Company (Shareholders). Holders have the right to attend general meetings of Shareholders.

(c) **(No voting rights)** The Performance Rights do not entitle the holder to vote on any resolutions proposed at a general meeting of the shareholdes of the Company except:

(i) where the resolution is to amend the rights attaching to the Performance Rights; or

(ii) as otherwise required by law.

(d) **(No dividend rights)** The Performance Rights do not entitle the holder to any dividends.

(e) **(No rights to return of capital)** The Performance Rights do not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) **(No rights on winding up)** The Performance Rights do not entitle the holder to participate in the surplus profits or assets of the Company upon the winding up of the Company.

(g) **(Not transferable)** Except on the death of a holder under paragraph 2(i), the Performance Rights may not be transferred, assigned or novated except with the approval of the Board.

(h) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.

(i) **(Application to ASX)** The Performance Rights will not be quoted on ASX. However, if the Company is listed on ASX at the time of vesting of the Performance Rights, the Company must within 10 Business Days apply for the official quotation of the Shares issued or transferred to the holder upon vesting on ASX.

(j) **(Participation in entitlements and bonus issues)** The Performance Rights do not entitle a holder (in their capacity as a holder of Performance Rights) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **(No other rights)** The Performance Rights give the holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

### 2 Vesting of Performance Rights

(a) **(Vesting on satisfaction of milestones)** Subject to paragraphs 2(b), 2(c), 2(d) and 2(e), Performance Rights will vest if and when the following milestones are achieved:

(i) a Sale and Purchase Agreement is executed with a Manufacturer or Integrator for the Innovendi Kit;

(ii) there is a direct sale of the Innovendi Kit to a customer; or

(iii) a Distribution Agreement is executed between the Company and a distributor, (collectively, Milestones or Strategic Agreements) and the minimum number of units of the Innovendi Kit are sold in the relevant Milestone Region.

(b) **(Milestone Regions)** The number of the holder’s Performance Rights which vest upon a Milestone being achieved is dependent upon the country or region in which the Milestone is achieved (Milestone Region):

<table>
<thead>
<tr>
<th>Milestone Region</th>
<th>Percentage of a holder’s Performance Rights which will vest when a Strategic Agreement is executed</th>
<th>Milestone reached when selling minimum number of units per territory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Israel</td>
<td>10%</td>
<td>800</td>
</tr>
<tr>
<td>China</td>
<td>25%</td>
<td>2,000</td>
</tr>
<tr>
<td>US</td>
<td>25%</td>
<td>2,000</td>
</tr>
<tr>
<td>Western Europe</td>
<td>30%</td>
<td>2,400</td>
</tr>
<tr>
<td>Australia</td>
<td>5%</td>
<td>400</td>
</tr>
<tr>
<td>Eastern Europe (outside of Western Europe)</td>
<td>5%</td>
<td>400</td>
</tr>
</tbody>
</table>

Notes:

1 For each country in Western Europe, 10% of a holders’ Performance Rights will vest when a Strategic Agreement is achieved. However, a maximum of 30% of a holders’ Performance Rights can vest for Western Europe.
(c) **(Vesting on change of control)** Subject to paragraph 2(e) and notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:

(i) a tender offer being made under the Companies Law in respect of the Company and the offeror has acquire more than 50% of the voting rights in the Company; or

(ii) the Company entering into a merger transaction under the Companies Law which results in a change in control of the Company or its amalgamation with any other company or companies,

the Performance Rights will vest, provided that the total number of Performance Rights then on issue that will so vest is capped at 10% of the Shares on issue immediately following vesting under this paragraph. In the event that the 10% cap is applicable, the vesting will be completed on a pro rata basis across each class of Performance Rights then on issue as well as on a pro rata basis for each holder. Performance Rights that do not vest under this paragraph will continue to be held by the holders on the same terms and conditions.

(d) **(Deferral if a prohibited acquisition of Shares)** If the vesting of a Performance Right and issue or transfer of Shares under paragraph (a) or (b) would result in any person being in contravention of the Companies Law (General Contravention) then the Performance Rights will vest, but the issue or transfer of those Shares shall be deferred until such later time or times that the issue or transfer would not result in a General Contravention.

In assessing whether an issue or transfer of Share would result in a contravention of the General Prohibition:

(i) holders may give written notification to the Company if they consider that the issue or transfer of a Share may result in a General Contravention. The absence of such written notification from the holder will entitle the Company to assume the vesting of a Performance Right and issue or transfer of a Share will not result in any person committing a General Contravention; and

(ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph 2(e)(i) within seven days if the Company considers that the vesting of a Performance Right or issue or transfer of a Share may result in a General Contravention. The absence of such written notification from the holder will entitle the Company to assume the vesting of a Performance Right or issue or transfer of a Share will not result in any person committing a General Contravention.

(e) **(Vesting procedure):**

(i) As soon as reasonably practicable after each applicable Measurement Date, the Board shall determine in respect of each holder as at that Measurement Date:

(A) whether, and to what extent, the Milestones applicable, as set out at paragraphs 2(a) and 2(b), up to the Measurement Date have been satisfied;

(B) the number of Performance Rights (if any) that will become Vested Performance Rights at the Measurement Date; and

(C) the number of Performance Rights (if any) that will lapse as a result of non-satisfaction of the Milestones as at the Measurement Date, and shall provide written notification to each holder as to that determination.

(ii) Subject to paragraph 2(d), upon determination of the Vested Performance Rights in accordance with paragraph 2(e)(i)(B), the Company will:

(A) issue the relevant number of Shares to the holder; or

(B) arrange for those Shares to be acquired on market and delivered to the holder, for no consideration, and will cause to be issued to the holder a new holding statement for any Share so issued or transferred, within ten Business Days of the relevant Measurement Date.

(iii) A Performance Right can only vest before the Condition Date and if, at the time of vesting, it is a Vested Performance Right, that has not lapsed under paragraph 2(f).

(f) **(Lapsing of Performance Rights)** A Performance Right lapses, to the extent it has not vested, on the earlier of:

(i) if the relevant Milestone is not achieved, the date which is five years from the date of issue of the Performance Right (Condition Date); or

(ii) the day the Board makes a determination that the Performance Right lapses under paragraph 2(g).

(g) **(Fraudulent or dishonest acts)** If in the opinion of the Board, a holder acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company then the Board may in its absolute discretion determine that all the holder’s Performance Rights will lapse and the Board’s decision will be final and binding.

(h) **(Deceased holders)** If at any time prior to the Condition Date, a holder of Performance Rights dies, the deceased
### 3. Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASX</strong></td>
<td>means the Australian Securities Exchange</td>
</tr>
<tr>
<td><strong>ASX Listing Rules</strong></td>
<td>means the listing rules of the ASX</td>
</tr>
<tr>
<td><strong>Board</strong></td>
<td>means the board of directors of the Company from time to time</td>
</tr>
<tr>
<td><strong>Business Days</strong></td>
<td>means a day that is not a Saturday, Sunday or public holiday or bank holiday in Perth, Western Australia</td>
</tr>
<tr>
<td><strong>Company or Shekel brainweigh</strong></td>
<td>means Shekel Brainweigh Limited (ARBN 625 669 445)</td>
</tr>
<tr>
<td><strong>Condition Date</strong></td>
<td>means the date on which the Performance Rights will lapse if not vested, being five years from the date of issue of the Performance Rights</td>
</tr>
<tr>
<td><strong>Companies Law</strong></td>
<td>means the Israeli Companies Law, 5759-1999</td>
</tr>
<tr>
<td><strong>Distribution Agreement</strong></td>
<td>means an agreement entered into with a distributor which has a duration of at least one year</td>
</tr>
<tr>
<td><strong>Eastern Europe</strong></td>
<td>means Abkhazia, Austria, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Ukraine, Albania, Estonia, Turkey</td>
</tr>
<tr>
<td><strong>General Contravention</strong></td>
<td>means a contravention of the Companies Law</td>
</tr>
<tr>
<td><strong>Innovendi Kit</strong></td>
<td>means the Company’s product which consists of the following hardware:</td>
</tr>
<tr>
<td></td>
<td>(a) four load cells for every shelf in the customer product;</td>
</tr>
<tr>
<td></td>
<td>(b) an electronic weighing board for every shelf in the customer product;</td>
</tr>
<tr>
<td></td>
<td>(c) a central control board; and</td>
</tr>
<tr>
<td></td>
<td>(d) a computer unit, and</td>
</tr>
<tr>
<td></td>
<td>(e) operating software;</td>
</tr>
<tr>
<td></td>
<td>(f) algorithm control; and</td>
</tr>
<tr>
<td></td>
<td>(g) data analysis.</td>
</tr>
<tr>
<td><strong>Integrator</strong></td>
<td>means a party who works with a variety of vendors to assemble products such as autonomous vending machines which can incorporate the Innovendi Kit in the product assembly</td>
</tr>
<tr>
<td><strong>Legal Personal Representative</strong></td>
<td>means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person</td>
</tr>
<tr>
<td><strong>Manufacturer</strong></td>
<td>means a vendor who manufactures products such as autonomous vending machines that the Innovendi Kit can be incorporated into as a part of the product</td>
</tr>
<tr>
<td><strong>Measurement Date</strong></td>
<td>means 31 March, 30 June, 30 September and 31 December of each year</td>
</tr>
<tr>
<td><strong>Milestone or Strategic Agreement</strong></td>
<td>means:</td>
</tr>
<tr>
<td></td>
<td>(a) a Sale and Purchase Agreement is reached with a Manufacturer or Integrator for the Innovendi Kit;</td>
</tr>
<tr>
<td></td>
<td>(b) there is a direct sale of the Innovendi Kit to a customer; or</td>
</tr>
<tr>
<td></td>
<td>(c) a Distribution Agreement is reached between the Company and a distributor.</td>
</tr>
<tr>
<td><strong>Performance Rights</strong></td>
<td>means rights to be issued or transferred Shares upon certain Milestones being achieved</td>
</tr>
<tr>
<td><strong>Sale and Purchase Agreement</strong></td>
<td>means an agreement entered into with a Manufacturer or Integrator which has a duration of at least one year</td>
</tr>
<tr>
<td><strong>Shares</strong></td>
<td>means fully paid ordinary shares in the capital of Shekel brainweigh</td>
</tr>
<tr>
<td><strong>Vested Performance Right</strong></td>
<td>means Performance Rights which are immediately exercisable in accords with these terms and conditions</td>
</tr>
<tr>
<td><strong>Western Europe</strong></td>
<td>means Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom</td>
</tr>
</tbody>
</table>
**Application Form**

Enter your details below (clearly in capital letters using pen), attach cheque or payment remittance advice and return in accordance with the instructions on the reverse.

<table>
<thead>
<tr>
<th>1</th>
<th>Number of Shares applied for</th>
<th>Application payment (multiply box 1 by $0.XX per Share)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Applications must be for a minimum of XXXX Shares (A$2,000), and thereafter in multiples of XXXX Shares (A$XXX).

<table>
<thead>
<tr>
<th>2</th>
<th>Applicant name(s) and postal address: refer to naming standards for correct form of registrable title(s) overleaf</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Applicant 1</td>
<td></td>
</tr>
<tr>
<td>Name of Applicant 2 or &lt;Account Designation&gt;</td>
<td></td>
</tr>
<tr>
<td>Name of Applicant 3 or &lt;Account Designation&gt;</td>
<td></td>
</tr>
<tr>
<td>Postal address</td>
<td></td>
</tr>
<tr>
<td>Unit / Street Number / Street name or PO Box</td>
<td></td>
</tr>
<tr>
<td>Suburb/Town</td>
<td>State</td>
</tr>
<tr>
<td>Country and ZIP Code (if outside Australia)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3</th>
<th>Method of Payment (place an X in the appropriate box below)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheque attached (pin or staple cheque to application form)</td>
<td></td>
</tr>
<tr>
<td>EFT/Telegraph payment details. (Use your name/entity name as reference on the deposit)</td>
<td></td>
</tr>
<tr>
<td>(A copy of the deposit slip from the bank MUST be attached to this application form)</td>
<td></td>
</tr>
<tr>
<td>Account Name</td>
<td>Bank</td>
</tr>
<tr>
<td>Shekel Brainweigh Ltd</td>
<td>Westpac Banking Corporation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4</th>
<th>Contact details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone Number</td>
<td>Contact Name (PLEASE PRINT)</td>
</tr>
<tr>
<td>(   )</td>
<td></td>
</tr>
<tr>
<td>Email Address</td>
<td></td>
</tr>
</tbody>
</table>

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

<table>
<thead>
<tr>
<th>5</th>
<th>CHESS Holders Only – Holder Identification Number (HIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** if the name and address details in sections 2 do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

<table>
<thead>
<tr>
<th>6</th>
<th>TFN/ABN/Exemption Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant 1</td>
<td>Applicant #2</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund
YOUR PRIVACY
Automic Pty Ltd (ACN 152 260 814) trading as Automic advises that Chapter 2C of the Corporation Act 2001 requires information about you as a Securityholder (including your name, address and details of the Securities you hold) to be included in the public register of the entity in which you hold Securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

CORRECT FORMS OF REGISTRABLE TITLE
Note that ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

<table>
<thead>
<tr>
<th>Type of Investor</th>
<th>Correct Form of Registration</th>
<th>Incorrect Form of Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Mr John Richard Sample</td>
<td>J R Sample</td>
</tr>
<tr>
<td>Joint Holdings</td>
<td>Mr John Richard Sample &amp; Mrs Anne Sample</td>
<td>John Richard &amp; Anne Sample</td>
</tr>
<tr>
<td>Company</td>
<td>ABC Pty Ltd</td>
<td>ABC P/L or ABC Co</td>
</tr>
<tr>
<td>Trusts</td>
<td>Mr John Richard Sample</td>
<td>John Sample Family Trust</td>
</tr>
<tr>
<td>Superannuation Funds</td>
<td>Mr John Sample &amp; Mrs Anne Sample</td>
<td>John &amp; Anne Superannuation Fund</td>
</tr>
<tr>
<td>Partnerships</td>
<td>Mr John Sample &amp; Mr Richard Sample</td>
<td>John Sample &amp; Son</td>
</tr>
<tr>
<td>Clubs/Unincorporated Bodies</td>
<td>Mr John Sample</td>
<td>Food Health Club</td>
</tr>
<tr>
<td>Deceased Estates</td>
<td>Mr John Sample</td>
<td>Anne Sample (Deceased)</td>
</tr>
</tbody>
</table>

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM
YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM. It is an Application Form for Shares in Shekel Brainweigh Ltd (ABN 625 669 445) (‘Company’), made under the terms set out in the Prospectus dated XX Month 2018. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable) and an Application Form, on request and without charge.

1. Shares applied for & payment amount - Enter the number of Shares you wish to apply for. Your Application must be for a minimum of 100 Shares ($2,000). Next, enter the amount of the Application Monies payable. To calculate this amount, multiply the number of Shares applied for by the offer price, which is $A0.20 per Share.

2. Applicant name(s) and postal address - Note that ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. You should refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.

3. Contact Details - Please provide your contact details for us to contact you between 9:00am AEST and 5:00pm WST should we need to speak to you about your Application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at https://investor.automic.com.au/#/home

4. CHESS Holders - If you are sponsored by a stockbroker or other participant and you wish to hold Securities allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and an allotment will be sponsored by the Company and a “Securityholder Reference Number” (SRN) will be allocated to you.

5. TFN/ABN/Exemption - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN’s is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.

6. Payment - Payments for Applications made through this Application Form can be made by cheque or Electronic Funds Transfer “EFT”. Do not forward cash with this Application Form as it will not be accepted.

Payment by Cheque: Cheques must be made payable to “Shekel Brainweigh Ltd” and drawn on an Australian bank and expressed in Australian currency and crossed “Not Negotiable”. Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned, and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your Application may be rejected if your cheque is dishonoured.

Payment by EFT: Funds to be deposited directly to the following bank account:
- Account name: Shekel Brainweigh Ltd
- Account BSB: 036-022
- Account number: 314996
- Ref: You must quote your name as your payment reference/ description when processing your EFT payment and return a copy of the payment receipt with this Application.

DECLARATIONS
BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, YOU DECLARE THAT:
• you have received a paper or electronic copy of the Prospectus that accompanies this Application Form and have read the Prospectus in full and agree to be bound by the terms and conditions of the offer as declared in the Prospectus;
• all details and statements made on the form are complete and accurate;
• where information has been provided about another individual, that individual’s consent has been obtained to transfer the information to the Company;
• the Company and their respective officers and agents are authorised to do anything on your behalf (including the completion and execution of documents) to enable the Shares to be allocated to you;
• you agree to be bound by the constitution of the Company;
• neither the Company nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital.

LODGEINMENT INSTRUCTIONS
The Offer opens at 9:00am (WST) on 11 August 2018 and is expected to close on 1 September 2018. The Company may elect to extend the Offer or close it (after the Offer is open) at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible. Completed Application Forms and cheques must be:

POSTED TO: Nathan Barbarich  
Head of Corporate Finance  
RM Corporate Finance Pty Ltd  
RM Capital Group  
Level 1/1205 Hay Street  
West Perth WA 6005

DELIVERED TO: (during business hours only - 9am to 5pm (WST)): Nathan Barbarich  
Head of Corporate Finance  
RM Corporate Finance Pty Ltd  
RM Capital Group  
Level 1/1205 Hay Street  
West Perth WA 6005

Your application Form must be received by no later than 5:00pm (WST) 1 September 2018. If you have any queries in respect of this Application, please contact the Lead Manager, RM Corporate Finance by either phone on +61 8 6380 9200 or nbarbarich@rmcf.com.au