

New Chairman's key priorities + a "capsule" update

Shekel Brainweigh Limited (ASX:SBW) conducted an investor call on 20/10/20 to introduce new Executive Chairman Arik Schor and outline the group's (3) key priorities for the next 12-months. They are 1) fix the capital structure of the business to ensure the group has the necessary funding to progress new product developments. This is expected before December 2020 and structure aside is a key re-rating catalyst, 2) Get the core "scales" business back to growth, with the earnings of this division impacted recently by increased R&D spend and loan write-downs which has distorted the underlying profitability of this division. We estimate this division is currently delivering normalised EBIT of ~US\$2.0m, and 3) deliver on new innovation, and in particular the Innovendi vending machine and the "capsule" or "black box" as it is known by French development partner Casino Group (CO.PA). Focus on new product innovation has clearly shifted to Innovendi and the capsule in recent quarters, with a capsule soft launch currently being undertaken in France and full public launch expected in December 2020. This fully autonomous convenience store is expected to roll-out in CY21 and looks a serious technology contender to the Amazon Go concept which has been under development for years. We have modest unit sales of the capsule in our medium-term numbers with clear upside given this launch and the launch partner.

Business model

SBW produces weighing scale hardware/software that is employed by OEMs for self-checkout and healthcare applications requiring speed and accuracy. Prices received from customers are typically fixed, and gross margins are in-line with that achieved by most OEM equipment suppliers. The group is looking to extend this market leading technology into new verticals, opening up larger market opportunities, potentially higher gross margins and some recurring SaaS style revenue from data analytics. One of the new verticals (Innovendi vending machines) is in commercialisation while others are nearing commercialisation (Innovendi Dry, smart shelving and the Micro-market Capsule).

Group near-term priorities

New Chairman Arik Schor has articulated the key strategic priorities for SBW over the next 12 months, which are very much in-line with our current thinking. Raising additional capital to ensure a continuation of new product development is a clear priority and is expected to be finalised over the next 3 months. From a normalised base of ~US\$2.0m EBIT, the company is focused on growing the core business, with new own brand innovations and self-checkout "fast track" innovations on the horizon. Following ~US\$12m in R&D spend over the last 3 years, management is focused on a near-term return in this investment, with new management and organisational structure key to delivering.

Base case valuation A\$0.38/share fully diluted

Our base case DCF valuation is A\$0.38/share (\$53m), with A\$24m alone attributed to the core "scales" business (8x normalised EBIT multiple). New product development is gathering steam and a successful fund raising to continue this momentum is key.

Historical earnings and RaaS Advisory estimates on a reported basis

Year end	Revenue (US\$m)	EBIT (US\$m)	NPAT (US\$m)	EPS (c)	PER (x)	EV/sales(x)
12/19a	18.8	(2.1)	(2.4)	(0.02)	(10.8)	1.27
12/20e	18.9	(2.3)	(2.6)	(0.02)	(12.3)	1.33
12/21e	23.6	0.2	(0.1)	0.00	79.0	1.11
12/22e	26.8	2.0	1.3	0.01	15.9	0.94

Source: Company Data, RaaS Advisory Estimates

Technology – Hardware/software

26 October 2020

Share details

ASX Code	SBW
Share price at 22 Oct	\$0.28
Market Capitalisation	\$39.0M
Shares on issue	139M
Enterprise value	\$35.7M
Cash at 30 Jun '20	\$3.3M
Free float	~20%

Share performance (12 months)



Upside Case

- Strong growth expected in the group's core self-checkout and healthcare markets
- New verticals have commenced commercialisation, with significant opportunities.
- Mix shift to recurring SaaS fees will increase gross margins and lower days receivables

Downside Case

- Low liquidity with ~20% free float
- Currency translation from USD and AASB16 adds complexity for investors
- Near term ROE likely to be impacted by R&D expenditure

Management

Arik Schor	Executive Chairman
Barak Nir	Chief Financial Officer
Udi Weisner	GM, Innovation Division
Nir Lesham	GM, Shekel Scales

Company contact

Danny Nadri Australian Manager

danny@shekelbrainweigh.com

RaaS Advisory contact details

John Burgess*	+61 410 439 723 john.burgess@raasgroup.com
Finola Burke	+61 414 354 712 finola.burke@raasgroup.com

*The author holds shares

Strategic priorities over the next 12-months

New Chairman Arik Schor has clearly articulated three key priorities for the next 12 months. We outline these priorities and provide context below:

- **Raise capital.** SBW had US\$2.3m (A\$3.1m) cash on hand as at June-30 2020 and a working capital facility of US\$4.4m which exceeded net receivables by ~US\$2m.

Assuming a balancing of the working capital facility with working capital and adequate funds to continue new product development/commercialisation we would estimate at least US\$5m in funding is required.

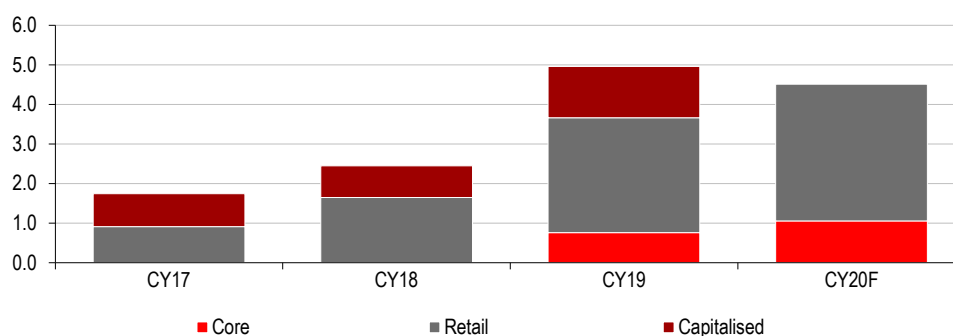
- **Resume growth in the core “scales” business.** The core SBW scales division achieved EBIT of US\$2.5m (A\$3.6m) in CY17. Since then an acceleration in R&D spend for both new products and the Scales division (only separated in CY19), distortions relating to share-based payments and loan write-offs have reduced the earnings visibility of this division.

We estimate underlying EBIT remains between US\$2m and US\$2.5m depending on how R&D is treated but clearly there is growth upside from a more focused business. New management and the launch of new own brand health products should provide a big impetus heading into CY21 off a COVID impacted base.

- **Deliver on new product innovation.** Based on the chart below ~US\$12m has been invested on new product development over the last 3 years if both P&L and capitalised software expenditure are considered. There have been trials with multiple retailers, manufacturers and technology partners across the groups smart shelving and vending machine offerings to firm-up near-term commercialisation options.

The Innovendi vending machine/kit and the micro market capsule (discussed next page) have become the clear near-term focus, while the “fast track” application (using cameras and AI to identify fresh produce faster) to existing self-checkout units is a key near-term option for the scales division.

Exhibit 1: SBW R&D spend (US\$m) including capitalised software



Source: Company financials & RaaS estimates

The “capsule” or “black box” update

Recent press has shed significant light on the micro-market capsule or “Black Box” as it has been termed by development partner Casino Group out of France. The Casino group operates >11,000 multi-banner stores across France and Latin America.

A prototype capsule was recently soft launched in France following 18-months in development, with a video link showcasing the concept below.

<https://www.linkedin.com/feed/update/urn:li:activity:6721476539243876352/>

A public launch is expected in December with the deployment of at least 10 containers (RaaS have 20 forecast) expected over CY21 according to Olivier Rego, Director of the Monoprix Brand in a recent article (one of Casinos brands). Other group franchisees are also expected to adopt the technology medium-term.

It is envisaged these capsules will be placed near existing Monoprix convenience stores for restocking ease and to relieve these stores in peak traffic periods. Significant cannibalisation is not expected. Locations such as train stations, airports (eventually!), campuses and hospitals are also high on the list of locations. Depending on the location monthly turnover is expected to range from €30k to €60k.

Relative to the much-flouted Amazon Go concept the “Black Box” has significant competitive advantages when it comes to growing privacy concerns/regulations such as the General Data Protection Regulation in the EU (no cameras), flexibility (portable and smaller in nature) and cost (significantly less capital cost as no cameras are used vs literally hundreds in Amazon Go). The table below provides a summary of the two concepts.

Exhibit 2: SBW Black Box vs. Amazon Go			
Criteria	Amazon Go	Capsule	Comments
Store entry	Via Amazon App only	Via any DR/CR card	No additional App required
Payment	Via Amazon App only	Via any DR/CR card	No additional App required
Selling Area	Up to 200 SQM	Up to 70 SQM	Capsule much smaller
Cost of fit-out	High (>US\$1m)	Low (US\$0.1m)	Cameras >cost
GDPR/CNIL compliant	NO	YES	Cameras limit Amazon privacy tick
Core technology	Cameras + AI software	Weighing + sensors	Amazon is multi camera reliant
Standalone	No – mall/strip	Yes – own power and 4G	Capsule is portable
Error rate	N/A	<1%	
Source: RaaS estimates			

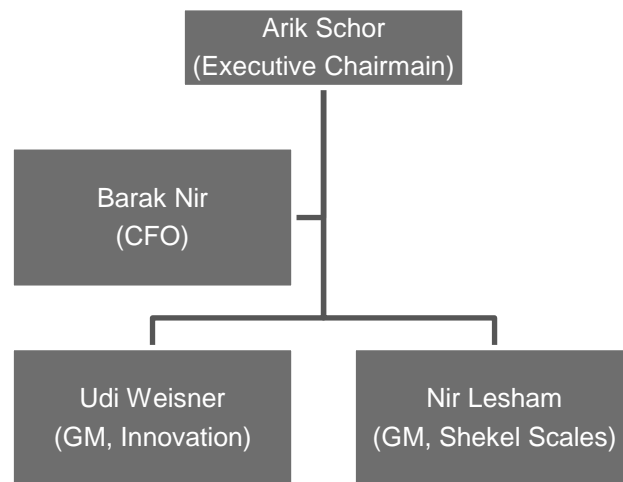
A reminder of our current unit sales assumptions is listed in the table below. Given the second wave of COVID cases through Europe currently there is clear risk to our assumed 2H20 unit sales in the areas most impacted over 1H20, namely own healthcare products and new products.

Exhibit 3: SBW product sales by units					
Year-end	2019F	2020F	2021F	2022F	2023F
Self-checkout	34,587	35,285	37,402	39,647	42,025
Healthcare	16,500	14,850	16,038	17,321	18,707
Innovendi	110	99	350	400	400
Innovendi Dry	0	50	350	400	400
Smart Shelves	0	50	300	525	900
Capsule	0	0	25	50	100
Source: Company Financials & RaaS estimates					

New management structure

To better implement and achieve the key strategic priorities outlined above SBW have implemented a new management structure, which is detailed in the organisational chart below. This structure is aimed at allowing each division to focus and achieve their respective goals, with overarching strategic and funding at the Executive Chairman and CFO level.

Exhibit 3: SBW management structure



Source: Company financials & RaaS estimates

The key backgrounds of key management are detailed below:

Mr Arik Schor, Executive Chairman, is an experienced senior executive with extensive experience in highly intricate operations and logistics systems. From 2009-2016 Mr Schor was CEO of Tnuva Group, the largest food conglomerate in Israel (and SBW's current core customer for Innovendi). Prior to this Mr Schor was CEO of Holga Kimberly, a subsidiary of Kimberly Clarke. Mr Schor is currently an Independent Director of Paz Oil (listed in Tel-Aviv), Chairman of Tadbik (packaging solutions) and Afimilk, and technology company for modern dairy farm and herd management.

Mr Barak Nir, Chief Financial Officer, has over 25-years' experience serving as chair, CEO and chief financial officer for several international private and public companies in the fields of real estate, finance and electronics. Previous roles have included chairman of Eilor, an industrial company in the field of magnetic cores, and CFO of Kiryat Anavim.

Mr Udi Weisner, GM Innovation Division, was appointed in July 2019 and has 20-years of experience leading traditional technology businesses, particularly in the area of IoT and Data Analytics. Prior to Shekel Mr Weisner held executive roles at Afcon Control & Automation (IoT software) and Veriphone Holdings (global electronics payment leader).

Mr Nir Lesham, GM Shekel Scales, has over 20 years experience within the mechanical & industrial engineering, transport safety and public security segments. Of recent note Mr Lesham was a Director in Transportation Safety Division of 3M between 2015-2019, responsible for corporate & strategic development including new sources of revenue for new products in the US market. Prior to this Mr Lesham was Global Business Director of Public Security in the US.

Exhibit 3: Financial Summary

Shekel Brainweigh (SBW.ASX)						Share price (23 October 2020)						A\$	0.28							
Profit and Loss (US\$m)						Interim (US\$m)		H118A	H218A	H119A	H219A	H120	H220F							
Y/E 31 Dec	FY18A	FY19A	FY20F	FY21F	FY22F	Revenue	8.8	9.9	8.4	10.4	7.9	10.9								
Revenue	18.7	18.8	18.9	23.6	26.8	EBITDA	0.2	(0.5)	(1.6)	(0.3)	(1.9)	0.2								
Gross profit	8.3	8.2	8.2	11.2	13.1	EBIT	0.1	(0.6)	(1.7)	(0.4)	(2.2)	(0.1)								
GP margin %	44.5%	43.7%	43.6%	47.4%	48.7%	NPATA (normalised)	(0.0)	(1.1)	(1.6)	(0.9)	(2.1)	0.0								
EBITDA	(0.3)	(1.9)	(1.6)	0.9	2.7	Adjustments	0.0	0.0	(0.5)	(0.8)	(0.4)	(0.2)								
Depn	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	NPAT (reported)	(0.0)	(1.1)	(2.1)	(1.6)	(2.5)	(0.2)								
Amort	0.0	0.0	(0.5)	(0.5)	(0.5)	EPS (normalised)	(0.000)	(0.010)	(0.011)	(0.006)	(0.015)	0.000								
EBIT	(0.5)	(2.1)	(2.3)	0.2	2.0	EPS (reported)	(0.000)	(0.010)	(0.015)	(0.012)	(0.018)	(0.002)								
Interest	(0.7)	(0.3)	(0.3)	(0.2)	(0.3)	Dividend (cps)	0.000	0.000	0.000	0.000	0.000	0.000								
Tax	0.1	(0.0)	(0.0)	(0.1)	(0.5)	Imputation	0.0	0.0	0.0	0.0	0.0	0.0								
Minorities	0.0	0.0	0.0	0.0	0.0	Operating cash flow	na	na	na	na	na	na								
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Free Cash flow	na	na	na	na	na	na								
NPAT pre significant items	(1.2)	(2.4)	(2.6)	(0.1)	1.3	Divisionals	H118A	H218A	H119	H219	H120	H220F								
Significant items	(0.4)	(1.2)	0.0	0.0	0.0	Traditional Scales	8.8	9.9	8.4	10.4	6.4	9.2								
NPAT (reported)	(1.5)	(3.6)	(2.6)	(0.1)	1.3	New Retail	-	-	-	-	1.5	1.7								
Cash flow (US\$m)						Total Revenue	8.8	9.9	8.4	10.4	7.9	10.9								
Y/E 31 Dec	FY18A	FY19A	FY20F	FY21F	FY22F	Adj EBITDA inc. rent	0.8	(0.7)	(1.5)	1.0	2.9	Gross profit	3.3	5.1	3.8	4.4	3.2	5.1		
Interest	(0.2)	(0.2)	(0.3)	(0.2)	(0.3)	Interest	(0.2)	(0.2)	(0.3)	(0.2)	(0.3)	Gross Profit Margin %	37.2%	51.0%	45.5%	42.2%	39.7%	46.4%		
Tax	0.0	0.2	(0.0)	(0.1)	(0.3)	Tax	0.0	0.2	(0.0)	(0.1)	(0.3)									
Working capital changes	0.5	(0.9)	1.2	(1.5)	(1.0)	Working capital changes	0.5	(0.9)	1.2	(1.5)	(1.0)	R&D	0.5	1.1	2.1	0.8	1.7	1.8		
Operating cash flow	1.2	(1.6)	(0.7)	(0.8)	1.3	Operating cash flow	1.2	(1.6)	(0.7)	(0.8)	1.3	General & Admin & Other	2.2	2.6	3.0	3.0	3.2	3.0		
Mtce capex	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	Mtce capex	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	One-off costs & Non-cash	0.3	1.8	0.4	0.9	0.2	-		
Free cash flow	1.0	(1.8)	(0.9)	(1.0)	1.1	Free cash flow	1.0	(1.8)	(0.9)	(1.0)	1.1	Total costs	3.1	5.6	5.4	4.7	5.0	4.8		
Capitalised Software	(0.8)	(1.3)	0.0	0.0	0.0	Capitalised Software	(0.8)	(1.3)	0.0	0.0	0.0									
Acquisitions/Disposals	(0.2)	(0.1)	0.0	0.0	0.0	Acquisitions/Disposals	(0.2)	(0.1)	0.0	0.0	0.0	EBITDA	0.2	(0.5)	(1.6)	(0.3)	(1.9)	0.2		
Other	0.0	0.0	0.0	0.0	0.0	Other	0.0	0.0	0.0	0.0	0.0	EBITDA margin %	2.1%	(5.1%)	(19.2%)	(3.0%)	(23.5%)	2.1%		
Cash flow pre financing	0.0	(3.2)	(0.9)	(1.0)	1.1	Cash flow pre financing	0.0	(3.2)	(0.9)	(1.0)	1.1									
Equity	6.1	0.0	0.0	0.0	0.0	Equity	6.1	0.0	0.0	0.0	0.0	Margins, Leverage, Returns		FY18A	FY19A	FY20F	FY21F	FY22F		
Debt	(0.4)	0.0	0.0	0.0	0.0	Debt	(0.4)	0.0	0.0	0.0	0.0	EBITDA margin %		(1.7%)	(10.2%)	(8.7%)	3.7%	10.1%		
Net Dividends paid	0.0	0.0	0.0	0.0	0.0	Net Dividends paid	0.0	0.0	0.0	0.0	0.0	EBIT margin %		(2.8%)	(11.1%)	(12.0%)	0.9%	7.5%		
Net cash flow for year	5.7	(3.2)	(0.9)	(1.0)	1.1	Net cash flow for year	5.7	(3.2)	(0.9)	(1.0)	1.1	NPAT margin (pre significant items)		(6.2%)	(13.0%)	(13.7%)	-0.5%	4.7%		
Balance sheet (US\$m)						Net Debt (Cash)	-	6.25	-	2.57	-	1.50	-	0.30	-	1.20				
Y/E 31 Dec	FY18A	FY19A	FY20F	FY21F	FY22F	Net debt/EBITDA (x)	(x)	nm	nm	nm	nm	nm	nm	nm	nm	nm				
Cash	6.3	2.6	1.5	0.3	1.2	Cash	6.3	2.6	1.5	0.3	1.2	ND/ND+Equity (%)	(%)	33.8%	21.4%	18.0%	4.3%	13.0%		
Accounts receivable	5.6	5.8	5.1	6.0	6.6	Accounts receivable	5.6	5.8	5.1	6.0	6.6	EBIT interest cover (x)	(x)	n/a	n/a	n/a	108.7%	12.4%		
Inventory	3.2	3.5	3.5	4.5	5.2	Inventory	3.2	3.5	3.5	4.5	5.2	ROA		(2.2%)	(10.6%)	(12.4%)	1.2%	9.8%		
Other current assets	2.0	1.5	1.5	1.9	2.1	Other current assets	2.0	1.5	1.5	1.9	2.1	ROE		(9.4%)	(25.9%)	(37.8%)	(1.8%)	15.7%		
Total current assets	17.0	13.4	11.6	12.7	15.1	Total current assets	17.0	13.4	11.6	12.7	15.1									
PPE	0.5	0.6	0.7	0.7	0.8	PPE	0.5	0.6	0.7	0.7	0.8	NTA (per share)		0.11	0.07	0.05	0.04	0.04		
Intangibles	2.0	3.2	2.8	2.3	1.8	Intangibles	2.0	3.2	2.8	2.3	1.8	Working capital		6.9	7.8	6.7	8.2	9.2		
Right of Use Asset	0.0	2.4	1.7	0.9	2.5	Right of Use Asset	0.0	2.4	1.7	0.9	2.5	WC/Sales (%)		37.0%	41.6%	35.4%	34.8%	34.2%		
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	Deferred tax asset	0.0	0.0	0.0	0.0	0.0	Revenue growth		2.4%	0.9%	0.3%	25.0%	13.8%		
Other non current assets	0.2	0.0	0.4	1.7	2.4	Other non current assets	0.2	0.0	0.4	1.7	2.4	EBIT growth pa		nm	nm	nm	(109.3%)	851.6%		
Total non current assets	2.7	6.2	5.5	5.6	7.5	Total non current assets	2.7	6.2	5.5	5.6	7.5	Pricing		FY18A	FY19A	FY20F	FY21F	FY22F		
Total Assets	19.7	19.6	17.1	18.3	22.7	Total Assets	19.7	19.6	17.1	18.3	22.7	No of shares (y/e)	(m)	113	139	139	139	139		
Accounts payable	1.9	1.5	1.9	2.3	2.7	Accounts payable	1.9	1.5	1.9	2.3	2.7	Weighted Av Dil Shares	(m)	113	139	139	139	139		
Short term debt	4.0	4.1	4.1	5.1	5.8	Short term debt	4.0	4.1	4.1	5.1	5.8									
Lease Liability	0.0	1.8	1.5	0.7	2.3	Lease Liability	0.0	1.8	1.5	0.7	2.3	EPS Reported	US cps	(0.01)	(0.02)	(0.02)	0.00	0.01		
Other	1.4	2.6	2.6	3.2	3.7	Other	1.4	2.6	2.6	3.2	3.7	EPS Normalised/Diluted	US cps	(0.01)	(0.02)	(0.02)	0.00	0.01		
Total current liabilities	7.2	9.9	10.0	11.3	14.4	Total current liabilities	7.2	9.9	10.0	11.3	14.4	EPS growth (norm/dil)		nm	nm	nm	nm	398%		
Long term debt	0.0	0.0	0.0	0.0	0.0	Long term debt	0.0	0.0	0.0	0.0	0.0	DPS	cps	0.000	0.000	0.000	0.000	0.000		
Other non current liabs	0.3	0.3	0.3	0.3	0.3	Other non current liabs	0.3	0.3	0.3	0.3	0.3	DPS Growth		n/a	n/a	n/a	n/a	na		
Total long term liabilities	0.3	0.3	0.3	0.3	0.3	Total long term liabilities	0.3	0.3	0.3	0.3	0.3	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%		
Total Liabilities	7.5	10.2	10.2	11.6	14.7	Total Liabilities	7.5	10.2	10.2	11.6	14.7	Dividend imputation		0	0	0	0	0		
Net Assets	12.3	9.5	6.9	6.7	8.0	Net Assets	12.3	9.5	6.9	6.7	8.0	PE (x)		40.9	-	10.8	-	12.3	79.0	15.9
												PE market		12.0	12.0	12.0	12.0	12.0		
Share capital	7.7	7.7	7.7	7.7	7.7	Share capital	7.7	7.7	7.7	7.7	7.7	Premium/(discount)			(190.2%)	(202.3%)	558.5%	32.2%		
Accumulated profits/losses	2.9	(0.5)	(3.1)	(3.2)	(2.0)	Accumulated profits/losses	2.9	(0.5)	(3.1)	(3.2)	(2.0)	EV/EBITDA		nm	nm	(14.4)	29.3	10.0		
Reserves	1.3	1.8	1.8	1.8	1.8	Reserves	1.3	1.8	1.8	1.8	1.8	FCF/Share	US cps	(0.007)	(0.022)	(0.008)	(0.009)	0.006		
Minorities	0.3	0.4	0.4	0.4	0.4	Minorities	0.3	0.4	0.4	0.4	0.4	Price/FCF share		(30.0)	(8.9)	(25.5)	(22.7)	30.5		
Total Shareholder funds	12.3	9.5	6.9	6.7	8.0	Total Shareholder funds	12.3	9.5	6.9	6.7	8.0	Free Cash flow Yield		(3.3%)	(11.2%)	(3.9%)	(4.4%)	3.3%		

Source: RaaS Advisory

FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD

ABN 92 168 734 530

AFSL 456663

Effective Date: 26th November 2018



About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License ("AFSL") number 456663. RaaS Advisory Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR. This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS's services and includes such things as

- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

Contact Details, BR and RaaS

BR Head Office: Level 14, 344 Queen Street, Brisbane, QLD, 4000

RaaS. 20 Halls Road Arcadia, NSW 2159

P: +61 414 354712

E: finola.burke@raasgroup.com

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

What Financial Services are we authorised to provide? RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
 - Securities
- deal on behalf of retail and wholesale clients in relation to
 - Securities

The distribution of this FSG by RaaS is authorized by BR.

Our general advice service

Please note that any advice given by RaaS is general advice, as the information or advice given will not take into account your particular objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Prospectus, Product Disclosure Statement or like instrument. As we only provide general advice we will not be providing a Statement of Advice. We will provide you with recommendations on securities

Our dealing service

RaaS can arrange for you to invest in securities issued under a prospectus by firstly sending you the offer document and then assisting you fill out the application form if needed.

How are we paid?

RaaS earns fees for producing research reports. Sometimes these fees are from companies for producing research reports and/or a financial model. When the fee is derived from a company, this is clearly highlighted on the front page of the report and in the disclaimers and disclosures section of the report.

We may also receive a fee for our dealing service, from the company issuing the securities.

Associations and Relationships

BR, RaaS, its directors and related parties have no associations or relationships with any product issuers other than when advising retail clients to invest in managed funds when the managers of these funds may also be clients of BR. RaaS's representatives may from time to time deal in or otherwise have a financial interest in financial products recommended to you but any material ownership will be disclosed to you when relevant advice is provided.

Complaints

If you have a complaint about our service you should contact your representative and tell them about your complaint. The representative will follow BR's internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren't satisfied with an outcome, you may contact AFCA, see below. BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

DISCLAIMERS and DISCLOSURES

This report has been commissioned by Shekel Brainweigh Ltd prepared and issued by RaaS Advisory Pty Ltd. RaaS Advisory has been paid a fee to prepare this report. RaaS Advisory's principals, employees and associates may hold shares in companies that are covered and, if so, this will be clearly stated on the front page of each report. This research is issued in Australia by RaaS Advisory and any access to it should be read in conjunction with the Financial Services Guide on the preceding two pages. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. Opinions contained in this report represent those of the principals of RaaS Advisory at the time of publication. RaaS Advisory provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the RaaS Advisory in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. RaaS Advisory has no obligation to update the opinion unless RaaS Advisory is currently contracted to provide such an updated opinion. RaaS Advisory does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise. Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. RaaS Advisory does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, RaaS Advisory shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, RaaS Advisory limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable. Copyright 2020 RaaS Advisory Pty Ltd (A.B.N. 99 614 783 363). All rights reserved