



29 November 2018

JOINT DEVELOPMENT AND MARKETING AGREEMENT WITH LEADING US RETAIL SHELF MANUFACTURER, MADIX

Shekel Brainweigh Retail Innovation Division signed a strategic joint development and marketing agreement with leading retail and shelf manufacturer, Madix Inc. Madix works in partnership with retailers and national brands to design, manufacture and facilitate the use of store fixtures. Madix is one of the largest manufacturers of store fixtures globally with key customers across North and Central America, including the world's largest retailer and the largest grocery chain in the US. This partnership with Shekel Brainweigh is aimed to integrate Shekel's weighing technology into Madix's designs for distribution across North America to new and existing customers.

Under the terms of the agreement, Shekel and Madix will design and develop new joint products integrating Shekel's existing technology with Madix state-of-the-art retail store fixtures. This will allow customers to select their desired AI Smart Shelf product to fit their requirements. Customers who purchase the products from this joint venture will pay Madix for the hardware, and a monthly fee to Shekel for on-going data services. This Software as a Service model (SaaS) secures an ongoing revenue source for the company with an expectation that this data subscription will grow over time.

Madix and Shekel's joint products provide a ready-to-install solution for retailers, with shelves manufactured by Madix converted into smart shelves by attaching Shekel's ultra-thin weighing technology, backed by Artificial Intelligence. This will provide customers with accessible data giving them reliable inventory visibility and assisting them to address over-stock and out-of-stock problems.

Promoting Shekel's products via Madix will introduce the Company to the North American markets with tested and ready to install retail shelf racks produced by a trusted supplier to the largest retailers. Shekel will have exposure to a new customer base with minimal capital outlay or marketing costs required.

Working alongside a leading shelf manufacturer such as Madix ensures it is easier to customize shelf design according to customer requirements and Shekel's technology can be seamlessly integrated.

This development and marketing agreement is a demonstration of the value Madix places on our technology and the role our technology will have in the future direction of retail operations.

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