

REFINITIV

DELTA REPORT

10-Q

MYSZ - MY SIZE, INC.

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 560

█ CHANGES 238

█ DELETIONS 97

█ ADDITIONS 225

U. S. SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June June September 30, 2023

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No.001-37370

MY SIZE, INC.

(Exact name of registrant as specified in its charter)

Delaware	51-0394637
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)

HaYarden 4, POB 1026, Airport City, Israel, 7010000
(Address of principal executive offices)

+972-3-600-9030

Registrant's telephone number, including area code:

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	MYSZ	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: as of August 1, 2023 November 1, 2023, 2,438,780 2,981,792 shares of common stock, par value \$0.001 per share were issued and outstanding.

MY SIZE, INC.
INDEX TO QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED ~~JUNE~~ SEPTEMBER 30, 2023

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements.

My Size Inc. and Subsidiaries

Condensed Consolidated
Interim
Financial Statements
As of June 30, 2023 September 30, 2023
(unaudited)
U.S. Dollars in Thousands

1

Condensed Consolidated Interim Financial Statements as of **June 30, 2023 **September 30, 2023** (Unaudited)**
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Condensed Consolidated Interim Balance Sheets (Unaudited)
U.S. dollars in thousands (except share data and per share data)

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	September 30, 2023	December 31, 2022
Assets				
Current Assets:				
Cash and cash equivalents	1,127	2,100	3,695	2,100
Restricted cash	123	263	72	263
Inventory	1,043	997	2,395	997
Account receivables	754	1,940	690	1,940
Other receivables and prepaid expenses	945	758	1,218	758
Total current assets	3,992	6,058	8,070	6,058
Long term deposits	27	28	26	28
Property and equipment, net	130	140	112	140
Operating right-of-use asset	430	583	372	583
Intangible assets	1,228	1,377	1,149	1,377
Goodwill	1,403	1,395	1,401	1,395
Investment in JV	58	99	47	99
Investment in marketable securities	26	47	26	47
Total non-current assets	3,302	3,669	3,133	3,669
Total assets	7,294	9,727	11,203	9,727
Liabilities and stockholders' equity				
Current liabilities:				
Operating lease liability	145	159	137	159
Bank overdraft and short-term loans	152	155	230	155
Trade payables	1,531	2,487	2,617	2,487
Liabilities to Related parties	622	698	734	698
Other payables	657	680	855	680
Total current liabilities	3,107	4,179	4,573	4,179
Long-term loans	306	376	268	376
Deferred tax liabilities	244	328	274	328
Operating lease liability	204	308	156	308
Total non-current liabilities	754	1,012	698	1,012
Total liabilities	3,861	5,191	5,271	5,191
COMMITMENTS AND CONTINGENCIES				
Stockholders' equity:				
Stock Capital -				
Common stock of \$0.001 par value - Authorized: 250,000,000 shares; Issued and outstanding: 2,438,780 and 1,464,117 as of June 30, 2023 and December 31, 2022, respectively	2	1		

Common stock of \$0.001 par value - Authorized: 250,000,000 shares; Issued and outstanding: 2,981,792 and 1,464,117 as of September 30, 2023 and December 31, 2022, respectively	3	1
Additional paid-in capital	61,553	58,673
Accumulated other comprehensive loss	(676)	(637)
Accumulated deficit	(57,446)	(53,501)
Total stockholders' equity	3,433	4,536
Total liabilities and stockholders' equity	7,294	9,727

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Comprehensive Loss (Unaudited)

U.S. dollars in thousands (except share data and per share data)

Six- Months Ended June 30,	Nine-Months Ended September 30,			Three-Months End June September 3
	2023		2022	
	(Unaudited)	(Unaudited)	(Unaudited)	
Revenues	2,010,4,166	1,205,1,931	1,290,2,156	
Cost of revenues (*)	(1,918,2,698)	(730,1,607)	(771,780)	
Gross profit	921,468	475,324	519,1,376	
Operating expenses				
Research and development	(569,811)	(802,1,152)	(227,242)	
Sales and marketing	(1,646,2,598)	(1,854,2,526)	(967,952)	
General and administrative	(1,923,3,210)	(1,576,2,378)	(879,1,287)	
Total operating expenses	(4,138,6,619)	(4,232,6,056)	(2,073,2,481)	
Operating loss	(4,046,5,151)	(3,757,5,732)	(1,554,1,105)	
Financial income (expenses), net	(100,78)	(147,198)	46,22	
Equity loss of equity method investees	(39,48)	-	(5,9)	
Loss before taxes	(4,185,5,277)	(3,904,5,930)	(1,513,1,092)	
Taxes on income	240,200	-	222	
Net loss	(3,945,5,077)	(3,904,5,930)	(1,291,1,132)	
Other comprehensive income (loss):				
Foreign currency translation differences	(39,75)	122	(24,178)	
Total comprehensive loss	(3,984,5,152)	(3,782,6,108)	(1,315,1,168)	
Basic and diluted loss per share**	(1.80)(2.19)	(3.88)(5.75)	(0.53)(0.44)	
Basic and diluted weighted average number of shares outstanding**	2,190,758,2,314,979	1,005,120,1,012,010	2,444,146,2,559,371	1,

(*) During the six nine and three month ended June 30, 2023 September 30, 2023, the Company recorded an inventory write-down of \$643 and \$0 due to the fire that (see Note 7(a) 8(a))

(***) Adjusted to give retroactive effect of 1:25 reverse stock split, see Note 1(b)

The accompanying notes are an integral part of the interim condensed consolidated financial statements statements.

Condensed Consolidated Interim Statements of Changes in Stockholders' Equity (Unaudited)
U.S. dollars in thousands (except share data and per share data)

	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit
	Number	Amount			
Balance as of January 1, 2023	1,464,117	1	58,673	(637)	(53,500)
Stock-based compensation related to options granted to employees and consultants	(8,000)	*	222	-	-
Issuance of shares, net of issuance cost of \$341 ^(**)	162,000	*	2,658	-	-
Exercise of warrants and prefunded warrants	820,663	1	-	-	-
Total comprehensive loss	-	-	-	(39)	(3,300)
Balance as of June 30, 2023	<u>2,438,780</u>	<u>2</u>	<u>61,553</u>	<u>(676)</u>	<u>(57,800)</u>

(*)

Represents an amount less than \$1

	Common stock		Additional paid-in capital^{**}	Accumulated other comprehensive loss	Accumulated deficit
	Number	Amount^{**}			
Balance as of January 1, 2022	959,300	1	56,453	(406)	(45,500)
Stock-based compensation related to options granted to employees and consultants	-	-	162	-	-
Issuance of shares in Business Combination	62,777	*	458	-	-
Total comprehensive loss	-	-	-	122	(3,300)
Balance as of June 30, 2022	<u>1,022,077</u>	<u>1</u>	<u>57,073</u>	<u>(284)</u>	<u>(49,800)</u>

	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit
	Number	Amount			
Balance as of January 1, 2023	1,464,117	1	58,673	(637)	(53,500)
Stock-based compensation related to options granted to employees and consultants	(8,000)	*	290	-	-
Issuance of shares, net of issuance cost of \$959 ^(**)	432,000	1	6,257	-	-
Exercise of warrants and prefunded warrants	1,093,675	1	(1)	-	-
Total comprehensive loss	-	-	-	(75)	(5,000)
Balance as of September 30, 2023	<u>2,981,792</u>	<u>3</u>	<u>65,219</u>	<u>(712)</u>	<u>(58,500)</u>

(*)

Represents an amount less than \$1

(**)

see notes 8(b) and 8(e)

	Common stock		Additional paid-in capital^{**}	Accumulated other comprehensive loss	Accumulated deficit
	Number	Amount^{**}			
Balance as of January 1, 2022	959,300	1	56,453	(406)	(45,500)
Stock-based compensation related to options granted to employees and consultants	-	-	327	-	-
Issuance of shares in Business Combination	69,751	*	458	-	-
Total comprehensive loss	-	-	-	(178)	(5,500)
Balance as of September 30, 2022	<u>1,029,051</u>	<u>1</u>	<u>57,288</u>	<u>(584)</u>	<u>(51,500)</u>

(*)

Represents an amount less than \$1

(**)

Adjusted to give retroactive effect of 1:25 reverse stock split, see Note 1(b)



	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit
	Number	Amount			
Balance as of April 1, 2023	2,446,780	2	61,467	(652)	(56,
Stock-based compensation related to options granted to employees and consultants	(8,000)	*	86	-	
Total comprehensive loss	-	-	-	(24)	(1,
Balance as of June 30, 2023	<u>2,438,780</u>	<u>2</u>	<u>61,553</u>	<u>(676)</u>	<u>(57,</u>
		5			

	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit
	Number	Amount			
Balance as of July 1, 2023	2,438,780	2	61,553	(676)	(57,427)
Stock-based compensation related to options granted to employees and consultants	-	-	68	-	-
Issuance of shares, net of issuance cost of \$518 (**)	270,000	(*)	3,599	-	-
Exercise of prefunded warrants	273,012	1	(1)	-	-
Total comprehensive loss	-	-	-	(36)	(1,111)
Balance as of September 30, 2023	<u>2,981,792</u>	<u>3</u>	<u>65,219</u>	<u>(712)</u>	<u>(58,532)</u>

(*)(*)

Represents an amount less than \$1

(**)

see notes 8(e)

	Common stock			Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity	Common stock			Accumulated other comprehensive loss	Accumulated deficit
	Number	Amount	Additional paid-in capital				Number	Amount	Additional paid-in capital		
Balance as of April 1, 2022	1,015,101	1	57,025	(348)	(47,379)	9,298					
Balance as of July 1, 2022							1,022,077	1	57,073	(284)	
Balance	1,015,101	1	57,025	(348)	(47,379)	9,298	1,022,077	1	57,073	(284)	
Stock-based compensation related to options granted to employees and consultants	-	-	48	-	-	48	-	-	165	-	
Issuance of shares in Business Combination	6,976	*	-	-	-	1	6,974	*	-	-	
(*)											
Issuance of shares in Business Combination							6,974				
Total comprehensive loss	-	-	-	64	(1,716)	(1,652)	-	-	-	(300)	
Balance as of June 30, 2022	<u>1,022,077</u>	<u>1</u>	<u>57,073</u>	<u>(284)</u>	<u>(49,095)</u>	<u>7,695</u>					
Balance as of September 30, 2022							1,029,051	1	57,238	(584)	
Balance	<u>1,022,077</u>	<u>1</u>	<u>57,073</u>	<u>(284)</u>	<u>(49,095)</u>	<u>7,695</u>	<u>1,029,051</u>	<u>1</u>	<u>57,238</u>	<u>(584)</u>	

(*)(*)

Represents an amount less than \$1

Condensed Consolidated Interim Statements of Cash Flows (Unaudited)
U.S. dollars in thousands

	2023	2022
	Six-Months Ended June 30,	
	2023	2022
	(Unaudited)	(Unaudited)
<u>Cash flows from operating activities:</u>		
Net loss	(3,945)	
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	16	
Change in operating lease right-of-use asset	88	
Amortization of intangible assets	151	
Change in warrants and derivatives	-	
Change in liabilities to related parties	(76)	-
Interest of long-term liabilities	11	-
Interest paid	(11)	-
Revaluation of investment in marketable securities	23	
Change in Investment in JV	39	
Stock based compensation	222	
Change in inventory	(95)	
Change in deferred tax liabilities	(36)	
Change in account receivable	1,119	
Change in account receivables	(68)	-
Changes in operating lease liabilities	(205)	
Change in other receivables and prepaid expenses	(888)	(300)
Change in trade payables	15	
Change in account payables	-	
Net cash used in operating activities	(3,640)	
<u>Cash flows from investing activities:</u>		
Acquisition of a subsidiary, net of cash acquired	-	
Purchase of property and equipment	-	
Net cash used in investing activities	-	
<u>Cash flows from financing activities:</u>		
Proceeds from issuance of shares, net of issuance costs	2,658	
Loans received	-	
Repayment of loans	(62)	
Net cash provided by (used in) financing activities	2,596	
Effect of exchange rate fluctuations on cash and cash equivalents	(69)	
Increase (decrease) in cash, cash equivalents and restricted cash (*)	(1,113)	
Cash, cash equivalents and restricted cash at the beginning of the period	2,363	
Cash, cash equivalents and restricted cash at the end of the period	1,250	
Non cash activities:		
Shares issued in Acquisition of a subsidiary	-	

(*) \$973 1,213 relates to change in cash and cash equivalents and, \$140 191 to change in restricted cash for the six nine months ended June 30, 2023 September 30, 2023

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)
U.S. dollars in thousands (except share data and per share data)

Note 1 - General

a. My Size, Inc. is developing unique measurement technologies based on algorithms with applications in a variety of areas, from the apparel e-commerce market and to the Do It Yourself smartphone and tablet apps market. The technology is driven by proprietary algorithms which are able to calculate and report a variety of novel ways.

In addition to the measurement technologies, following the Orgad International Marketing Ltd. ("Orgad") acquisition as detailed below, the Company operates a platform, has expertise in e-commerce, supply chain, and has technology operating as a third-party seller on Amazon.com and other sites.

Following the acquisition of Naizfit Bespoke Technologies, S.L ("Naiz" or "Naiz Fit") in October 2022, the Company expanded its offering outreach and customer base.

The Company has five subsidiaries, My Size Israel 2014 Ltd ("My Size Israel"), Topspin Medical (Israel) Ltd., and Orgad all of which are incorporated in Israel, incorporated in the Russian Federation, and Naiz Fit, a limited liability company incorporated under the laws of Spain. References to the Company include the context indicates otherwise.

b. During the six-month ~~nine-month~~ period ended ~~June 30, 2023~~ September 30, 2023, the Company has incurred significant losses and negative cash flows from an accumulated deficit of ~~\$57,446~~ 58,578. The Company has financed its operations mainly through fundraising from various investors.

The Company's management expects that the Company will continue to generate losses and negative cash flows from operations for the foreseeable future. The Company's cash flows and cash balances as of ~~June 30, 2023~~ September 30, 2023, management is of the opinion that its existing cash will be sufficient to fund operations for 12 months. As a result, there is substantial doubt about the Company's ability to continue as a going concern.

Management's plans include the continued commercialization of the Company's products and securing sufficient financing through the sale of additional capital inflows from strategic partnerships. Additional funds may not be available when the Company needs them, on terms that are acceptable to it, or if unsuccessful in commercializing its products and securing sufficient financing, it may need to cease operations.

The financial statements include no adjustments for measurement or presentation of assets and liabilities, which may be required should the Company cease operations.

On December 7, 2022, the Company's board of directors approved a 1-for-25 reverse stock split of the Company's issued and outstanding shares of common stock. The split became effective on December 8, 2022. Exercise price and net loss per share amounts were adjusted retroactively for all periods presented in these financial statements.

c. In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets, including extensive rocket attacks on the Israeli population and industrial centers located along Israel's border with the Gaza Strip and in other areas within the State of Israel. The attacks resulted in thousands of deaths and injuries, and Hamas additionally kidnapped many Israeli civilians and soldiers. Following the attack, Israel's security forces responded to the attack and commenced a military campaign against Hamas and other terrorist organizations in parallel to their continued rocket and terror attacks. The Company cannot predict the intensity or duration of Israel's war against Hamas, nor can predict how this war will ultimately affect the Company's business and operations in general.

The war with Hamas has had an immaterial effect on its operations and financial results so far. This is attributable to its global footprint and the offices in the United States, which serve as a hub for the Company's sizing solutions business. The majority of Orgad's inventory utilizes fulfillment by Amazon rather than fulfilling directly. Inventory for the Company's products is shipped from regional Amazon warehouses, thereby reducing exposure to inventory risk and contributing to operating efficiencies.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)**U.S. dollars in thousands (except share data and per share data)****Note 2 - Significant Accounting Policies**

a.

Unaudited condensed consolidated financial statements:

The accompanying unaudited condensed consolidated interim financial statements included herein have been prepared by the Company in accordance with generally accepted in the United States of America ("GAAP") for interim financial information and in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). The unaudited condensed consolidated financial statements are comprised of the financial statements of the Company. The interim financial data presented includes all adjustments necessary for a fair presentation. All intercompany accounts and transactions have been eliminated for the six months ended **June 30, 2023**. September 30, 2023 are not necessarily indicative of the results that may be expected for any future period ending December 31, 2023.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022.

b. Significant Accounting Policies:

The significant accounting policies followed in the preparation of these unaudited interim condensed consolidated financial statements are identical to those used in the preparation of the latest annual financial statements.

C. Critical accounting estimates:

Due to the change of the operating segments as stated in note 7, and the reduction of the company's reporting units as a result, the company examined the need to change the reporting units. The estimated fair value of the remaining reporting units was higher than their carrying amounts, and therefore there was no need to provide for impairment.

Notes to Condensed Consolidated Interim Financials

U.S. dollars in thousands (except share data and per share data)
Note 3 - Financial Instruments

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, other receivables, trade payables and accounts payable approximate short-term maturities of such instruments.

The Company holds share certificates in iMine Corporation ("iMine") formerly known as Diamante Minerals, Inc., a publicly traded company on the OTCQB.

Due to sales restrictions on the sale of the iMine shares, the fair value of the shares was measured on the basis of the quoted market price for an otherwise identical instrument of the same issuer that trades in a public market, adjusted to reflect the effect of the sales restrictions and is therefore, ranked as Level 2 assets.

	June 30, 2023	September 30, 2023
	Fair value hierarchy	
	Level 1	Level 2
Financial assets		
Investment in marketable securities (*)	-	26
	89	

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)
U.S. dollars in thousands (except share data and per share data)

Note 3 - Financial Instruments (Cont.)

		December 31, 2022
		Fair value hierarchy
	Level 1	Level 2
Financial assets		
Investment in marketable securities (*)		47
Derivatives (**)		10

(*) For the six nine and three-month periods ended June 30, 2023 September 30, 2023 and 2022, the Company recognized gain (loss) (based on quoted market price security restrictions on iMine shares) of the marketable securities was \$(21), \$(11), \$(7) and \$(22), respectively.

(**) The Derivatives includes in other receivables.

		December 31, 2022
		Fair value hierarchy
	Level 1	Level 2
Financial liabilities		
Derivatives		9

Note 4 - Stock Based Compensation

The stock-based expense equity awards recognized in the financial statements for services received is related to Cost of Revenues, Research and Development General and Administrative expenses as shown in the following table:

	2023	2022	2023	2022
	Six months ended June 30,	Six months ended June 30,	Three months ended June 30,	Three months ended June 30,
Stock-based compensation expense - Cost of revenues	15	28	6	7
Stock-based compensation expense - Research and development	29	18	6	6
Stock-based compensation expense - Sales and marketing	55	58	15	19
Stock-based compensation expense - General and administrative	123	58	59	16
	<hr/> 222	<hr/> 162	<hr/> 86	<hr/> 48
	<hr/> 910	<hr/>	<hr/>	<hr/>

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)
U.S. dollars in thousands (except share data and per share data)

Note 4 - Stock Based Compensation (Cont.)

Stock Option Plan for Employees:

In March 2017, the Company adopted the My Size, Inc. 2017 Equity Incentive Plan (the "2017 Employee Plan") pursuant to which the Company's Board of Directors granted options and other equity awards to officers and key employees. The total number of shares of common stock which may be granted to directors, officers, employees and consultants is limited to 289,000 shares. Stock options can be granted with an exercise price equal to or less than the stock's fair market value at the date of grant.

On December 7, 2022, the Company's stockholders approved an increase in the shares available for issuance under the 2017 Equity Incentive Plan from 230,800 shares to 289,000 shares.

On September 29, 2022, the Compensation Committee of the Company approved grants of restricted share awards under the Company's 2017 Equity Incentive Plan. Ronen Luzon (CEO), Or Kles (CFO), Billy Pardo (COO), Ilia Turchinsky (CTO) and Ezequiel Javier Brandwain (CCO), pursuant to which were issued 100,000 restricted shares, 24,000 restricted shares, 16,000 restricted shares and 12,000 restricted shares, respectively. Each restricted share awarded under section 102 Capital Gain Restricted Stock Unit Agreement vests in three equal installments on January 1, 2023, January 1, 2024 and January 1, 2025 for Ronen Luzon, Or Kles, Billy Pardo and Ilia Turchinsky. Ezequiel Javier Brandwain's restricted shares vest in three equal installments on January 27, 2024 and January 27, 2025 for Ezequiel Javier Brandwain, conditioned upon continuous employment with the Company, and subject to accelerated vesting upon termination of employment or change in control of the Company.

On the same day, the Company granted five-year options to purchase up to 10,000 ordinary shares to other employees of the Company at an exercise price of \$15.90 per share. These options vest in over three years in three equal portions from the vesting commencement date.

During the **six** **nine** and three-month period ended **June 30, 2023** **September 30, 2023**, the Company did not grant any **granted** options to purchase 93,000 shares under the 2017 Employee Plan, no options were exercised and options to purchase 6,933 shares of common stock expired. In addition, 8,000 restricted shares held by Ezequiel Javier Brandwain were terminated and voided.

The total stock option compensation expense for employees during the **six** **nine** and three-month period ended **June 30, 2023** **September 30, 2023** and 2022 was \$162,214, \$44,53, \$61,52 and \$15,9, respectively.

The total stock option compensation expense relating to the Orgad acquisition during the **six** **nine** and three-month period ended **June 30, 2023** **September 30, 2023**, recorded was \$60,76, \$118,267, \$25,16 and \$33,73, respectively.

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Notes to Condensed Consolidated Interim Financial Statements (Unaudited)
U.S. dollars in thousands (except share data and per share data)

Note 5 - Contingencies and Commitments

On August 7, 2018, the Company commenced an action against North Empire LLC ("North Empire") in the Supreme Court of the State of New York, County a Securities Purchase Agreement (the "Agreement") in which it is seeking damages in an amount to be determined at trial, but in no event less than \$616. Empire filed a Summons with Notice against the Company, also in the same Court, in which they allege damages in an amount of \$11,400 arising from Agreement. On September 6, 2018 North Empire filed a Notice of Discontinuance of the action it had filed on August 2, 2018. On September 27, 2018, Nor and asserted counterclaims in the action commenced by the Company against them, alleging that the Company failed to deliver stock certificates to Nort to North Empire in the amount of \$10,958. North Empire also filed a third-party complaint against the Company's CEO and now former Chairman of the Boa against them in their individual capacities. On October 17, 2018, the Company filed a reply to North Empire's counterclaims. On November 15, 2018, the former Chairman of the Board filed a motion to dismiss North Empire's third-party complaint. On January 6, 2020, the Court granted the motion and complaint. Discovery has been completed and both parties have filed motions for summary judgment in connection with the claims and counterclaims. O Court denied both the Company and North Empire's motions for summary judgment, arguing there were factual issues to be determined at trial. On Janua filed a notice of appeal of the summary judgment decision. On February 3, 2022, the Company filed a motion to reargue the Court's decision denying tl summary judgment. North Empire will file its opposition papers on or before March 31, 2022, and the Company will file reply papers on April 29, 2022. O 2022, the Court issued its Decision and Order denying the Company's motion to reargue. North Empire filed its opposing brief on December 7, 2022. I opportunity to file a reply brief. The Company filed a reply brief on January 4, 2023 and North Empire filed its reply brief on January 13, 2023. The Appellate argument for the appeal for February 7, 2023. Oral argument was held before the Appellate Court on February 7, 2023. On or about February 28, 2023, th Decision and Order, which affirmed the lower court's decisions regarding both the Company and North Empire's motions for summary judgment and s Supreme Court.

On or about March 13, 2023, the Supreme Court referred the case to its Alternative Dispute Program and ordered the cases to mediate. The mediation was various settlement options were explored. A second day of explored but the mediation has been scheduled for August 14, 2023. did not lead to settlement, vigorously defend any claims made by North Empire.

The Company believes it is more likely than not that the counterclaims will be denied.

Note 6 - Goodwill

During the third quarter of 2023, the Company merged its two SaaS segments into one segment (see Note 7), which also resulted in a change in the Company's units. After the restructuring, the aggregate carrying amounts of goodwill allocated to each reporting unit are as follows:

	September 30
	2023
SaaS Solutions	1,273
Fashion and equipment e-commerce platform	128
	1,401

(*) Based on provisional amounts revised on December 31, 2022

Merging a loss-making segment into other reporting units, was viewed by the Company as an indicator for impairment which required the Company to perform impairment assessment.

In September 2023, the fair value of each reporting units was determined using the income approach. The income approach is a forward-looking approach for estimating the fair value of a reporting unit. Under the income approach, the method used is the discounted cash flow method. The company, using independent valuation services, starts with a forecast of all the cash flows associated with the reporting unit, which includes the application of a terminal value, and then applies a discount rate to arrive at a net present value amount. The discount rate is determined by the weighted average cost of capital ("WACC"), adjusted for the relevant risk associated with country-specific and business-specific characteristics. If any of these factors differ materially from the Company's assumptions, the Company may record an impairment of goodwill allocated to these reporting units in the future.

Key assumptions used in the discounted cash flow analysis of the SaaS reporting unit included, but were not limited to, a WACC of 24%, terminal growth rate of 2.7% which is expected to gradually increase from a negative margin of 33.1% in 2024 to a positive margin of 29.5% in 2029.

Key assumptions used in the discounted cash flow analysis of the Fashion and equipment e-commerce platform reporting unit included, but were not limited to, a WACC of 12.8%, terminal growth rates of 3% and EBIT margin which is expected to gradually increase from a negative margin of 9.1% in 2024 to a positive margin of 6.9% in 2029. The assumptions are deemed as Level III inputs in regard to the fair value hierarchy.

The Company concluded based on the results of the interim quantitative goodwill impairment assessment performed as of September 30, 2023, that goodwill did not have an impairment loss. The fair value of the SaaS reporting unit is approximately 2.7% above its carrying amount and fair value of the Fashion and equipment e-commerce platform reporting unit is approximately 9.7% above its carrying amount. While there was no impairment related to goodwill for both reporting units, a future potential impairment loss could result if the results differ from forecasted results used in the valuation analysis. Also, the valuation of goodwill can differ materially if financial projections or market inputs used in the valuation analysis change significantly.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)**U.S. dollars in thousands (except share data and per share data)****Note 7 – Operating Segments**

Effective 1 July 2023 the Company merged its two SaaS segments into one segment, hence reducing the reportable segments from three to the following two: (i) equipment e-commerce platform, and (ii) SaaS based innovative artificial intelligence driven measurement solutions. This realignment reflects the way results of performance is assessed by the Chief Operating Decision Maker. The fashion and equipment e-commerce platform which represents Orgad's activity that was acquired in 2022, mainly operates on Amazon. The SaaS based innovative artificial intelligence driven measurement solutions, or SaaS Solutions operating segment consists of Orgad's activity in Israel, My Size LLC and Naiz Fit.

In the Company's financial reporting for September 30, 2023, comparative information for 2022 was restated to reflect the changes in reportable segments. Information related to the operations of the Company's reportable operating segments is set forth below:

	Fashion and equipment e-commerce platform	SaaS Solutions	Total
As of the Nine month ended September 30, 2023			
Revenues from external customers	3,732	434	4,166
Operating (loss) income	(2,936)	(2,215)	(5,151)
As of September 30, 2023:			
Assets		7,849	3,490
	Fashion and equipment e-commerce platform	SaaS Solution	
	Fashion and equipment e-commerce platform	SaaS Solutions	Total
For the Nine months ended September 30, 2022			
Revenues from external customers	1,797	134	1,931
Operating (loss) income	(215)	(5,517)	(5,732)
	Fashion and equipment e-commerce platform	SaaS Solutions	Total
As of Three months ended September 30, 2023			
Revenues from external customers	1,994	162	2,156
Operating (loss) income	(440)	(665)	(1,105)
	Fashion and equipment e-commerce platform	SaaS Solutions	Total
As of Three months ended September 30, 2022			
Revenues from external customers	685	41	726
Operating (loss) income	(286)	(1,689)	(1,975)

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Notes to Condensed Consolidated Interim Financial Statements (Unaudited)
U.S. dollars in thousands (except share data and per share data)

Note 67 – Operating Segments (Cont.)

The Company has three reportable segments: (i) fashion and equipment e-commerce platform, and (ii) SaaS based innovative artificial intelligence driven measurement solutions, and (iii) Naiz SaaS based innovative artificial intelligence driven measurement solutions. The fashion and equipment e-commerce platform which represent Orgad's activities, the Company, mainly operates on Amazon. The SaaS based innovative artificial intelligence driven measurement solutions, or SaaS Solutions operating segment, and My Size Israel and My Size LLC.

	Fashion and equipment e-commerce platform	SaaS Solutions	
For September 30, 2022:			
Assets	1,697	6,494	

Information related to the operations of the Company's reportable operating segments is set forth below:

	Fashion and equipment e-commerce platform	SaaS Solutions	Naiz	Total	Fashion and equipment e-commerce platform
As of the Six month ended June 30, 2023					
As of the year ended December 31, 2022					
Revenues from external customers	1,738	88	184	2,010	4,107
Operating (loss) income	(956)	(2,794)	(296)	(4,046)	(4,046)
	Fashion and equipment e-commerce platform			SaaS Solution	
As of June 30, 2023:					
Assets				2,522	4,107
	Fashion and equipment e-commerce platform	SaaS Solutions			Naiz
For the six months ended June 30, 2022					
Revenues from external customers	1,112	93			
Operating (loss) income	71	(3,828)			
	Fashion and equipment e-commerce platform	SaaS Solutions			Naiz
As of Three months ended June 30, 2023					
Revenues from external customers	1,160	32			
Operating (loss) income	(131)	(1,267)			
	Fashion and equipment e-commerce platform	SaaS Solutions			Naiz
As of Three months ended June 30, 2022					
Revenues from external customers	752	49			
Operating (loss) income	(2)	(1,650)			
	Fashion and equipment e-commerce platform	SaaS Solutions			Naiz
As of the year ended December 31, 2022					
Revenues from external customers	4,132	224			
Operating (loss) income	(591)	(7,181)			
	Fashion and equipment e-commerce platform	SaaS Solutions			Naiz

	Fashion and equipment e-commerce platform	SaaS Solution	Naiz
As of December 31, 2022:			
Assets	2,022	5,966	1,691

Note 78 – Significant events during the reporting period

a. On January 2, 2023, Orgad experienced a fire at its warehouse in Israel. The Company is not aware of any casualties or injuries associated with the fire. The operation to its headquarters. The value of the inventory that was in the warehouse was approximately \$640. The Company believes that this incident did not result in any significant financial impact to the Company's results of operations or cash flows for the year of 2023. The inventory was not insured and the Company and lessor signed an agreement to settle the issue in which the Company paid a lump sum amount of \$50 to cover his loss. The Company recognized the payment to the lessor as a general and administrative expense.

During the reporting period, claims by the owners a neighboring warehouse were made of damage caused by the fire. As of the date these financial statements were issued, no lawsuit was filed against the Company, and the amount of potential loss, if any, cannot be reasonably estimated.

b. On January 10, 2023, the Company entered into a securities purchase agreement pursuant to which the Company sold an aggregate of 162,000 of the Com stock and pre-funded warrants to purchase up to 278,899 shares of common stock and, in a concurrent private placement, unregistered warrants to purcha common stock, consisting of Series A warrants to purchase up to 441,899 shares of common stock and Series B warrants to purchase up to 441,899 share offering price of \$3.055 per share of common stock and associated Series A and Series B warrants and an offering price of \$3.054 per pre-funded warrant ar Series B warrants.

In addition, the Company entered into a securities purchase agreement (the "PIPE Purchase Agreement") pursuant to which the Company agreed to placement an aggregate of up to 540,098 unregistered pre-funded warrants and unregistered warrants to purchase up to an aggregate of 1,080,196 consisting of Series A warrants to purchase up to 540,098 shares of common stock and Series B warrants to purchase up to 540,098 shares of common stock \$3.054 per pre-funded warrant and associated Series A and Series B warrants.

The pre-funded warrants are immediately exercisable at an exercise price of \$0.001 per share and will not expire until exercised in full. The warrants are immaterial at an exercise price of \$2.805 per share, subject to adjustment as set forth therein. The Series A warrants have a term of five and one-half years from the Series B warrants have a term of 28 months from the date of issuance. The warrants may be exercised on a cashless basis if there is no effective registration of the shares underlying the warrants.

In connection with the PIPE Purchase Agreement, we the Company entered into a registration rights agreement (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company is required to file a resale registration statement (the "Registration Statement"), with the SEC, to register for resale the shares of the unregistered pre-funded warrants and the Series A and Series B warrants, within 20 days of the signing date of the PIPE Purchase Agreement (the "Signing Date"). The Registration Statement declared effective within 60 days after the Signing Date in the event the Registration Statement is not reviewed by the SEC, or 90 days in the event the Registration Statement is reviewed by the SEC. The Company will be obligated to pay certain liquidated damages if it fails to maintain the Registration Statement.

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Notes to Condensed Consolidated Interim Financial Statements (Unaudited)**U.S. dollars in thousands (except share data and per share data)****Note 8 – Significant events during the reporting period (Cont.)**

Aggregate gross proceeds to the Company in respect of the offerings was approximately \$3,000, before deducting fees payable to the placement agent and payable by the Company. The net proceeds were approximately \$2,600.

As of June 30, 2023 September 30, 2023, all the pre funded warrants were exercised.

The Company also entered into a letter agreement (the "Engagement Agreement") with H.C. Wainwright & Co., LLC ("Wainwright"), pursuant to which Wainwright became the exclusive placement agent for the Company in connection with the offerings. The Company paid Wainwright a cash placement fee equal to 7% of the aggregate gross proceeds raised in the offerings, a management fee of 1% of the aggregate gross proceeds raised in the offerings, a non-accountable expense allowance of \$85 and Wainwright also received placement agent warrants - to purchase 68,740 shares of common stock, at an exercise price of \$3.8188 per share and a term expiring in 2028.

- c. During May 2023, the Company initiated a transfer of the support, development and customer success operations to its recently acquired Spanish entity, Naiz Fit, to improve efficiency and lower costs between the Company's operations in Israel and Naiz Fit. As part of this, the Company reduced headcount by 13 persons and termination of its Chief Commercial Officer, Ezequiel Javier Brandwain. This restructuring did not have a material impact on the Company's results. The Company expects to reduce future operating costs without significant impact on revenues.
- d. On July 13, 2023, the compensation committee of the board of directors of the Company reduced the exercise price of outstanding options of certain officers and directors of the Company for the purchase of an aggregate of 23,575 shares of common stock (with exercise prices of \$26.00 per Share) to \$1.09 per share, which was the closing price for the Company's shares on July 13, 2023. The exercise price reduction includes options held by, among others, the Company's named executive officers with respect to the following number of shares: (i) Ronen Luzon, the Company's Chief Executive Officer and director: 8,001 shares, (ii) Or Kles, the Company's Chief Financial Officer: 5,760 shares, (iii) Billy Pardo, the Company's Chief Operating Officer and Chief Product Officer: 6,094 shares. The incremental compensation cost resulting from the repricing is approximately \$10.
- e. On August 24, 2023, the Company entered into an inducement offer letter agreement (the "Inducement Letter") with a certain holder (the "Holder") of existing warrants to purchase up to (i) 1,963,994 shares of the Company's common stock issued on January 12, 2023 at an exercise price of \$2.805 per share ("January 2023 Warrants"), (ii) 6,864 shares of the Company's common stock issued on January 17, 2020 at an exercise price of \$94.00 per share (the "January 2020 Warrants"), (iii) 1,000 shares of the Company's common stock issued on October 28, 2021 at an exercise price of \$31.50 per share, having terms ranging from 28 months to five and one-half years ("2021 Warrants") and together with the January 2023 Warrants and the January 2020 Warrants, the "Existing Warrants". Pursuant to the Inducement Letter, the Holder agreed to exercise for cash its Existing Warrants to purchase an aggregate of 2,018,012 shares of the Company's common stock at an exercise price of \$2.09 per share in consideration of the Company's agreement to issue new common stock purchase warrants (the "New Warrants") in the aggregate of 5,367,912 shares of the Company's common stock (the "New Warrant Shares"), at an exercise price of \$2.09 per share. The Company received net proceeds of approximately \$4.2million from the exercise of the Existing Warrants by the Holder, before deducting placement agent fees and other offering expenses. The net proceeds are approximately \$3.6 million.

As of September 30, 2023, the Company issued to the holder 543,012 shares and 1,475,000 in abeyance.

Note 89 – Subsequent events

On July 13, 2023, the compensation committee of the board of directors of the Company reduced the exercise price of outstanding options of certain officers and directors of the Company for the purchase of an aggregate of 23,575 shares of common stock (with exercise prices of \$26.00 per Share) to \$1.09 per share, which was the closing price for the Company's shares on July 13, 2023. The exercise price reduction includes options held by, among others, the Company's named executive officers with respect to the following number of shares: (i) Ronen Luzon, the Company's Chief Executive Officer and director: 8,001 shares, (ii) Or Kles, the Company's Chief Financial Officer: 5,760 shares, and (iii) Billy Pardo, the Company's Chief Operating Officer: 6,094 shares.

The incremental compensation cost resulting from the repricing is approximately \$10.

- a. In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. The Company has 180 days to regain compliance with the Nasdaq listing requirements.
- b. On November 3, 2023, the Company was notified, by the Nasdaq Listing Qualifications that the Company is not in compliance with the minimum bid price requirement of Nasdaq Listing Rule 5550(a)(2), or the Rule, for continued listing on The Nasdaq Capital Market. The Notification Letter provides that the Company has 180 days, ending May 1, 2024, to regain compliance with the Rule. To regain compliance, the bid price of our common stock must have a closing bid price of at least \$1.00 per share for 30 consecutive business days. In the event we do not regain compliance by July 5, 2022, the Company may then be eligible for additional 180 days if the Company cures the deficiency during the second compliance period. If the Company does not regain compliance during the first compliance period or fails to regain compliance during the second compliance period, then Nasdaq will notify the Company of its determination to delist the Company's stock, at which point the Company will have an opportunity to appeal the delisting determination to a Hearings Panel.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis provides information that we believe to be relevant to an assessment and understanding of our results of operations and financial condition. This discussion should be read together with our condensed consolidated interim financial statements and the notes to the financial statements, which are included in Form 10-Q. This information should also be read in conjunction with the information contained in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission on April 14, 2023, or the Annual Report, including the consolidated annual financial statements as of December 31, 2022 and their accompanying notes included in the Annual Report.

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. Any statements in this Quarterly Report on Form 10-Q about our expectations, beliefs, plans, objectives, assumptions or future performance not based on historical facts and are forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as "believe," "will," "expect," "intend," "plan" and "would." For example, statements concerning financial condition, possible or assumed future results of operations, growth opportunities, industry ranking, management, markets for our common stock and future management and organizational structure are all forward-looking statements. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by any forward-looking statement.

Any forward-looking statements are qualified in their entirety by reference to the risk factors discussed throughout this Quarterly Report on Form 10-Q. Some of the assumptions that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include but are not limited to:

- our history of losses and needs for additional capital to fund our operations and our inability to obtain additional capital on acceptable terms, or at all;
- risks related to our ability to continue as a going concern;
- the new and unproven nature of the measurement technology markets;
- our ability to achieve customer adoption of our products;
- our ability to realize the benefits of our acquisitions of Orgad and Naiz;
- our dependence on assets we purchased from a related party;
- our ability to enhance our brand and increase market awareness;
- our ability to introduce new products and continually enhance our product offerings;
- the success of our strategic relationships with third parties;
- information technology system failures or breaches of our network security;
- competition from competitors;
- our reliance on key members of our management team;
- current or future litigation;
- current or future unfavorable economic and market conditions and adverse developments with respect to financial institutions and associated liquidity risk; and
- the impact of the political and security situation in Israel on our business.

The foregoing list sets forth some, but not all, of the factors that could affect our ability to achieve results described in any forward-looking statements. You should read Form 10-Q and the documents that we reference herein and have filed as exhibits to the Quarterly Report on Form 10-Q completely and with the understanding that our actual results may differ materially from what we expect. You should assume that the information appearing in this Quarterly Report on Form 10-Q is accurate as of the date hereof. Because the page 18 of our Annual Report, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not rely on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may affect our actual results materially from those contained in any forward-looking statements. We qualify all of the information presented in this Quarterly Report on Form 10-Q, and particularly our forward-looking statements, by these cautionary statements.

Unless the context otherwise requires, all references to "we," "us," "our" or "the Company" in this Quarterly Report on Form 10-Q are to MySize, Inc., a Delaware corporation including MySize Israel 2014 Ltd. My Size LLC, Orgad International Marketing Ltd., or Orgad, and Naiz Bespoke Technologies, S.L. or Naiz Fit, taken as a whole.

References to "U.S. dollars" and "\$" are to currency of the United States of America, and references to "NIS" are to New Israeli Shekels. Unless otherwise indicated, U.S. amounts presented in this Quarterly Report on Form 10-Q for three months ended on **June 30, 2023** September 30, 2023 are translated using the rate of NIS **3.700** 3.824 to \$1.00.

All information in this Quarterly Report on Form 10-Q relating to shares or price per share reflects the 1-for-25 reverse stock split effected by us on December 8, 2022.

Overview

We are an omnichannel e-commerce platform and provider of AI-driven SaaS measurement solutions, including MySizeID and our recently acquired subsidiary SaaS technology solutions that solve size and fit issues and AI solutions for smarter design through data driven decisions for fashion ecommerce companies, and operating in the global markets. To date, we have generated almost all our revenue as a third-party seller on Amazon. Our advanced software and solutions assists us in products that can drive growth and provides a user-friendly experience and best customer service.

Our flagship innovative tech products, MySizeID, enables shoppers to generate highly accurate measurements of their body to find the accurate fitting apparel on their mobile phone or through the MySizeID Widget: a simple questionnaire which uses a database collected over the years.

MySizeID syncs the user's measurement data to a sizing chart integrated through a retailer's (or a white labeled) mobile application, and only presents items for measurements to ensure a correct fit.

We are positioning ourselves as a consolidator of sizing solutions and a provider of a new digital experience due to recent technological developments for the fashion industry. Our other product offerings include First Look Smart Mirror for physical stores and Smart Catalog to empower brand design teams, which are designed to increase efficiency, contributing to a sustainable world and reducing operation costs.

Recent Developments

Warehouse Fire

On January 2, 2023, Orgad experienced a fire at its warehouse in Israel. We are not aware of any casualties or injuries associated with the fire. We shifted our operations to a different location and are currently operating from there. The value of the inventory that was in the warehouse was approximately \$640,000. We believe that this incident did not affect the future sales results of the company. The inventory was not insured, we and the lessor signed an agreement to settle the issue in which we paid to the lessor an amount of \$50,000 to cover his loss.

January 2023 Financing

In addition, we entered into a securities purchase agreement, or the PIPE Purchase Agreement, and together with the RD Purchase Agreement, the Purchase which we agreed to sell and issue in the PIPE Offering an aggregate of up to 540,098 unregistered Pre-funded Warrants and unregistered warrants to purchase up to shares of common stock, or the PIPE Warrants and together with the RD Warrants, the Warrants, consisting of Series A Warrants to purchase up to 540,098 shares of common stock at an offering price of \$3.054 per Pre-funded Warrant and associated Series A and Series B Warrants.

The Pre-funded Warrants are immediately exercisable at an exercise price of \$0.001 per share and will not expire until exercised in full. The Warrants are immediately exercisable at an exercise price of \$2.805 per share, subject to adjustment as set forth therein. The Series A Warrants have a term of five and one-half years from the date of issuance at an exercise price of \$2.805 per share, subject to adjustment as set forth therein. The Series A Warrants have a term of five and one-half years from the date of issuance at an exercise price of \$2.805 per share, subject to adjustment as set forth therein. The Warrants have a term of 28 months from the date of issuance. The Warrants may be exercised on a cashless basis if there is no effective registration statement registered under the Securities Act of 1933, as amended, covering the Warrants.

In connection with the PIPE Purchase Agreement, we entered into a registration rights agreement, or the Registration Rights Agreement. Pursuant to the Registration Rights Agreement, we are required to file a resale registration statement, or the Registration Statement, with the Securities and Exchange Commission, or the SEC, to register for resale the exercise of the unregistered Pre-funded Warrants and the Series A and Series B Warrants, within 20 days of the signing date of the PIPE Purchase Agreement, or the Signing Date. The Registration Statement declared effective within 60 days after the Signing Date in the event the Registration Statement is not reviewed by the SEC, or 90 days of the Signing Date if the Registration Statement is reviewed by the SEC. we will be obligated to pay certain liquidated damages if we fail to maintain the effectiveness of the Registration Statement.

The Purchase Agreements and the Registration Rights Agreements also contain representations, warranties, indemnification and other provisions customary in this nature. In addition, subject to limited exceptions, the Purchase Agreements provide that for a period of one year following the closing of the Offerings, we will not enter into any agreement to effect a "variable rate transaction" as defined in the Purchase Agreements.

Aggregate gross proceeds to the Company in respect of the Offerings was approximately \$3.0 million, before deducting fees payable to the placement agent and payable by the Company.

We also entered into a letter agreement, or the Engagement Agreement, with H.C. Wainwright & Co., LLC, or Wainwright, pursuant to which Wainwright agreed to act as placement agent for the Company in connection with the Offerings. We paid Wainwright a cash placement fee equal to 7% of the aggregate gross proceeds raised in the Offerings, a non-accountable expense allowance of \$85,000 and clearing fees of \$15,950. Wainwright also issued warrants, or the Placement Agent Warrants, with substantially the same terms as the Series A Warrants issued in the Offering in an amount equal to 7% of the aggregate Pre-funded Warrants sold in the Offerings, or 68,740 shares, at an exercise price of \$3.8188 per share and a term expiring on January 10, 2028.

Strategic Operational Changes

During May 2023, we initiated a transfer of the support, development and customer success operations to our recently acquired Spanish entity, Naiz Fit, thus improving efficiency and lower costs between the Company's operations in Israel and Naiz Fit. As part of this, we reduced headcount by 13 persons in Israel, including the termination of the Head of Sales, Ezequiel Javier Brandwain. This restructuring did not have a material impact on the Company's results. The Company expects it to lower future operating costs by 10% on revenues.

In addition, during 2023, Orgad made a strategic shift to utilizing Fulfillment by Amazon (FBA) rather than fulfilling directly, reducing exposure to inventory operating efficiencies.

Option Repricing

On July 13, 2023, the compensation committee of our board of directors reduced the exercise price of outstanding options of certain officers and directors aggregate of 23,575 shares of common stock (with exercise prices of \$26.00 per share) to \$1.09 per share, which was the closing price for our shares of common stock on the Nasdaq Capital Market on July 13, 2023. The exercise price reduction includes options held by, among others, our named executive officers with respect to the following number of shares: (i) Orgad, the Company's Chief Executive Officer and director: 8,001 shares, (ii) Or Kles, the Company's Chief Financial Officer: 5,760 shares, and (iii) Billy Pardo, the Company's Chief Officer: 6,094 shares.

Warrant Repricing

On August 24, 2023, we entered into an inducement offer letter agreement, or the Inducement Letter, with a certain holder, or the Holder, of certain of our existing warrants, to exercise for cash its Existing Warrants to purchase an aggregate of 2,018,012 shares of our common stock at an exercise price of \$2.09 per share, up to (i) 1,963,994 shares of our common stock issued on January 12, 2023 at an exercise price of \$2.805 per share, or the January 2023 Warrants, (ii) 6,864 shares of our common stock issued on January 17, 2020 at an exercise price of \$94.00 per share, or the January 2020 Warrants, and (ii) 47,153 shares of our common stock issued on October 28, 2021 at an exercise price of \$1.09 per share, having terms ranging from 28 months to five and one-half years, or the October 2021 Warrants and together with the January 2023 Warrants and the January 2020 Warrants.

Pursuant to the Inducement Letter, the Holder agreed to exercise for cash its Existing Warrants to purchase an aggregate of 2,018,012 shares of our common stock at an exercise price of \$2.09 per share in consideration of our agreement to issue new common stock purchase warrants, or the New Warrants, as described below, to purchase up to 141,261 shares of our common stock, or the New Warrant Shares, at an exercise price of \$2.09 per share. We received aggregate gross proceeds of approximately \$4.2 million from the exercise of the Existing Warrants by the Holder, before deducting placement agent fees and other offering expenses payable by us. The closing of the transaction contemplated by the Inducement Letter is expected to occur on August 28, 2023.

We also engaged Wainwright, or the Placement Agent, to act as our exclusive placement agent in connection with the transactions contemplated by the Inducement Letter. The Placement Agent will issue the Placement Agent warrants, or the Placement Agent Warrants, to purchase up to 141,261 shares of our common stock (representing 7.0% of the Existing Warrants that have been exercised), which will have the same terms as the New Warrants except the Placement Agent Warrants will have an exercise price equal to \$2.6125 per share (125% of the exercise price of the Existing Warrants). Similar to the New Warrants, the Placement Agent Warrants will be immediately exercisable on or after the Stockholder Approval Date (as defined in the Inducement Letter). The issuance of the New Warrant Shares is subject to stockholder approval under applicable rules and regulations of The Nasdaq Capital Market, or the Stockholder Approval. The Stockholder Approval has been included as an agenda item at our upcoming annual meeting of stockholders to be held on December 27, 2023, or the 2023 Annual Meeting, and is preliminary proxy statement with respect to the 2023 Annual Meeting as filed with the U.S. Securities and Exchange Commission on November 14, 2023. If the event that the Stockholder Approval is not obtained by our stockholders at the 2023 Annual Meeting, we have agreed to call a meeting every 90 days thereafter to seek Stockholder Approval until the Stockholder Approval is obtained or the Inducement Warrants are no longer outstanding. Upon any exercise for cash of any New Warrants, we have agreed to issue the New Warrant Shares representing 7.0% of the shares of common stock underlying such New Warrants.

Hamas-Israel War

In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Hamas conducted rocket attacks on the Israeli population and industrial centers located along Israel's border with the Gaza Strip and in other areas within the State of Israel. These attacks resulted in numerous deaths and injuries, and Hamas additionally kidnapped many Israeli civilians and soldiers. Following the attack, Israel's security cabinet declared war against Hamas and launched a military campaign against Hamas and other terrorist organizations in parallel to their continued rocket and terror attacks. We cannot currently predict the intensity or duration of the war between Israel and Hamas, nor can we predict how this war will ultimately affect our business and operations or Israel's economy in general.

Operations in Russia

In addition to our Israel operations, we have operations in Russia through our wholly owned subsidiary, My Size LLC. Specifically, we undertake some of our operations in Russia through our subsidiary, My Size LLC. We have personnel located in Russia. To date, mainly due to the invasion of Ukraine by Russia and the ongoing sanctions, we scaled back and we expect to close down our subsidiary in Russia in the future.

Results of Operations

The table below provides our results of operations for the periods indicated.

	Three months ended September 30		Nine months September	
	2023		2022	
	(dollars in thousands)			
Revenues	\$ 2,156	\$ 726	\$ 4,166	
Cost of revenues	(780)	(877)	(2,698)	
Gross profit (loss)	1,376	(151)	1,468	
Research and development expenses	(242)	(350)	(811)	
Sales and marketing	(952)	(672)	(2,598)	
General and administrative	(1,287)	(802)	(3,210)	
Operating loss	(1,105)	(1,975)	(5,151)	
Financial income (expenses), net	22	(51)	(78)	
Equity accounted losses	(9)	-	(48)	
Tax income	(40)	-	200	
Net loss	\$ (1,132)	\$ (2,026)	\$ (5,077)	
Three months ended June 30				Six months June
2023		2022		2023
(dollars in thousands)				(dollars in thousands)
Revenues	\$ 1,290	\$ 801	\$ 2,010	
Cost of revenues	(771)	(479)	(1,918)	
Gross profit	519	322	92	
Research and development expenses	(227)	(390)	(569)	
Sales and marketing	(967)	(895)	(1,646)	
General and administrative	(879)	(689)	(1,923)	
Operating loss	(1,554)	(1,652)	(4,046)	
Financial income (expenses), net	46	(64)	(100)	
Equity accounted losses	(5)	-	(39)	
Tax income	222	-	240	
Net loss	\$ (1,291)	\$ (1,716)	\$ (3,945)	

Six Nine and Three Months Ended June 30, 2023 September 30, 2023 Compared to Six Nine and Three Months Ended June 30, 2022 September 30, 2022

Revenues

From inception through December 31, 2018, we did not generate any revenue from operations and we continue to expect to incur additional losses to perform development activities. We started to generate revenues only in 2019. Our revenues for the six nine months ended June 30, 2023 September 30, 2023 amounted to \$2,010,000 to \$1,205,000 \$1,931,000 for the six nine months ended June 30, 2022 September 30, 2022.

Our revenues for the three months ended June 30, 2023 September 30, 2023 amounted to \$1,290,000 \$2,156,000 compared to \$801,000 \$726,000 for the three months ended June 30, 2022 September 30, 2022. The increase in the six nine months ended June 30, 2023 September 30, 2023 from the corresponding period is primarily attributable to (i) revenue that was consolidated for the full six nine months in 2023 as opposed to just two eight months in the corresponding period in 2022, and (ii) revenue generated from Naiz Fit in October 2022. The increase in the three months ended June 30, 2023 September 30, 2023 from the corresponding period is primarily attributable to an increase in revenue generated from Naiz Fit.

Cost Of Revenues

Our cost of revenues expenses for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** amounted to **\$1,918,000** **\$2,698,000** compared to **\$730,000** **\$1,000,000** months ended **June 30, 2022** **September 30, 2022**. The increase in comparison with the corresponding period was mainly due to an inventory mark-down of \$643,000 due in Orgad's warehouse during January 2023 and an increase in revenues as described above.

Our cost of revenues expenses for the three months ended **June 30, 2023** **September 30, 2023** amounted to **\$771,000** **\$780,000** compared to **\$479,000** **\$877,000** for **June 30, 2022** **September 30, 2022**. The increase in comparison with the corresponding period was mainly due an increase in revenues as described above.

Research and Development Expenses

Our research and development expenses for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** amounted to **\$569,000** **\$811,000** compared to **\$802,000** **\$800,000** months ended **June 30, 2022** **September 30, 2022**. The decrease from the corresponding period was mainly due to a decrease in salaries expenses due to reduced head subcontractor expenses.

Our research and development expenses for the three months ended **June 30, 2023** **September 30, 2023** amounted to **\$227,000** **\$242,000** compared to **\$390,000** **\$390,000** months ended **June 30, 2022** **September 30, 2022**. The decrease from the corresponding period was mainly due to a decrease in salaries expenses due to reduced head subcontractor expenses.

Sales and Marketing Expenses

Our sales and marketing expenses for the six nine months ended June 30, 2023 September 30, 2023 amounted to \$1,646,000 \$2,598,000 compared to \$1,854,000 months ended June 30, 2022 September 30, 2022. The decrease increase primarily resulted from an increase in Amazon fees due to the increase in sales offset by a decrease to reduced headcount, consultant expenses, travel and marketing expenses offset by an increase in Amazon fees. expenses.

Our sales and marketing expenses for the three months ended June 30, 2023 September 30, 2023 amounted to \$967,000 \$952,000 compared to \$895,000 \$672,000 ended June 30, 2022 September 30, 2022. The increase primarily resulted from an increase in Amazon fees due to the increase in sales offset by a decrease in salary headcount, consultant expenses, travel and marketing expenses.

General and Administrative Expenses

Our general and administrative expenses for the six nine months ended June 30, 2023 September 30, 2023 amounted to \$1,923,000 \$3,210,000 compared to \$1,911,000 six nine months ended June 30, 2022 September 30, 2022. The increase compared to the corresponding period was mainly due to an increase in employee salaries mainly due to Naiz acquisitions and an increase in professional expenses.

Our general and administrative expenses for the three months ended June 30, 2023 September 30, 2023 amounted to \$879,000 \$1,287,000 compared to \$689,000 months ended June 30, 2022 September 30, 2022. The increase compared to the corresponding period was mainly due to an increase in employee salaries mainly due to Naiz acquisitions and an increase in professional expenses.

Operating Loss

As a result of the foregoing, for the six nine months ended June 30, 2023 September 30, 2023, our operating loss was \$4,046,000, an increase \$5,151,000, a decrease of 7.7% 10.1%, compared to our operating loss for the six nine months ended June 30, 2022 September 30, 2022 of \$3,757,000. \$5,732,000.

As a result of the foregoing, for the three months ended June 30, 2023 September 30, 2023, our operating loss was \$1,554,000 \$1,105,000 a decrease of \$98,000 compared to our operating loss for the three months ended June 30, 2022 September 30, 2022 of \$1,652,000. \$1,975,000.

Financial Income (Expenses), Net

Our financial expense, expenses, net for the six nine months ended June 30, 2023 September 30, 2023, amounted to \$100,000 \$78,000 compared to financial expense for the six nine months ended June 30, 2022 September 30, 2022. The increase compared to the corresponding period was mainly due to an increase in financial differences.

Our financial income, net for the three months ended June 30, 2023 September 30, 2023, amounted to \$46,000 \$22,000 as opposed to financial expense of \$64,000 months ended June 30, 2022 September 30, 2022. The increase compared to the corresponding period was mainly due to an increase in financial expenses exchange rate differences.

Net Loss

As a result of the foregoing, our net loss for the six nine months ended June 30, 2023 September 30, 2023, was \$3,945,000. \$5,077,000, compared to net loss of \$3,945,000 six nine months ended June 30, 2022 September 30, 2022.

As a result of the foregoing, our net loss for the three months ended June 30, 2023 September 30, 2023 was \$1,291,000. \$1,132,000, compared to net loss of \$1,291,000 three months ended June 30, 2022 September 30, 2022. The decrease in net loss was mainly due to the reasons mentioned above.

Liquidity and Capital Resources

Since our inception, we have funded our operations primarily through public and private offerings of debt and equity in the State of Israel and in the U.S.

As of **June 30, 2023** **September 30, 2023**, we had cash, cash equivalents, and restricted cash of **\$1,250,000** **\$3,767,000** compared to **\$2,363,000** of cash, cash equivalents and restricted cash as of December 31, 2022. This decrease increase primarily resulted from the public and private offerings that we completed in January 2023 and the offering that was completed by our operating activities, the acquisition of Orgad and Naiz Fit, and resources that were deployed to grow both businesses offset by the public and private offerings completed in January 2023. **businesses.**

Cash used in operating activities amounted to \$3,640,000 for the six months ended June 30, 2023 compared to \$4,070,000 for the six months ended June 30, 2022. The decrease in cash used in operating activity is derived mainly from a decrease in trade payables, account receivables in the net loss offset by an increase in inventory and the net loss.

There was no net cash used in investing activities compared to cash used in investing activities of \$325,000 for the six months ended June 30, 2022.

Net cash provided by financing activities was \$2,596,000 for the six months ended June 30, 2023 as opposed to net cash use \$24,000 for the six months ended June 30, 2022. The cash flow from financing activities for the six months ended June 30, 2023 Sep from the public and private offering offerings that occurred in January and August 2023.

We expect that we will continue to generate losses and negative cash flows from operations for the foreseeable future. Based on the projected cash flows and cash available as of September 30, 2023, we believe our existing cash will not be sufficient to fund operations for a period of more than 12 months. As a result, there is substantial doubt about our ability to continue as a going concern. We will need to raise additional capital, which may not be available on reasonable terms or at all. Additional capital would be used to accomplish the following:

- finance our current operating expenses;
- pursue growth opportunities;
- hire and retain qualified management and key employees;
- respond to competitive pressures;
- comply with regulatory requirements; and
- maintain compliance with applicable laws.

Current conditions in the capital markets are such that traditional sources of capital may not be available to us when needed or may be available only on unfavorable terms. Our ability to raise additional capital, if needed, will depend on conditions in the capital markets, economic conditions, the Russian invasion of Ukraine, and a number of other factors outside our control, and on our financial performance. Accordingly, we cannot assure you that we will be able to successfully raise additional capital at all or on terms that are favorable to us. If we are unable to raise additional capital when needed, it may have a material adverse effect on our business, results of operations and financial condition.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of such securities could result in substantial dilution to our stockholders. The terms of any securities issued by us in future capital transactions may be more favorable to new investors, and may include preferences, superior voting rights or other features of warrants or other derivative securities, which may have a further dilutive effect on the holders of any of our securities then-outstanding. We may issue additional shares of our common stock or securities convertible into or exchangeable or exercisable for our common stock in connection with hiring or retaining personnel, option or warrant exercises, future placements of our securities for capital-raising or other business purposes. The issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our common stock to decline and existing stockholders may not agree with our financing plans or the terms of such financings. In addition, we may be required to recognize non-cash expenses in connection with certain securities we issue, such as convertible notes and warrants, which may adversely impact our financial condition. Any additional debt or equity financing that we may need may not be available on terms favorable to us, or at all. If we are unable to obtain such additional financing, we may have to curtail our development activities and growth plans and/or be forced to sell assets, perhaps on unfavorable terms, or we may have to cease our operations, which may have an adverse effect on our business, results of operations and financial condition.

We have not entered into any transactions with unconsolidated entities in which we have financial guarantees, subordinated retained interests, derivative contingent arrangements that expose us to material continuing risks, contingent liabilities or any other obligations under a variable interest in an unconsolidated entity, financing, liquidity, market risk or credit risk support.

Critical Accounting Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which we have prepared in accordance with generally accepted accounting principles issued by the Financial Accounting Standards Board, or FASB. The preparation of these financial statements requires us to make assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statement: expenses during the reporting periods. Actual results may differ from these estimates under different assumptions or conditions.

Our significant accounting policies were revenue from contracts with customers which are more fully described in the notes to our financial statements. The accounting policies discussed below are critical to our financial results and to the understanding of our past and future performance, as these policies relate to the more management's estimates and assumptions. We consider an accounting estimate to be critical if: (1) it requires us to make assumptions because information was not included in the financial statements; and (2) changes in the estimate could have a material impact on our financial operations.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

Not required for a smaller reporting company.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Act, as amended, or the Exchange Act, and the rules and regulations thereunder, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules. Such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to facilitate the preparation of our reports. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well conceived and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the controls and procedures.

As required by Rule 13a-15(b) under the Exchange Act, our management, under the supervision and with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e)) as of September 30, 2023. Based upon such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of September 30, 2023 were effective.

Our Chief Executive Officer and Chief Financial Officer do not expect that our disclosure controls and procedures or our internal controls will prevent all errors and omissions. No matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of controls reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no matter how well conceived and operated, can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Changes in Internal Controls

During the most recent fiscal quarter, no change has occurred in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 1. Legal Proceedings.

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation, uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

North Empire LLC

On August 7, 2018, we commenced an action against North Empire LLC, or North Empire, in the Supreme Court of the State of New York, County of New York Purchase Agreement or Agreement in which we are seeking damages in an amount to be determined at trial, but in no event less than \$616,000. On August 2, 2018, North Empire filed a complaint against us, also in the same Court, in which they allege damages in an amount of \$11.4 million arising from an alleged breach of the Agreement. On September 20, 2018, we filed a Notice of Discontinuance of the action it had filed on August 2, 2018. On September 27, 2018, North Empire filed an answer and asserted counterclaims in the complaint against them, alleging that we failed to deliver stock certificates to North Empire causing damage to North Empire in the amount of \$10,958,589. North Empire also filed a motion for summary judgment against our CEO and now former Chairman of the Board asserting similar claims against them in their individual capacities. On October 17, 2018, we filed a reply to North Empire's motion for summary judgment. On November 15, 2018, our CEO and now former Chairman of the Board filed a motion to dismiss North Empire's third-party complaint. On January 6, 2020, the Court dismissed the third-party complaint. Discovery has been completed and both parties have filed motions for summary judgment in connection with the claims and counterclaims. On January 20, 2021, the Court denied both My Size and North Empire's motions for summary judgment, arguing there were factual issues to be determined at trial. On January 26, 2022, the Company filed a notice of appeal of the summary judgment decision. On February 3, 2022, the Company filed a motion to reargue the Court's decision denying the Company's motion for summary judgment. On or about September 12, 2022, the Court issued its Decision and Order denying the Company's motion to reargue. North Empire filed its opposing brief on December 7, 2022, and the Court issued its Decision and Order on January 13, 2023. Oral argument was held before the Court on January 13, 2023. On or about February 7, 2023, the Appellate Court filed its Decision and Order, which affirmed the lower court's decisions regarding both My Size and North Empire's motions for summary judgment and sent the case back to the Supreme Court. On or about March 13, 2023, the Supreme Court referred the case to its Alternative Dispute Program to mediate. The mediation was held on July 26, 2023 and various settlement options were explored. A second day of mediation was held on August 1, 2023, but the mediation has been scheduled for a third day on August 2, 2023. We intend to vigorously defend any claims made by North Empire. We believe it is more likely than not that the counterclaims will be denied.

Item 1A. Risk Factors.

Not required Except as set forth below in this Item 1A and the Risk Factors included in our previous filings made with the SEC, there have been no material factors from those disclosed in "Part I. Item 1A. Risk Factors" in the Form 10-K filed with the SEC on April 14, 2023.

Security, political and economic instability in the Middle East may harm our business.

Our executive office is located in Tel Aviv, Israel. In addition, certain of our key employees, officers and directors are residents of Israel. According to the Israel Central Bureau of Statistics, the number of armed conflicts between Israel and its neighboring countries and terrorist organizations active in the region, including Hamas (an Islamist militia and political group) and Hezbollah (an Islamist militia and political group in Lebanon).

In particular, in October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilians. Hamas also launched extensive rocket attacks on the Israeli population and industrial centers located along Israel's border with the Gaza Strip and in the northern part of the State of Israel. These attacks resulted in thousands of deaths and injuries, and Hamas additionally kidnapped many Israeli civilians and soldiers. Following the attacks, the Israeli security cabinet declared war against Hamas and commenced a military campaign against Hamas and these terrorist organizations in parallel continuing attacks.

We cannot currently predict the intensity or duration of Israel's war against Hamas, nor can we predict how this war will ultimately affect our business or Israel's economy in general.

Additionally, political uprisings, social unrest and violence in various countries in the Middle East, including Israel's neighbor Syria, have affected those countries. This instability may lead to deterioration of the political relationships that exist between Israel and certain countries and have raised security in the region and the potential for armed conflict. In addition, Iran has threatened to attack Israel. Iran is also believed to have a strong influence over the government, Hamas and Hezbollah. These situations may potentially escalate in the future into more violent events which may affect Israel and us. The conflicts which involved missile strikes against civilian targets in various parts of Israel have in the past negatively affected business conditions in Israel.

Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners could have a material adverse effect on our business. The political and security situation in Israel may result in parties with whom we have contracts claiming that they are not obligated to perform under those agreements pursuant to force majeure provisions. These or other Israeli political or economic factors could harm our operations and products. Hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners could adversely affect our operations and make it more difficult for us to raise capital. We could experience disruptions if acts associated with such conflicts result in any serious damage to our facilities, equipment or products. Some countries, as well as certain companies and organizations, continue to restrict business with Israel and Israeli companies, which could have an adverse effect on our financial condition. Our business interruption insurance may not adequately compensate us for losses, if at all, that may occur as a result of an emergency or security situation in the Middle East, and any losses or damages incurred by us could have a material adverse effect on our business. If we fail to comply with the continued listing requirements of the Nasdaq Capital Market, our common stock may be delisted and the price of our common stock to access the capital markets could be negatively impacted.

Nasdaq has established certain standards for the continued listing of a security on the Nasdaq Capital Market. The standards for continued listing require, among other things, that the minimum bid price for the listed securities not fall below \$1.00 per share for a smaller reporting company for a period of 30 consecutive trading days and maintain a minimum of \$2,500,000 in shareholders' equity.

On November 3, 2023, we were notified, or the Notification Letter, by the Nasdaq Listing Qualifications that we are not in compliance with the requirements set forth in Nasdaq Listing Rule 5550(a)(2), or the Rule, for continued listing on The Nasdaq Capital Market. The Notification Letter provides us with 180 calendar days, or until May 1, 2024, to regain compliance with the Rule. To regain compliance, the bid price of our common stock must have a closing bid price of at least \$1.00 per share for a minimum of 10 consecutive business days. In the event we do not regain compliance by July 5, 2022, we may then be eligible for additional time to regain compliance. We will be subject to a continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the Rule. We will be subject to the Rule if we do not qualify for the continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the Rule, and will need to provide written notice of our intention to cure the deficiency during the second compliance period. If we do not qualify for the continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the Rule, or fail to regain compliance during the second compliance period, then Nasdaq will notify us of its determination to delist our common stock, at which time we will have an opportunity to appeal the delisting determination to a Hearings Panel.

No assurance can be given that we will be able to regain compliance with the Rule. Failure to meet applicable Nasdaq continued listing standards will result in the delisting of our common stock. A delisting of our common stock from Nasdaq could materially reduce the liquidity of our common stock and result in a reduction in the price of our common stock. In addition, delisting could harm our ability to raise capital through alternative financing sources on terms that are favorable to us, and may result in the potential loss of confidence by investors, employees and fewer business development opportunities.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the quarter ended **June 30, 2023** **September 30, 2023**, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" (in each case, as defined in Item 408 of Regulation S-K).

Item 6. Exhibits.

Exhibit Number	Description of Exhibits
31.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C Section 1350, as adopted Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C Section 1350, as adopted Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Schema
101.CAL*	Inline XBRL Taxonomy Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Label Linkbase
101.PRE*	Inline XBRL Taxonomy Presentation Linkbase
104*	Cover Page Interactive Data File (formatted as Inline XBRL document and contained in Exhibit 101)

* Filed herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 the registrant has duly caused this report to be signed on its behalf by the following persons authorized.

My Size, Inc.

Date: **August 14, 2023** November 14, 2023

By: _____

/s/ Ronen Luzon

Ronen Luzon

Chief Executive Officer
(Principal Executive Officer)

Date: **August 14, 2023** November 14, 2023

By: _____

/s/ Or Kles

Or Kles

Chief Financial Officer
(Principal Financial and Accounting Officer)

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Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and pursuant to Rule 13a-14(a) and Rule 15d-14 under the Securities Exchange Act of 1934

I, Ronen Luzon certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of My Size, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information required to be disclosed by the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, including conclusions about the effectiveness of any disclosure controls and procedures that may have been designed under our supervision, as of the end of the period covered by this report based on such evaluations; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect our ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **August 14, 2023** November 14, 2023

By: _____

/s/ Ronen Luzon

Ronen Luzon

Chief Executive Officer
(Principal Executive Officer)

**Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002 and pursuant to Rule 13a-14(a) and Rule 15d-14 under the
Securities Exchange Act of 1934**

I, Or Kles, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of My Size, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information required to be disclosed by the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, including the remediation, if any, of significant deficiencies;
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that may reasonably be expected to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect our ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2023 November 14, 2023

By: _____

/s/ Or Kles

Or Kles

Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATIONS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of My Size, Inc. (the "Company") on Form 10-Q for the quarter ended **June 30, 2023** **September 30, 2023** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronen Luzon, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to the Sarbanes-Oxley Act of 2002, that:

(1) The Company's Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 14, 2023 November 14, 2023

By: _____

/s/ Ronen Luzon

Ronen Luzon

Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATIONS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of My Size, Inc. (the "Company") on Form 10-Q for the quarter ended **June 30, 2023** **September 30, 2023** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Or Kles, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted by the Sarbanes-Oxley Act of 2002, that:

- (1) The Company's Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: **August 14, 2023** **November 14, 2023**

By: _____

/s/ Or Kles

Or Kles

Chief Financial Officer
(Principal Financial and Accounting Officer)

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