

# 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 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

(State or other jurisdiction of  
incorporation or organization)

51-0394637

(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 checked="" type="checkbox"/>	Smaller reporting company	<input checked="" 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, 2,438,780 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 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  
(unaudited)  
U.S. Dollars in Thousands**

**Condensed Consolidated Interim Financial Statements as of June 30, 2023 (Unaudited)**  
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MY SIZE, INC. AND ITS SUBSIDIARIES

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)
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	1,127	2,100
Restricted cash	123	263
Inventory	1,043	997
Account receivables	754	1,940
Other receivables and prepaid expenses	945	758
<b>Total current assets</b>	<b>3,992</b>	<b>6,058</b>
Long term deposits	27	28
Property and equipment, net	130	140
Operating right-of-use asset	430	583
Intangible assets	1,228	1,377
Goodwill	1,403	1,395
Investment in JV	58	99
Investment in marketable securities	26	47
<b>Total non-current assets</b>	<b>3,302</b>	<b>3,669</b>
<b>Total assets</b>	<b>7,294</b>	<b>9,727</b>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities:</b>		
Operating lease liability	145	159
Bank overdraft and short-term loans	152	155
Trade payables	1,531	2,487
Liabilities to Related parties	622	698
Other payables	657	680
<b>Total current liabilities</b>	<b>3,107</b>	<b>4,179</b>
Long-term loans	306	376
Deferred tax liabilities	244	328
Operating lease liability	204	308
<b>Total non-current liabilities</b>	<b>754</b>	<b>1,012</b>
<b>Total liabilities</b>	<b>3,861</b>	<b>5,191</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>Stockholders' equity:</b>		
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
Additional paid-in capital	61,553	58,673
Accumulated other comprehensive loss	(676)	(637)
Accumulated deficit	(57,446)	(53,501)
<b>Total stockholders' equity</b>	<b>3,433</b>	<b>4,536</b>
<b>Total liabilities and stockholders' equity</b>	<b>7,294</b>	<b>9,727</b>

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,		Three-Months Ended June 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenues</b>	2,010	1,205	1,290	801
<b>Cost of revenues (*)</b>	(1,918)	(730)	(771)	(479)
<b>Gross profit</b>	92	475	519	322
<b>Operating expenses</b>				
Research and development	(569)	(802)	(227)	(390)
Sales and marketing	(1,646)	(1,854)	(967)	(895)
General and administrative	(1,923)	(1,576)	(879)	(689)
Total operating expenses	(4,138)	(4,232)	(2,073)	(1,974)
<b>Operating loss</b>	(4,046)	(3,757)	(1,554)	(1,652)
Financial income (expenses), net	(100)	(147)	46	(64)
Equity loss of equity method investees	(39)	-	(5)	-
<b>Loss before taxes</b>	(4,185)	(3,904)	(1,513)	(1,716)
Taxes on income	240	-	222	-
<b>Net loss</b>	(3,945)	(3,904)	(1,291)	(1,716)
<b>Other comprehensive income (loss):</b>				
Foreign currency translation differences	(39)	122	(24)	64
<b>Total comprehensive loss</b>	(3,984)	(3,782)	(1,315)	(1,652)
Basic and diluted loss per share**	(1.80)	(3.88)	(0.53)	(1.68)
Basic and diluted weighted average number of shares outstanding**	2,190,758	1,005,120	2,444,146	1,018,550

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

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

	<b>Common stock</b>		<b>Additional paid-in capital</b>	<b>Accumulated other comprehensive loss</b>	<b>Accumulated deficit</b>	<b>Total stockholders' equity</b>
	<b>Number</b>	<b>Amount</b>				
Balance as of January 1, 2023	1,464,117	1	58,673	(637)	(53,501)	4,536
Stock-based compensation related to options granted to employees and consultants	(8,000)	*	222	-	-	222
Issuance of shares, net of issuance cost of \$341 <sup>(**)</sup>	162,000	*	2,658	-	-	2,658
Exercise of warrants and prefunded warrants	820,663	1	-	-	-	1
Total comprehensive loss	-	-	-	(39)	(3,945)	(3,984)
Balance as of June 30, 2023	<u>2,438,780</u>	<u>2</u>	<u>61,553</u>	<u>(676)</u>	<u>(57,446)</u>	<u>3,433</u>

(\*) Represents an amount less than \$1

	<b>Common stock</b>		<b>Additional paid-in capital</b>	<b>Accumulated other comprehensive loss</b>	<b>Accumulated deficit</b>	<b>Total stockholders' equity</b>
	<b>Number</b>	<b>Amount**</b>				
Balance as of January 1, 2022	959,300	1	56,453	(406)	(45,191)	10,857
Stock-based compensation related to options granted to employees and consultants	-	-	162	-	-	162
Issuance of shares in Business Combination	62,777	*	458	-	-	458
Total comprehensive loss	-	-	-	122	(3,904)	(3,782)
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>

(\*) Represents an amount less than \$1

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

	<b>Common stock</b>		<b>Additional paid-in capital</b>	<b>Accumulated other comprehensive loss</b>	<b>Accumulated deficit</b>	<b>Total stockholders' equity</b>
	<b>Number</b>	<b>Amount</b>				
Balance as of April 1, 2023	2,446,780	2	61,467	(652)	(56,155)	4,662
Stock-based compensation related to options granted to employees and consultants	(8,000)	*	86	-	-	86
Total comprehensive loss	-	-	-	(24)	(1,291)	(1,315)
Balance as of June 30, 2023	<u>2,438,780</u>	<u>2</u>	<u>61,553</u>	<u>(676)</u>	<u>(57,446)</u>	<u>3,433</u>

(\*) Represents an amount less than \$1

	<b>Common stock</b>		<b>Additional paid-in capital</b>	<b>Accumulated other comprehensive loss</b>	<b>Accumulated deficit</b>	<b>Total stockholders' equity</b>
	<b>Number</b>	<b>Amount</b>				
Balance as of April 1, 2022	1,015,101	1	57,025	(348)	(47,379)	9,298
Stock-based compensation related to options granted to employees and consultants	-	-	48	-	-	48
Issuance of shares in Business Combination (*)	6,976	*	-	-	-	1
Total comprehensive loss	-	-	-	64	(1,716)	(1,652)
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>

(\*) Represents an amount less than \$1

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

	Six-Months Ended June 30,	
	2023	2022
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities:</b>		
Net loss	(3,945)	(3,904)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	16	23
Change in operating lease right-of-use asset	88	20
Amortization of intangible assets	151	53
Change in warrants and derivatives	-	37
Change in liabilities to related parties	(76)	-
Interest of long-term liabilities	11	-
Interest paid	(11)	-
Revaluation of investment in marketable securities	23	11
Change in Investment in JV	39	-
Stock based compensation	222	162
Change in inventory	(95)	(455)
Change in deferred tax liabilities	(36)	(12)
Change in account receivable	1,119	(55)
Changes in operating lease liabilities	(68)	-
Change in other receivables and prepaid expenses	(205)	(170)
Change in trade payables	(888)	(300)
Change in account payables	15	520
Net cash used in operating activities	(3,640)	(4,070)
<b>Cash flows from investing activities:</b>		
Acquisition of a subsidiary, net of cash acquired	-	(300)
Purchase of property and equipment	-	(25)
Net cash used in investing activities	-	(325)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of shares, net of issuance costs	2,658	-
Loans received	-	18
Repayment of loans	(62)	(42)
Net cash provided by (used in) financing activities	2,596	(24)
Effect of exchange rate fluctuations on cash and cash equivalents	(69)	201
Increase (decrease) in cash, cash equivalents and restricted cash <sup>(*)</sup>	(1,113)	(4,218)
Cash, cash equivalents and restricted cash at the beginning of the period	2,363	10,943
Cash, cash equivalents and restricted cash at the end of the period	1,250	6,725
<b>Non cash activities:</b>		
Shares issued in Acquisition of a subsidiary	-	457

(\*) \$973 relates to change in cash and cash equivalents and, \$140 to change in restricted cash for the six months ended June 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 to the courier services 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 record measurements in 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 an online retailer 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, My Size LLC which was incorporated in the Russian Federation, and Naiz Fit, a limited liability company incorporated under the laws of Spain. References to the Company include the subsidiaries unless the context indicates otherwise.

- b. During the six-month period ended June 30, 2023, the Company has incurred significant losses and negative cash flows from operations and has an accumulated deficit of \$57,446. 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. Based on the projected cash flows and cash balances as of June 30, 2023, management is of the opinion that its existing cash will be sufficient to fund operations for a period less than 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 equity securities, debt or capital inflows from strategic partnerships. Additional funds may not be available when the Company needs them, on terms that are acceptable to it, or at all. If the Company is 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 fail to operate as a going concern.

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 reverse stock 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.

**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 the rules and regulations of the United States Securities and Exchange Commission (“SEC”). The unaudited condensed consolidated financial statements are comprised of the financial statements of the Company. In management’s opinion, the interim financial data presented includes all adjustments necessary for a fair presentation. All intercompany accounts and transactions have been eliminated. Operating results for the six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for any future period or for the year ending December 31, 2023.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and the notes thereto 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 applied in the preparation of the latest annual financial statements.

**Notes to Condensed Consolidated Interim Financial Statements (Unaudited)**  
**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 their fair value due to the 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 unrestricted equity 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		
	Fair value hierarchy		
	Level 1	Level 2	Level 3
Financial assets			
Investment in marketable securities <sup>(*)</sup>	-	26	-
8			

**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.)**

	<b>December 31, 2022</b>		
	<b>Fair value hierarchy</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>			
Investment in marketable securities <sup>(*)</sup>	-	47	-
Derivatives <sup>(**)</sup>		10	

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

(\*\*) The Derivatives includes in other receivables.

	<b>December 31, 2022</b>		
	<b>Fair value hierarchy</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial liabilities</b>			
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, Sales and Marketing and General and Administrative expenses as shown in the following table:

	<b>Six months ended June 30,</b>		<b>Three months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
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
	<u>222</u>	<u>162</u>	<u>86</u>	<u>48</u>

**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 may grant stock 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 under this plan, 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 to 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, 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 Award Agreement. The restricted shares vest 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 and on January 27, 2023, January 27, 2024 and January 27, 2025 for Ezequiel Javier Brandwain, conditioned upon continuous employment with the Company, and subject to accelerated vesting upon a 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 \$5.25 per share. The options vest in over three years in three equal portions from the vesting commencement date.

During the six and three-month period ended June 30, 2023, the Company did not grant any stock options 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 that were granted to Ezequiel Javier Brandwain were terminated and voided.

The total stock option compensation expense for employees during the six and three-month period ended June 30, 2023 and 2022 which was recorded was \$162, \$44, \$61 and \$15, respectively.

The total stock option compensation expense relating to the Orgad acquisition during the six and three-month period ended June 30, 2023 and 2022 which was recorded was \$60, \$118, \$25 and \$33, respectively.

**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 of New York for breach of 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. On August 2, 2018, North 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 an alleged breach of the 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, North Empire filed an answer and asserted counterclaims in the action commenced by the Company against them, alleging that the Company failed to deliver stock certificates to North Empire causing damage 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 Board asserting similar claims 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 Company’s 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 granted the motion and 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 December 30, 2021, the Court denied both the Company 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. North Empire will file its opposition papers on or before March 31, 2022, and the Company will file reply papers on April 29, 2022. 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. Both sides were given an 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 Court has scheduled oral 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, the Appellate Court filed its Decision and Order, which affirmed the lower court’s decisions regarding both the Company 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 and ordered the cases to mediate. The mediation was held on July 26, 2023 and various settlement options were explored. A second day of mediation has been scheduled for August 14, 2023. The Company intends to vigorously defend any claims made by North Empire.

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

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

**Note 6 – Operating Segments**

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 activity that was acquired by the Company, mainly operates on Amazon. The SaaS based innovative artificial intelligence driven measurement solutions, or SaaS Solutions operating segment consists of My Size Inc and My Size Israel and My Size LLC.

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

	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solutions</b>	<b>Naiz</b>	<b>Total</b>
<b>As of the Six month ended June 30, 2023</b>				
Revenues from external customers	1,738	88	184	2,010
Operating (loss) income	(956)	(2,794)	(296)	(4,046)

	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solution</b>	<b>Naiz</b>	
<b>As of June 30, 2023:</b>				
Assets		2,522	4,107	2,558

	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solutions</b>	<b>Naiz</b>	<b>Total</b>
<b>For the six months ended June 30, 2022</b>				
Revenues from external customers	1,112	93		1,205
Operating (loss) income	71	(3,828)		(3,757)

	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solutions</b>	<b>Naiz</b>	<b>Total</b>
<b>As of Three months ended June 30, 2023</b>				
Revenues from external customers	1,160	32	98	1,290
Operating (loss) income	(131)	(1,267)	(156)	(1,554)

	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solutions</b>	<b>Naiz</b>	<b>Total</b>
<b>As of Three months ended June 30, 2022</b>				
Revenues from external customers	752	49	-	801
Operating (loss) income	(2)	(1,650)	-	(1,652)

	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solutions</b>	<b>Naiz</b>	<b>Total</b>
<b>As of the year ended December 31, 2022</b>				
Revenues from external customers	4,132	224	103	4,459
Operating (loss) income	(591)	(7,181)	(338)	(8,110)

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

**Note 7 – Significant events during the reporting period**

- 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 Company shifted Orgad's 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 affect the future sales results of Orgad 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 to the lessor an amount of \$50 to cover his loss. The Company recognized the payment to the lessor as a general and administrative expense.
- 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 Company's shares of common stock and pre-funded warrants to purchase up to 278,899 shares of common stock and, in a concurrent private placement, unregistered warrants to purchase up to 883,798 shares of 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 shares of common stock, at an 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 and associated Series A and Series B warrants.

In addition, the Company entered into a securities purchase agreement (the “PIPE Purchase Agreement”) pursuant to which the Company agreed to sell and issue in a private 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 shares of common stock, 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 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 upon 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 and 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 statement registering the shares underlying the warrants.

In connection with the PIPE Purchase Agreement, we 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 issuable upon 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 (the “Signing Date”), and to have such 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 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 effectiveness of the Registration Statement.

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

As of June 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 agreed to serve as 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 clearing fees of \$15.95. 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 on January 10, 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, that is intended 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 in Israel, including the 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 it to lower future operating costs without significant impact on revenues.

#### **Note 8 – 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 and Chief Product Officer: 6,094 shares.

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

## 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 for the periods described. This discussion should be read together with our condensed consolidated interim financial statements and the notes to the financial statements, which are included in this Quarterly Report on 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 therein.

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 Act, and Section 21E of 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 events or performance are not 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," "anticipate," "estimate," "intend," "plan" and "would." For example, statements concerning financial condition, possible or assumed future results of operations, growth opportunities, industry ranking, plans and objectives of management, markets for our common stock and future management and organizational structure are all forward-looking statements. Forward-looking statements are not guarantees of performance. They involve known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to differ materially from any results, levels of activity, performance or achievements 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 risks, uncertainties and 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 this Quarterly Report on 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 future results may be materially different 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 risk factors referred to on 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 place undue reliance 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 for us 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 cause actual results to differ 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, and its subsidiaries, 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. dollar translations of NIS amounts presented in this Quarterly Report on Form 10-Q for three months ended on June 30, 2023 are translated using the rate of NIS 3.700 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 subsidiaries, Naiz Fit, which provides SaaS technology solutions that solve size and fit issues and AI solutions for smarter design through data driven decisions for fashion ecommerce companies, and Orgad, an online retailer 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 supply chain, identifying 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 by using our application 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 purchase that match their 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 needs. 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 end consumer satisfaction, 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 Orgad's operation to its headquarters. 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 Orgad for the year of 2023. 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*

On January 10, 2023, we entered into a securities purchase agreement, or the RD Purchase Agreement, pursuant to which we agreed to sell and issue in the RD Offering an aggregate of 162,000 of our shares of common stock, or the RD Shares, and pre-funded warrants, or the Pre-funded Warrants, to purchase up to 279,899 shares of common stock and, in a concurrent private placement, unregistered warrants to purchase up to 883,798 shares of common stock, or the RD Warrants, consisting of Series A warrants, or Series A Warrants, to purchase up to 441,899 shares of common stock and Series B warrants, or Series B Warrants, to purchase up to 441,899 shares of common stock, at an offering price of \$3.055 per RD Share and associated Series A and Series B Warrants and an offering price of \$3.054 per Pre-funded Warrant and associated Series A and Series B Warrants.

In addition, we entered into a securities purchase agreement, or the PIPE Purchase Agreement, and together with the RD Purchase Agreement, the Purchase Agreements, pursuant to 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 an aggregate of 1,080,196 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 and Series B 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 upon 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 and 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 statement registering the shares underlying 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 shares issuable upon 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, and to have such 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 in the event 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 for transactions of 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 effect or enter into an 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 other offering expenses 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 serve as the exclusive 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 management fee of 1% 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 received placement agent 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 number of Shares and 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, that is intended to improve 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 its Chief Commercial Officer, 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 without significant impact 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 risk and contributing to 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 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 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) 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 and Chief Product Officer: 6,094 shares.

#### **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 sales and marketing using 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 operations in the near future.

#### **Results of Operations**

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

	Three months ended		Six months ended	
	June 30		June 30	
	2023	2022	2023	2022
	(dollars in thousands)		(dollars in thousands)	
Revenues	\$ 1,290	\$ 801	\$ 2,010	\$ 1,205
Cost of revenues	(771)	(479)	(1,918)	(730)
Gross profit	519	322	92	475
Research and development expenses	(227)	(390)	(569)	(802)
Sales and marketing	(967)	(895)	(1,646)	(1,854)
General and administrative	(879)	(689)	(1,923)	(1,576)
Operating loss	(1,554)	(1,652)	(4,046)	(3,757)
Financial income (expenses), net	46	(64)	(100)	(147)
Equity accounted losses	(5)	-	(39)	-
Tax income	222	-	240	-
Net loss	\$ (1,291)	\$ (1,716)	\$ (3,945)	\$ (3,904)

#### **Six and Three Months Ended June 30, 2023 Compared to Six and Three Months Ended June 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 further research and development activities. We started to generate revenues only in 2019. Our revenues for the six months ended June 30, 2023 amounted to \$2,010,000 compared to \$1,205,000 for the six months ended June 30, 2022. Our revenues for the three months ended June 30, 2023 amounted to \$1,290,000 compared to \$801,000 for the three months ended June 30, 2022. The increase in the six months ended June 30, 2023 from the corresponding period is primarily attributable to (i) revenue generated from Orgad that was consolidated for the full six months in 2023 as opposed to just two months in the corresponding period in 2022, and (ii) revenue generated from Naiz Fit that was acquired in October 2022. The increase in the three months ended June 30, 2023 from the corresponding period is primarily attributable to an increase in Orgad sales and revenue generated from Naiz Fit.

### ***Cost Of Revenues***

Our cost of revenues expenses for the six months ended June 30, 2023 amounted to \$1,918,000 compared to \$730,000 for the six months ended June 30, 2022. The increase in comparison with the corresponding period was mainly due to an inventory mark-down of \$643,000 due to the fire that occurred 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 amounted to \$771,000 compared to \$479,000 for the three months ended June 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 months ended June 30, 2023 amounted to \$569,000 compared to \$802,000 for the six months ended June 30, 2022. The decrease from the corresponding period was mainly due to a decrease in salaries expenses due to reduced headcount and a decrease in subcontractor expenses.

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

### ***Sales and Marketing Expenses***

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

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

### ***General and Administrative Expenses***

Our general and administrative expenses for the six months ended June 30, 2023 amounted to \$1,923,000 compared to \$1,576,000 for the six months ended June 30, 2022. The increase compared to the corresponding period was mainly due to an increase in employee salaries mainly due to the Orgad and Naiz acquisitions and an increase in professional expenses.

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

### ***Operating Loss***

As a result of the foregoing, for the six months ended June 30, 2023, our operating loss was \$4,046,000, an increase of \$289,000 or 7.7%, compared to our operating loss for the six months ended June 30, 2022 of \$3,757,000.

As a result of the foregoing, for the three months ended June 30, 2023, our operating loss was \$1,554,000 a decrease of \$98,000 or 6.0%, compared to our operating loss for the three months ended June 30, 2022 of \$1,652,000.

### ***Financial Income (Expenses), Net***

Our financial expense, net for the six months ended June 30, 2023, amounted to \$100,000 compared to financial expense of \$147,000 for the six months ended June 30, 2022. The increase compared to the corresponding period was mainly due to an increase in financial expenses exchange rate differences.

Our financial income, net for the three months ended June 30, 2023, amounted to \$46,000 as opposed to financial expense of \$64,000 for the three months ended June 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 months ended June 30, 2023, was \$3,945,000, compared to net loss of \$3,904,000 for the six months ended June 30, 2022.

As a result of the foregoing, our net loss for the three months ended June 30, 2023 was \$1,291,000, compared to net loss of \$1,716,000 for the three months ended June 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, we had cash, cash equivalents, and restricted cash of \$1,250,000 compared to \$2,363,000 of cash, cash equivalents and restricted cash as of December 31, 2022. This decrease primarily resulted 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 that we completed in January 2023.

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 and inventory offset by an increase in 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 used in financing activities of \$24,000 for the six months ended June 30, 2022. The cash flow from financing activities for the six months ended June 30, 2023, resulted from the public and private offering that occurred in January 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 balances as of June 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, many of which are 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 acceptable to us. If we cannot 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 for our current 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 and the issuance 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 acquisitions or 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 incur substantial costs in pursuing future capital financing, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. We may also 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. Furthermore, 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 on a timely basis, 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 would have a material 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 instruments or other contingent arrangements that expose us to material continuing risks, contingent liabilities or any other obligations under a variable interest in an unconsolidated entity that provides us with 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 U.S. generally accepted accounting principles issued by the Financial Accounting Standards Board, or FASB. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported 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 included herein. We believe these 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 significant areas involving 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 available at the time or it included matters that were highly uncertain at the time we were making our estimate; and (2) changes in the estimate could have a material impact on our financial condition or results of 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 Exchange Act of 1934, 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 and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible 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) under the Exchange Act) as of June 30, 2023. Based upon such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of June 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 error or fraud. A control system, 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 a control system must 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 evaluation of controls 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.

## **Part II – Other Information**

### **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 is subject to inherent 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 for breach of a Securities 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 Summons with Notice 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 6, 2018, North Empire 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 action commenced by us 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 third-party complaint 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 counterclaims. 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 granted the motion and 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 December 30, 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. Both sides were given an opportunity to file a reply brief. We filed our reply brief on January 4, 2023 and North Empire filed its reply brief on January 13, 2023. Oral argument was held before the Appellate Court on February 7, 2023. On or about February 28, 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 and ordered the cases to mediate. The mediation was held on July 26, 2023 and various settlement options were explored. A second day of mediation has been scheduled for August 14, 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 for a smaller reporting company.

### **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, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (in each case, as defined in Item 408 of Regulation S-K).

**Item 6. Exhibits.**

<b>Exhibit Number</b>	<b>Description of Exhibits</b>
31.1*	<a href="#"><u>Certification of Principal Executive Officer pursuant to 18 U.S.C Section 1350, as adopted Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2*	<a href="#"><u>Certification of Principal Financial Officer pursuant to 18 U.S.C Section 1350, as adopted Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1*	<a href="#"><u>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.</u></a>
32.2*	<a href="#"><u>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.</u></a>
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

## 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 undersigned, thereunto duly authorized.

### **My Size, Inc.**

Date: August 14, 2023

By: /s/ Ronen Luzon

Ronen Luzon  
Chief Executive Officer  
(Principal Executive Officer)

Date: August 14, 2023

By: /s/ Or Kles

Or Kles  
Chief Financial Officer  
(Principal Financial and Accounting 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, 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, results of operations 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 Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 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 relating to 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, 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 auditors and the 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 the registrant's 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

By: /s/ Ronen Luzon  
Ronen Luzon  
Chief Executive Officer  
(Principal Executive 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, 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 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, results of operations 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 Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 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 relating to 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, 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 auditors and the 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 the registrant's 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

By: /s/ Or Kles

Or Kles  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

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**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 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 § 906 of 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

By: /s/ Ronen Luzon

Ronen Luzon  
Chief Executive Officer  
(Principal Executive Officer)

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**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 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 pursuant to § 906 of 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

By: /s/ Or Kles

Or Kles

Chief Financial Officer

(Principal Financial and Accounting Officer)

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