

# 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 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 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 November 1, 2023, 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 SEPTEMBER 30, 2023**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b><u>PART I - FINANCIAL INFORMATION</u></b>	<b>1</b>
Item 1. <a href="#"><u>Condensed Consolidated Interim Financial Statements (Unaudited)</u></a>	1
<a href="#"><u>Condensed Consolidated Interim Balance Sheets</u></a>	3
<a href="#"><u>Condensed Consolidated Interim Statements of Comprehensive Loss</u></a>	4
<a href="#"><u>Condensed Consolidated Interim Statements of Changes in Stockholders' Equity</u></a>	5
<a href="#"><u>Condensed Consolidated Interim Statements of Cash Flows</u></a>	7
<a href="#"><u>Notes to Condensed Consolidated Interim Financial Statements</u></a>	8
Item 2. <a href="#"><u>Management's Discussion &amp; Analysis of Financial Condition and Results of Operations</u></a>	16
Item 3. <a href="#"><u>Quantitative and Qualitative Disclosure About Market Risk</u></a>	23
Item 4. <a href="#"><u>Controls and Procedures</u></a>	23
<b><u>PART II - OTHER INFORMATION</u></b>	<b>24</b>
Item 1. <a href="#"><u>Legal Proceedings</u></a>	24
Item 1A. <a href="#"><u>Risk Factors</u></a>	24
Item 2. <a href="#"><u>Unregistered Sales of Equity Securities and Use of Proceeds</u></a>	26
Item 3. <a href="#"><u>Defaults Upon Senior Securities</u></a>	26
Item 4. <a href="#"><u>Mine Safety Disclosures</u></a>	26
Item 5. <a href="#"><u>Other information</u></a>	26
Item 6. <a href="#"><u>Exhibits</u></a>	26

**PART I**  
**FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**My Size Inc. and Subsidiaries**

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

**Condensed Consolidated Interim Financial Statements as of September 30, 2023 (Unaudited)**  
**Contents**

	<b><u>Page</u></b>
<a href="#"><u>Condensed Consolidated Interim Balance Sheets (Unaudited)</u></a>	3
<a href="#"><u>Condensed Consolidated Interim Statements of Comprehensive Loss (Unaudited)</u></a>	4
<a href="#"><u>Condensed Consolidated Interim Statements of Changes in Stockholders' Equity (Unaudited)</u></a>	5-6
<a href="#"><u>Condensed Consolidated Interim Statements of Cash flows (Unaudited)</u></a>	7
<a href="#"><u>Notes to Condensed Consolidated Interim Financial Statements (Unaudited)</u></a>	8-15

**Condensed Consolidated Interim Balance Sheets (Unaudited)**  
**U.S. dollars in thousands (except share data and per share data)**

	September 30, 2023	December 31, 2022
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	3,695	2,100
Restricted cash	72	263
Inventory	2,395	997
Account receivables	690	1,940
Other receivables and prepaid expenses	1,218	758
<b>Total current assets</b>	<b>8,070</b>	<b>6,058</b>
Long term deposits	26	28
Property and equipment, net	112	140
Operating right-of-use asset	372	583
Intangible assets	1,149	1,377
Goodwill	1,401	1,395
Investment in JV	47	99
Investment in marketable securities	26	47
<b>Total non-current assets</b>	<b>3,133</b>	<b>3,669</b>
<b>Total assets</b>	<b>11,203</b>	<b>9,727</b>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities:</b>		
Operating lease liability	137	159
Bank overdraft and short-term loans	230	155
Trade payables	2,617	2,487
Liabilities to Related parties	734	698
Other payables	855	680
<b>Total current liabilities</b>	<b>4,573</b>	<b>4,179</b>
Long-term loans	268	376
Deferred tax liabilities	274	328
Operating lease liability	156	308
<b>Total non-current liabilities</b>	<b>698</b>	<b>1,012</b>
<b>Total liabilities</b>	<b>5,271</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: 2,981,792 and 1,464,117 as of September 30, 2023 and December 31, 2022, respectively	3	1
Additional paid-in capital	65,219	58,673
Accumulated other comprehensive loss	(712)	(637)
Accumulated deficit	(58,578)	(53,501)
<b>Total stockholders' equity</b>	<b>5,932</b>	<b>4,536</b>
<b>Total liabilities and stockholders' equity</b>	<b>11,203</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)**

	Nine-Months Ended September 30,		Three-Months Ended September 30,	
	2023	2022	2023	2022
<b>Revenues</b>	4,166	1,931	2,156	726
<b>Cost of revenues (*)</b>	(2,698)	(1,607)	(780)	(877)
<b>Gross profit</b>	1,468	324	1,376	(151)
<b>Operating expenses</b>				
Research and development	(811)	(1,152)	(242)	(350)
Sales and marketing	(2,598)	(2,526)	(952)	(672)
General and administrative	(3,210)	(2,378)	(1,287)	(802)
<b>Total operating expenses</b>	(6,619)	(6,056)	(2,481)	(1,824)
<b>Operating loss</b>	(5,151)	(5,732)	(1,105)	(1,975)
Financial income (expenses), net	(78)	(198)	22	(51)
Equity loss of equity method investees	(48)	-	(9)	-
<b>Loss before taxes</b>	(5,277)	(5,930)	(1,092)	(2,026)
<b>Taxes on income</b>	200	-	(40)	-
<b>Net loss</b>	(5,077)	(5,930)	(1,132)	(2,026)
<b>Other comprehensive income (loss):</b>				
Foreign currency translation differences	(75)	(178)	(36)	(300)
<b>Total comprehensive loss</b>	(5,152)	(6,108)	(1,168)	(2,326)
<b>Basic and diluted loss per share**</b>	(2.19)	(5.75)	(0.44)	(2.00)
<b>Basic and diluted weighted average number of shares outstanding**</b>	2,314,979	1,012,010	2,559,371	1,025,564

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

**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	Total stockholders' equity
	Number	Amount				
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)	*	290	-	-	290
Issuance of shares, net of issuance cost of \$959 (**)	432,000	1	6,257	-	-	6,258
Exercise of warrants and prefunded warrants	1,093,675	1	(1)	-	-	-
Total comprehensive loss	-	-	-	(75)	(5,077)	(5,152)
Balance as of September 30, 2023	<u>2,981,792</u>	<u>3</u>	<u>65,219</u>	<u>(712)</u>	<u>(58,578)</u>	<u>5,932</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	Total stockholders' equity
	Number	Amount**				
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	-	-	327	-	-	327
Issuance of shares in Business Combination	69,751	*	458	-	-	458
Total comprehensive loss	-	-	-	(178)	(5,930)	(6,108)
Balance as of September 30, 2022	<u>1,029,051</u>	<u>1</u>	<u>57,238</u>	<u>(584)</u>	<u>(51,121)</u>	<u>5,534</u>

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

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

	<u>Common stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated other comprehensive loss</u>	<u>Accumulated deficit</u>	<u>Total stockholders' equity</u>
	<u>Number</u>	<u>Amount</u>				
Balance as of July 1, 2023	2,438,780	2	61,553	(676)	(57,446)	3,433
Stock-based compensation related to options granted to employees and consultants	-	-	68	-	-	68
Issuance of shares, net of issuance cost of \$518 (**)	270,000	(*)	3,599			3,599
Exercise of prefunded warrants	273,012	1	(1)	-	-	-
Total comprehensive loss	-	-	-	(36)	(1,132)	(1,168)
Balance as of September 30, 2023	<u>2,981,792</u>	<u>3</u>	<u>65,219</u>	<u>(712)</u>	<u>(58,578)</u>	<u>5,932</u>

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

(\*\*) see notes 8(e)

	<u>Common stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated other comprehensive loss</u>	<u>Accumulated deficit</u>	<u>Total stockholders' equity</u>
	<u>Number</u>	<u>Amount</u>				
Balance as of July 1, 2022	1,022,077	1	57,073	(284)	(49,095)	7,695
Stock-based compensation related to options granted to employees and consultants	-	-	165	-	-	165
Issuance of shares in Business Combination (*)	6,974	*	-	-	-	-
Total comprehensive loss	-	-	-	(300)	(2,026)	(2,326)
Balance as of September 30, 2022	<u>1,029,051</u>	<u>1</u>	<u>57,238</u>	<u>(584)</u>	<u>(51,121)</u>	<u>5,534</u>

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



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

	<b>Nine-Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Net loss	(5,077)	(5,930)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	27	32
Change in operating lease right-of-use asset	130	30
Amortization of intangible assets	226	84
Change in warrants and derivatives	-	26
Change in liabilities to related parties	36	32
Interest of long-term liabilities	16	3
Interest paid	(16)	(3)
Revaluation of investment in marketable securities	21	28
Change in Investment in JV	52	-
Stock based compensation	290	327
Change in inventory	(1,530)	(288)
Change in deferred tax liabilities	(328)	(19)
Change in account receivables	1,165	(281)
Changes in operating lease liabilities	(101)	
Change in other receivables and prepaid expenses	(351)	140
Change in trade payables	271	(503)
Change in account payables	259	464
Net cash used in operating activities	(4,910)	(5,858)
<b>Cash flows from investing activities:</b>		
Acquisition of a subsidiary, net of cash acquired	-	(300)
Purchase of property and equipment	-	(27)
Net cash used in investing activities	-	(327)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of shares, net of issuance costs	6,257	-
Loans received	350	18
Repayment of loans	(377)	(57)
Net cash provided by (used in) financing activities	6,230	(39)
Effect of exchange rate fluctuations on cash and cash equivalents	84	(97)
Increase (decrease) in cash, cash equivalents and restricted cash (*)	1,404	(6,321)
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	3,767	4,622
<b>Non cash activities:</b>		
Shares issued in Acquisition of a subsidiary	-	457

(\*) \$1,213 relates to change in cash and cash equivalents and, \$191 to change in restricted cash for the nine months ended 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 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 nine-month period ended September 30, 2023, the Company has incurred significant losses and negative cash flows from operations and has an accumulated deficit of \$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. Based on the projected cash flows and cash balances as of September 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.

- 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. Hamas also launched 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. These attacks resulted in thousands of deaths and injuries, and Hamas additionally kidnapped many Israeli civilians and soldiers. Following the attack, Israel’s security cabinet declared war against Hamas and commenced a military campaign against Hamas and other terrorist organizations in parallel to their continued rocket and terror attacks. The Company cannot currently 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 or Israel’s economy 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 Spain which has become a hub for the Company’s sizing solutions business. The majority of Orgad’s inventory utilizes fulfillment by Amazon rather than fulfilling directly. Inventory is now maintained and orders are 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 accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and 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 nine months ended September 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.

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 for impairment for those 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.

**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.

	September 30, 2023		
	Fair value hierarchy		
	Level 1	Level 2	Level 3
Financial assets			
Investment in marketable securities (*)	-	26	-

**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	Level 3
Financial assets			
Investment in marketable securities (*)	-	47	-
Derivatives (**)		10	

(\*) For the nine and three-month periods ended September 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.

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

	Nine months ended September 30,		Three months ended September 30,	
	2023	2022	2023	2022
Stock-based compensation expense – Cost of revenues	19	67	4	39
Stock-based compensation expense - Research and development	51	22	22	4
Stock-based compensation expense - Sales and marketing	71	115	16	57
Stock-based compensation expense - General and administrative	149	123	26	65
	<u>290</u>	<u>327</u>	<u>68</u>	<u>165</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 nine and three-month period ended September 30, 2023, the Company granted options to purchase 93,000 shares of common stock 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 nine and three-month period ended September 30, 2023 and 2022 which was recorded was \$214, \$53 \$52 and \$9, respectively.

The total stock option compensation expense relating to the Orgad acquisition during the nine and three-month period ended September 30, 2023 and 2022 which was recorded was \$76, \$267, \$16 and \$73, 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 but the mediation did not lead to settlement. 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.

**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 composition of reporting units. After the restructuring, the aggregate carrying amounts of goodwill allocated to each reporting unit are as follows:

	September 30	
	2023	2022
SaaS Solutions	1,273	-
Fashion and equipment e-commerce platform	128	268(*)
	1,401	268

(\*) 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 an interim goodwill 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 fair value. Within 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 expected net 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. Cash flow projections are based on the Company’s estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions. The discount rate used is based on the weighted average cost of capital (“WACC”), adjusted for the relevant risk associated with country-specific and business-specific characteristics. If any of these expectations were to vary 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 rates of 3% and EBIT margin 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 21.5%, 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 was not impaired in both reporting units. 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 is possible should actual 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 to determine the WACC 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 segments: (i) fashion and equipment e-commerce platform, and (ii) SaaS based innovative artificial intelligence driven measurement solutions. This realignment reflects the way resources are allocated and performance is assessed by the Chief Operating Decision Maker. The fashion and equipment e-commerce platform which represents Orgad's activity that was acquired by the Company in 2022, mainly operates on Amazon. The SaaS based innovative artificial intelligence driven measurement solutions, or SaaS Solutions operating segment consists of My Size Inc, My Size 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:

	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solutions</b>	<b>Total</b>
<b>As of the Nine month ended September 30, 2023</b>			
Revenues from external customers	3,732	434	4,166
Operating (loss) income	(2,936)	(2,215)	(5,151)

	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solution</b>
<b>As of September 30, 2023:</b>		
Assets	7,849	3,490

	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solutions</b>	<b>Total</b>
<b>For the Nine months ended September 30, 2022</b>			
Revenues from external customers	1,797	134	1,931
Operating (loss) income	(215)	(5,517)	(5,732)

	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solutions</b>	<b>Total</b>
<b>As of Three months ended September 30, 2023</b>			
Revenues from external customers	1,994	162	2,156
Operating (loss) income	(440)	(665)	(1,105)

	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solutions</b>	<b>Total</b>
<b>As of Three months ended September 30, 2022</b>			
Revenues from external customers	685	41	726
Operating (loss) income	(286)	(1,689)	(1,975)



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

**Note 7 – Operating Segments (Cont.)**

	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solutions</b>	
<b>For September 30, 2022:</b>			
Assets		1,697	6,494
	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solutions</b>	<b>Total</b>
<b>As of the year ended December 31, 2022</b>			
Revenues from external customers	4,132	327	4,459
Operating (loss) income	(4,197)	(3,913)	(8,110)
	<b>Fashion and equipment e-commerce platform</b>	<b>SaaS Solution</b>	
<b>As of December 31, 2022:</b>			
Assets		6,507	3,220

**Note 8 – 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 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 its 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 authorized for issuance, 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 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, 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 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.

**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 other offering expenses payable by the Company. The net proceeds were approximately \$2,600.

As of 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 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 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.
- 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, 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.

- e. On August 24, 2023, the Company entered into an inducement offer letter agreement (the “Inducement Letter”) with a certain holder (the “Holder”) of certain of the Company’s 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 (the “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”), and (iii) 47,153 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 (the “October 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 a reduced exercise price of \$2.09 per share in consideration of the Company’s agreement to issue new common stock purchase warrants (the “New Warrants”), to purchase up to an 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 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 the Company. 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 9 – Subsequent events**

- 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- see note 1(c).
- 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 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 that the Company has 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, the Company may then be eligible for additional 180 days if the Company meet 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 bid price requirement, and will need to provide written notice of the Company’s intention to cure the deficiency during the second compliance period. If the Company does not qualify for the second 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 common stock, at which point the Company will have an opportunity to appeal the delisting determination to a Hearings Panel.

## 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 September 30, 2023 are translated using the rate of NIS 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 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.

#### *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 purchase 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 (iii) 47,153 shares of our 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, or the October 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 our common stock at a reduced 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 an aggregate of 5,367,912 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 closed 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. We also issued to 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 were 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 reduced 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 New Warrants). 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 further described in our 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 approved 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 earlier of the date on which 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 Placement Agent warrants 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 also launched 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. These attacks resulted in thousands of deaths and injuries, and Hamas additionally kidnapped many Israeli civilians and soldiers. Following the attack, Israel's security cabinet declared war against Hamas and commenced 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 Israel's war against 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 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 September 30		Nine months ended September 30	
	2023	2022	2023	2022
	(dollars in thousands)		(dollars in thousands)	
Revenues	\$ 2,156	\$ 726	\$ 4,166	\$ 1,931
Cost of revenues	(780)	(877)	(2,698)	(1,607)
Gross profit (loss)	1,376	(151)	1,468	324
Research and development expenses	(242)	(350)	(811)	(1,152)
Sales and marketing	(952)	(672)	(2,598)	(2,526)
General and administrative	(1,287)	(802)	(3,210)	(2,378)
Operating loss	(1,105)	(1,975)	(5,151)	(5,732)
Financial income (expenses), net	22	(51)	(78)	(198)
Equity accounted losses	(9)	-	(48)	-
Tax income	(40)	-	200	-
Net loss	\$ (1,132)	\$ (2,026)	\$ (5,077)	\$ (5,930)

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

#### Revenues

Our revenues for the nine months ended September 30, 2023 amounted to \$4,166,000 compared to \$1,931,000 for the nine months ended September 30, 2022.

Our revenues for the three months ended September 30, 2023 amounted to \$2,156,000 compared to \$726,000 for the three months ended September 30, 2022. The increase in the nine months ended September 30, 2023 from the corresponding period is primarily attributable to (i) revenue generated from Orgad that was consolidated for the full nine months in 2023 as opposed to just eight 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 September 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 nine months ended September 30, 2023 amounted to \$2,698,000 compared to \$1,607,000 for the nine months ended September 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 September 30, 2023 amounted to \$780,000 compared to \$877,000 for the three months ended 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 nine months ended September 30, 2023 amounted to \$811,000 compared to \$1,152,000 for the nine months ended September 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 September 30, 2023 amounted to \$242,000 compared to \$350,000 for the three months ended September 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 nine months ended September 30, 2023 amounted to \$2,598,000 compared to \$2,526,000 for the nine months ended 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 expenses due to reduced headcount, consultant expenses, travel and marketing expenses.

Our sales and marketing expenses for the three months ended September 30, 2023 amounted to \$952,000 compared to \$672,000 for the three months ended 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 expenses due to reduced headcount, consultant expenses, travel and marketing expenses.

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

Our general and administrative expenses for the nine months ended September 30, 2023 amounted to \$3,210,000 compared to \$2,378,000 for the nine months ended September 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 September 30, 2023 amounted to \$1,287,000 compared to \$802,000 for the three months ended September 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 nine months ended September 30, 2023, our operating loss was \$5,151,000, a decrease of \$581,000 or 10.1%, compared to our operating loss for the nine months ended September 30, 2022 of \$5,732,000.

As a result of the foregoing, for the three months ended September 30, 2023, our operating loss was \$1,105,000 a decrease of \$870,000 or 44%, compared to our operating loss for the three months ended September 30, 2022 of \$1,975,000.

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

Our financial expenses, net for the nine months ended September 30, 2023, amounted to \$78,000 compared to financial expense of \$198,000 for the nine months ended September 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 September 30, 2023, amounted to \$22,000 as opposed to financial expense of \$51,000 for the three months ended 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 nine months ended September 30, 2023, was \$5,077,000, compared to net loss of \$5,930,000 for the nine months ended September 30, 2022.

As a result of the foregoing, our net loss for the three months ended September 30, 2023 was \$1,132,000, compared to net loss of \$2,026,000 for the three months ended 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 September 30, 2023, we had cash, cash equivalents, and restricted cash of \$3,767,000 compared to \$2,363,000 of cash, cash equivalents and restricted cash as of December 31, 2022. This increase primarily resulted from the public and private offerings that we completed in January 2023 and the offering that was completed in August 2023 offset by our operating activities, the acquisition of Orgad and Naiz Fit, and resources that were deployed to grow both businesses.

Cash used in operating activities amounted to \$4,910,000 for the nine months ended September 30, 2023, compared to \$5,858,000 for the nine months ended September 30, 2022. The decrease in cash used in operating activity is derived mainly from a decrease in trade payables, account receivables and a decrease 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 \$327,000 for the nine months ended September 30, 2022.

Net cash provided by financing activities was \$6,230,000 for the nine months ended September 30, 2023, as opposed to net cash used in financing activities of \$39,000 for the nine months ended September 30, 2022. The cash flow from financing activities for the nine months ended September 30, 2023, resulted from the public and private 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 balances 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, 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 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 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 but the mediation did not lead to settlement. 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.

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 changes to our risk 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. Accordingly, political, economic and military conditions in the Middle East may affect our business directly. Since the establishment of the State of Israel in 1948, a number of armed conflicts have occurred between Israel and its neighboring countries and terrorist organizations active in the region, including Hamas (an Islamist militia and political group in the Gaza Strip) 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 civilian and military targets. Hamas also launched 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. These attacks resulted in thousands of deaths and injuries, and Hamas additionally kidnapped many Israeli civilians and soldiers. Following the attack, Israel's security cabinet declared war against Hamas and commenced a military campaign against Hamas and these terrorist organizations in parallel continued rocket and terror 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 and operations 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 the political stability of those countries. This instability may lead to deterioration of the political relationships that exist between Israel and certain countries and have raised concerns regarding 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 among the Syrian government, Hamas and Hezbollah. These situations may potentially escalate in the future into more violent events which may affect Israel and us. These situations, including 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 their commitments under those agreements pursuant to force majeure provisions. These or other Israeli political or economic factors could harm our operations and product development. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners could adversely affect our operations and could 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. Furthermore, several 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 business and financial condition. Our business interruption insurance may not adequately compensate us for losses, if at all, that may occur as a result of an event associated with a 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 and our ability 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 include, among other things, that the minimum bid price for the listed securities not fall below \$1.00 per share for a period of 30 consecutive trading days and that we 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 minimum bid price 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 that the Company has 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 180 days if we meet 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 bid price requirement, 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 second compliance period 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 point 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 could result in a 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 corresponding material reduction in the price of our common stock. In addition, delisting could harm our ability to raise capital through alternative financing sources on terms acceptable to us, or at all, 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 September 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: November 14, 2023

By: /s/ Ronen Luzon

Ronen Luzon  
Chief Executive Officer  
(Principal Executive Officer)

Date: November 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: November 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: November 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 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 § 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: November 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 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 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: November 14, 2023

By: /s/ Or Kles

Or Kles

Chief Financial Officer

(Principal Financial and Accounting Officer)

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