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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2024**

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from**                      **to**

**Commission File No. 333-188920**

**ODYSIGHT.AI INC.**

(Exact name of registrant as specified in its charter)

<b>Nevada</b> (State or other jurisdiction of incorporation or organization)	<b>47-4257143</b> (I.R.S. Employer Identification No.)
<b>Suite 7A, Industrial Park P.O. Box 3030, Omer, Israel</b> (Address of Principal Executive Offices)	<b>8496500</b> (Zip Code)
<b>+972 73 370-4690</b> (Registrant's telephone number, including area code)	

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 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, a 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.

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

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

As of May 14, 2024, the registrant had 10,446,685 shares of common stock, par value \$0.001, of the registrant issued and outstanding.

As used in this Quarterly Report and unless otherwise indicated, the terms “Odysight.ai (formerly known as ScoutCam Inc.),” “we,” “us,” “our,” or “our Company” refer to Odysight.ai. Unless otherwise specified, all dollar amounts are expressed in United States dollars.

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**ODYSIGHT.AI INC.**  
**QUARTERLY REPORT ON FORM 10-Q**  
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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information set forth in this Quarterly Report on Form 10-Q, including in Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere herein may address or relate to future events and expectations and as such constitutes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements which are not historical reflect our current expectations and projections about our future results, performance, liquidity, financial condition, prospects and opportunities and are based upon information currently available to us and our management and their interpretation of what is believed to be significant factors affecting our business, including many assumptions regarding future events.

Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words “may,” “should,” “would,” “could,” “scheduled,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “seek,” or “project” or the negative of these words or other variations on these words or comparable terminology. Actual results, performance, liquidity, financial condition and results of operations, prospects and opportunities could differ materially and perhaps substantially from those expressed in, or implied by, these forward-looking statements as a result of various risks, uncertainties and other factors. These statements may be found under the section of our Annual Report on Form 10-K for the year ended December 31, 2023 (filed on March 26, 2024) entitled “Risk Factors” as well as in our other public filings.

In light of these risks and uncertainties, and especially given the start-up nature of our business, there can be no assurance that the forward-looking statements contained herein will in fact occur. Readers should not place undue reliance on any forward-looking statements. Except as expressly required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

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### Item 1. Financial Statements

**ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)**  
**INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2024**

**CONSOLIDATED ODYSIGHT.AI INC.**

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**ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)**  
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>USD in thousands</b>	
<b>Assets</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	7,362	8,945
Restricted cash	310	-
Short terms deposits	8,228	8,096
Accounts receivable	123	1,372
Inventory	604	504
Other current assets	562	432
<b>Total current assets</b>	<b>17,189</b>	<b>19,349</b>
<b>NON-CURRENT ASSETS:</b>		
Contract fulfillment assets	1,196	1,256
Property and equipment, net	466	477
Operating lease right-of-use assets	1,327	1,380
Severance pay asset	267	271
Other non-current assets	96	96
<b>Total non-current assets</b>	<b>3,352</b>	<b>3,480</b>
<b>TOTAL ASSETS</b>	<b>20,541</b>	<b>22,829</b>

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

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**ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)**  
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>USD in thousands</b>	
<b>Liabilities and shareholders' equity</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	399	287
Contract liabilities - short term	557	527
Operating lease liabilities - short term	472	470
Accrued compensation expenses	899	546
Related parties	39	41

Other current liabilities	304	211
<b>Total current liabilities</b>	<b>2,670</b>	<b>2,082</b>
<b>NON-CURRENT LIABILITIES:</b>		
Contract liabilities - long term	1,690	1,795
Operating lease liabilities - long term	779	856
Liability for severance pay	257	261
Other non-current liabilities	-	28
<b>Total non-current liabilities</b>	<b>2,726</b>	<b>2,940</b>
<b>TOTAL LIABILITIES</b>	<b>5,396</b>	<b>5,022</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Common stock, \$0.001 par value; 300,000,000 shares authorized as of March 31, 2024 and December 31, 2023, 10,446,685 and 10,443,768 shares issued and outstanding as of March 31, 2024 and December 31, 2023 , respectively	10	10
Additional paid-in capital	52,504	52,004
Accumulated deficit	(37,369)	(34,207)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>15,145</b>	<b>17,807</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>20,541</b>	<b>22,829</b>

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

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**ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)**  
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	
	<b>USD in thousands</b>	
	<b>(except per share data)</b>	
<b>REVENUES</b>	187	303
<b>COST OF REVENUES</b>	410	550
<b>GROSS LOSS</b>	(223)	(247)
<b>RESEARCH AND DEVELOPMENT EXPENSES</b>	1,567	1,398
<b>SALES AND MARKETING EXPENSES</b>	234	176
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	1,340	958
<b>OPERATING LOSS</b>	(3,364)	(2,779)
<b>OTHER INCOME</b>	-	7
<b>FINANCING INCOME, NET</b>	202	86
<b>NET LOSS</b>	(3,162)	(2,686)
<b>Net loss per ordinary share (basic and diluted, USD)</b>	(0.30)	(0.37)
<b>Weighted average ordinary shares (basic and diluted, in thousands)</b>	10,445	7,276

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

**ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**Three Months Ended March 31, 2024 (Unaudited)**

	<u>Common Stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated deficit</u>	<u>Total Shareholders' equity</u>
	<u>Number</u>	<u>Amount</u>			
	<u>In thousands</u>	<u>USD in thousands</u>			
<b>Balance at January 1, 2024</b>	10,444	\$ 10	\$ 52,004	\$ (34,207)	\$ 17,807
Stock based compensation	-	-	500	-	500
Issuance of shares upon RSU vesting	3	*	(*)	-	-
Net loss	-	-	-	(3,162)	(3,162)
<b>Balance at March 31, 2024</b>	<u>10,447</u>	<u>\$ 10</u>	<u>\$ 52,504</u>	<u>\$ (37,369)</u>	<u>\$ 15,145</u>

**Three Months Ended March 31, 2023 (Unaudited)**

	<u>Common Stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated deficit</u>	<u>Total Shareholders' equity</u>
	<u>Number</u>	<u>Amount</u>			
	<u>In thousands</u>	<u>USD in thousands</u>			
<b>Balance at January 1, 2023</b>	7,122	\$ 7	\$ 36,541	\$ (24,762)	\$ 11,786
Stock based compensation	-	-	348	-	348
Issuance of shares upon RSU vesting	17	*	(*)	-	-
Issuance of shares and warrants	3,294	3	13,924	-	13,927
Net loss	-	-	-	(2,686)	(2,686)
<b>Balance at March 31, 2023</b>	<u>10,433</u>	<u>\$ 10</u>	<u>\$ 50,813</u>	<u>\$ (27,448)</u>	<u>\$ 23,375</u>

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

\* Represents an amount less than \$1 thousand

**ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<u>2024</u>	<u>2023</u>
	<u>Unaudited</u>	
	<u>USD in thousands</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	(3,162)	(2,686)
<b>Adjustments to reconcile net loss to net cash used in operations:</b>		
Depreciation	33	155
Stock based compensation	500	348
Severance pay asset and liability	-	54
Interest and exchange differences from operating lease liability	(17)	(9)

Loss from exchange differences on cash and cash equivalents	21	4
Interest income in respect of deposits	(132)	42

**CHANGES IN OPERATING ASSET AND LIABILITY ITEMS:**

Decrease (increase) in accounts receivable	1,249	(1)
Increase in inventory	(100)	(63)
Decrease in operating lease liability	(114)	(48)
Decrease in ROU asset	109	44
Increase in current and non-current other assets	(130)	(283)
Increase in account payables	112	68
Decrease in related parties	(2)	(50)
Decrease in contract fulfillment assets	60	60
Decrease in current and non-current contract liabilities	(75)	(228)
Increase (decrease) in accrued compensation expenses	353	(63)
Increase in current and non-current other liabilities	65	182
Net cash flows used in operating activities	<u>(1,230)</u>	<u>(2,474)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of property and equipment	(22)	(15)
Withdrawal of short terms deposits	-	3,000
Investment in short term deposits	-	(15,000)
Net cash flows used in investing activities	<u>(22)</u>	<u>(12,015)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Proceeds from issuance of shares and warrants (issuance expenses)	-	13,977
Net cash flows provided (used in) by financing activities	<u>-</u>	<u>13,977</u>

**DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

	(1,252)	(512)
<b>BALANCE OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR</b>	8,945	10,099
<b>LOSS FROM EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS AND RESTRICTED CASH</b>	<u>(21)</u>	<u>(4)</u>
<b>BALANCE OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT THE END OF THE PERIOD</b>	<u>7,672</u>	<u>9,583</u>

**SUPPLEMENTAL INFORMATION FOR CASH FLOW:**

Non cash activities -

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	
	<b>USD in thousands</b>	
Right-of-use assets obtained in exchange for operating lease liabilities	87	83
Termination of right-of-use assets in exchange for cancellation of operating lease obligations	(31)	-

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

**ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)**  
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 1 – GENERAL:**

- a. Odysight.ai Inc (the “Company”), formerly known as ScoutCam Inc., was incorporated under the laws of the State of Nevada on March 22, 2013.

The Company’s wholly owned subsidiary, Odysight.ai Ltd (“Odysight.ai”), formerly known as ScoutCam Ltd., was incorporated in the State of Israel on January 3, 2019, and was merged into the Company on December 31, 2019 in a share exchange transaction, following which the surviving operations of the merged entity were the operations of Odysight.ai. On February 28, 2024, D. VIEW Ltd., a wholly owned subsidiary of the Company, was incorporated in the state of the Israel to act as a local agent for the defense market in Israel.

The Company, through its subsidiaries, provides image-based platforms. Through the use of its proprietary visualization technology, the Company offers solutions across predictive maintenance and condition-based monitoring markets, in sectors such as energy, automotive and aviation. The Company’s solutions are based on small and highly resilient cameras, specialized AI analysis and supplementary technologies. Some of the Company’s products utilize micro visualization technology in medical devices for minimally invasive medical procedures.

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**ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)**  
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 1 – GENERAL** (continued):

- b. Since incorporation of Odysight.ai and through March 31, 2024, the Company accumulated a deficit of approximately \$37.4 million and its activities have been funded mainly by its shareholders. The Company’s management believes the Company’s cash and cash resources will allow the Company to fund its operating plan through at least the next 12 months from the filing date of these Consolidated Financial Statements. However, the Company expects to continue to incur significant research and development and other costs related to its ongoing operations, requiring the Company to obtain additional funding in order to continue its future operations until becoming profitable.

**NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

**a. Unaudited Interim Financial Statements**

The accompanying unaudited interim condensed financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of U.S. Securities and Exchange Commission Regulation S-X. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included (consisting only of normal recurring adjustments except as otherwise discussed). For further information, reference is made to the consolidated financial statements and footnotes thereto included in the Group’s Annual Report on Form 10-K for the year ended December 31, 2023.

**b. Principles of Consolidation**

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

**c. Use of estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The Company evaluates on an ongoing basis its assumptions, including those related to contingencies, deferred taxes, inventory impairment, stock-based compensation, as well as in estimates used in applying the revenue recognition policy. Actual results may differ from those estimates.

#### **d. 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.

#### **e. Recent Accounting Pronouncements**

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Group's condensed consolidated financial statements.

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### **ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)** NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### **NOTE 3 – LEASES:**

##### **a. Omer office space**

In December 2020, Odysight.ai entered into a lease agreement for office space in Omer, Israel (“original space”), with the 36-month term for such agreement beginning on January 1, 2021. In March 2021, Odysight.ai entered into a lease agreement for additional office space in Omer, Israel (“additional space”), with the term for such agreement is ending December 31, 2023.

On June 25, 2023, Odysight.ai entered into an amendment to these agreements, pursuant to which the lease for the additional space will be shortened and end on June 30, 2023 and the lease for the original space will be extended for an additional five years until December 31, 2028. It was also agreed that Odysight.ai has an option to terminate the agreement for the original space after three years. Odysight.ai expect that the lease period will be three years.

Monthly lease payments under the agreement for the original space are approximately \$7 thousand.

##### **b. Ramat Gan office space**

In May 2023, Odysight.ai entered into a lease agreement for office space in Ramat Gan, Israel. The agreement is for 48 months beginning on July 1, 2023 and the Company has an option to extend the lease period for an additional two years. The Company does not currently expect to extend the lease period. Monthly lease payments under the agreement are in the amount of approximately \$25 thousand.

Odysight.ai subleases part of the office space in Ramat Gan to a third party for approximately \$7 thousand per month.

##### **c. The Company leases vehicles under various operating lease agreements.**

Supplemental cash flow information related to operating leases was as follows:

	<b>Three months ended March</b>	
	<b>31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>USD in thousands</b>	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	151	57

As of March 31, 2024, the Company's operating leases had a weighted average remaining lease term of 0.89 years and a weighted average discount rate of 6% for vehicles and 12.8% for offices.

The maturities of lease liabilities under operating leases as of March 31, 2024 are as follows:

	<b>Operating leases USD in thousands</b>
Remainder of 2024	433
2025	539
2026	421
2027	154
Total future lease payments	1,547
Less imputed interest	(296)
Total lease liability balance	1,251

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**ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 4 – EQUITY:**

**a. Private Placement**

- On March 29, 2021, the Company issued to certain investors, including Arkin, a major stockholder of the Company, of which Mori Arkin, a director of the company, is the owner, 2,469,156 units in exchange for an aggregate purchase price of \$20 million. Each such unit consists of (i) one share of common stock and (ii) one warrant to purchase one share of common stock with an exercise price of \$10.35 per share. Each such warrant is exercisable until the close of business on March 31, 2026. Pursuant to the terms of the foregoing warrants, following April 1, 2024, if the closing price of Company common stock equal or exceeds 135% of the aforementioned exercise price (subject to appropriate adjustments for stock splits, stock dividends, stock combinations and other similar transactions after the issue date of the warrants) for any thirty (30) consecutive trading days, the Company may force the exercise of the warrants, in whole or in part, by delivering to these investors a notice of forced exercise.
- On March 16, 2023, the Company consummated Stock Purchase Agreements for a private placement with (i) Moshe Arkin and (ii) The Phoenix Insurance Company Ltd. and Shotfut Menayot Israel – Phoenix Amitim, in connection with the sale and issuance of an aggregated amount of 3,294,117 units (collectively, the "Units"), at a purchase price of \$4.25 per Unit, and for an aggregated purchase price of \$14,000,000. Each Unit consists of: (i) one share of the Company's common stock with par value of \$0.001 per share (the "Common Stock") and (ii) one warrant to purchase one share of Common Stock with an exercise price of \$5.50 (the "Warrants"). The Warrants are immediately exercisable and will expire three years from the date of issuance and will be subject to customary adjustments.

**Warrants:**

As of March 31, 2024, the Company had the following outstanding warrants to purchase common stock:

Warrant	Issuance Date	Expiration Date	Exercise Price Per Share (\$)	Number of Shares of common stock Underlying Warrants
March 2021 Warrant	March 29, 2021	March 31, 2026	10.35	2,469,156
March 2023 Warrant	March 27, 2023	March 26, 2026	5.50	3,294,117
				<b>5,763,273</b>

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**ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)**  
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 4 – EQUITY** (continued):

**b. Stock-based compensation to employees, directors and service providers:**

In February 2020, the Company’s Board of Directors approved the 2020 Share Incentive Plan (the “Plan”).

The Plan initially included a pool of 580,890 shares of common stock for grant to Company employees, consultants, directors and other service providers. On March 15, 2020, the Company’s Board of Directors approved an increase to the option pool pursuant to the Plan by an additional 64,099 shares of common stock. On June 22, 2020, the Company’s Board of Directors approved an increase to the option pool pursuant to the Plan by an additional 401,950 shares of common stock. During the second quarter of 2021, the Company’s Board of Directors approved an increase to the option pool pursuant to the Plan by an additional 777,778 shares of common stock. During the first quarter of 2023, the Company’s Board of Directors approved an increase to the option pool pursuant to the Plan by an additional 1,000,000 shares of common stock.

The Plan is designed to enable the Company to grant options to purchase shares of common stock and RSUs under various and different tax regimes including, without limitation: (i) pursuant and subject to Section 102 of the Israeli Tax Ordinance or any provision which may amend or replace it and any regulations, rules, orders or procedures promulgated thereunder and to designate them as either grants made through a trustee or not through a trustee; and (ii) pursuant and subject to Section 3 (i) of the Israeli Tax Ordinance.

**Stock option activity:**

The following table summarizes stock option activity for the three months ended March 31, 2024:

	<b>For the Three months ended March 31, 2024</b>	
Amount of options		Weighted average exercise price
		\$
Outstanding at beginning of period	2,455,069	3.46

Granted	-	-
Forfeited	-	-
Outstanding at end of period	<u>2,455,069</u>	<u>3.46</u>
Vested at end of period	<u>1,245,669</u>	<u>3.46</u>

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**ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)**  
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 4 – EQUITY** (continued):

**Restricted stock unit (“RSU”) activity**

Each RSU will vest based on continued service which is generally over three years. The grant date fair value of the award will be recognized as stock-based compensation expense over the requisite service period. The fair value of restricted stock units was estimated on the date of grant based on the fair value of the Company’s common stock.

The following table summarizes RSU activity for the three months ended March 31, 2024:

	<b>For the Three months ended March 31, 2024</b>	
	<b>Amount of RSUs</b>	<b>Weighted Average Grant Date Fair Value per Share</b>
		<b>\$</b>
Outstanding at beginning of period	39,585	4.08
Granted	-	-
Forfeited	-	-
Vested	(2,917)	5.94
Unvested and Outstanding at end of period	<u>36,668</u>	<u>3.94</u>

The following table sets forth the total stock-based payment expenses resulting from options and RSUs granted, included in the statements of operation and comprehensive income:

	<b>Three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>USD in thousands</b>	
Cost of revenues	9	3
Research and development	135	140
Sales and marketing expenses	50	41
General and administrative	306	164
Total expenses	<u>500</u>	<u>348</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 5 – REVENUES:**

**Disaggregation of revenue**

	<b>Three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>USD in thousands</b>	
Development Services (customer A) (*)	106	106
Products	81	197
Revenue	187	303

(\*) During the second quarter of 2022, the Company completed the development of to a customer-specific project for a Fortune 500 multinational healthcare corporation (“Customer A”) and moved from the development phase of the project to its production phase. As a result, during the three months ended March 31, 2024, the Company recognized development services revenues and related development costs that had been previously deferred, in the amounts of \$106 thousand and \$60 thousand, respectively. The amounts were recognized based on the expected manufacturing term of the product, which the Company estimates at seven years.

**Contract fulfillment assets and Contract liabilities:**

The Company’s contract fulfillment assets and contract liabilities as of March 31, 2024 and December 31, 2023 were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
	<b>USD in thousands</b>	
Contract fulfillment assets	1,196	1,256
Contract liabilities	2,247	2,322

Contract liabilities include deferred service and advance payments.

The change in contract fulfillment assets:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
	<b>USD in thousands</b>	
Balance at beginning of period	1,256	1,495
Contract costs recognized during the period	(60)	(239)
Balance at end of period	1,196	1,256

The change in contract liabilities:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
	<b>USD in thousands</b>	
Balance at beginning of period	2,322	3,644
Revenue recognized during the period	(75)	(1,322)
Balance at end of period	2,247	2,322

### Remaining Performance Obligations

Remaining Performance Obligations (“RPO”) represents contracted revenue that has not yet been recognized, which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. As of March 31, 2024, the total RPO amounted to \$2.2 million, which the Company expects to recognize over the expected manufacturing term of the product.

### **NOTE 6 – INVENTORY:**

Composed as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
	<b>USD in thousands</b>	
Raw materials and supplies	441	445
Work in progress	50	34
Finished goods	113	25
	<u>604</u>	<u>504</u>

During the period ended March 31, 2024, no impairment occurred.

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## **ODYSIGHT.AI INC. (Formerly known as ScoutCam Inc.)**

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### **NOTE 7 – LOSS PER SHARE**

Basic loss per share is computed by dividing net loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares as described below.

In computing the Company’s diluted loss per share, the numerator used in the basic loss per share computation is adjusted for the dilutive effect, if any, of the Company’s potential shares of common stock. The denominator for diluted loss per share is a computation of the weighted-average number of ordinary shares and the potential dilutive ordinary shares outstanding during the period.

### **NOTE 8 – RELATED PARTIES**

#### **a. Balances with related parties:**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
	<b>USD in thousands</b>	
Directors (directors’ accrued compensation)	39	31
Smartec R&D Ltd. (see b below)	-	10
	<u>39</u>	<u>41</u>

#### **b.** During the three months ended March 31, 2023, the Company received development services from Smartec R&D Ltd., a company owned by the Company’s former CTO.

Total compensation during the three months ended March 31, 2023 was approximately \$29 thousand.

### **NOTE 9 - COMMITMENTS AND CONTINGENCIES**

On April 2023, the Company received approval from the Israel Innovation Authority (previously the Office of the Chief Scientist), (the “IIA”) to support and enhance the Company’s production line and capabilities in the next 24 months until April 2025. Pursuant to the agreement with the IIA relating to the program, the Company has to pay royalties of 3% to the IIA up to the amount IIA funding received and the accrued interest repayment of the grant is contingent upon the Company successfully completing its enhancement plans and generating sales from the enhancements preformed. The Company has no obligation to repay these grants if its enhancement plans are not completed or aborted or if it generates no sales.

## NOTE 10 – SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. The Company identified no subsequent events as of the date that the financial statements were issued.

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

*Readers are advised to review the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the consolidated financial statements and related notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2023. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. See “Cautionary Note Regarding Forward-Looking Statements”. You should review the “Risk Factors” section of our Annual Report for the fiscal year ended December 31, 2023 for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.*

### Overview

#### Overview

The Company’s primary business activities during last few months were enlarging our focus on R&D activities in the domain of I4.0 (including PdM and CBM in sectors such as aerospace, maritime energy and other heavy machinery, engines and complicated mechanics which have a need for monitoring and predictive maintenance applications). The main effect of this activity was an increase in the number of employees to enable the Company to manage the anticipated increased workload and solution development.

### Comparison of the three months ended March 31, 2024 and 2023

The following table summarizes our results of operations for the three months period ended March 31, 2024 and 2023, together with the changes in those items in dollars and as a percentage:

	2024	2023	% Change
Revenues	187,000	303,000	(38)%
Cost of Revenues	410,000	550,000	(25)%
Gross Loss	(223,000)	(247,000)	(10)%
Research and development expenses	1,567,000	1,398,000	12%
Sales and marketing expense	234,000	176,000	33%
General and administrative expenses	1,340,000	958,000	40%
Operating Loss	(3,364,000)	(2,779,000)	21%

### Revenues

As a result of the nature of our target market and the current stage of our development, a substantial portion of our revenue comes from a limited number of customers.

For the three months ended March 31, 2024, we generated revenues of \$187,000, a decrease of \$116,000, or 38%, from the three months ended March 31, 2023 revenues.

The decrease in revenues was primarily caused by a decrease in unit sales. Total revenues recorded from our miniature camera solution with a Fortune 500 multinational healthcare corporation for the three months ended March 31, 2024 amounted to approximately \$106,000 compared to \$288,000 for the three months ended March 31, 2023.

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### ***Cost of Revenues***

Cost of revenue is primarily comprised of cost of personnel including warehouse personnel costs, certain allocated facilities, and expenses associated with logistics and quality control.

Cost of revenues for the three months ended March 31, 2024 was \$410,000, a decrease of \$140,000, or 25%, compared to cost of revenues of \$550,000 for the three months ended March 31, 2023.

The decrease was primarily due to a decrease in the number of products sold and supplied to the Fortune 500 company.

### ***Gross Loss***

Gross loss for the three months ended March 31, 2024 was \$223,000, a decrease of \$24,000, or 10%, compared to gross loss of \$247,000 for the three months ended March 31, 2023.

The decrease was primarily due to decrease in revenues partially offset by decrease in cost of revenues, as described above.

### ***Research and Development Expenses***

Research and development efforts are focused on new product development and on developing additional functionality for our new and existing products. These expenses primarily consist of employee-related expenses, including salaries, benefits, and stock-based compensation expense for personnel engaged in research and development functions, consulting, and professional fees related to research and development activities, prototype materials, facility costs, and other allocated expenses, which include expenses for rent and maintenance of our facility, utilities, depreciation, and other supplies. We expense research and development costs as incurred.

Research and development expenses for the three months ended March 31, 2024 were \$1,567,000, an increase of \$169,000, or 12%, compared to \$1,398,000 for the three months ended March 31, 2023.

The increase was primarily due to an increase in payroll expenses for additional employee recruitment, as result of enlarging our focus on R&D activities in the domain of I4.0.

We expect that our research and development expenses will increase as we continue to develop our products and service and recruit additional research and development employees to the I4.0 domain.

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

Sales and marketing expenses primarily consist of payroll expenses, consulting services, promotional materials, exhibitions, demonstration equipment, and certain allocated facility infrastructure costs.

Sales and marketing expenses for the three months ended March 31, 2024 were \$234,000, an increase of \$58,000, or 33%, compared to \$176,000 for the three months ended March 31, 2023.

The increase was primarily due to an increase in payroll expenses for additional employee recruitment.

We expect that our selling and marketing expenses will increase as we expand our selling and marketing efforts in the I4.0 domain.

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

General and administrative expenses primarily consist of salaries and other related costs, including stock-based compensation, for personnel in executive, finance, and administrative functions. General and administrative expenses also include direct and allocated facility-related costs as well as professional fees for legal, patent, consulting, investor, public relations, accounting, auditing, tax services, and insurance costs.

General and administrative expenses for the three months ended March 31, 2024 were \$1,340,000, an increase of \$382,000, or 40%, compared to \$958,000 for the three months ended March 31, 2023.

The decrease was primarily due to:

- an increase in patent related expenses due to maintenance, defense, and commercialization efforts involving existing patents;
- an increase in professional services expenses due to the hiring of a financial consultant, IR consultant, HR consultant and the appointment of new directors; and
- an increase in rent and maintenance, due to our new offices in Ramat Gan.

### ***Operating loss***

We incurred an operating loss of \$3,364,000 for the three months ended March 31, 2024, an increase of \$585,000, or 21%, compared to operating loss of \$2,779,000 for the three months ended March 31, 2023.

The increase in operating loss was primarily due to an increase in expenses related to research and development, sales and marketing expenses and general and administrative expenses, each as described above.

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### ***Cash Flows***

The following table sets forth the significant sources and uses of cash for the periods set forth below (in dollars):

	<u>Three month ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Cash used in Operating Activity	(1,230,000)	(2,474,000)
Cash used in Investing Activity	(22,000)	(12,015,000)
Cash provided by Financing Activity	-	13,977,000

### ***Operating Activities***

Our primary uses of cash from operating activities have been for payroll expenses, research and development costs, manufacturing costs, marketing and promotional expenses, professional services cost and costs related to our facilities. We expect that our cash flows from operating activities will continue to increase due to an expected increase in the expenses of our business and our working capital requirements.

During the three months ended March 31, 2024, cash used in operating activities was \$1.2 million, consisting of net loss of \$3.1 million, a non-cash benefit of \$0.4 million and a favorable net change in operating assets and liabilities of \$1.5 million. Our non-cash benefit consisted primarily of non-cash charges for stock-based compensation. The net change in our operating assets and liabilities primarily reflects cash flows from changes in account receivable.

During the three months ended March 31, 2023, cash used in operating activities was \$2.5 million, consisting of net loss of \$2.7 million, an unfavorable net change in operating assets and liabilities of \$0.4 million, partially offset by a non-cash benefit of \$0.6 million. Our non-cash benefit consisted primarily of non-cash charges for stock-based compensation and depreciation. The net change in our operating assets and liabilities primarily reflects cash outflows from changes in contract liability and other current assets, partially offset by inflows from changes in other current expenses.

### ***Investing Activities***

During the three months ended March 31, 2024, cash used in investing activities was \$22,000, consisting of purchase of property and equipment .

During the three months ended March 31, 2023, cash used in investing activities was \$12 million, consisting mainly of investment, net on short-term deposits.

### ***Financing Activities***

During the three months ended March 31, 2023, cash provided by financing activities was \$14 million, consisting of cash proceeds from issuance of shares and warrants.

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## **Liquidity and Capital Resources**

As of March 31, 2024, we had cash and cash equivalents of \$7.4 million and short-term deposits of \$8.2 million compared to cash and cash equivalents of \$8.9 million and short-term deposits of \$8.1 million as of December 31, 2023. In addition, as of March 31, 2024, we incurred an accumulated deficit of \$37.4 million compared to \$34.2 million as of December 31, 2023.

Our primary sources of liquidity to date have been from fund raising and warrant exercises.

### ***Additional Cash Requirements***

We plan to continue to invest for long-term growth, and therefore we expect that our expenses will increase. We currently believe that our existing cash and cash equivalents and short-term deposits will allow us to fund our operating plan through at least the next 12 months. We expect our expenses will increase in connection with our ongoing activities, particularly as we continue the research and development and the scale up process of our I4.0 solutions. We expect to incur significant commercialization expenses related to product sales, marketing, manufacturing, and distribution. Furthermore, we will continue to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. We may raise these funds through equity financing, debt financing, or other sources, which may result in further dilution in the equity ownership of our Common Stock. There is no assurance that we will be able to maintain operations at a level sufficient for investors to obtain a return on their investment in our Common Stock, or that we will be able to raise sufficient capital required to implement our business plan on acceptable terms, if at all. Even if we are successful in raising sufficient capital to implement our business plan, we will, most likely, continue to be unprofitable for the foreseeable future. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce, or eliminate our research and development programs or future commercialization efforts.

## **Off-Balance Sheet Arrangements**

None.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

As a smaller reporting company, we are not required to provide the information requested by this Item.

### **Item 4. Controls and Procedures.**

#### *Disclosure Controls and Procedures*

Under the supervision and with the participation of our management, including our principal executive officer and our principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Exchange Act Rule 13a-15(e). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

No change in our internal control over financial reporting, as defined in Exchange Act Rule 13a-15(e), occurred during the fiscal quarter ended March 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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## **PART II- OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

From time to time, we may become involved in legal proceedings relating to claims arising from the ordinary course of business. Our management believes that there are currently no claims or actions pending against us, the ultimate disposition of which could have a material adverse effect on our results of operations, financial condition or cash flows.

### **ITEM 1A. RISK FACTORS.**

There have been no material changes from the information set forth in “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 as filed with the SEC on March 26, 2024.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

There have been no unregistered sales of equity securities in addition to the sales disclosed under Form 8-K as filed with the SEC during the recent fiscal quarter ended March 31, 2024.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

### **ITEM 4. MINE SAFETY DISCLOSURE**

Not applicable.

### **ITEM 5. OTHER INFORMATION**

None.

### **ITEM 6. EXHIBITS.**

(a) The following documents are filed as exhibits to this Quarterly Report or incorporated by reference herein.

<b>Exhibit Number</b>	<b>Description</b>
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3.1.1	<a href="#"><u>Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1.1 to our Form S-1 filed with the SEC on July 17, 2023)</u></a>
3.2.1	<a href="#"><u>Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed with the SEC on June 8, 2023)</u></a>
31.1*	<a href="#"><u>Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act</u></a>
31.2*	<a href="#"><u>Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act</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.INS	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)
*	Filed herewith.
**	Furnished herewith.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 15, 2024

**ODYSIGHT.AI INC.**

By: /s/ Yehu Ofer

Name: Yehu Ofer

Title: Chief Executive Officer  
Odysight.ai.Inc

By: /s/ Einav Brenner

Name: Einav Brenner

Title: Chief Financial Officer  
Odysight.ai Inc

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**Exhibit 31.1**

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13a-14(a)  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Yehu Ofer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2024 of Odysight.ai.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 quarter end 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 quarter end presented in this report;
4. The registrant's other certifying officer 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 quarter end 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 controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the quarter end covered by this report based on such evaluation; 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 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: May 15, 2024

/s/ Yehu Ofer

Yehu Ofer  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(a)  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Einav Brenner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2024, of Odysight.ai.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 quarter end 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 quarter end presented in this report;
4. The registrant's other certifying officer 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 quarter end 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 controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the quarter end covered by this report based on such evaluation; 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 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: May 15, 2024

/s/ Einav Brenner

Einav Brenner  
Chief Financial Officer  
(Principal Financial Officer)

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**Exhibit 32.1**

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER  
PURSUANT TO  
18 U.S.C. § 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Odysight.ai.Inc (the "Company") on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yehu Ofer, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The 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 results of operations of the Company.

Date: May 15, 2024

/s/ Yehu Ofer

Yehu Ofer  
Chief Executive Officer  
(Principal Executive Officer)

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**Exhibit 32.2**

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. § 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Odysight.ai.Inc (the "Company") on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Einav Brenner, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The 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 results of operations of the Company.

Date: May 15, 2024

/s/ Einav Brenner

Einav Brenner

Chief Financial Officer

(Principal Financial Officer)

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