

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

Form 10-Q

(Mark One)

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

For the quarterly period ended **December 31, 2022**

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

For the transition period from _____ to _____

Commission file number **001-31392**

PLURI INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

98-0351734

(I.R.S. Employer
Identification No.)

**MATAM Advanced Technology Park,
Building No. 5, Haifa, Israel**

(Address of principal executive offices)

3508409

(Zip Code)

Registrant's telephone number **011-972-74-7108600**

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares, par value \$0.00001	PLUR	The Nasdaq Global Market

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

None.

(Title of class)

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 past 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 registration was required to submit 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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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 ☒

State the number of shares outstanding of each of the issuer's classes of common shares as of the latest practicable date: 39,807,172 common shares issued and outstanding as of February 13, 2023.

PLURI INC. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2022

U.S. DOLLARS IN THOUSANDS

(Unaudited)

PLURI INC. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2022

U.S. DOLLARS IN THOUSANDS

(Unaudited)

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PLURI INC. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

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

	Note	December 31, 2022	June 30, 2022
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		\$ 8,818	\$ 9,772
Short-term bank deposits		38,428	45,244
Restricted cash		753	1,007
Prepaid expenses and other current assets		2,141	1,724
<u>Total</u> current assets		<u>50,140</u>	<u>57,747</u>
LONG-TERM ASSETS:			
Restricted bank deposits		597	634
Severance pay fund		543	661
Property and equipment, net		673	739
Operating lease right-of-use asset		7,877	8,270
Other long-term assets		97	14
<u>Total</u> long-term assets		<u>9,787</u>	<u>10,318</u>
<u>Total</u> assets		<u>\$ 59,927</u>	<u>\$ 68,065</u>

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

PLURI INC. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

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

	Note	December 31, 2022	June 30, 2022
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade payables		\$ 1,257	\$ 1,785
Accrued expenses		1,507	1,630
Operating lease liability		605	619
Accrued vacation and recuperation		818	1,053
Other accounts payable		1,097	1,742
<u>Total</u> current liabilities		<u>5,284</u>	<u>6,829</u>
LONG-TERM LIABILITIES			
Accrued severance pay		763	867
Operating lease liability		6,239	6,505
Loan from the European Investment Bank ("EIB")	4	22,675	21,678
<u>Total</u> long-term liabilities		<u>29,677</u>	<u>29,050</u>
COMMITMENTS AND CONTINGENCIES	3		
SHAREHOLDERS' EQUITY			
Share capital:	5		
Common shares, \$0.00001 par value per share: Authorized: 60,000,000 as of December 31, 2022, and June 30, 2022; Issued and outstanding: 38,291,151 and 32,507,491 shares as of December 31, 2022, and June 30, 2022, respectively.			
		*	*
Additional paid-in capital		408,692	401,302
Accumulated deficit		(385,501)	(371,263)
<u>Total</u> shareholders' equity		<u>23,191</u>	<u>30,039</u>
Non-controlling interests		1,775	2,147
<u>Total</u> equity		<u>24,966</u>	<u>32,186</u>
<u>Total</u> liabilities and equity		<u>\$ 59,927</u>	<u>\$ 68,065</u>

(*) Less than \$1

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

PLURI INC. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

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

	Six months ended December 31		Three months ended December 31,	
	2022	2021	2022	2021
Revenues	\$ 89	\$ -	\$ 2	\$ -
Operating expenses:				
Research and development expenses	\$ (9,079)	\$ (12,932)	\$ (4,575)	\$ (6,541)
Less: participation by the Israeli Innovation Authority (IIA), Horizon 2020 and other parties	1,023	72	790	34
Research and development expenses, net	(8,056)	(12,860)	(3,785)	(6,507)
General and administrative expenses	(5,635)	(9,376)	(2,896)	(4,288)
Operating loss	(13,602)	(22,236)	(6,679)	(10,795)
Interest expenses	(406)	(453)	(212)	(225)
Other financial income (expenses), net	(515)	317	(1,363)	80
Total financial income (expenses), net	(921)	(136)	(1,575)	(145)
Net loss	\$ (14,523)	\$ (22,372)	\$ (8,254)	\$ (10,940)
Net loss attributed to non-controlling interest	\$ (285)	\$ -	\$ (137)	\$ -
Net loss attributed to shareholders	\$ (14,238)	\$ (22,372)	\$ (8,117)	\$ (10,940)
Loss per share:				
Basic and diluted net loss per share	\$ (0.44)	\$ (0.70)	\$ (0.24)	\$ (0.34)
Weighted average number of shares used in computing basic and diluted net loss per share	32,878,434	32,068,271	33,194,622	32,136,352

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

INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

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

	Common Shares		Additional	Accumulated	Total
	Shares	Amount	Paid-in Capital	Deficit	Shareholders' Equity
Balance as of July 1, 2021	31,957,782	\$ (*)	\$ 387,172	\$ (330,021)	\$ 57,151
Share-based compensation to employees, directors, and non-employee consultants	267,320	(*)	5,061	-	5,061
Net loss	-	-	-	(22,372)	(22,372)
Balance as of December 31, 2021	<u>32,225,102</u>	<u>\$ (*)</u>	<u>\$ 392,233</u>	<u>\$ (352,393)</u>	<u>\$ 39,840</u>

(*) Less than \$1

	Common Shares		Additional	Accumulated	Total
	Shares	Amount	Paid-in Capital	Deficit	Shareholders' Equity
Balance as of October 1, 2021	32,096,927	\$ (*)	\$ 390,360	\$ (341,453)	\$ 48,907
Share-based compensation to employees, directors, and non-employee consultants	128,175	(*)	1,873	-	1,873
Net loss	-	-	-	(10,940)	(10,940)
Balance as of December 31, 2021	<u>32,225,102</u>	<u>\$ (*)</u>	<u>\$ 392,233</u>	<u>\$ (352,393)</u>	<u>\$ 39,840</u>

(*) Less than \$1

PLURI INC. AND ITS SUBSIDIARIES

INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

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

	Shareholders' Equity						
	Common Shares		Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Equity	Non- controlling Interests	Total Equity
	Shares	Amount					
Balance as of July 1, 2022	32,507,491	\$ (*)	\$ 401,302	\$ (371,263)	\$ 30,039	\$ 2,147	\$ 32,186
Share-based compensation to employees, directors, and non-employee consultants	233,539	(*)	1,355	-	1,355	542	1,897
Issuance of common stock and warrants related to December 2022 Private Placement, net of issuance costs of \$361	5,550,121	(*)	5,406		5,406		5,406
Modification of warrants to non-controlling interests (note 1c)	-	-	(385)	-	(385)	385	-
Expiration of warrants in Plurinuva (note 1c)	-	-	1,014	-	1,014	(1,014)	-
Net loss	-	-	-	(14,238)	(14,238)	(285)	(14,523)
Balance as of December 31, 2022	38,291,151	\$ (*)	\$ 408,692	\$ (385,501)	\$ 23,191	\$ 1,775	\$ 24,966

(*) Less than \$1

	Shareholders' Equity						
	Common Shares		Additional Paid-in Capital	Accumulated Deficit	Total Shareholder s' Equity	Non- controlling Interests	Total Equity
	Shares	Amount					
Balance as of October 1, 2022	32,634,662	\$ (*)	\$ 401,576	\$ (377,384)	\$ 24,192	\$ 2,709	\$ 26,901
Share-based compensation to employees, directors, and non-employee consultants	106,368	(*)	696	-	696	217	913
Issuance of common stock and warrants related to December 2022 Private Placement, net of issuance costs of \$361	5,550,121	(*)	5,406	-	5,406	-	5,406
Expiration of warrants in Plurinuva (note 1c)	-	-	1,014	-	1,014	(1,014)	-
Net loss	-	-	-	(8,117)	(8,117)	(137)	(8,254)
Balance as of December 31, 2022	38,291,151	\$ (*)	\$ 408,692	\$ (385,501)	\$ 23,191	\$ 1,775	\$ 24,966

(*) Less than \$1

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

PLURI INC. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

U.S. Dollars in thousands

	Six months ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (14,523)	\$ (22,372)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	197	664
Share-based compensation to employees, directors and non-employee consultants	1,897	5,061
Decrease (increase) in prepaid expenses and other current assets and other long-term assets	(500)	50
Increase (decrease) in trade payables	(517)	69
Decrease in other accounts payable and accrued expenses	(1,290)	(2,036)
Increase (decrease) in operating lease right-of-use asset and liability	113	(168)
Increase in interest receivable on deposits	(388)	(220)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	111	1,039
Long term interest payable and exchange rate differences relate to EIB loan	997	(746)
Accrued severance pay, net	14	7
Net cash used for operating activities	<u>\$ (13,889)</u>	<u>\$ (18,652)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (141)	\$ (44)
Proceeds from withdrawal of (investment in) short-term deposits	7,203	(5,539)
Proceeds from withdrawal of long-term deposits	-	12,658
Net cash provided by investing activities	<u>\$ 7,062</u>	<u>\$ 7,075</u>

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

PLURI INC. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

U.S. Dollars in thousands

	Six months ended December 31,	
	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock and warrants, net of issuance costs	5,693	-
Net cash provided by financing activities	\$ 5,693	\$ -
EFFECT OF EXCHANGE RATE ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
CASH	(111)	(1,039)
Decrease in cash, cash equivalents and restricted cash	(1,245)	(12,616)
Cash, cash equivalents and restricted cash at the beginning of the period	11,413	31,838
Cash, cash equivalents and restricted cash at the end of the period	\$ 10,168	\$ 19,222
Reconciliation of cash, cash equivalents and restricted cash reported in the consolidated balance sheets:		
Cash and cash equivalents	8,818	18,715
Restricted cash	753	507
Long-term restricted bank deposits	597	-
Total cash, cash equivalents, restricted cash and restricted bank deposits	\$ 10,168	\$ 19,222
(a) Supplemental disclosure of non-cash activities:		
Purchase of property and equipment on credit	\$ 15	\$ 23
Accrued expenses related to issuance of common stock and warrants	\$ 287	\$ -

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

U.S. Dollars in thousands (except share and per share amounts)

NOTE 1: - GENERAL

- a. Effective July 26, 2022, Pluri Inc., a Nevada corporation (“Pluri”), changed its name from Pluristem Therapeutics Inc. The Company also changed its symbol on the Nasdaq Global Market and Tel-Aviv Stock Exchange From “PSTI” to “PLUR”.

Pluri was incorporated on May 11, 2001. Pluri has a wholly owned subsidiary, Pluri Biotech Ltd. (the “Subsidiary”), which is incorporated under the laws of the State of Israel. In January 2020, the Subsidiary established a wholly owned subsidiary, Pluristem GmbH (the “German Subsidiary”) which is incorporated under the laws of Germany. In January 2022, the Subsidiary established a subsidiary, Plurinuva Ltd. (“Plurinuva”) which is incorporated under the laws of Israel, which followed the execution of the collaboration agreement with Tnuva Food Industries – Agricultural Cooperative in Israel Ltd., through its fully owned subsidiary, Tnuva Food-Tech Incubator (2019), Limited Partnership (“Tnuva”). Pluri, the Subsidiary, the German Subsidiary and Plurinuva are referred to as the “Company” or “Pluri.” The Subsidiary, the German Subsidiary and Plurinuva are referred to as the “Subsidiaries.”

- b. The Company is a bio-technology company with an advanced cell-based technology platform, which operates in one business segment. The Company has developed a unique three-dimensional (“3D”) technology platform for cell expansion with an industrial scale in-house Good Manufacturing Practice cell manufacturing facility. Pluri currently uses its technology in the field of regenerative medicine and food tech and plans to utilize it in other industries and verticals that have a need for a mass scale and cost-effective cell expansion platform such as agri-tech and biologics. Pluri is focused on the research, development and manufacturing of cell-based products, conducting clinical studies and the business development of cell therapeutics and cell-based technologies providing potential solutions for various fields.

The Company has incurred an accumulated deficit of approximately \$385,501 and incurred recurring operating losses and negative cash flows from operating activities since inception. As of December 31, 2022, the Company’s total shareholders’ equity amounted to \$23,191. During the six-month period ended December 31, 2022, the Company incurred losses of \$14,523 and its negative cash flow from operating activities was \$13,889.

As of December 31, 2022, the Company’s cash position (cash and cash equivalents, short-term bank deposits, restricted cash and restricted bank deposits) totaled \$48,596. The Company plans to continue to finance its operations from its current resources, by entering into licensing or other commercial and collaboration agreements, from grants to support its research and development activities, from sales of its equity securities and from the proceeds received from the loan previously provided by the European Investment Bank (the “EIB”) (see also note 4). The Company’s management believes that its current resources, and the rest of the funds it will receive from the investment agreements signed in December together with its existing operating plan, are sufficient for the Company to meet its obligations as they come due at least for a period of twelve months from the date of the issuance of these consolidated financial statements. The Company also implemented a cost reduction and efficiency plan to align with the change in its business strategy. There is no assurance, however, that the Company will be able to obtain an adequate level of financial resources that are required for the long-term development and commercialization of its products.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
U.S. Dollars in thousands (except share and per share amounts)

NOTE 1: - GENERAL (CONT.)

- c. On January 5, 2022, the Subsidiary entered into definitive agreements (the “Agreements”) with Tnuva pursuant to which the Subsidiary and Tnuva established Plurinuva, with the purpose of developing cultured meat products. Plurinuva received exclusive, global, royalty bearing licensing rights to use Pluri’s proprietary technology, intellectual property and knowhow in the field of cultured meat. Tnuva invested \$7,500 in Plurinuva and received 187,500 of Plurinuva’s ordinary shares, representing 15.79% of the Plurinuva share capital as of February 24, 2022 (the “Closing Date”). In addition, Tnuva received warrants to invest up to an additional \$7,500 over a period of twelve months following the Closing Date.

The first warrant (the “First Warrant”) issued to Tnuva permits Tnuva to purchase up to 125,000 ordinary shares of Plurinuva at an exercise price of \$40.00 per share, and has a term commencing on the Closing Date and ending at the earlier of (i) six months from the Closing Date, (ii) immediately prior to and subject to the consummation of an initial public offering or acquisition of Plurinuva or (iii) the consummation of a financing round with a non-affiliated investor. In addition, on the six month anniversary of the Closing Date, and provided that the First Warrant has not expired, Plurinuva agreed to issue a second warrant (the “Second Warrant”) to Tnuva which will permit Tnuva to purchase up to a number of ordinary shares of Plurinuva, or the then most senior securities issued by Plurinuva, in consideration for such amount equal to 200% of the remaining balance of the aggregate purchase price of the First Warrant, provided that Tnuva exercises at least 62,500 ordinary shares at a price per share of \$40.00, or \$2,500 in the aggregate, of the First Warrant. The Second Warrant’s exercise price per share equals \$76.00. The Second Warrant has a term commencing on the six month anniversary of the Closing Date and ending at the earlier of (i) six months from its issuance, (ii) immediately prior to and subject to the consummation of an initial public offering or acquisition of Plurinuva or (iii) the consummation of a financing round with a non-affiliated investor.

The Company determined the fair value of the ordinary shares and the warrants utilizing a Monte Carlo simulation model (Level 3 classification), which incorporates various assumptions including expected stock price volatility, risk-free interest rate, and the expected date of a qualifying event. The Company estimated the volatility of the ordinary shares of Plurinuva based on data from similar companies operating in the food tech field.

The consideration allocated to the shares issued was divided between the non-controlling interests (“NCI”) and the Company’s shareholders as this transaction is a transaction with the NCI.

The consideration allocated to the warrants was recognized against the NCI.

On August 23, 2022, (“Amendment Date”), Plurinuva and Tnuva executed an amendment to the warrant agreement (“Amendment”), extending the exercise period of the First Warrant from six months to nine months from the Closing Date. All other terms remained unchanged.

Following the Amendment, the Company recalculated the fair value of the warrants utilizing the same Monte Carlo simulation model (Level 3 classification) before and after the Amendment Date, which incorporates various assumptions including expected stock price volatility, risk-free interest rate, and the expected date of a qualifying event.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
U.S. Dollars in thousands (except share and per share amounts)

NOTE 1: - GENERAL (CONT.)

The main assumptions used in the Monte Carlo simulation model are as follows:

Risk-free interest rate	3.25%
Expected stock price volatility	<u>70%</u>

The Company estimated the volatility of the ordinary shares of Plurinuva based on data from similar companies operating in the food tech field. The additional fair value determined was \$385.

On November 22, 2022, the warrants in Plurinuva expired unexercised and \$1,014 were classified from NCI to additional paid-in capital.

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES

a. Unaudited Interim Financial Information

The accompanying interim unaudited condensed consolidated 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 GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair statement have been included (consisting only of normal recurring adjustments). For further information, reference is made to the consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended June 30, 2022. The year-end balance sheet data was derived from the audited consolidated financial statements as of June 30, 2022, but not all disclosures required by U.S. GAAP are included.

Operating results for the six-month period ended December 31, 2022 are not necessarily indicative of the results that may be expected for the year ending June 30, 2023.

b. Significant Accounting Policies

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

c. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates, judgments and assumptions that are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

U.S. Dollars in thousands (except share and per share amounts)

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

d. Fair value of financial instruments

The carrying amounts of the Company's financial instruments, including cash and cash equivalents, restricted cash, short-term bank deposits and other current assets, trade payable and other accounts payable, approximate their fair value because of their generally short-term maturities.

The Company measures its derivative instruments at fair value under Accounting Standards Codification ("ASC"), "Fair Value Measurements and Disclosures" ("ASC 820"). Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Company categorized each of its fair value measurements in one of these three levels of hierarchy.

The Company measures its liability pursuant to the Finance Agreement with the EIB based on the aggregate outstanding amount of the combined principal and accrued interest. The Company does not reflect its liability for future royalty payments pursuant to the Finance Agreement with the EIB since the royalty payments are to be paid as a percentage of the Company's future consolidated revenues, pro-rated to the amount disbursed, beginning in the fiscal year 2024 and continuing up to and including its fiscal year 2030, which cannot be measured at this time.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

U.S. Dollars in thousands (except share and per share amounts)

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

e. New Accounting Pronouncements

i. Recently adopted accounting pronouncements

ASU 2021-04-Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options ("ASU 2021-04").

In May 2021, the FASB issued ASU 2021-04 that provides guidance as to how an issuer should account for a modification of the terms or conditions or an exchange of a freestanding equity-classified written call option (i.e., a warrant) that remains equity classified after modification or exchange as an exchange of the original instrument for a new instrument. An issuer should measure the effect of a modification or exchange as the difference between the fair value of the modified or exchanged warrant and the fair value of that warrant immediately before modification or exchange and then apply a recognition model that comprises four categories of transactions and the corresponding accounting treatment for each category (equity issuance, debt origination, debt modification, and modifications unrelated to equity issuance and debt origination or modification). ASU 2021-04 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. An entity should apply the guidance provided in ASU 2021-04 prospectively to modifications or exchanges occurring on or after the effective date. The Company has adopted ASU 2021-04, which has had an impact on the modification of the warrants to the non-controlling interest in Plurinuva (see also note 1c).

ASU No. 2021-10-"Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance" ("ASU 2021-10").

In November 2021, the FASB issued ASU 2021-10 "Government Assistance (Topic 832)", which requires annual disclosures that increase the transparency of transactions involving government grants, including (1) the types of transactions, (2) the accounting for those transactions, and (3) the effect of those transactions on an entity's financial statements. The amendments in this update are effective for financial statements issued for annual periods beginning after December 15, 2021.

The adoption of this standard does not have a material impact on its consolidated financial statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**U.S. Dollars in thousands (except share and per share amounts)****NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

- ii. *Recently issued accounting pronouncements, not yet adopted*

ASU No. 2016-13-“Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (“ASU 2016-13”):

In June 2016, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2016-13, “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (“ASU 2016-13”). ASU 2016-13 changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans, and other instruments, entities will be required to use a new forward-looking “expected loss” model that generally will result in the earlier recognition of allowances for losses. The guidance also requires increased disclosures. The amendments contained in ASU 2016-13 were originally effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years for the Company. In November 2019, the FASB issued ASU No. 2019-10, which delayed the effective date of ASU 2016-13 for smaller reporting companies (as defined by the U.S. Securities and Exchange Commission rules (“SRC”)) to fiscal years beginning after December 15, 2022, including interim periods.

Early adoption is permitted. The Company meets the definition of an SRC and is adopting the deferral period for ASU 2016-13. The guidance requires a modified retrospective transition approach through a cumulative-effect adjustment to retained earnings as of the beginning of the period of adoption. The Company is currently evaluating the impact of the adoption of ASU 2016-13 on its consolidated financial statements but does not expect that the adoption of this standard will have a material impact on its consolidated financial statements.

NOTE 3: - COMMITMENTS AND CONTINGENCIES

- a. As of December 31, 2022, an amount of \$1,350 of cash and deposits was pledged by the Subsidiary for bank guarantees related to its facility operating lease agreement and to secure its credit line for hedging transactions.
- b. Under the Law for the Encouragement of Industrial Research and Development, 1984, (the “Research Law”), research and development programs that meet specified criteria and are approved by the IIA are eligible for grants of up to 50% of the project’s expenditures, as determined by the research committee, in exchange for the payment of royalties from the sale of products developed under the program. Regulations under the Research Law generally provide for the payment of royalties to the IIA of 3% on sales of products and services derived from a technology developed using these grants until 100% of the dollar-linked grant is repaid. The Company’s obligation to pay these royalties is contingent on its actual sale of such products and services. In the absence of such sales, no payment is required. Outstanding balance of the grants will be subject to interest at a rate equal to the 12 month LIBOR applicable to dollar deposits that is published on the first business day of each calendar year. Following the full repayment of the grant, there is no further liability for royalties.

As of December 31, 2022, the Company’s contingent liability in respect to royalties to the IIA amounted to \$27,574, not including LIBOR interest as described above.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

U.S. Dollars in thousands (except share and per share amounts)

NOTE 3: - COMMITMENTS AND CONTINGENCIES (CONT.)

- c. In September 2017, the Company signed an agreement with the Tel-Aviv Sourasky Medical Center (Ichilov Hospital) to conduct a Phase I/II trial of PLX-PAD cell therapy for the treatment of Steroid-Refractory Chronic Graft-Versus-Host-Disease (“cGVHD”). As part of the agreement with Ichilov Hospital, the Company will pay royalties of 1% from its net sales of the PLX-PAD product relating to cGVHD, with a maximum aggregate royalty amount of approximately \$250.
- d. The Company was awarded a marketing grant of approximately \$52 under the “Shalav” program of the Israeli Ministry of Economy and Industry. The grant is intended to facilitate certain marketing and business development activities with respect to the Company’s advanced cell therapy products in the U.S. market. As part of the program, the Company will repay royalties of 3%, but only with respect to the Company’s revenues in the U.S. market in excess of \$250 of its revenues in fiscal year 2018, upon the earlier of the five year period beginning the year in which the Company will not be entitled to reimbursement of expenses under the program and/or until the amount of the grant, which is linked to the Consumer Price Index, is fully paid.
- e. As of December 31, 2022, total grants obtained under the “Shalav” program amounted to approximately \$52. As of December 31, 2022, the Company’s contingent liability with respect to royalties for this “Shalav” program was \$52 and no royalties were paid or accrued.

NOTE 4: - LOAN FROM THE EIB

On April 30, 2020, the German Subsidiary entered into a finance contract (the “Finance Contract”) with the EIB, pursuant to which the German Subsidiary can obtain a loan (the “Loan”) in the amount of up to €50 million, subject to certain milestones being reached, payable in three tranches, with the first tranche consisting of €20 million, second of €18 million and third of €12 million for a period of 36 months from the signing of the Finance Contract.

The tranches will be treated independently, each with its own interest rate and maturity period. The annual interest rate is 4% (consisting of a 0% fixed interest rate and a 4% deferred interest rate payable upon maturity,) for the first tranche, 4% (consisting of a 1% fixed interest rate and a 3% deferred interest rate payable upon maturity) for the second tranche and 3% (consisting of a 1% fixed interest rate and a 2% deferred interest rate payable upon maturity) for the third tranche.

In addition to any interest payable on the Loan, the EIB is entitled to receive royalties from future revenues for a period of seven years starting at the beginning of fiscal year 2024 and continuing up to and including its fiscal year 2030 in an amount equal to between 0.2% to 2.3% of the Company’s consolidated revenues, pro-rated to the amount disbursed from the Loan.

During June 2021, Pluri received the first tranche in an amount of €20 million of the Finance Contract. The amount received is due on June 1, 2026 and bears annual interest of 4% to be paid with the principal of the Loan. As of December 31, 2022, the linked principal balance in the amount of \$21,330 and the interest accrued in the amount of \$1,345 are presented among long-term liabilities. As of December 31, 2022 the Company does not expect to receive additional funds pursuant to the Finance Contract.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

U.S. Dollars in thousands (except share and per share amounts)

NOTE 4: - LOAN FROM THE EIB (CONT.)

The Finance Contract also contains certain limitations such as the use of proceeds received from the EIB, limitations related to disposal of assets, substantive changes in the nature of the Company's business, changes in holding structure, distributions of future potential dividends and engaging with other banks and financing entities for other loans.

NOTE 5: - SHAREHOLDERS' EQUITY

Pursuant to a shelf registration statement on Form S-3 declared effective by the SEC on July 23, 2020, in July 2020 the Company entered into an Open Market Sale Agreement ("ATM Agreement") with Jefferies LLC ("Jefferies"), which provided that, upon the terms and subject to the conditions and limitations in the ATM Agreement, the Company could elect, from time to time, to offer and sell common shares having an aggregate offering price of up to \$75,000 through Jefferies acting as sales agent. During the year ended June 30, 2021, the Company sold 1,045,097 common shares under the ATM Agreement at an average price of \$8.50 per share for aggregate net proceeds of approximately \$8,506, net of issuance expenses of \$380.

On September 21, 2022, as a result of General Instruction I.B.6 of Form S-3, and in accordance with the terms of the ATM Agreement, the Company reduced the amount available to be sold under the ATM Agreement to a maximum aggregate offering price of up to \$11,800 of its common shares from time to time through Jefferies.

During the six-month period ended December 31, 2022, the Company did not sell any common shares under the ATM Agreement.

Between December 13, 2022 and December 27, 2022, the Company entered into a series of securities purchase agreements with several purchasers for an aggregate of 8,155,900 common shares and warrants, or the Warrants, to purchase up to 8,155,900 common shares. On December 13, 2022, the Company executed securities purchase agreements to sell, at a purchase price of \$1.03 per share, up to 5,579,883 common shares and Warrants to purchase up to 5,579,833 common shares, with an exercise price of \$1.03 per share and a term of three years. On December 14, 2022, the Company executed securities purchase agreements to sell, at a purchase price of \$1.05 per share, up to 2,068,517 common shares and Warrants to purchase up to 2,068,517 common shares, with an exercise price of \$1.05 per share and a term of three years. On December 15, 2022, the Company executed securities purchase agreements to sell, at a purchase price of \$1.06 per share, up to 237,500 common shares and Warrants to purchase up to 237,500 common shares, with an exercise price of \$1.06 per share and a term of three years. On December 19, 2022, the Company executed a securities purchase agreement to sell, at a purchase price of \$1.09 per share, up to 135,000 common shares and Warrants to purchase up to 135,000 common shares, with an exercise price of \$1.09 per share and a term of three years. On December 27, 2022, the Company executed a securities purchase agreement to sell, at a purchase price of \$1.12 per share, up to 135,000 common shares and Warrants to purchase up to 135,000 common shares, with an exercise price of \$1.12 per share and a term of three years. The Warrants sold in the December 2022 Private Placement will be exercisable upon the later of six months from their issuance date, or until the Company increase its authorized shares. As of December 31, 2022, the Company issued 5,550,121 common shares and warrants that relates to the December 2022 Private Placement and received \$5.8 million as of that date. As of December 2022 \$361, were recorded as issuance expenses that relates to the December 2022 Private Placement. As of February 13, 2023, 7,015,900 common shares and warrants sold in the December 2022 Private Placement were issued for aggregate gross proceeds of \$7.3 million.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

U.S. Dollars in thousands (except share and per share amounts)

NOTE 5: - SHAREHOLDERS' EQUITY (CONT.)

a. Options to consultants:

A summary of the options to non-employee consultants under the Company's equity incentive plans is as follows:

	Six months ended December 31, 2022			
	Number	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms (in years)	Aggregate Intrinsic Value Price
Options outstanding at the beginning of the period	91,045	\$ 1.32	7.05	\$ 44
Options forfeited	(15,000)	2.65		
Options outstanding at the end of the period	76,045	\$ 1.06	6.09	\$ 34
Options exercisable at the end of the period	54,795	\$ 0.73	6.34	\$ 34
Options unvested	21,250	\$ 1.90		
Options vested and expected to vest	76,045	\$ 1.06	6.09	\$ 34

Compensation expenses recorded in General and administration expenses related to options granted to consultants for the six months ended December 31, 2022 and 2021 were \$6 and \$10, respectively. Compensation expenses (income) recorded in General and administration expenses related to options granted to consultants for the three ended December 31, 2022 and 2021 were \$6 income and \$8 expenses, respectively.

b. Options to employees:

A summary of the options to employees under the Company's equity incentive plans is as follows:

	Six months ended December 31, 2022			
	Number	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms (in years)	Aggregate Intrinsic Value Price
Options outstanding at the beginning of the period	-	\$ -	-	\$ -
Options granted	334,821	1.12	3.54	
Options outstanding at the end of the period	334,821	\$ 1.12	3.54	\$ -
Options exercisable at the end of the period	-	\$ -	-	\$ -
Options unvested	334,821	\$ 1.12	3.54	-
Options expected to vest	334,821	\$ 1.12	3.54	\$ -

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**U.S. Dollars in thousands (except share and per share amounts)****NOTE 5: - SHAREHOLDERS' EQUITY (CONT.)**

On December 14, 2022, Yaky Yanay, the Company's Chief Executive Officer, agreed to forgo, starting January 1, 2023, \$375,000 of his annual cash salary for the next twelve months in return for equity grants, issuable under the Company's existing equity compensation plans. In that regard, the Company granted Mr. Yanay (i) 334,821 RSUs, vesting ratably each month, and (ii) options to purchase 334,821 common shares, vesting ratably each month, with a term of 3 years, at an exercise price of \$1.12 per share. In addition, the Board of Directors also agreed to grant Mr. Yanay options to purchase 1,500,000 common shares, with a term of 3 years, with the following terms: (i) options to purchase 500,000 common shares at an exercise price of \$1.56 per share, 50% vesting on June 30, 2023 and 50% vesting on December 31, 2023, (ii) options to purchase 500,000 common shares at an exercise price of \$2.08 per share, 50% vesting on June 30, 2023 and 50% vesting on December 31, 2023, and (iii) options to purchase 500,000 common shares at an exercise price of \$2.60 per share, 50% vesting on June 30, 2023 and 50% vesting on December 31, 2023. All options were granted in January 2023 and will expire three years from the later of the vesting date or the date upon which the Company increases its authorized share capital.

There were no compensation expenses recorded in general and administration expenses related to options granted and not issued to employee for the six months ended December 31, 2022 and 2021.

c. Restricted shares units ("RSUs") to employees, directors and consultants:**1. RSUs to employees and directors:**

The following table summarizes the activity related to RSUs granted to employees and directors under the Company's equity incentive plans for the six-month periods ended December 31, 2022 and 2021:

	Six months ended	
	December 31,	
	2022	2021
	Number	
Unvested at the beginning of the period	1,935,014	2,404,415
Granted	334,821	75,000
Forfeited	(39,138)	(32,480)
Vested	(212,287)	(233,570)
Unvested at the end of the period	2,018,410	2,213,365
Expected to vest after the end of the period	1,994,118	2,172,615

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**U.S. Dollars in thousands (except share and per share amounts)****NOTE 5: - SHAREHOLDERS' EQUITY (CONT.)**

Compensation expenses related to RSUs granted to employees and directors were recorded as follows:

	Six months ended December 31,		Three months ended December 31,	
	2022	2021	2022	2021
Research and development expenses	\$ 117	\$ 418	\$ 54	\$ 209
General and administrative expenses	1,139	4,494	593	1,587
	<u>\$ 1,256</u>	<u>\$ 4,912</u>	<u>\$ 647</u>	<u>\$ 1,796</u>

Unamortized compensation expenses related to RSUs granted to employees and directors is approximately \$2,079 to be recognized by the end of June 2026.

2. RSUs to consultants:

The following table summarizes the activity related to unvested RSUs granted to consultants under the Company's equity incentive plans for the six-month periods ended December 31, 2022 and 2021:

	Six months ended December 31,	
	2022	2021
	Number	
Unvested at the beginning of the period	41,250	76,249
Vested	(21,250)	(33,750)
Unvested at the end of the period	<u>20,000</u>	<u>42,499</u>

Compensation expenses related to RSUs granted to consultants were recorded as follows:

	Six months ended December 31,		Three months ended December 31,	
	2022	2021	2022	2021
Research and development expenses	\$ 93	\$ 45	\$ 55	\$ 13
General and administrative expenses	-	94	-	56
	<u>\$ 93</u>	<u>\$ 139</u>	<u>\$ 55</u>	<u>\$ 69</u>

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

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other Federal securities laws, and is subject to the safe-harbor created by such Act and laws. Forward-looking statements may include statements regarding our goals, beliefs, strategies, objectives, plans, including product and technology developments, future financial conditions, results or projections or current expectations. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” the negative of such terms, or other variations thereon or comparable terminology. These statements are merely predictions and therefore inherently subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, performance levels of activity, or our achievements, or industry results to be materially different from those contemplated by the forward-looking statements. Such forward-looking statements appear in this Item 2 – “Management's Discussion and Analysis of Financial Condition and Results of Operations,” and may appear elsewhere in this Quarterly Report on Form 10-Q and include, but are not limited to, statements regarding the following:

- the expected development and potential benefits from our products in regenerative medicine, biologics and food tech, as well as potentially in other industries and verticals that have a need for our mass scale and cost-effective cell expansion platform;
- the prospects of entering into additional license agreements, or other forms of cooperation with other companies, research organizations and medical institutions, including, without limitation Tnuva (as defined below);
- our pre-clinical and clinical study plans, including timing of initiation, expansion, enrollment, results, and conclusion of trials;
- achieving regulatory approvals;
- receipt of future funding from the Israel Innovation Authority, or IIA, the European Union's Horizon programs, as well as grants from other independent third parties;
- developing capabilities for new clinical indications of placenta expanded, or PLX, cells and new products;
- our expectation to demonstrate a real-world impact and value from our pipeline, technology platform and commercial-scale manufacturing capacity;
- the possible impacts of cybersecurity incidents on our business and operations;
- our expectations regarding our short- and long-term capital requirements;
- our outlook for the coming months and future periods, including but not limited to our expectations regarding future revenue and expenses;
- information with respect to any other plans and strategies for our business; and
- our expectations regarding the impact of the COVID-19 pandemic, including on our clinical trials and operations.

Our business and operations are subject to substantial risks, which increase the uncertainty inherent in the forward-looking statements contained in this report.

In addition, historic results of scientific research, clinical and preclinical trials do not guarantee that the conclusions of future research or trials would not suggest different conclusions. Also, historic results referred to in this periodic report would be interpreted differently in light of additional research, clinical and preclinical trials results. Except as required by law, we undertake no obligation to release publicly the result of any revision to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Further information on potential factors that could affect our business is described under the heading “Risk Factors” in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended June 30, 2022, or the 2022 Annual Report, as well as Item 1A of this Quarterly Report. Readers are also urged to carefully review and consider the various disclosures we have made in that report.

As used in this Quarterly Report on Form 10-Q, the terms “we”, “us”, “our”, the “Company” and “Pluri” mean Pluri Inc. and our wholly owned subsidiaries, Pluri Biotech Ltd. and Pluristem GmbH, and our subsidiary Plurinuva Ltd., unless otherwise indicated or as otherwise required by the context.

Overview

We are a biotechnology company with an advanced cell-based technology platform. We have developed a unique three-dimensional, or 3D, technology platform for cell expansion with an industrial scale in-house Good Manufacturing Practice, or GMP, cell manufacturing facility. We are utilizing our technology in the field of regenerative medicine and food tech and plan to utilize it in other industries and verticals that have a need for our mass scale and cost-effective cell expansion platform.

We use our advanced cell-based technology platform in the field of regenerative medicine to develop placenta-based cell therapy product candidates for the treatment of inflammatory, muscle injuries and hematologic conditions. Our placental expanded, or PLX, cells are adherent stromal cells that are expanded using our 3D platform. Our PLX cells can be administered to patients off-the-shelf, without blood or tissue matching or additional manipulation prior to administration. PLX cells are believed to release a range of therapeutic proteins in response to the patient’s condition.

Our operations are focused on the research, development and manufacturing of cells and cell-based products, conducting clinical studies and the business development of cell therapeutics and cell-based technologies, such as our collaboration with Tnuva Food Industries – Agricultural Cooperative in Israel Ltd., through its fully owned subsidiary, Tnuva Food-Tech Incubator (2019), Limited Partnership, or Tnuva, to use our technology to establish a cultivated food platform and the recent collaboration agreement we signed with a leading European manufacturer of active pharmaceutical ingredients, or APIs, to use our expansion technology, which aims to revolutionize the production of biologics by enabling a cost-effective, sustainable and cruelty-free ingredient.

We expect to demonstrate a real-world impact and value from our cell-based technology platform, our current PLX pipeline and from other cell-based product candidates that may be developed based on our platform. Our business model for commercialization and revenue generation includes, but is not limited to, licensing deals, joint ventures, partnerships, joint development agreements and direct sale of our products.

In the pharmaceutical area, we completed a Phase III multinational clinical study in muscle recovery following surgery for hip fracture and two Phase II clinical studies in Acute Respiratory Distress Syndrome, or ARDS, associated with COVID-19 in the United States, Europe and Israel. In addition, we completed a Phase I clinical study for incomplete recovery following bone marrow transplantation in the United States and Israel, and our PLX cells are used in an investigator-led Phase I/II Chronic Graft versus Host Disease study in Israel. PLX R-18 product candidate is also being tested as a potential treatment for Acute Radiation Syndrome under the U.S. Food and Drug Administration animal rule. We believe that each of these indications is a severe unmet medical need.

Food Tech

On February 24, 2022, we announced the closing of the joint venture pursuant to joint venture agreement, or the Joint Venture Agreement, with Tnuva through the Subsidiary. Under the Joint Venture Agreement, we established a new company, Plurinuva, with the purpose of developing cultivated meat products of all types and kinds.

Pursuant to the Joint Venture Agreement, Tnuva entered into a share purchase agreement, or the SPA, with Plurinuva and the Subsidiary, pursuant to which Plurinuva issued on the closing date of the SPA, or the Closing Date, 187,500 ordinary shares, representing 15.79% of its share capital, to Tnuva, as well as a warrant to purchase additional shares of Plurinuva, in consideration of an aggregate of \$7.5 million in cash.

The first warrant, or the First Warrant, issued to Tnuva permits Tnuva to purchase up to 125,000 ordinary shares of Plurinuva at an exercise price of \$40.00 per share and has a term commencing on the Closing Date and ending at the earlier of (i) six months from the Closing Date, (ii) immediately prior to and subject to the consummation of an initial public offering or acquisition of Plurinuva or (iii) the consummation of a financing round with a non-affiliated investor. In addition, on the six month anniversary of the Closing Date, and provided that the First Warrant has not expired, Plurinuva shall issue to Tnuva a second warrant, or the Second Warrant, which will permit Tnuva to purchase up to a number of ordinary shares of Plurinuva, or the then most senior securities issued by Plurinuva, in consideration for such amount equal to 200% of the remaining balance of the aggregate purchase price of the First Warrant, provided that Tnuva exercises at least 62,500 ordinary shares at a price per share of \$40.00, or \$2,500,000 in the aggregate, of the First Warrant. The Second Warrant's exercise price per share equals \$76.00. The Second Warrant has a term commencing on the six months anniversary of the Closing Date and ending at the earlier of (i) six months from its issuance, (ii) immediately prior to and subject to the consummation of an initial public offering or acquisition of Plurinuva or (iii) the consummation of a financing round with a non-affiliated investor. On August 23, 2022, the First Warrant was extended for an additional 90-day period, so that the exercise period would end on November 22, 2022. On November 22, 2022, the First Warrant expired unexercised.

In December 2022, we reported that our joint venture successfully completed proof of concept in its development of cultivated meat based on our cell-based technology platform.

Technology Collaboration the Biologics Field

In September 2022, we entered into a collaboration agreement with a leading European manufacturer of APIs for liver and gastroenterological diseases. As part of our collaboration, our platform is being utilized to develop and manufacture a unique biologic API used in drugs that treat liver and gastroenterological diseases. The current source of this API is derived from animals that are sacrificed during the extraction process. The joint goal of the collaboration is to grow the specific cells needed for this API in our 3D cell expansion bioreactor systems that secrete the biological molecule without harming animals.

We believe that proof of concept with this agreement and APIs will open opportunities for us to serve additional API manufacturers in the rapidly growing biologics market.

RESULTS OF OPERATIONS – THREE AND SIX MONTHS ENDED DECEMBER 31, 2022 COMPARED TO THREE AND SIX MONTHS ENDED DECEMBER 31, 2021.

Revenues

Revenues for each of the six-month and three-month periods ended December 31, 2022 were \$89,000 and \$2,000, respectively, as compared to no revenues during the six-month and three-month periods ended December 31, 2021. Revenues for the six-month and three-month periods ended December 31, 2022 were mainly related to our collaboration in the biologic field.

Research and Development Expenses, Net

Research and development, or R&D, expense, net (costs less participation and grants by the Horizon 2020 program, the IIA and other parties) for the six-month period ended December 31, 2022 decreased by 37% from \$12,860,000 for the six-month period ended December 31, 2021 to \$8,056,000. The decrease is mainly attributed to: (1) a decrease in clinical studies subcontractor expenses following the completion of our critical limb ischemia and ARDS associated with COVID-19 studies and the end of enrollment of our muscle regeneration following hip fracture study in November 2021, (2) a decrease in materials purchases in accordance with our manufacturing needs and plan, (3) a decrease in salaries and related expenses as part of our cost reduction, specifically a reduction of 29 R&D employees (108 on December 31, 2022, compared to 137 on December 31, 2021), (4) a decrease in share-based compensation expenses and (5) higher participation by the European Union with respect to the Horizon 2020 grants, which relate to our critical limb ischemia and muscle regeneration following hip fracture studies.

R&D expense, net (costs less participation and grants by the Horizon 2020 program, the IIA and other parties) for the three-month period ended December 31, 2022 decreased by 42% from \$6,507,000 for the three-month period ended December 31, 2021 to \$3,785,000. The decrease is mainly attributed to: (1) a decrease in clinical studies subcontractor expenses following the completion of our critical limb ischemia and ARDS associated with COVID-19 studies and the end of enrollment of our muscle regeneration following hip fracture study in November 2021, (2) a decrease in salaries and related expenses as part of our cost reduction, specifically a reduction of 29 R&D employees (108 on December 31, 2022, compared to 137 on December 31, 2021), (3) a decrease in share-based compensation expenses and (4) higher participation by the European Union with respect to the Horizon 2020 grants which relates to muscle regeneration following hip fracture program that commenced during the 2018 calendar year.

General and Administrative Expenses

General and administrative expenses for the six-month period ended December 31, 2022 decreased by 40% from \$9,376,000 for the six-month period ended December 31, 2021 to \$5,635,000. The decrease is mainly attributed to a decrease in share-based compensation expenses related to market based vesting conditioned restricted stock units, or RSUs, granted to our Chief Executive Officer and Chairman which was recorded as an expense of \$7,283,000 between September 11, 2020 and October 30, 2021, employee terminations and RSU expenses amortization over time.

General and administrative expenses for the three-month period ended December 31, 2022 decreased by 32% from \$4,288,000 for the three-month period ended December 31, 2021 to \$2,896,000. The decrease is mainly attributed to a decrease in share-based compensation expenses related to market based vesting conditioned restricted stock units, or RSUs, granted to our Chief Executive Officer and Chairman which was recorded as an expense of \$7,283,000 between September 11, 2020 and October 30, 2021, employee terminations and RSU expenses amortization over time.

Other Financial Income (Expenses), net

Other financial income (expenses) decreased from \$317,000 in financial income for the six-month period ended December 31, 2021 to \$515,000 in financial expenses for the six-month period ended December 31, 2022. This decrease is mainly attributable to expenses relating to exchange rate differences related to the EIB loan provided to us in June 2021 pursuant to the finance agreement executed with the EIB, or the EIB Finance Agreement, following the strength of the Euro against the U.S. dollar.

Other financial income (expenses) decreased from \$80,000 in financial income for the three-month period ended December 31, 2021 to \$1,363,000 in financial expenses for the three-month period ended December 31, 2022. This decrease is mainly attributable to expenses from exchange rate differences, related to the EIB loan provided to us in June 2021 pursuant to the EIB Finance Agreement, following the strength of the Euro against the U.S. dollar.

Interest Expenses

Interest expenses decreased from \$453,000 for the six-month period ended December 31, 2021 to interest expenses of \$406,000 for the six-month period ended December 31, 2022. This decrease is attributable solely to exchange rate differences due to the Euro against the U.S. dollar.

Interest expenses decreased from \$225,000 for the three-month period ended December 31, 2021 to interest expenses of \$212,000 for the three-month period ended December 31, 2022. This decrease is attributable solely to exchange rate differences due to the strength of the Euro against the U.S. dollar.

Net Loss

Net loss for six-month and three-month periods ended December 31, 2022 was \$14,523,000 and \$8,254,000, respectively, as compared to net loss of \$22,372,000 and \$10,940,000 for the six-month and three-month periods ended December 31, 2021. The decrease was due to a decrease in general and administrative expenses and research and development expenses, as a result of our cost reduction plan and the implementation of our new business strategy, alongside the completion or termination of several clinical studies (in critical limb ischemia, ARDS associated with COVID 19, incomplete recovery following bone marrow transplantation and completion of enrollment of muscle regeneration following hip fracture). Net loss per share attributed to shareholders for the six-month and three-month periods ended December 31, 2022 was \$0.44 and \$0.24, respectively, as compared to \$0.70 and \$0.34 for the six-month and three-month periods ended December 31, 2021. We had net loss attributed to our non-controlling interest in Plurinuva for the six-month and three-month periods ended December 31, 2022 of \$285,000 and \$137,000, respectively.

For the six-month and three-month periods ended December 31, 2022 and 2021, we had weighted average common shares outstanding of 32,878,434, 33,194,622, and 32,068,271, 32,136,352, respectively, which were used in the computations of net loss per share for the six and three-month periods.

The increase in weighted average common shares outstanding reflects the issuance of additional shares pursuant to a private placement offering we conducted in December 2022, or the December 2022 Private Placement, and the issuance of additional shares upon the vesting of RSUs issued to directors, employees and consultants.

Liquidity and Capital Resources

As of December 31, 2022, our total current assets were \$50,140,000 and total current liabilities were \$5,284,000. On December 31, 2022, we had a working capital surplus of \$44,856,000, total equity of \$24,966,000, out of which \$1,775,000 is attributed to the non-controlling interest in Plurinuva, and an accumulated deficit of \$385,501,000.

Our cash and cash equivalents as of December 31, 2022 amounted to \$8,818,000, compared to \$18,715,000 as of December 31, 2021, and compared to \$9,772,000 as of June 30, 2022. Cash balances changed in the six months ended December 31, 2022 and 2021 for the reasons presented below.

Net cash used for operating activities was \$13,889,000 in the six months ended December 31, 2022, compared to \$18,652,000 in the six months ended December 31, 2021. The decrease is mainly attributed to a decrease in net loss following the completion of clinical trials and the implementation of our cost reduction and efficiency plan that we initiated in order to align with the change in our business strategy. Cash used in operating activities in the six months ended December 31, 2022 and 2021 consisted primarily of payments of fees to our suppliers, subcontractors, professional services providers and consultants, and payments of salaries to our employees, partially offset by grants from the IIA, the EU's Horizon 2020 program, Israel's Ministry of Economy and other research grants.

Investing activities provided cash of \$7,062,000 in the six months ended December 31, 2022, compared to cash used of \$7,075,000 for the six months ended December 31, 2021. The investing activities in the six-month period ended December 31, 2022 consisted primarily of the withdrawal of \$7,203,000 of short-term deposits. The investing activities in the six-month period ended December 31, 2021 consisted primarily of the investment of \$5,539,000 in short-term deposits and proceeds of \$12,658,000 from withdrawal of long-term deposits.

The cash provided in the six months ended December 31, 2022 by financing activities was related to net proceeds of \$5,693,000 related to issuances of common shares and warrants, net of issuance cost that were paid in cash, in the December 2022 Private Placement. No cash was used or provided from financing activities during the six months ended December 31, 2021.

Between December 13, 2022 and December 27, 2022, we entered into a series of securities purchase agreements with several purchasers for an aggregate of 8,155,900 common shares and warrants, or the Warrants, to purchase up to 8,155,900 common shares. On December 13, 2022, we executed securities purchase agreements to sell, at a purchase price of \$1.03 per share, up to 5,579,883 common shares and Warrants to purchase up to 5,579,833 common shares, with an exercise price of \$1.03 per share and a term of three years. On December 14, 2022, we executed securities purchase agreements to sell, at a purchase price of \$1.05 per share, up to 2,068,517 common shares and Warrants to purchase up to 2,068,517 common shares, with an exercise price of \$1.05 per share and a term of three years. On December 15, 2022, we executed securities purchase agreements to sell, at a purchase price of \$1.06 per share, up to 237,500 common shares and Warrants to purchase up to 237,500 common shares, with an exercise price of \$1.06 per share and a term of three years. On December 19, 2022, we executed a securities purchase agreement to sell, at a purchase price of \$1.09 per share, up to 135,000 common shares and Warrants to purchase up to 135,000 common shares, with an exercise price of \$1.09 per share and a term of three years. On December 27, 2022, we executed a securities purchase agreement to sell, at a purchase price of \$1.12 per share, up to 135,000 common shares and Warrants to purchase up to 135,000 common shares, with an exercise price of \$1.12 per share and a term of three years. The Warrants sold in the December 2022 Private Placement will be exercisable upon the later of six months from their issuance date, or until we increase our authorized shares. As of December 31, 2022, we issued 5,550,121 common shares and warrants that relates to the December 2022 Private Placement and received \$5.8 million as of that date. As of December 2022, \$361,000 were recorded as issuance expenses that relates to the December 2022 Private Placement. As of February 13, 2023, 7,015,900 common shares and warrants sold in the December 2022 Private Placement were issued for aggregate gross proceeds of \$7.3 million.

In addition, the purchasers in the December 2022 Private Placement agreed to execute proxies permitting our Chief Executive Officer and Chief Financial Officer to vote the securities purchased in the December 2022 Private Placement in favor of any shareholder vote relating to a future increase of our authorized shares. Pursuant to the securities purchase agreements executed with the purchasers, we agreed to hold a meeting of shareholders within 200 days of the execution of the securities purchase agreements for the purpose of increasing our authorized shares.

On December 14, 2022, Yaky Yanay, our Chief Executive Officer, agreed to forgo, starting January 1, 2023, \$375,000 of his annual cash salary for the next twelve months in return for equity grants, issuable under the our existing equity compensation plans. In that regard, we granted Mr. Yanay (i) 334,821 RSUs, vesting ratably each month, and (ii) options to purchase 334,821 common shares, vesting ratably each month, with a term of 3 years, at an exercise price of \$1.12 per share. In addition, the Board of Directors also agreed to grant Mr. Yanay options to purchase 1,500,000 common shares, with a term of 3 years, with the following terms: (i) options to purchase 500,000 common shares at an exercise price of \$1.56 per share, 50% vesting on June 30, 2023 and 50% vesting on December 31, 2023, (ii) options to purchase 500,000 common shares at an exercise price of \$2.08 per share, 50% vesting on June 30, 2023 and 50% vesting on December 31, 2023, and (iii) options to purchase 500,000 common shares at an exercise price of \$2.60 per share, 50% vesting on June 30, 2023 and 50% vesting on December 31, 2023. All options were granted in January 2023 and will expire three years from the later of the vesting date or the date upon which the Company increases its authorized share capital.

On July 16, 2020, we entered into an Open Market Sale AgreementSM, or the ATM Agreement, with Jefferies LLC, or Jefferies, pursuant to which we were able to issue and sell our common shares having an aggregate offering price of up to \$75,000,000 from time to time through Jefferies. Upon entering into the ATM Agreement, we filed a new shelf registration statement on Form S-3, which was declared effective by the SEC on July 23, 2020.

On September 21, 2022, as a result of General Instruction I.B.6 of Form S-3, and in accordance with the terms of the Sales Agreement, we reduced the amount available to be sold under the ATM Agreement to a maximum aggregate offering price of up to \$11,800,000 of our common shares from time to time through Jefferies.

During the six-month period ended December 31, 2022, we did not sell of our any common shares under the ATM Agreement.

In April 2020, we and our subsidiaries, Pluri Biotech Ltd. and Pluristem GmbH, executed the EIB Finance Agreement for non-dilutive funding of up to €50 million in the aggregate, payable in three tranches. The proceeds from the EIB Finance Agreement were intended to support our research and development in the European Union to further advance our regenerative cell therapy platform, and to bring the products in our pipeline to market. The term of the project was three years commencing on January 1, 2020.

During June 2021, we received the first tranche in the amount of €20 million pursuant to the EIB Finance Agreement. The amount received is due to be repaid on June 1, 2026 and bears annual interest of 4% to be paid together with the principal of the loan. As of December 31, 2022, the interest accrued was in the amount of €1,262,000. In addition to the interest payable, the EIB is also entitled to royalty payments, pro-rated to the amount disbursed from the EIB loan, on the Company's consolidated revenues beginning in the fiscal year 2024 up to and including its fiscal year 2030, in an amount equal to up to 2.3% of the Company's consolidated revenues below \$350 million, 1.2% of the Company's consolidated revenues between \$350 million and \$500 million and 0.2% of the Company's consolidated revenues exceeding \$500 million. As the project term ended on December 31, 2022, we do not expect to receive additional funds pursuant to the EIB Finance Agreement.

According to the IIA grant terms, we are required to pay royalties at a rate of 3% on sales of products and services derived from technology developed using this and other IIA grants until 100% of the dollar-linked grants amount plus interest are repaid. In the absence of such sales, no payment is required. Through December 31, 2022, total grants obtained from the IIA aggregated to approximately \$27,743,000 and total royalties paid and accrued amounted to \$169,000.

In June 2020, we announced that we were selected as a member of the CRISPR-IL consortium, a group funded by the IIA. CRISPR-IL brings together the leading experts in life science and computer science from academia, medicine, and industry, to develop Artificial Intelligence, or AI, based end-to-end genome-editing solutions. These next-generation, multi-species genome editing products for human, plant, and animal DNA, have applications in the pharma, agriculture, and aquaculture industries. CRISPR-IL is funded by the IIA with a total budget of approximately \$10,000,000 of which, an amount of approximately \$480,000 was a direct grant allocated to us, for the initial period of 18 months. During October 2021, we received an approval for an additional grant of approximately \$583,000 from the IIA pursuant to the CRISPR-IL consortium program, for an additional period of eighteen months. The CRISPR-IL consortium program does not include any obligation to pay royalties.

Through December 31, 2022, we received total grants of approximately \$757,000 in cash from the IIA pursuant to the CRISPR-IL consortium program, out of which an amount of \$62,429 was received during the six-months ended December 31, 2022.

As of December 31, 2022, we received total grants of approximately \$6,614,000 in cash from the European Union research and development consortiums pursuant to the Horizon 2020 program. During December 2022, we received an approval for an additional grant of approximately \$735,000 to be used towards our PLX-PAD cell program in muscle recovery following surgery for hip fracture.

On September 6, 2022, we announced that a €7.5 million non-dilutive grant from the European Union's Horizon program was awarded to PROTO (Advanced PeRsOnalized Therapies for Osteoarthritis), an international collaboration led by Charité Berlin Institute of Health Center for Regenerative Therapies. The goal of the PROTO project is to utilize our PLX-PAD cells in a Phase I/IIa study for the treatment of mild to moderate knee osteoarthritis. Final approval of the grant is subject to completion of the consortium agreement. The funds from the grant are expected to be allocated between Pluri and other members of the consortium in accordance with budget and work packages which will be determined by the consortium. An amount of approximately Euro 500,000 (approximately \$533,745) is a direct grant that will be allocated to us.

The Phase I/II study will be carried out by Charité, together with us and other members of the international consortium under the leadership of Professor Tobias Winkler, Principal Investigator, at the Berlin Institute of Health Center of Regenerative Therapies, Julius Wolff Institute and Center for Musculoskeletal Surgery.

The currency of our financial portfolio is mainly in U.S. dollars and we use options contracts and other financial instruments in order to hedge our exposures to currencies other than the U.S. dollar. For more information, please see Item 7A. - “Quantitative and Qualitative Disclosures about Market Risk” in the 2022 Annual Report.

We have an effective Form S-3 registration statement (File No. 333-239890), filed under the Securities Act of 1933, as amended, with the SEC using a “shelf” registration process. Under this shelf registration process, we may, from time to time, sell our common shares, preferred shares and warrants to purchase common shares, and units of two or more of such securities in one or more offerings up to a total dollar amount of \$250,000,000. As of February 13, 2022, other than the \$11,800,000 of common shares we are eligible to sell pursuant to the ATM Agreement, and the \$30,000,000 of common shares we sold in a registered direct offering in February 2021, no securities have been sold pursuant to our effective Form S-3 registration statement.

Outlook

We have accumulated a deficit of \$385,501,000 since our inception in May 2001. We do not expect to generate any significant revenues from sales of products in the next twelve months. We expect to generate revenues, from the sale of licenses to use our technology or products, but in the short and medium terms will unlikely exceed our costs of operations.

We may be required to obtain additional liquidity resources in order to support the commercialization of our products and technology and maintain our research and development and clinical study activities.

We are continually looking for sources of funding, including non-diluting sources such as collaboration with other companies via licensing agreements, the IIA grants, the European Union grant and other research grants, and sales of our common shares.

We believe that we have sufficient cash to fund our operations for at least the next twelve months.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures - We maintain a system of disclosure controls and procedures that are designed for the purposes of ensuring that information required to be disclosed in our SEC reports 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 Chief Executive Officer, or CEO, and our Chief Financial Officer, or CFO, as appropriate to allow timely decisions regarding required disclosures.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our CEO and our CFO, of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting - There has been no change in our internal control over financial reporting during the second quarter of fiscal year 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our 2022 Annual Report, which could materially affect our business, financial condition or future results.

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

On December 27, 2022, we executed a securities purchase agreement with a single investor to sell, as a purchase price of \$1.12 per share, 135,000 common shares and warrants to purchase 135,000 common shares, with an exercise price of \$1.12 per share and a term of three years. The warrants will be exercisable upon the later of six months from their issuance date, or until we increase our authorized shares. In addition, the purchaser agreed to execute a proxy permitting our Chief Executive Officer and Chief Financial Officer to vote the securities purchased in favor of any shareholder vote relating to a future increase of our authorized shares. Pursuant to the securities purchase agreement, we agreed to hold a meeting of shareholders within 200 days of the execution of the securities purchase agreement for the purpose of increasing our authorized shares.

The aforementioned securities issued are exempt from the registration requirements of the Securities Act of 1933, as amended, or the Securities Act, pursuant to Section 4(a)(2) of the Securities Act and/or Rule 506(b) of Regulation D and Regulation S promulgated thereunder. The securities have not been registered under the Securities Act and may not be sold in the United States absent registration or an exemption from registration.

Item 5. Other Information.

On February 13, 2023, we, through our subsidiary Pluri Biotech Ltd., entered into a consulting agreement, or the Consulting Agreement, with Mr. Zami Aberman, pursuant to which Mr. Aberman shall serve as the Company's Chairman of the Board of Directors. A copy of the Consulting Agreement is filed as Exhibit 10.2 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

PART II—OTHER INFORMATION

Item 6. Exhibits.

4.1	<u>Form of Warrant (incorporated by reference to Exhibit 4.1 of our current report on Form 8-K filed on December 19, 2022).</u>
10.1	<u>Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.2 of our current report on Form 8-K filed on December 19, 2022).</u>
10.2*	<u>Amended and Restated Consulting Agreement by and between Pluri Biotech Ltd. and Mr. Zalman (Zami) Aberman, dated February 13, 2023.</u>
31.1*	<u>Rule 13a-14(a) Certification of Chief Executive Officer.</u>
31.2*	<u>Rule 13a-14(a) Certification of Chief Financial Officer.</u>
32.1**	<u>Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.</u>
32.2**	<u>Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.</u>
101*	The following materials from our Quarterly Report on Form 10-Q for the quarter ended December 31, 2022 formatted in inline XBRL (eXtensible Business Reporting Language): (i) the Interim Condensed Consolidated Balance Sheets, (ii) the Interim Condensed Consolidated Statements of Operations, (iii) the Interim Condensed Statements of Changes in Shareholders' Equity, (iv) the Interim Condensed Consolidated Statements of Cash Flows, and (vi) the Notes to Interim Condensed Consolidated Financial Statements, tagged as blocks of text and in detail.
104*	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PLURI INC.

By: /s/ Yaky Yanay
Yaky Yanay, Chief Executive Officer and
President
(Principal Executive Officer)

Date: February 13, 2023

By: /s/ Chen Franco-Yehuda
Chen Franco-Yehuda, Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Date: February 13, 2023

CONSULTING AGREEMENT

This Consulting Agreement (the “**Agreement**”) is entered into as of January 1st 2023 (the “**Effective Date**”) by and between Pluri Biotech Ltd., with its principal place of business at MATAM Park, Building 5, Haifa 31905 Israel (“**Company**”), and Mr. Zalman (Zami) Aberman, Israeli ID# 26014043 from Tel Mond, Israel (“**Consultant**”).

(Each may be referred to as a “**Party**” and collectively the “**Parties**”).)

WHEREAS, the Parties hereto wish to enter into a new agreement in accordance with the provisions set forth in this Agreement; and

WHEREAS, Company desires to receive the Services (as defined herein) directly from the Consultant, and has secured all requisite corporate approvals in connection therewith; and

WHEREAS, Consultant has the skills, connections and experience necessary to serve as the Company’s Chairman of the Board; and

WHEREAS, Company wishes to retain Consultant, as an independent contractor, to provide Company with the Services, on a non-exclusive basis, pursuant to the terms and conditions hereunder;

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements herein, the Parties, intending to be legally bound, hereby agree as follows:

1. **The Services**

- 1.1. The Consultant shall, during the Term of this Agreement (as defined below), provide the Company with services of Chairman of the Board of the Company and Chairman if the Board of Pluri Inc. (the “**Parent Company**” and the “**Services**” respectively).
 - 1.2. Consultant shall use all reasonable endeavors to promote, develop and expand Company’s business, shall devote all necessary time and attention to the performance of his duties, and will work in coordination with Company’s executives and Board of directors.
 - 1.3. Without derogating from the above, the Consultant shall act in accordance with the Company’s policies, regulations and general instructions as shall be published and updated from time to time, including, but not limited to, the Company’s ABC policy, Sexual Harassment Policies, the Company’s Insider Trade Policy, the Company’s whistle blowing policy, the Company’s Ethic Code etc. Without derogating from the provisions of Section 4 below, in the event of a breach of this Section 1.3 or any of the policies mentioned herein, Company shall have the right to immediately terminate this Agreement without prior notice, based on Company’s sole discretion.
-

2. **Representations and Warranties**

Each Party hereby represents and warrants to the other Party as follows:

- 2.1. It is not a party to any contract or agreement preventing it from entering into this Agreement and carrying out its obligations hereunder, and such do not violate, conflict with or constitute a default under applicable law.
- 2.2. When executed, this Agreement shall become its legal, valid and binding obligation, enforceable in accordance with the Agreement's terms.
- 2.3. It has, and during the term of this Agreement shall continue to maintain, the expertise, knowledge, capacity, financial means, facilities and personnel necessary to carry out its obligations under this Agreement.

3. **Consideration**

As sole and full consideration for the Services, Consultant shall be entitled to the followings (the "**Consideration**"):

- 3.1. **Consulting Fees.** In considerations for the Services, , the Company shall pay the Consultant a yearly gross amount of \$116,000 plus VAT ("**Consulting Fees**"), against a duly issued invoice. Payment will be made on a monthly basis.
- 3.2. **Bonus.** Subject to Board's discretion, Consultant shall be eligible to receive a special bonus payment of up to US\$75,000 for extraordinary performance, or special efforts devoted on behalf of the Company. In addition, the Board of Directors or the Company's Compensation Committee may decide to grant the Consultant with other bonus at the Board discretion.
- 3.4. **Car.** The Company shall reimburse the Consultant for all reasonable expenses actually incurred with respect to the Consultant Car, in an amount of NIS 4,000 per month (exclusive of VAT).
- 3.5. **Cellular Phone.** The Company shall provide the Consultant with a cellular phone and shall bear reasonable expenses relating to such cellular phone.
- 3.6. **Reimbursement for Expenses.** Consultant shall be entitled to receive prompt reimbursement of all direct expenses reasonable incurred by him in connection with the performance of his duties hereunder; *provided, however*, that the Consultant has submitted, in writing, in the proper formant, an expense report for the same, together with written receipts, in accordance with the Expense Policy (each, an "**Expense Report**"), and the Expense Report has been submitted within fifteen (15) days of the incurrence of the expenses.

- 3.7. D&O Insurance and indemnification. The Company undertakes to cause that the Consultant in its capacity as Office Holder of the Company, shall be covered by the Company's D&O insurance policy, as shall be in effect from time to time. Furthermore, the Company shall act to provide indemnification to the Consultant in his capacity as an officer of the Company.
- 3.8. For the avoidance of doubt, other than the Consideration, Consultant shall not be entitled to any further payment or compensation in connection with the performance of the Services, including any reimbursement of costs and expenses.
- 3.9. For the avoidance of doubt, it is hereby clarified that each party to this Agreement will be liable for its own tax payments. In addition, any consideration shall include VAT at the applicable rate required by law and regulations.
- 3.10. The Company shall withhold taxes from any paid Consideration, at an applicable rate as required by applicable laws and regulations, or at a rate that is determined by an authorized approval or certificate of the Israeli Tax Authority that may be provided to the Company by Consultant.

4. Term and Termination

- 4.1. This Agreement shall commence as of January 1, 2023 and shall continue in full force until terminated by either party according to the terms hereto, or shall expire immediately in the event Consultant no longer serves as a director of the board of the Company or the Parent Company (the "**Term**").
- 4.2. Either Party may terminate this Agreement by giving the other Party thirty (30) days written notice (the "**Notice Period**"). Consultant shall continue to provide the Services during the Notice Period and shall be entitled to receive the Consideration for such Services. The Company retains the right, at its sole discretion and at any time within the Notice Period, to terminate, immediately and unilaterally, the Services, by giving a written notice to Consultant; provided, however, that, Consultant shall be entitled to receive the Consideration payable for such Notice Period. The Notice Period will not apply in case the Consultant was not elected by the Parent Company's shareholders to serve as a Board member in the annual general meeting.
- 4.3. Notwithstanding, Company may, at its sole discretion, immediately terminate the Agreement by giving written notice to the Consultant in the event that the Consultant engage in any illegal, unfair, or deceptive business practices or unethical conduct whatsoever, whether or not related to the Services. In case of termination according to this Section, the Services shall terminate immediately and unilaterally, and Consultant shall not be entitled to receive any amounts, including the Consideration.

- 4.4. Termination of this Agreement shall be without prejudice to any other right or remedy of either Party as stipulated in this Agreement. All covenants set forth in this Agreement designated or designed to survive its Term, shall survive the termination or expiration of this Agreement for any reason.

5. **Stock Based Awards**

During the term of this Agreement, Consultant shall be entitled to participate in any of Pluri Inc.'s (the Parent Company) equity compensation plans, whether currently in existence or as may be adopted in the future by the Parent Company's shareholders, from time to time (the "Plan"), and may be granted such awards, pursuant to any relevant grant instruments, that may be granted in accordance with the Plan (the "Awards") as shall be determined by the Board and/or the Parent Company's Compensation Committee.

It is hereby clarified that the grant of the Awards is subject to (a) the approval of the Parent Company's Board of Directors and/or Compensation Committee and (b) execution of any documents required pursuant to applicable law and the terms of the Plan, including execution of a grant Award agreement, and an irrevocable proxy. The terms of the Award, including but not limited to, the number of Awards granted, the exercise price, vesting period, adjustments and exercise period shall be determined in accordance with the provisions of the Plan and the executed grant Award agreement.

For certain Awards, Consultant shall be entitled to immediate acceleration of the of unvested Awards in the following circumstances: (i) in case of the termination by the Company of the Consulting Agreement for reasons other than as set forth in Section 4.3 of this Agreement, 100% of any unvested Awards; (ii) in case of the termination by the Consultant of the Consulting Agreement, up to 50% of any unvested Awards at the discretion of the Board of the Parent Company; and (iii) in the event of a Change of Control (as hereinafter defined) of the Parent Company, and provided the Consultant is still providing services to the Parent Company or a subsidiary, 100% of any unvested Awards.

The Parties further agree that the above referenced acceleration provision is not intended to apply to the Consultant's awards that provide for market based condition.

For purposes of this Agreement, "Change of Control" shall mean the occurrence of any of the following: (i) any one person, or more than one person acting as a group or in concert, acquires beneficial ownership of stock of the Parent Company that, together with stock held by such person or group, constitutes more than thirty percent (30%) of the total voting power of the stock of the Parent Company; (ii) any consolidation or merger of the Parent Company into another corporation or entity where the stockholders of the Parent Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own, directly or indirectly, securities representing in the aggregate more than fifty percent (50%) of the combined voting power of all the outstanding securities of the surviving corporation (or of its ultimate parent corporation, if any); (iii) the sale, lease or other transfer of all or substantially all of the Parent Company's assets to an independent, unaffiliated third party in a single transaction or a series of related transactions; or (iv) the date that fifty percent (50%) or more of the members of the Parent Company's Board of Directors is replaced during any twelve (12) month period by directors whose appointment or election is not endorsed by fifty percent (50%) or more of the members of the Parent Company's Board of Directors prior to the date of the appointment or election.

Any tax imposed on Consultant with respect to the grant and/or the exercise of the Award shall be borne by the Consultant.

6. **Confidentiality, Intellectual Property Assignment and Non-Competition**

The Consultant undertakes to fully comply with the Confidentiality, Intellectual Property Assignment and Non-Competition provisions set forth in Exhibit A.

7. **Scope of Relationship**

The relationship between the Company and Consultant shall be that of independent contractors. Neither Party is a partner, joint-venture, agent, employee or legal representative of the other, nor has either Party the authority to assume or create any obligation on behalf of the other, to bind the other or to represent itself as such to any third party. Consultant shall bear all social benefits required under any applicable law and shall not receive nor be entitled to overtime pay, insurance, severance payments or similar fringe or employment benefits from the Company.

- 7.1. The Consultant affirms that this Agreement does not create any employee relationship between the Consultant and the Company.
- 7.2. Without derogating from the above, Consultant shall reimburse and compensate the Company in the event that the Company is required to pay any sum of money to the Consultant and/or the Consultant's heirs and/or dependents and/or to the National Social Security Authority (*Bituach Leumi*) and/or the tax authorities and/or any other party that sues in the name of the Consultant or on Consultant's behalf, for any rights deriving from a status of an employee of the Company.
- 7.3. The parties acknowledge that had the Company elected to retain the services of Consultant as an employee and had Consultant agreed to accept such employment, the salary payable to Consultant would be substantially lower than the Consulting Fee (as the Fee takes into account all social benefits that would otherwise be payable to an employee including, severance payments, etc.). Therefore, if any labor court, or other competent authority, determines that an employer-employee relationship does in fact exist between the Company and Consultant, the following shall apply:
 - 7.3.1 For the period as to which it is claimed or determined that an employment relationship existed between the Company and Consultant (the "**Relevant Period**"), Consultant's Fee shall be such amount equal to 67% of the Fee due to him for each month during the Relevant Period, and such consideration shall constitute the full Fee payable to Consultant on which basis any social contributions will be calculated.
 - 7.3.2 Consultant hereby agrees to immediately repay the Company any amount which the Company has paid is under this Agreement, above the payments set forth in Section 7.3.1, such repaid amount to be linked to the Israeli Consumer Price Index and include interest at the annual rate of 5%.
 - 7.3.3 The Company may set off any of the Consultant's debt to the Company under this Section 7.3 from any amounts payable to Consultant under this Agreement or pursuant to his relationship with the Company in his capacity as such. For the avoidance of doubt, no deduction (as described in this section) shall exempt Consultant from repaying the Company the Consultant's overall debt.
- 7.4. The above obligations of the Consultant shall survive the termination of this Agreement.

8. **Miscellaneous**

This Agreement, including its exhibits, when signed by the authorized representatives of the Parties hereto, shall constitute the sole and entire agreement between the Parties, with respect to the subject matter of this Agreement, and shall supersede any and all prior agreements, whether oral or written. No amendment or waiver to this Agreement shall be effective unless in writing and signed by authorized representatives of the Parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Israel, without regard to its rules regarding conflict of laws. The competent courts located in the district of Tel-Aviv, Israel, shall have exclusive jurisdiction with respect to any claims or disputes arising out of or concerning this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

Pluri Biotech Ltd.

Zalman Aberman

<p style="text-align: center;">EXHIBIT A Confidentiality, Intellectual Property Assignment and Non-Competition</p>

1. Secrecy

- (a) The Consultant recognizes and acknowledges that its access whether prior to the date hereof or thereafter, to the trade secrets and confidential or proprietary information (collectively, the “**Confidential Information**”) of the Company and the Company’s subsidiaries and other affiliates (collectively, the “**Companies**”), is essential to the services the Consultant is giving to the Companies (the “**Services**”).
- (b) By way of illustration and not limitation, such Confidential Information shall include (i) any and all information concerning the business and affairs of the Companies, product specifications, data, know-how, compositions, processes, formulas, methods, designs, samples, inventions and ideas, past, current and planned development or experimental work, current and planned distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code and source code), computer software and database technologies, systems, structures and architectures (and related processes, algorithms, compositions, improvements, know-how, inventions, discoveries, concepts, ideas, designs, methods and information) of the Company, and any other information, however documented of the Companies; (ii) any and all information concerning the business and affairs of the Companies (which includes historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, personnel training and techniques and materials), however documented; and (iii) all derivatives, improvements and enhancements to the Company’s technology which are created or developed in relation to the Services; and (iv) information of third parties as to which the Company has an obligation of confidentiality; and (v) any and all notes, analysis, compilations, studies, summaries, and other material prepared by or for the Companies containing or based, in whole or in part, on any information included in the foregoing.
- (c) The Confidential Information shall not include information which: (i) has become publicly known and made generally available through no wrongful act of the Consultant; (ii) was known to the Consultant prior to its involvement with the Companies; or (iii) is required to be disclosed as a result of court order to other legal process, provided, however, that the Consultant shall limit disclosure the required minimum, and will promptly notify the Company of the request to disclose the Confidential Information and the parts thereof that will, or have been disclosed.

- (d) Consultant further recognizes and acknowledges that such Confidential Information is a valuable and unique asset of the Company's, and that its use or disclosure (except use or disclosure as required for giving the Companies the Services) would cause the Company substantial loss and damages. Consultant undertakes and agrees that it will not, in whole or in part, disclose such Confidential Information to any person or organization under any circumstances (except use or disclosure as required for giving the Companies the Services), will not make use of any such Confidential Information for the Consultant's own purposes or for the benefit of any other person or organization, and will not reproduce any of the Confidential Information without the Company's prior written consent.
 - (e) Consultant will not disclose or otherwise make available to the Companies in any manner any confidential information received by Consultant from third parties.
 - (f) The obligations set forth in this section are perpetual, and shall survive termination of any agreement regarding Services given to the Company by the Consultant.
 - (g) Consultant further recognizes and acknowledges that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to certain limited purposes. Consultant agrees to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or corporation or to use it except as necessary in giving the Company the Services consistent with the Company's agreement with the third party.
2. Return of Materials. Upon termination of any agreement regarding the Services, or at the request of the Company before such termination, Consultant will promptly deliver to the Company all copies of all written and tangible material, in Consultant's possession or under Consultant's control, incorporating the Confidential Information or otherwise relating to the Company's business, without retaining any copies thereof. The obligations set forth in this subsection shall survive termination of any agreement regarding the Services between Consultant and the Company.
3. Ownership of Property and Rights
- (a) Exclusive Property. Consultant confirms that all Confidential Information and Works are, will be, and shall remain the exclusive property of the Company including all intellectual property rights therein under patent, copyright, trade secrets and similar laws in all countries throughout the world. All business records, papers and documents however documented kept or made by the Consultant as part of the Services given by it to the Company shall be and remain the property of the Company.

For the purpose of this section, the term "**Works**" shall mean any and all works, projects or Inventions (as defined below) performed and/or developed by the Consultant for or used by the Companies or otherwise included in the source code or object code of the Company's products or otherwise used in the business of the Companies whether made prior or after the date of this Agreement.

- (b) Assignment & Waiver. Consultant hereby assigns and waives to the Company, without additional consideration to the Consultant, the entire right, title and interest in the Works and to any ideas, inventions, original works of authorship, developments, improvements, modifications, enhancements, trade secrets, and in and to any documentation, software, hardware, firmware, creative works, know-how and information, conceived or reduced to practice, in whole or in part, by Consultant during Consultant's period giving the Company the Services, or caused to be conceived or reduced to practice, during the above period, and/or related to the Companies' business, whether or not patentable, copyrightable or otherwise protectable, and Consultant assigns to the Company as above stated, the entire right, title and interest in and to any proprietary rights therein or based thereon including all intellectual property rights therein under patent, copyright, trade secrets and similar laws in all countries throughout the world (collectively, the "**Inventions**"). This assignment applies to all Works and Inventions created before, on and after the date of this Agreement, and also includes the right to sue for and recover damages for any past, present and/or future infringement of any of the Works and/or Inventions.

For the avoidance of doubt, it is agreed and clarified that the provisions of this Section 3 would also apply to any Company IP constituting a service invention as defined in the Israeli Patents Law, 5727-1967 (the "**Service Invention**" and the "**Patents Law**", respectively), and such would constitute Consultant's property unless Company explicitly approved otherwise, in writing, within six months of receiving written notice of the Service Invention (for the avoidance of doubt, Section 132(b) of the Patents Law will not apply to the Service Invention). Consultant hereby waives any right to royalties, payment, or any other compensation from the Company with regard to any assigned Inventions and/or Works, as well as the ownership, utilization or commercial use of any Service Invention. For the avoidance of doubt, it is agreed that this Section 3 shall be deemed a "**Contract**" for the purpose of Section 134 of the Patents Law, and as such would prohibit Consultant from applying to the Compensation and Royalties Committee regarding the Service Inventions.

- (c) Perfection of Rights. Consultant shall provide all assistance the Company may request, and shall execute, verify and deliver such documents and perform such other acts (including appearing as a witness) the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such proprietary rights and the assignment thereof, as set forth above. Consultant's obligation to assist the Company with respect to proprietary rights in any and all countries shall continue beyond the termination of any agreement between the Company and Consultant regarding the Services, but the Company shall compensate the Consultant at a reasonable rate after termination of such agreement for the time actually spent by the Consultant at the Company's request on providing such assistance.

- (d) Consultant represents and warrants that except for the Company's rights in the Inventions and/or the Works, no other third party has any rights whether contractual, by law or otherwise from any kind whatsoever in the Inventions and/or the Works or in any intellectual property rights relating thereto. Consultant further represents and warrants that it has not granted to any third party any licenses in and to any of the Works, Inventions or any of the intellectual property rights relating thereto.
 - (e) Survivability. The obligations set forth in this section are perpetual, and shall survive termination of any agreement regarding Services given to the Company by the Consultant.
 - (f) Attorney-in-fact. If the Company is unable because of the Consultant's mental or physical incapacity or the Consultant's refusal to cooperate with the Company after receiving the Company's request pursuant Section 3(c) above to secure the Consultant's signature to application for any Israeli or foreign patent or copyright registration covering Inventions, Works or original works of authorship assigned to the Company as set forth above, Consultant hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Consultant's agent and attorney-in-fact, to act on behalf and instead to execute and file any such application and to do all other lawfully permitted acts to further the prosecution and issuance of letter patent or copyright registration thereon with same legal force and effect as if executed by the Consultant.
4. No Competition. For so long as Consultant is giving Services to the Company and continuing for 12 months after the termination or expiration of any agreement between the Consultant and the Company regarding such Services, the Consultant shall not, directly or indirectly:
- (a) solicit, endeavor to entice away from the Companies or otherwise interfere with the relationship of the Companies with any person or organization who is, or was within the preceding 6 months, a customer of the Companies, or who is employed by the Companies; or
 - (b) own an interest in, manage, operate, join, control, or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or otherwise, any project, at such time, competing with the core technology and business of the Company anywhere in the world or providing products or services substantially similar to the products or services offered by the Company. It is hereby agreed that holding up to 3% of a publicly traded company by the Consultant shall not be deemed as engagement in competition with the Company.
5. Enforcement. The Company may enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief, without bond and without prejudice to any other rights and remedies that the Company may have for the breach of this Agreement. This Agreement shall be enforced to the fullest extent permissible under the laws of the State of Israel, without regard to its conflict of law principles. If any portion of this Agreement shall be adjudicated to be invalid or unenforceable, it shall be deemed to be amended to delete such portion. Consultant expressly consents to the exclusive personal jurisdiction and venue of Tel-Aviv courts for any lawsuit arising from or relating to this Agreement and venue of Tel-Aviv courts for any lawsuit arising from or relating to this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written first above.

Pluri Biotech Ltd.

Zalman Aberman

CERTIFICATION

I, Yaky Yanay, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pluri Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of 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 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 period 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(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: February 13, 2023

/s/ Yaky Yanay

Yaky Yanay
Chief Executive Officer and President
(Principal Executive Officer)

CERTIFICATION

I, Chen Franco-Yehuda, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pluri Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of 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 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 period 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(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: February 13, 2023

/s/ Chen Franco-Yehuda

Chen Franco-Yehuda
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350**

In connection with the Quarterly Report on Form 10-Q of Pluri Inc., or the Company, for the period ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, or the Report, I, Yaky Yanay, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. ss. 1350, that, to my knowledge:

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

Dated: February 13, 2023

/s/ Yaky Yanay

Yaky Yanay

Chief Executive Officer and President

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350**

In connection with the Quarterly Report on Form 10-Q of Pluri Inc., or the Company, for the period ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof, or the Report, I, Chen Franco-Yehuda, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, that, to my knowledge:

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

Dated: February 13, 2023

/s/ Chen Franco-Yehuda

Chen Franco-Yehuda
Chief Financial Officer
(Principal Financial and Accounting Officer)