Israeli Government to Support Pluristem's Marketing Activity in China – Ministry of Economy Awards Company "Smart Money" Grant

HAIFA, ISRAEL, August 09, 2017— Pluristem Therapeutics Inc. (NASDAQ: PSTI) (TASE: PSTI), a leading developer of placenta-based cell therapy products, today announced that it has been awarded a "Smart Money" grant from Israel's Ministry of Economy and Industry to help penetrate the Chinese market, including Hong Kong, with its advanced cell therapy products.

The Smart Money program's aim is to help companies expand their business to growing international markets. The Israeli government will fund half of Pluristem's marketing activities in the China-Hong Kong markets, with certain limitations, supporting promotion of the company's advanced cell therapy products. Pluristem will also receive close support from Israel's trade representatives stationed in China, including Hong Kong, along with experts appointed by the Smart Money program.

"We are grateful for the Israeli government's generous support, which will help us introduce our cell therapy products to key markets such as China and Hong Kong," stated Pluristem President and Co-CEO Yaky Yanay. "In the last two years, we have been very active in Asian markets, and strong governmental support is important in helping us continue building these relationships and potential partnerships. The recent changes in the Chinese Food and Drug Administration (CFDA) guidelines, which accelerate the regulatory approval process for regenerative medicine technologies, represents an opportunity for Pluristem and its strategic partners to address the needs of Asia's rapidly growing healthcare market and aging populations. Economic and trade activity between Israel and China is reaching new heights, fostering increased partnerships between the Israeli hi-tech sector and Chinese companies. We are honored to be part of these growing partnerships and to contribute to both countries. We look forward to providing better treatment options for millions of patients worldwide."

About Pluristem Therapeutics

Pluristem Therapeutics Inc. is a leading developer of placenta-based cell therapy products. The Company has reported robust clinical trial data in multiple indications for its patented PLX (PLacental eXpanded) cells and is conducting late-stage trials in several indications. The PLX cell products release a range of therapeutic proteins in response to inflammation, ischemia, hematological disorders, and radiation damage. PLX cell products are grown using the Company's

proprietary three-dimensional expansion technology. They are off-the-shelf, requiring no tissue matching prior to administration.

Pluristem has a strong intellectual property position; Company-owned and operated, GMP-certified manufacturing and research facilities; strategic relationships with major research institutions; and a seasoned management team.

Safe Harbor Statement

This press release contains express or implied forward-looking statements within the Private Securities Litigation Reform Act of 1995 and other U.S. Federal securities laws. For example, we are using forward-looking statements when we discuss the funding and assistance Pluristem will receive through the Smart Money program, our belief that PLX cell therapy products have the ability to play an important role in addressing the needs of Asia's rapidly growing healthcare markets and aging population and our looking forward to providing better treatment options for millions of patients worldwide. These forward-looking statements and their implications are based on the current expectations of the management of Pluristem only, and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: changes in technology and market requirements; we may encounter delays or obstacles in launching and/or successfully completing our clinical trials; our products may not be approved by regulatory agencies, our technology may not be validated as we progress further and our methods may not be accepted by the scientific community; we may be unable to retain or attract key employees whose knowledge is essential to the development of our products; unforeseen scientific difficulties may develop with our process; our products may wind up being more expensive than we anticipate; results in the laboratory may not translate to equally good results in real clinical settings; results of preclinical studies may not correlate with the results of human clinical trials; our patents may not be sufficient; our products may harm recipients; changes in legislation; inability to timely develop and introduce new technologies, products and applications; loss of market share and pressure on pricing resulting from competition, which could cause the actual results or performance of Pluristem to differ materially from those contemplated in such forward-looking statements. Except as otherwise required by law, Pluristem undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. For a more detailed description of the risks and uncertainties affecting Pluristem, reference is made to Pluristem's reports filed from time to time with the Securities and Exchange Commission.

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