$7.9 Million Granted to nTRACK Collaborative Project Designed to Study Pluristem's PLX-PAD Cells

- *Grant from European Union's Horizon 2020 program to nTRACK project designed to study nanoparticle effects on PLX-PAD cell viability and functionality*
- *Grant brings total to approximately $25 Million (€21.8 million) in funding from Horizon 2020 program to cover clinical and research activity for PLX-PAD*

HAIFA, ISRAEL, October 2, 2017— Pluristem Therapeutics Inc. (NASDAQ: PSTI) (TASE: PSTI), a leading developer of placenta-based cell therapy products, today announced that a $7.9 million (€6.8 million) non-dilutive grant from the European Union's Horizon 2020 program has been awarded to nTRACK, a collaborative project carried out by an international consortium led by LEITAT.

The goal of the nTRACK project, initiated and led scientifically by Prof. Rachela Popovtzer of Bar-Ilan University in Israel, is to develop a safe, scalable, and highly sensitive nanotechnology-based imaging approach to enable non-invasive, whole body monitoring of injected stem cells in humans, thereby providing early predictions of cellular therapy treatment outcomes. The nTRACK consortium will utilize Pluristem's PLX-PAD cells to predict treatment success for muscle regeneration following a gastrocnemius muscle injury. Final approval of the grant is subject to the finalization of the consortium and Horizon 2020 grant agreements.

This marks Horizon 2020's third grant to support development of Pluristem's PLX-PAD cell therapy product, following an award of $8 million announced in August 2016 for Pluristem's ongoing multinational Phase III trial in the treatment of critical climb ischemia (CLI) and an $8.7 million award announced in September 2017 for the company's Phase III study in the treatment of muscle recovery following arthroplasty for hip fracture.

"We are honored to receive this additional grant from the European Union to further develop our PLX-PAD program," said Zami Aberman, Chairman and Co-CEO of Pluristem. "We believe the continued support from international governments is a vote of confidence in our products, technology and methodology as our PLX cell therapies undergo advanced development and brings us closer to commercialization, offering new hope to patients and enabling them to lead healthier lives."

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, Pluristem is using forward-looking statements when its discusses the format and use of PLX-PAD cells in the nTRACK project, that the final approval of the Horizon 2020 grant is subject to finalizing the consortium and Horizon 2020 grant agreements and that Pluristem believes the grant is a vote of confidence from international governments in its methodology, technology, and products as its cell therapies undergo advanced development and brings it closer to commercialization, offering new hope to patients and enabling them to lead healthier lives. 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; Pluristem may encounter delays or obstacles in launching and/or successfully completing its clinical trials; Pluristem's products may not be approved by regulatory agencies, Pluristem's technology may not be validated as it progresses further and its methods may not be accepted by the scientific community; Pluristem may be unable to retain or attract key employees whose knowledge is essential to the development of its products; unforeseen scientific difficulties may develop with Pluristem's process; Pluristem's products may wind up being more expensive than it anticipates; 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; Pluristem's patents may not be sufficient; Pluristem's products may harm recipients; changes in legislation may adversely impact Pluristem; 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.

Contact:

Karine Kleinhaus, MD, MPH
Divisional VP, North America
1-914-512-4109
karinek@pluristem.com

Efrat Kaduri
Head of Investor and Public Relations
972-74-7108600
efratk@pluristem.com