



## **Pluristem's \$30 Million Equity Funding Approved by Innovative Medical Management Co.'s Shareholders**

- *Term sheet for investment at \$1.77 per share is now binding*
- *Innovative Medical is a publicly listed Chinese company active in the healthcare industry, and is an affiliate of ZSVC, one of the largest technology-focused VC firms in China*

**HAIFA, ISRAEL, November 10, 2016 --** [Pluristem Therapeutics Inc.](#) (NasdaqCM: PSTI, TASE: PSTI), a leading developer of placenta-based cell therapy products, today announced that its previously signed and announced term sheet for an investment into Pluristem of approximately \$30,000,000 by China-based Innovative Medical Management Co., Ltd., has been approved by Innovative Medical's Board of Directors and its shareholders. As a result of these approvals, the Term Sheet is now a binding agreement.

The parties plan to enter into definitive agreements no later than December 26, 2016. Until the earlier of December 26, 2016 or the entry into the definitive agreements, Pluristem has agreed not to enter into any agreement or arrangement regarding equity financing of the company at a common stock price per share equal to or less than \$2.20, without the prior written consent of Innovative Medical. Pluristem plans to use the proceeds from the expected investment to support its late-stage clinical trials.

Pursuant to the binding Term Sheet, approximately 16,890,000 shares of Pluristem's common stock will be sold at \$1.77 per share. In addition, Pluristem will issue to Innovative Medical approximately 4,422,500 warrants to purchase shares of Pluristem's common stock with an exercise price of \$2.50 per warrant, exercisable for a period of five years. The shares will be subject to a lock up agreement for 6 months after the closing of the agreement. In accordance with the Term Sheet, Innovative Medical will have one seat on Pluristem's Board of Directors for as long as it holds at least 12.5% of Pluristem's issued and outstanding stock. Innovative Medical will also have certain information, registration and preemptive rights, as well as certain negotiation rights with respect to potential transactions of Pluristem in China.

The securities that may be sold in the proposed private placement have not been registered under the Securities Act of 1933, as amended, or state securities laws, and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission (SEC) or an applicable exemption from such registration requirements. Pursuant to the Term Sheet, Pluristem has agreed to file a registration statement with the SEC registering the resale of the shares of common stock purchased in the private placement and the shares of common stock underlying the warrants.

This press release does not constitute an offer to sell or a solicitation of an offer to buy Pluristem's securities and shall not constitute an offer, solicitation or sale of any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

#### **About Innovative Medical and Zheshang Venture Capital Co., Ltd. ("ZSVC")**

Innovative Medical (stock code: 002173) was founded in September 2003. It completed an IPO and listed on the Shenzhen Stock Exchange on September 25, 2007. Its main business is a combination of healthcare service, hospital management, scientific research, and pearl culture and design. Innovative Medical owns 3 major hospitals in China: Qiqihar Jianhua Hospital, Zhejiang Haining Kanghua Hospital and Jiangsu Futian Rehabilitation Hospital. These hospitals have more than 2,100 professional staff and 2,300 clinical beds.

ZSVC is one of the most active venture capital firms in China. ZSVC's executives have extensive industrial and managerial experience, as well as a deep understanding of private equity investments. A leading investment management firm in China, ZSVC was founded in November 2007, and is headquartered in Hangzhou, with offices in Beijing, Shanghai, Shenzhen, Shenyang and San Francisco. In November 2015, ZSVC became a publicly listed company in China (stock code: 834089).

#### **About Pluristem Therapeutics**

Pluristem is a leading developer of placenta-based cell therapy products. It has reported robust clinical trial data in multiple indications for its patented PLX (PLacental eXpanded) cells. The cell products release a range of therapeutic proteins in response to inflammation, ischemia, hematological disorders, and radiation damage. PLX cell products are grown using Pluristem'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. These forward-looking statements include, but are not limited to, those statements regarding Pluristem's proposed private placement of its common stock and warrants, the terms of such offering, the plan to enter into definitive agreements and the expected use of proceeds. Although the Term Sheet is binding, Pluristem may not be successful in negotiating definitive documentation by the date expected or at all, and even if successful, the sale of shares and warrants may not be completed if the conditions to closing such sale are not met. 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 forward-looking statements contained in this press release

are subject to risks and uncertainties, including those discussed in Pluristem's reports filed from time to time with the SEC. 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.

**Contact:**

Pluristem Therapeutics Inc.  
Karine Kleinhaus, MD, MPH  
Divisional VP, North America  
1-914-512-4109  
[karinek@pluristem.com](mailto:karinek@pluristem.com)