Pluristem Secures €50 Million Non-Dilutive Financing from the European Investment Bank to Support its COVID-19 Project and Phase III Studies

EXPECTED ONLINE SIGNING CEREMONY ON APRIL 30, 2020

HAIFA, Israel, April 24, 2020 - Pluristem Therapeutics Inc. (Nasdaq:PSTI) (TASE:PSTI), a leading regenerative medicine company developing a platform of novel biological therapeutic products, announced today that the European Investment Bank ("EIB") has approved a €50 million non-dilutive financing for the Company (the "Approved Financing"). This Approved Financing, once received, will support Pluristem's research and development in the EU to further advance its regenerative cell therapy platform, and to assist moving the products in its pipeline to market, with a special focus on clinical development of PLX cells as a treatment for complications associated with COVID-19. The Approved Financing will be deployed in three tranches, subject to the achievement of certain clinical, regulatory and scaling up milestones, with the first tranche consisting of €20 million. The expected signing date of the financing agreement relating to the Approved Financing is April 30, 2020.

Pluristem recently formed a wholly-owned subsidiary in Berlin, Germany, underscoring the Company's commitment to having a physical presence in Europe to advance research and development, and to prepare for commercialization, for its product candidates.

The Approved Financing is backed by a guarantee from the European Fund for Strategic Investments (EFSI), the financial pillar of the Investment Plan for Europe, under which the EIB and the European Commission are working together as strategic partners to boost Europe's economic competitiveness. The transaction has been initiated by kENUP Foundation, a global partnership in innovation, promoting research-based innovation for Europe with public and societal benefit.

The Approved Financing, once granted, will not be secured and will be payable to the EIB in a single payment following five years from the disbursement of the first and second tranches and in two annual payments starting on the fourth year from disbursement of the third tranche, with each tranche having an interest rate of between 3% to 4%. The Approved Financing will support up to 50% of Pluristem's R&D project cost. In addition, the EIB would be entitled to receive royalties from future revenues for a period of seven years starting 2024, at a rate of 0.2% to 2.3%, pro-rated to the amounts that the Company received from the Approved Financing.

“We are extremely honored to have been selected by the EIB for this prestigious financing. We believe that this financing will allow us to significantly advance the clinical development of our lead product candidates, which if successful we expect will improve the quality of life for millions of patients around the world. Having established research partnerships with leading European institutions such as Charité University of Medicine Berlin, BIH Center for Regenerative Therapy (BCRT) and the Berlin Center for Advanced Therapies (BeCAT), as well as formed a subsidiary in Berlin, we understand the importance of having a physical presence in key markets,” stated Pluristem CEO and President, Yaky Yanay. “As we move forward into a multinational clinical trial for PLX cells to treat patients suffering from complications associated with COVID-19, we expect this EIB financing will accelerate our path to approval and to making a potentially effective COVID-19 treatment available worldwide.”

About the European Investment Bank

The European Investment Bank (EIB) is the long-term lending institution of the European Union, owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

Investment Plan for Europe

The Investment Plan for Europe (the Juncker Plan) is one of the EU's key actions to boost investment in Europe, thereby creating jobs and fostering growth. To this end, smarter use will be made of new and existing financial resources. The EIB Group, consisting of the European Investment Bank and the European Investment Fund, is playing a vital role in this investment plan. With guarantees from the European Fund for Strategic Investments (EFSI), the EIB and EIF are able to take on a higher share of project risk, encouraging private investors to participate in the projects. In addition to EFSI, the new European Investment Advisory Hub (EIAH) helps public and private sector project promoters to structure investment projects more professionally. The projects and agreements approved under EFSI (European Fund for Strategic Investments) so far are expected to mobilise almost €466 billion of investments and will benefit over 1 million start-ups and SMEs (Small Medium Enterprises) in the 27 Member States.

About Pluristem Therapeutics

Pluristem Therapeutics Inc. is a leading regenerative medicine company developing novel placenta-based cell therapy product candidates. The Company has reported robust clinical trial data in multiple indications for its patented PLX cell product candidates and is currently conducting late stage clinical trials in several indications. PLX cell product candidates are believed to release a range of therapeutic proteins in response to inflammation, ischemia, muscle trauma, hematological disorders and radiation damage. The cells are grown using the Company's proprietary three-dimensional expansion technology and can be administered to patients off-the-shelf, without tissue matching. Pluristem has a strong intellectual property position; a Company-owned and operated GMP-certified manufacturing and research facility; 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 it discusses its expectation that it will execute a definitive agreement for the Approved Financing and the proposed terms of such Approved Financing, the belief that the Approved Financing will support its research and development in the EU to further advance its regenerative cell therapy platform, to assist moving the products in its pipeline to market, with a special focus on clinical development of PLX cells as a treatment for complications associated with COVID-19, that such Approved Financing will allow it to significantly advance its clinical development of its lead product candidates which it expects will improve the quality of life for millions of patients around the world and the expectation that the Approved Financing will accelerate its path to approval of its COVID-19 multinational clinical trial and to making a potentially effective COVID-19 treatment available worldwide. While the EIB has announced the approval of the Approved Financing, there is no guarantee that the Company and the EIB will execute the definitive agreement on April 30, 2020, if at all, or that it will achieve the milestones necessary to receive any or all of the three tranches. 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.

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