

**Allium to accelerate the development of TruLeaf's Mitral Valve:
Israel Innovation Authority approved a NIS 4 million non-dilutive
grant budget to Allium's subsidiary in a vote of confidence**

**The grant budget is provided for a 12-month period at a maximal
participation rate of 50%**

Asaf Alperovitz: “The approval by The Israel Innovation Authority is very significant, since the anti-dilutive funding will allow us to accelerate the development activities. The funding will also enable us to expand patent protection and demonstrate feasibility in large animals and subsequently in humans, all with the objective of partnering with an international strategic partner”.

Israel, Caesarea, March 22 2017, - Allium Medical (TASE:ALMD) - an Israeli medical device company, which specializes in minimally invasive technologies, announced today that the Israel Innovation Authority has approved a non-dilutive grant budget to TruLeaf Medical Ltd., a wholly-owned subsidiary of Allium, which develops a unique minimally invasive mitral valve replacement device. This newly-developed valve is to be implanted in patients suffering from mitral insufficiency using an innovative technology. The global market of mitral valves is estimated at \$ 7 billion.

The non-dilutive grant budget, which is to be used in research and development activities, amounts to NIS 4 million; it is provided for a 12-month period at a maximal participation rate of 50%.

Asaf Alperovitz, CEO of Allium group: “We are extremely pleased with the approval of the NIS 4 million non-dilutive grant budget for TruLeaf Medical's annual development plan, which focuses on the development of an innovative solution for mitral valve replacement using a novel minimally invasive technology. This funding will contribute significantly to the acceleration of the development activities and the expansion of patent protection. It will also enable us to demonstrate feasibility in large animals and subsequently in humans, all with the objective of partnering with an international strategic partner once the project reaches maturity. The grant was approved upon the conclusion of an in-depth comprehensive diligence process carried out by a professional evaluator acting on behalf of the Israel Innovation Authority. The approval of the grants constitutes a vote of confidence in the technology developed by the company, which

can potentially provide an effective solution to a huge unmet clinical need of millions of patients worldwide.”

Globally, approximately 10% of over 75s suffer from mitral regurgitation. In the USA alone there are approximately 4.5 million patients. The only surgical treatment that is currently offered to patients, who suffer from mitral regurgitation, is an invasive and aggressive open-heart surgery to replace the valve, while being connected to a heart-lung machine. Many patients, mostly elderly patients, who suffer from underlying medical conditions, are considered too high risk to undergo such surgery. Therefore, there are potentially millions of patients, who can benefit from a minimally invasive procedure. To date, no other alternative product has obtained regulatory marketing approval.

For those reasons, the field of mitral valve replacement is highly attractive and leading companies are willing to enter into large transactions at relatively early stages, even before receipt of regulatory marketing approvals.

In the years 2015-2016 alone, the medical devices giants Abbot, Medtronic and Edwards closed transactions totaling over \$2 billion, for the purchase of relatively early-stage mitral valve companies.

About Allium Medical

Allium specializes in minimally invasive medical devices and owns a range of technologies and product lines in this field. The company’s strategy is to create value by developing its own devices and technologies and by acquiring additional products and technologies that were developed by other parties. The company is led by highly experienced professionals, who possess extensive knowledge and experience of accelerated promotion of products from the development stage to the commercial stage, whilst securing long-term funding and economy of scale.