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*This announcement is not an offer to sell, or a solicitation of an offer to acquire any securities. This announcement is an advertisement and not a prospectus and investors should not purchase any securities referred to in this announcement except on the basis of information in the prospectus.*
*A prospectus was approved by the Belgian Financial Services and Markets Authority on 19 June 2013 and has been notified to the French Autorité des marchés financiers on 19 June 2013 in accordance with the European passport mechanism provided for by Directive 2003/71/CE. The prospectus may be obtained free of charge from the company upon request by email (investors@c3bs.com). The prospectus is also available on the company's website (www.c3bs.com).*
*Investing in the Offered Shares involves a high degree of risks. Before any investment in shares, the investor must read the "Risk Factors Section", in particular the risks relating to the description of the Company's business (from page S-6 to S-9 of the summary and from page 1 to 12 of the prospectus) and more generally, the risks relating to the shares (from page S-9 to S-10 of the summary and from page 12 to 16 of the prospectus). The Company's main assets are intellectual property rights concerning technologies that have not led to the commercialization of any product. The Company has never been profitable and it has never commercialised any products.*

# Cardio3 BioSciences Launches its Initial Public Offering on NYSE Euronext Brussels and NYSE Euronext Paris

## Two long term investors secured for EUR 13.95m

**Mont-Saint-Guibert, Belgium** - The biotechnology company, Cardio3 BioSciences SA (Cardio3 BioSciences), a leader in the discovery and development of regenerative, protective and reconstructive therapies for the treatment of cardiac diseases, today announces the launch of its Initial Public Offering on NYSE Euronext Brussels and NYSE Euronext Paris.

Cardio3 BioSciences is developing its most advanced therapy, C-Cure®, for the treatment of heart failure, one of the world's greatest unmet medical needs. C-Cure® is a unique cell therapy aimed at repairing damaged tissue and improving heart function, clinical outcomes and quality of life.

Having achieved positive Phase II results, C-Cure® is currently being tested in Europe in a Phase III trial (CHART-1 - Congestive Heart failure Cardiopoietic Regenerative Therapy). CHART-1 is the world's first phase III trial using pre-programmed cardiac progenitor cells for the treatment of heart failure.

**Summary of the offering**

- An offering to subscribe for up to 1,300,000 new ordinary shares which can be increased by a maximum of 15% to 1,495,000 new ordinary shares.
- An over-allotment option of additional shares equal to up to 15% of the number of new shares subscribed for in the offering covered by an over-allotment warrant.
- The indicative price range of the offering has been set at a minimum of €16.65 and a maximum of €19.00 per share.
- The offering comprises:

  - a public offering in Belgium and France to retail investors;
  - a placement to institutional investors in certain jurisdictions outside the US;
  - a private placement in the US to a limited number of "qualified institutional buyers" in a manner not requiring registration under the US Securities Act.
- The offer period will run from June 21st 2013 to July 3rd 2013 (inclusive), subject to acceleration or suspension (the "Offering Period").
- The Company's shares will be admitted to listing on the regulated markets of NYSE Euronext Brussels and NYSE Euronext Paris.
- The expected first date of (conditional) trading is July 5th 2013.
- The expected date of closing of the offering is July 9th 2013.

**Cardio3 BioSciences has secured two long-term investors pre-bookbuilding**

- The investors have guaranteed a commitment of EUR 13.95m at any price within the price range.
- This allows Cardio3 BioSciences to upsize the transaction.
- SRIW group as current shareholder will commit EUR 4.45m.
- PMV as new shareholder will commit EUR 9.5m.
- Both investors will receive preferred allocation.

**Dr Christian Homsy, CEO of Cardio3 BioSciences said:** "Heart failure is associated with high morbidity, mortality and escalating healthcare costs. It remains a significant burden to patients, families and society in general. We believe C-Cure® has the potential to go beyond symptom relief towards healing heart tissue and could mark a significant step forward in treatment for heart failure patients.

"The funds from our IPO could allow us to complete our European Phase III study for C-Cure®, gain approval from the FDA to begin our US study, and begin clinical trials with one of our pipeline products for acute myocardial infarction (AMI) or 'heart attack'. In so doing, we believe we will be advancing important new regenerative therapies for heart disease towards the market and generating value for shareholders."

**Company Background**

Cardio3 BioSciences' focus is on developing novel therapies to treat cardiovascular diseases. Its most advanced product is C-Cure®, a cell therapy currently under development for the treatment of chronic heart failure, one of the world's greatest unmet medical needs.

- A person living to age 40 years has a one in five risk of developing heart failure and, once the disorder is apparent, a one in three chance of dying within a year of diagnosis *(McMurray and Pfeffer 2005 - see below)*.
- Cardio3 BioSciences estimates more than 117 million people are suffering from heart failure worldwide and that this number is expected to double by 2040.

- US$32 billion per annum is spent on heart failure patients in the US alone *(Go et al. 2013 - see below)*.

C-Cure® is a unique therapy that involves taking cells from a patient's bone marrow. Through a proprietary process called cardiopoiesis, the cells are re-programmed so that they become heart precursor cells with the aim of replicating the normal process of cardiac development in the embryo and healing the failing heart. The cells, known as cardiopoietic cells, are then injected back into the patient's heart through a minimally invasive procedure using a proprietary catheter called C-Cath$_{ez}$®, with the goal of repairing damaged tissue and improving heart function, clinical outcomes and quality of life.

C-Cure® builds on research conducted at Mayo Clinic (Rochester, Minnesota, USA), Cardio3 BioSciences and Cardiovascular Centre Aalst (Aalst, Belgium). The product is currently being tested in Europe in a Phase III trial (CHART-1), the world's first phase III trial using pre-programmed cardiac progenitor cells for the treatment of heart failure.

The CHART-1 study follows the successful results of Cardio3 BioSciences' Phase II trial of C-Cure®, which were recently published in the Journal of the American College of Cardiology (JACC) *(Bartunek et al. 2013 - see below)*. The study showed treatment with C-Cure® led to:

- An improvement in heart function, reflected in a statistically significant increase of 25% in the Left Ventricular Ejection Fraction (LVEF) ($p<0.0001$);
- An improvement in the ability of patients to be active as seen in a statistically significant increase in exercise capacity measured by the 6 minutes Walking Distance test (+77m change at 6 months versus baseline in comparison to the control group ($p<0.01$).

An accompanying editorial in JACC *(Murry et al. 2013 - see below)* commented that "*Six months after treatment, the cell therapy group had a 7 percent absolute improvement in EF (ejection fraction) over baseline, versus a non-significant change in the control group. This improvement in EF is dramatic, particularly given the duration between the ischemic injury and cell therapy. It compares favourably with our most potent therapies in heart failure.*"

Cardio3 BioSciences intends to start a trial in the USA (the CHART-2 trial) when and if the FDA authorizes its start. The CHART programme is designed as two pivotal studies to obtain marketing authorisation in Europe and in the USA respectively, either alone, or in combination with other clinical trials.

In addition to C-Cure®, Cardio3 BioSciences has developed a proprietary technology aimed at maximising the delivery efficiency of therapeutics into the heart muscle. C-Cath$_{ez}$® is an intra-myocardial delivery catheter, designed to enhance the retention of myocardial therapeutic agents. The Company has obtained CE marking in April 2012 from NSAI (an Irish Notified Body) and C-Cath$_{ez}$® is therefore available for commercialization in EEA.

The Company is also collaborating with Assistance Publique - Hôpitaux de Paris (AP-HP) and other academic and SME partners in view of developing a right ventricular outflow tract (RVOT) biodegradable prosthesis, seeded with cells and/or proteins, for the treatment of congenital defects of the heart, specifically those where replacement of the RVOT is required. The Company has been designated as the exploitation manager of the European consortium formed to develop this technology (TEH-TUBE). TEH-TUBE has passed the first selection of the European Commission FP7 programme and is awaiting clearance from the second in the second half of 2013.

Cardio3 BioSciences' early stage programs include using protein therapeutics to treat acute myocardial infarction (AMI) or "heart attack".

**Use of Proceeds**

The principal purposes of the offering are to support the Company's development, obtain additional working capital, establish a public market for the shares and facilitate the Company's future access to public equity capital markets.

The Company intends to use the net proceeds of the offering to:

- Advance C-Cure® into the CHART-1, the International Phase III trial, until public disclosure of the conclusions that may be drawn from the primary endpoint results;
- Obtain authorization to conduct CHART-2 in the US;
- Continue pre-clinical development and, potentially, start clinical development of selected product candidates in AMI indications;
- Advance the Company's discovery programme and bring selected additional product candidates from advanced research to pre-clinical development;
- Potential future developments on C-Cure®;
- Commercialization of C Cath$_{ez}$®;
- If appropriate, gain access through in-licensing, acquisition or co-development to new technology platforms that strengthen the Company's position and help its expansion;
- Apply funds for general corporate purposes, such as general and administrative expenses, capital expenditures, working capital needs, and the broadening, maintenance and defense of the Company's intellectual property.

**Financial Intermediaries**

Kempen & Co has been appointed as Global Coordinator and Kempen & Co and Invest Securities have been appointed as Joint Bookrunners. Portzamparc acts as Selling Agent.

**Details of the offering**

The Offer Price will be determined during the Offering Period through a book-building procedure in which only institutional investors can participate. The Offer Price is expected to be set within a price

range of between €16.65 and €19.00 per share. The Offer Price will in no event exceed the upper end of the price range, although it may be set below the lower end of the price range.

In accordance with Belgian regulation, no less than 10% of the offered shares must be allocated to retail investors in Belgium. In accordance with French regulation, no less than 10% of the offered shares will be reserved for retail investors in Belgium and in France. However, the proportion of offered shares allocated to retail investors may be higher or lower than 10% of the offered shares (possibly substantially) if retail investors have applied in aggregate for more or less, respectively, than this percentage.

The Company has the right to proceed with a capital increase for a reduced number of shares. The minimum amount set for the offering is €17 million, below which the offering will not be completed.

The Company has granted to the Global Coordinator, on behalf of the Joint Bookrunners, an option to subscribe to up to 15% of the number of new shares allocated in the offering at the Offer Price for the sole purpose of allowing the Joint Bookrunners to cover over-allotments, if any. The over-allotment option will be exercisable for a period of 30 days from the Listing Date.

**Prospectus**

The prospectus approved by the FSMA is available in English. A translation of the Prospectus in French and a summary of the Prospectus in French and in Dutch are available to investors at no cost at the registered office of the Company, at Axisparc Business Center, Rue Edouard Belin 12, 1435 Mont-Saint-Guibert, Belgium and can be obtained upon request by email (investors@c3bs.com). The prospectus is also available on the Company's website: www.c3bs.com.

**Summary timetable**

| Date | Event |
|---|---|
| 21 June 2013 | Expected start of the Offering Period |
| 3 July 2013 | Expected end of the Offering Period |
| 4 July 2013 | Expected date of allocation of the new shares to investors |
| | Expected publication date of the Offer Price and results of the offering |
| 5 July 2013 | Expected listing date (listing and start of (conditional) trading) |
| 9 July 2013 | Expected closing date of the offering (payment, settlement and delivery) |

***** END *****

For more information contact:

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**Cardio3 BioSciences** www.c3bs.com
Dr Christian Homsy, CEO Tel : +32 10 39 41 00
Anne Portzenheim, Communication Manager aportzenheim@c3bs.com

**Citigate Dewe Rogerson** Tel : +44 (0) 207 638 9571
David Dible/Chris Gardner/Malcolm Robertson david.dible@citigatedr.co.uk

**About Cardio3 BioSciences**

Cardio3 BioSciences is a leading Belgian biotechnology company focused on the discovery and development of regenerative and protective therapies for the treatment of cardiac diseases. The company was founded in 2007. Cardio3 BioSciences leverages research collaborations in the US and in Europe with, amongst other, Mayo Clinic and the Cardiovascular Centre Aalst, Belgium.

The Company's lead product candidate C-Cure® is an innovative pharmaceutical product that is being developed for heart failure indication. C-Cure® consists of a patient's own cells that are harvested from the patient's bone marrow and engineered to become new cardiac progenitor cells that behave like those cells lost to heart disease. This reprogramming process is known as Cardiopoiesis.

Cardio3 BioSciences has also developed C-Cath®$_{ez}$, a technologically advanced injection catheter with superior efficiency of delivery of biotherapeutic agents into the myocardium.

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Go, A. S., D. Mozaffarian, V. r. L. Roger, E. J. Benjamin, J. D. Berry, W. B. Borden, D. M. Bravata, S. Dai, E. S. Ford, C. S. Fox, S. Franco, H. J. Fullerton, C. Gillespie, S. M. Hailpern, J. A. Heit, V. J. Howard, M. D. Huffman, B. M. Kissela, S. J. Kittner, D. T. Lackland, J. H. Lichtman, L. D. Lisabeth, D. Magid, G. M. Marcus, A. Marelli, D. B. Matchar, D. K. McGuire, E. R. Mohler, C. S. Moy, M. E. Mussolino, G. Nichol, N. P. Paynter, P. J. Schreiner, P. D. Sorlie, J. Stein, T. N. Turan, S. S. Virani, N. D. Wong, D. Woo and M. B. Turner (2013). "Heart Disease and Stroke Statistics" 2013 Update: A Report From the American Heart Association." Circulation **127**(1): e6-e245.

McMurray, J. J. and M. A. Pfeffer (2005). "Heart failure." Lancet **365**(9474): 1877-89.

Murry, C. E., N. J. Palpant and W. R. Maclellan (2013). "Cardiopoietry in Motion: Primed Mesenchymal Stem Cells for Ischemic Cardiomyopathy." J Am Coll Cardiol.

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In accordance with the Bayh-Dole Act, Mayo Clinic has licensed the technology underlying C-Cure® to Cardio3 BioSciences and received an equity position in the company in the context of the license. Mayo Clinic and the inventors of the technology, Drs. Andre Terzic and Atta Behfar, have a financial interest associated with the technology related to this research. While no royalties have accrued to date, Mayo Clinic has rights to receive future royalties which will be shared with Drs. Terzic and Behfar in accordance with the Mayo Clinic Royalty sharing policy.

 *In addition to historical facts or statements of current condition, this press release contains forward-looking statements, which reflect our current expectations and projections about future events, and involve certain known and unknown risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. These forward-looking statements are further qualified by important factors, which could cause actual results to differ materially from those in the forward-looking statements, including timely submission and approval of anticipated regulatory filings; the successful initiation and completion of required Phase III studies; additional clinical results validating the use of adult autologous stem cells to treat heart failure; satisfaction of regulatory and other requirements; and actions of regulatory bodies and other governmental authorities.*

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**Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing the entire amount or part of the amount invested. Persons considering such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the contemplated offering. The value of the shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the contemplated offering for the person concerned.**

**This announcement is not an offer of securities in the United States. The securities to which these materials relate have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There will be no public offering of the securities in the United States.**

**The Company has not authorized any offer to the public of securities in any Member State of the European Economic Area other than Belgium and France. With respect to each Member State of the European Economic Area other than Belgium and France and which has implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of securities requiring a publication of a prospectus in any Relevant Member State. As a result, the securities may only be offered in a Relevant Member**

**State to qualified investors in that Relevant Member State within the meaning of the Prospectus Directive. For the purposes of this paragraph, the expression an "offer to the public of securities" in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Relevant Member State.**

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