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Cardio3 BioSciences raises € 4.0 million in non-dilutive funding from the Walloon Region

Mont-Saint-Guibert, Belgium,– The biotechnology company, Cardio3 BioSciences SA ('Cardio3' or 'the Company'), a leader in the discovery and development of regenerative, protective and reconstructive therapies for the treatment of cardiac diseases, today announces that it has received €4.0 million of non-dilutive funding from the Walloon Region through the conclusion of a new recoverable advance granted for an amount of €2.5 million and a repayment plan review of existing advances generating a net savings of € 1.5 million over the period 2013 -2015.

The new recoverable cash advance ("RCA") of €2.5 million relates to the funding, up to 50%, of expenses generated during the procedures leading to the commercialization of C-Cath_{ez}[®] in the US. C-Cath_{ez}[®] is an intra myocardial injection catheter, proprietary to Cardio3. It is designed to maximize the retention of therapeutic agents in the heart, such as C-Cure[®]. A study of this new generation catheter has recently been published in the journal *Circulation Cardiovascular Interventions*¹. The publication concluded that a nitinol-based curved needle delivery system with side holes such as C-Cath_{ez}[®] achieved enhanced myocardial stem cell retention.

The information required by the Food and Drug Administration ("FDA") for the US commercialization of C-Cath_{ez}[®] mainly consists of data confirming the safety in humans when using C-Cath_{ez}[®]. These data will be generated by the Phase III study CHART-1 evaluating C-Cure[®] (Cardio3's most advanced product) in combination with C-Cath_{ez}[®] that was initiated in Europe early 2013. This new advance will therefore finance 50% of the costs of the first 60 patients in the CHART-1 clinical study, or 25% of all patients to recruit into the study.

Cardio3 BioSciences has also obtained from the Region an amendment to the existing agreements for the five recoverable advances related to C-Cure[®] obtained since 2007. This has allowed the definition of a new repayment plan for these advances, resulting in a net decrease of €1.5 million in the cash needs of the company in the years 2013 to 2015.

Dr Christian Homsy, CEO of Cardio3 BioSciences says: "We are very pleased with the continued support of the Walloon Region. This new funding will help finance some of the key steps that will get us closer to the commercialization of C-Cure[®] and C-Cath_{ez}[®] in the United States. The Walloon Region has always played a key role since the creation of Cardio3 BioSciences. It is largely thanks to the region that C-Cure, our revolutionary treatment of heart failure, has successfully completed the Phase II development prior to Phase III currently underway."

Mister Jean-Marc Nollet, Vice President of the Walloon Government and of the Federation Wallonia-Brussels and Research Minister says: "It is essential for Wallonia to support expertise and the economic development of companies in the region. This funding granted to Cardio3 BioSciences is crucial in this respect, especially as its expertise makes Cardio3 Biosciences a world leader in its field. With this funding, Wallonia contributes to the development and maintenance of the leadership of the Walloon Region in the field of cellular therapies. By supporting this activity, the Region supports Walloon employment and recognizes the expertise and international reputation of its workers."

¹ Behfar A, Latere JP, Bartunek J, Homsy C, Daro D, Crespo-Dia R, Stalboerger P, Steenwinckel V, Seron A, Redfield M, Terzic A. Optimized Delivery System Achieves Enhanced Endomyocardial Stem Cell Retention. *Circinterventions*.112.000422 published online before print December 10, 2013

Mister Michel Charlier, General Inspector of the Operational Direction of Economy, Employment and Research (DGO6) says: “Through this funding, we reiterate our confidence in Cardio3 BioSciences and its ability to successfully develop its many programs in the highly specialized field of regenerative therapies for the treatment of heart disease.”

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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 founded in 2007, is based in the Walloon Region. 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. C-Cure[®] is based on fundamental research conducted at Mayo Clinic

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

Cardio3 BioSciences' shares are listed on NYSE Euronext Brussels and NYSE Euronext Paris under the ticker symbol CARD.

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