Neovasc Inc. Announces Lemaitre Vascular Will Accelerate its Acquisition of Rights to In-House Manufacture of Xenosure Product

The Associated Press

/FROM PR NEWSWIRE DALLAS 888-776-3971/ [STK] TorontoVE:NVC [IN] MTC [SU] PDT TO BUSINESS EDITORS: Neovasc Inc. Announces Lemaitre Vascular Will Accelerate its Acquisition of Rights to In-House Manufacture of Xenosure Product TSX Venture Exchange: NVC --Vascular Device Leader LeMaitre to Purchase Rights to Manufacture XenoSure Surgical Patch for US $4.6M-- --Neovasc will Continue to Supply Product During Transition and Will Redirect Freed-Up Manufacturing Capacity to Support Growing Sales to Transcatheter Heart Valve Customers-- --Proceeds from the Sale of Rights Will Help Fund Neovasc's Key Development Projects-- VANCOUVER, Oct. 2, 2012 /PRNewswire/ - Neovasc Inc. (TSXV: NVC) today announced that it has amended its agreement with LeMaitre Vascular, Inc. (Nasdaq: LMAT) to allow LeMaitre to exercise its option to purchase certain specific rights to Neovasc's biological vascular surgical patch product technology on an accelerated basis, at an agreed price of US $4.6 million.

Under the terms of the original January 2009 agreement, LeMaitre Vascular had the option to purchase rights to certain specific uses of the technology from Neovasc on or after January 2, 2014, under a predetermined price mechanism. The new amendment allows LeMaitre to exercise its technology acquisition option 14 months early. LeMaitre has agreed to complete customary due diligence, and upon successful completion of this due diligence, the parties will close the transaction on or before October 31, 2012. Under the terms of the amended agreement, Neovasc will receive US $4.255 million on closing, with the balance payable one year later.

After the technology transfer, LeMaitre's right of use of the Neovasc biological vascular surgical patch technology will be limited to the manufacture of its XenoSure@ surgical patch product line, which is currently manufactured by Neovasc and distributed by LeMaitre. Neovasc will retain rights to all other applications of its biological tissue technologies. In addition to and concurrent with this amended agreement, the companies entered into a new supply agreement under which Neovasc will continue to supply the XenoSure product to LeMaitre while LeMaitre develops its own manufacturing capacity and obtains required regulatory approvals.

"This amended agreement with LeMaitre for the early purchase of rights to use our biological vascular surgical patch technology for manufacturing the XenoSure product is a good deal for both companies," said Alexei Marko, CEO of Neovasc. "The $4.6 million in proceeds from this transaction will enable us to continue aggressively advancing our two promising pipeline projects, without the need for additional financing in 2013. We look forward to presenting data on both our TiaraTM transcatheter mitral valve and our ReducerTM product for refractory angina

at TCT 2012 later this month." Mr. Marko continued, "The transfer of XenoSure patch manufacture to LeMaitre will allow Neovasc to continue to increase the focus of our biological products division on the supply of specialized tissue and manufacturing services to the transcatheter heart valve industry and other high margin applications. We anticipate that the capacity that is freed up as we wind down our production for LeMaitre will be absorbed by our increasing activities in these high growth areas, and we look forward to continued revenue growth in 2013." The XenoSure Biologic Vascular Patch distributed by LeMaitre is a high quality bovine pericardium patch used for precision endarterectomy and vascular reconstruction. Using the same tissue technology developed for heart valves, the patch is exceptionally strong, uniform and easy to handle and suture.

"We are pleased to have entered into this amended option agreement with Neovasc," commented David Roberts, President of LeMaitre Vascular. "The XenoSure product has been a very successful addition to the LeMaitre product portfolio, and we welcome the opportunity to move its manufacture in-house." About LeMaitre Vascular, Inc. LeMaitre Vascular is a provider of devices and implants for the treatment of peripheral vascular disease, a condition that affects more than 20 million people worldwide. The Company develops, manufactures and markets disposable and implantable vascular devices to address the needs of its core customer, the vascular surgeon. The Company's diversified product portfolio consists of brand name devices used in arteries and veins outside of the heart, including the Over-the-Wire LeMaitre Valvulotome, the Pruitt F3 Carotid Shunt and The UnBalloon. Additional information can be found at www.lemaitre.com.

About Neovasc Inc. Neovasc Inc. is a specialty medical device company that develops, manufactures and markets products for the rapidly growing cardiovascular marketplace. Its products include the Neovasc ReducerT for the treatment of refractory angina, the TiaraT technology in development for the transcatheter treatment of mitral valve disease and a line of advanced biological tissue products that are used as key components in a variety of third-party medical products, such as vascular surgical patches and transcatheter heart valves. For more information, visit: www.neovasc.com.

Statements contained herein that are not based on historical or current fact, including without limitation statements containing the words "anticipates," "believes," "may," "continues," "estimates," "expects," and "will" and words of similar import, constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements.

Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the Company operates; history of losses and lack of and uncertainty of revenues, ability to obtain required financing, receipt of regulatory approval of product candidates, ability to properly integrate newly acquired businesses, technology changes; competition; changes in

business strategy or development plans; the ability to attract and retain qualified personnel; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; liability and other claims asserted against the Company; and other factors referenced in the Company's filings with Canadian securities regulators. Although the Company believes that expectations conveyed by the forward-looking statements are reasonable based on the information available to it on the date such statements were made, no assurances can be given as to the future results, approvals or achievements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not assume the obligation to update any forward-looking statements except as otherwise required by applicable law.

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