NASDAQ, TSX: NVCN

Neovasc Announces Third Quarter Financial Results

VANCOUVER and MINNEAPOLIS, **November 5, 2020 –** Neovasc, Inc. ("Neovasc" or the "Company") (NASDAQ, TSX: NVCN), a leader in the development of minimally invasive transcatheter mitral valve replacement technologies, and minimally invasive devices for the treatment of refractory angina, today reported financial results for the third quarter ended September 30, 2020.

Third Quarter Highlights

- Grew revenue 25% year-over-year in the quarter.
- Implants increased 50% year-over-year in the quarter including 100% growth in the important DACH countries: Germany, Austria, and Switzerland.
- Reached the 300th Reducer patient milestone in Germany, a key Reducer market.
- Completed a registered direct share offering in August which raised $12.6 million.
- Continued to strengthen the balance sheet with a partial repayment of convertible debt in July and August using the proceeds of warrants exercised by Strul Medical Group.

“Neovasc continued to execute on its value creation strategies during the third quarter. We, like other device makers, had to contend with restrictions on elective procedures caused by the COVID-19 pandemic but we are nonetheless pleased with our progress during the quarter,” said Fred Colen, President and Chief Executive Officer of Neovasc. “On the commercial front, Reducer implants experienced a sharp increase during the quarter of 50%, including 100% volume growth in the DACH region, which includes Germany, a core market for this novel device. We expect a negative impact on Reducer revenue generation during the fourth quarter, due to recent severe COVID-19 virus flare ups and lockdowns in much of Europe. On Tiara, during the Quarter, we also continued to advance our regulatory submission for Tiara TA in Europe and made further progress in the development of the Tiara TF. Financially, we continued to shore up our balance sheet, retiring some of our convertible debt and raising $12.6 million in a registered direct offering. We look forward to building on our progress and optimizing the value of our two unique devices, Reducer and Tiara.”

Subsequent Events

On October 27, 2020, the Company announced that the United States Food and Drug Administration’s (FDA’s) Circulatory System Devices Advisory Panel voted 14 to 4 “in favor” that the Neovasc Reducer™ is safe when used as intended, and voted 1 to 17 “against” on the issue of a reasonable assurance of effectiveness. The third vote was 13 to 3 “against” (2 abstained) on whether the relative benefits outweighed the relative risks.

"While we are obviously disappointed in the outcome from the panel, going into the panel meeting, we anticipated that the totality of data would be seriously considered by the panel, particularly considering the context of the number of FDA guidance documents and the limited treatment options for the refractory angina patient population. We must await the FDA's decision on the PMA, and we are not hopeful about approval of the Reducer at this point given the panel's recommendation," commented Fred Colen.

Financial results for the third quarter ended September 30, 2020

Revenues increased by 25% to $626,418 for the three months ended September 30, 2020, compared to revenues of $500,498 for the same period in 2019. The cost of goods sold for the three months ended September 30, 2020 was $150,503 compared to $137,999 for the same period in 2019. The overall gross margin for the three months ended September 30, 2020 was 76%, compared to 72% gross margin for the same period in 2019.

Total expenses for the three months ended September 30, 2020 were $10,644,367 compared to $7,355,531 for 2019, representing an increase of $3,288,836 or 45%, principally as a result of a $1,966,695 increase in legal fees related to financings and a $618,948 increase in non-cash share-based payments as incentives were issued to all staff. The operating losses and comprehensive losses for the three months ended September 30, 2020 were $10,168,452 and $10,392,921, respectively, or $0.51 basic and diluted loss per share, as compared with $6,993,032 operating losses and $6,555,186 comprehensive loss, or $0.83 basic and diluted loss per share, for the same period in 2019.

Conference Call and Webcast information

Neovasc will be hosting a conference call and audio webcast today at 4:30 pm ET to discuss these results.

Domestic:	1-800-430-8332
International:	1-856-344-9206

Parties wishing to access the call via webcast should use the link in the Investors section of the Neovasc website at https://www.neovasc.com/investors/

About Neovasc Inc.

Neovasc is a specialty medical device company that develops, manufactures and markets products for the rapidly growing cardiovascular marketplace. Its products include Reducer, for the treatment of refractory angina, which is not currently commercially available in the United States and has been commercially available in Europe since 2015, and Tiara, for the transcatheter treatment of mitral valve disease, which is currently under

clinical investigation in the United States, Canada, Israel and Europe. For more information, visit: www.neovasc.com.

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Forward-Looking Statement Disclaimer

Certain statements in this news release contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws that may not be based on historical fact. When used herein, the words "expect", "anticipate", "estimate", "may", "will", "should", "intend," "believe", and similar expressions, are intended to identify forward-looking statements. Forward-looking statements may involve, but are not limited to, the expected impact on Reducer revenue generation during the fourth quarter, the Company's ability to build on progress and optimizing the value of its devices, the likelihood of approval under the FDA's decision on the PMA, the expansion of its product range, prospects for regulatory approvals and the growing cardiovascular marketplace. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances. Many factors could cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including those described in the "Risk Factors" section of the Company's Annual Report on Form 20-F and in the Management's Discussion and Analysis for the three and nine months ended September 30, 2020 (copies of which may be obtained at www.sedar.com or www.sec.gov). These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

NEOVASC INC.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in U.S. dollars) (Unaudited)

	September 30, 2020	December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	**$ 14,034,457**	$ 5,292,833
Accounts receivable	**870,114**	715,696
Finance lease receivable	**93,492**	86,764
Inventory	**713,431**	618,650
Research and development supplies	**337,092**	671,845
Prepaid expenses and other assets	**611,791**	630,042
Total current assets	**16,660,377**	8,015,830
Non-current assets		
Restricted cash	**450,331**	462,874
Right-of-use asset	**753,357**	720,473
Finance lease receivable	**67,706**	138,690
Property and equipment	**854,291**	767,973
Total non-current assets	**2,125,685**	2,090,010
Total assets	**$ 18,786,062**	$ 10,105,840
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 6,997,723**	$ 7,794,456
Lease liabilities	**323,570**	436,352
2017 Convertible notes	**-**	5,400,189
2019 Convertible notes	**167,409**	1,090,561
2020 Convertible notes	**134,697**	-
Total current liabilities	**7,623,399**	14,721,558
Non-Current Liabilities		
Accounts payable and accrued liabilities	**-**	1,186,601
Lease liabilities	**550,162**	468,527
2019 Convertible notes	**5,790,155**	8,174,919
2020 Convertible notes	**2,662,029**	-
Derivative liability - warrants	**1,507,467**	-
Total non-current liabilities	**10,509,813**	9,830,047
Total liabilities	**$ 18,133,212**	$ 24,551,605
Equity		
Share capital	**$ 365,267,373**	$ 328,460,681
Contributed surplus	**33,358,931**	29,766,225
Accumulated other comprehensive loss	**(7,169,707)**	(6,140,507)
Deficit	**(390,803,747)**	(366,532,164)
Total equity	**652,850**	(14,445,765)
Total liabilities and equity	**$ 18,786,062**	$ 10,105,840

NEOVASC INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and nine months ended September 30,

(Expressed in U.S. dollars) (Unaudited)

	For the three months ended September 30		For the nine months ended September 30	
	2020	2019	**2020**	2019
REVENUE	**$ 626,418**	$ 500,498	**$ 1,443,360**	$ 1,526,211
COST OF GOODS SOLD	**150,503**	137,999	**349,735**	348,987
GROSS PROFIT	**475,915**	362,499	**1,093,625**	1,177,224
EXPENSES				
Selling expenses	**498,671**	380,412	**1,504,714**	1,143,157
General and administrative expenses	**4,642,979**	2,197,922	**10,955,991**	7,342,314
Product development and clinical trials expenses	**5,502,717**	4,777,197	**14,615,847**	13,165,344
	10,644,367	7,355,531	**27,076,552**	21,650,815
OPERATING LOSS	**(10,168,452)**	(6,993,032)	**(25,982,927)**	(20,473,591)
OTHER (EXPENSE)/INCOME				
Interest and other income	**495,628**	58,651	**554,278**	78,040
Interest and prepayment penalty expense	**(191,989)**	-	**(729,539)**	-
Impairment on right-of-use asset	**-**	-	**-**	(260,616)
Gain/(loss) on foreign exchange	**(65,983)**	(16,111)	**(191,636)**	(28,262)
Unrealized gain/(loss) on derivative liability warrants and convertible notes	**730,242**	934,129	**4,233,073**	(1,166,922)
Realized gain/(loss) on exercise of warrants, derivative liability warrants and convertible notes	**1,567,127**	(201,119)	**587,497**	(938,374)
Amortization of deferred loss	**(2,601,250)**	-	**(2,736,332)**	-
	(66,225)	775,550	**1,717,341**	(2,316,134)
LOSS BEFORE TAX	**(10,234,677)**	(6,217,482)	**(24,265,586)**	(22,789,725)
Tax (expense)/recovery	**-**	15,505	**(5,997)**	12,895
LOSS FOR THE PERIOD	**$ (10,234,677)**	$ (6,201,977)	**$ (24,271,583)**	$ (22,776,830)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD				
Fair market value changes in convertible notes due to changes in own credit risk	**(158,244)**	(353,209)	**(1,029,200)**	312,973
LOSS AND OTHER COMPREHENSIVE LOSS FOR THE PERIOD	**$ (10,392,921)**	$ (6,555,186)	**$ (25,300,783)**	$ (22,463,857)
LOSS PER SHARE				
Basic and diluted loss per share	**$ (0.51)**	$ (0.83)	**$ (1.69)**	$ (3.72)