Boston Scientific

Boston Scientific Closes Acquisition of Advanced Biological Tissue Capabilities and Acquires Common Shares of Neovasc, Inc.

MARLBOROUGH, Mass., Dec. 13, 2016 /PRNewswire/ -- Boston Scientific Corporation (NYSE: BSX) today announced the close of its acquisition of certain manufacturing assets and capabilities of the Neovasc, Inc., (NASDAQ: NVCN) (TSX: NVC) advanced biological tissue business. With the completion of the acquisition, Boston Scientific will integrate certain manufacturing assets and biologic tissue capabilities into its structural heart business for use in the manufacturing of the Lotus™ Valve System* and future heart valve technologies.

The two organizations announced a definitive agreement on December 2, 2016 for Boston Scientific to acquire the advanced biologic tissue capabilities and make a 15% equity investment in Neovasc, for a total of $75 million in cash.

With the equity investment, Boston Scientific now beneficially owns, controls and directs 11,817,000 common shares representing in aggregate 15% of the issued and outstanding common shares which were acquired at a price of US$0.60 per common share for total consideration paid of US$7,090,200.[1]

The common shares were acquired for investment purposes. Prior to these transactions, Boston Scientific did not beneficially own, control or direct any common shares of Neovasc.

A copy of the report to be filed by Boston Scientific in connection with the transactions will be available on the Neovasc SEDAR profile at www.sedar.com, and can also be obtained by contacting Investor Relations at Boston Scientific.

Neovasc, based in British Colombia, Canada, is a specialty medical device company that develops, manufactures and markets products for the rapidly growing cardiovascular marketplace, including the Tiara™ technology** in development for the transcatheter treatment of mitral valve disease, and the Neovasc Reducer™ technology*** for the treatment of refractory angina.

Neovasc is located at Suite 5138 – 13562 Maycrest Way, Richmond, BC V6V 2J7. The address of Boston Scientific is 300 Boston Scientific Way, Marlborough, MA 10022.

About Boston Scientific

Boston Scientific transforms lives through innovative medical solutions that improve the health of patients around the world. As a global medical technology leader for more than 35 years, we advance science for life by providing a broad range of high performance solutions that address unmet patient needs and reduce the cost of healthcare. For more information, visit **www.bostonscientific.com** and connect on **Twitter** and **Facebook**.

**The Lotus Valve System is an investigational device in the U.S., limited by law to investigational use and not available for sale.*

***The Tiara technology is an investigational device in the U.S., Canada and Europe, limited by law to investigational use and not available for sale.*

****The Neovasc Reducer technology is CE Marked. It is under development in the U.S, and not available for sale.*

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may be identified by words like "anticipate," "expect," "project," "believe," "plan," "estimate," "intend" and similar words. These forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. These forward-looking statements include, among other things, statements regarding our earnings, our product launches and product performance and impact. If our underlying assumptions turn out to be incorrect, or if certain risks or uncertainties materialize, actual results could vary materially from the expectations and projections expressed or implied by our forward-looking statements. These factors, in some cases, have affected and in the future (together with other factors) could affect our ability to implement our business strategy and may cause actual results to differ materially from those contemplated by the statements expressed in this press release. As a result, readers are cautioned not to place undue reliance on any of our forward-looking statements.

Factors that may cause such differences include, among other things: future economic, competitive, reimbursement and regulatory conditions; new product introductions; demographic trends; the closing and

integration of acquisitions; intellectual property; litigation; financial market conditions; and future business decisions made by us and our competitors. All of these factors are difficult or impossible to predict accurately and many of them are beyond our control. For a further list and description of these and other important risks and uncertainties that may affect our future operations, see Part I, Item 1A – Risk Factors in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, which we may update in Part II, Item 1A – Risk Factors in Quarterly Reports on Form 10-Q we have filed or will file hereafter. We disclaim any intention or obligation to publicly update or revise any forward-looking statements to reflect any change in our expectations or in events, conditions or circumstances on which those expectations may be based, or that may affect the likelihood that actual results will differ from those contained in the forward-looking statements. This cautionary statement is applicable to all forward-looking statements contained in this document.

Use of Non-GAAP Financial Measures

To supplement our consolidated financial statements presented on a GAAP basis, we disclose certain non-GAAP financial measures including adjusted earnings per share. Adjusted earnings per share excludes goodwill and intangible asset impairment charges; acquisition-, divestiture-, litigation- and restructuring-related charges and credits; certain discrete tax items and amortization expense. Non-GAAP measures such as adjusted earnings per share are not in accordance with generally accepted accounting principles in the United States. The GAAP financial measure most directly comparable to adjusted earnings per share is GAAP earnings per share. The difference between our estimated impact of the acquisition on our GAAP and adjusted earnings per share relates to amortization expense on acquired intangible assets and acquisition-related net charges, which primarily include exit costs and other fees. These amounts are excluded by the Company for purposes of measuring adjusted earnings per share.

Management uses adjusted earnings per share along with other supplemental non-GAAP measures to evaluate performance period over period, to analyze the underlying trends in our business, to assess its performance relative to its competitors, and to establish operational goals and forecasts that are used in allocating resources. Non-GAAP financial measures, including adjusted earnings per share, should not be considered in isolation from or as a replacement for GAAP financial measures. We believe that presenting non-GAAP financial measures in addition to GAAP financial measures provides investors greater transparency to the information used by our management for its financial and operational decision-making and allows investors to see our results "through the eyes" of management. We further believe that providing this information better enables our investors to understand our operating performance and to evaluate the methodology used by management to evaluate and measure such performance.

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[1] Being C$.788 per Common Share and total consideration of C$9,316,523 using the Bank of Canada's December 12, 2016 noon exchange rate of US$1 = C$1.3140

SOURCE Boston Scientific Corporation

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https://news.bostonscientific.com/2016-12-13-Boston-Scientific-Closes-Acquisition-of-Advanced-Biological-Tissue-Capabilities-and-Acquires-Common-Shares-of-Neovasc-Inc