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Investor Relations

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InVivo Therapeutics Reports 2018 Second Quarter Financial Results

- *Significant Increase in Operating Efficiency; Operating Expenses Decreased by 59% -*
- *Progress on Initiation of INSPIRE 2.0 Study -*

CAMBRIDGE, Mass. (August 7, 2018) – InVivo Therapeutics Holdings Corp. (NVIV) today provided a business update and reported financial results for the quarter ended June 30, 2018.

Richard Toselli, M.D., President and Chief Executive Officer of InVivo, commented, “We continued to make progress in the second quarter of 2018, as the net proceeds of \$13.5 million from our successful June 2018 public offering have put us in a position to focus on the initiation of the INSPIRE 2.0 Study. We are currently engaging in the clinical site initiation process with previously-identified sites and manufacturing the clinical product for the Study. We have also selected a clinical research organization for the Study. We look forward to providing future updates on the progress of the INSPIRE 2.0 Study as we advance toward patient enrollment.”

Financial Results

The Company remains focused on reducing its cash burn in order to maximize the amount of resources available to support complete patient enrollment in the INSPIRE 2.0 Study. Operating expenses in the three-month period ended June 30, 2018 were \$2.8m compared to \$6.9m for the three-month period ended June 30, 2017, representing a 59% decrease in operating expenses. The Company’s operating expenses for the six-month period ended June 30, 2018 was \$7.6m versus \$13.6m for the six-months period ended June 30, 2017, representing a 44% decrease in operating expenses. The Company anticipates that it will maintain its current cash burn rate of less than \$1m per month, including expenses related to the Inspire 2.0 Study, in the coming quarters.

For the three-month period ended June 30, 2018, the Company reported a net loss of \$12.9m, or \$7.48 per diluted share, compared to a net loss of \$6.3m, or \$4.92 per diluted share, for the three-month period ended June 30, 2017. For the six-month period ended June 30, 2018, the company reported a net loss of \$17.7m, or \$11.2 per diluted share, compared to a net loss of \$12.7m, or \$9.91 per diluted share for the six-month period ended June 30, 2017. The net loss increase was primarily driven by non-cash loss related to derivative accounting on the warrants issued as part of the June 2018 public offering, as well as by financing costs related to the offering. The Company anticipates the valuation of the derivative warrant

liability to reduce considerably over the coming quarters as the warrants are exercised.

The Company ended the quarter with \$22.3 million of cash and cash equivalents.

About InVivo Therapeutics

InVivo Therapeutics Holdings Corp. is a research and clinical-stage biomaterials and biotechnology company with a focus on treatment of spinal cord injuries. The Company was founded in 2005 with proprietary technology co-invented by Robert Langer, Sc.D., Professor at Massachusetts Institute of Technology, and Joseph P. Vacanti, M.D., who then was at Boston Children's Hospital and is who now affiliated with Massachusetts General Hospital. In January 2018, the company announced updated clinical evidence, including improvements in patients with acute spinal cord injury (SCI), from its INSPIRE Study of the *Neuro-Spinal Scaffold*[™]. The publicly traded Company is headquartered in Cambridge, MA. For more details, visit www.invivotherapeutics.com.

Safe Harbor Statement

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements within the meaning of the federal securities laws. These statements can be identified by words such as "believe," "anticipate," "intend," "estimate," "will," "may," "should," "expect" and similar expressions, and include statements regarding the commencement of enrollment in the INSPIRE 2.0 Study and the expected length of the Study, the impact of cost-control measures and the ability of the Company to reduce its operating expenses and maintain its cash burn rate, the ability of the Company to support complete patient enrollment in the INSPIRE 2.0 Study with its current resources, the valuation of the Company's derivative warrant liability, and the ability of the Company to continue clinical investigation of the Company's Neuro-Spinal Scaffold. Any forward-looking statements contained herein are based on current expectations, and are subject to a number of risks and uncertainties. Factors that could cause actual future results to differ materially from current expectations include, but are not limited to, risks and uncertainties relating to: the need to raise additional capital, to successfully decrease costs and spend and to successfully open clinical sites for enrollment and to enroll additional patients if such study is initiated; the timing of the Institutional Review Board process; the company's ability to obtain FDA approval to commercialize its products; the Company's ability to develop, market and sell products based on its technology; the expected benefits and efficacy of the Company's products and technology in connection with spinal cord injuries; the availability of substantial additional funding for the Company to continue its operations and to conduct research and development, clinical studies and future product commercialization; and other risks associated with the Company's business, research, product development, regulatory approval, marketing and distribution plans and strategies identified and described in more detail in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2018 and its other filings with the SEC, including the Company's quarterly reports on Form 10-Q and current reports on Form 8-K. The Company does not undertake to update these forward-looking statements.

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InVivo Therapeutics Holdings Corp.
Consolidated Balance Sheets
Unaudited
(In thousands, except share and per share data)

	As of	
	June 30, 2018	December 31, 2017
ASSETS:		
Current assets:		
Cash and cash equivalents	22,320	12,910
Restricted cash	12	361
Prepaid expenses and other current assets	1,235	535
Total current assets	23,567	13,806
Property, equipment and leasehold improvements, net	125	157
Restricted cash	90	—
Other assets	77	82
Total assets	23,859	14,045
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT):		
Current liabilities:		
Accounts payable	914	988
Loan payable, current portion	330	452
Derivative warrant liability	21,469	4
Deferred rent, current portion	—	30
Accrued expenses	2,996	1,638
Total current liabilities	25,709	3,112
Loan payable, net of current portion	—	400
Deferred rent, net of current portion	—	367
Other liabilities	59	56
Total liabilities	25,768	3,935
Stockholders' equity (deficit):		
Common stock, \$0.00001 par value, authorized 25,000,000 shares; issued and outstanding 4,077,667 shares at June 30, 2018; issued and outstanding 1,370,992 shares at December 31, 2017	1	1
Additional paid-in capital	199,720	194,016
Accumulated deficit	(201,630)	(183,907)
Total stockholders' equity (deficit)	(1,909)	10,110
Total liabilities and stockholders' equity (deficit)	23,859	14,045

(Reflects 1-for-25 reverse stock split effective April 16, 2018)

InVivo Therapeutics Holdings Corp.
Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Operating expenses:				
Research and development	1,026	3,211	2,424	6,595
General and administrative	1,786	3,715	5,220	7,000
Total operating expenses	2,812	6,926	7,644	13,595
Operating loss	(2,812)	(6,926)	(7,644)	(13,595)
Other income (expense):				
Interest income / (expense), net	33	32	51	69
Other income / (expense), net	26	—	68	—
Derivatives gain (loss)	(10,186)	554	(10,198)	795
Other income (expense), net	(10,127)	586	(10,079)	864
Net loss	(12,939)	(6,340)	(17,723)	(12,731)
Net loss per share, basic and diluted	(7.48)	(4.92)	(11.20)	(9.91)
Weighted average number of common shares outstanding, basic and diluted	1,729,248	1,287,424	1,581,924	1,284,610

(Reflects 1-for-25 reverse stock split effective April 16, 2018)