



CONTACT:

Heather Hamel

(617) 863-5530

Investor Relations

Investor-relations@invivotherapeutics.com

InVivo Therapeutics Reports 2018 Third Quarter Financial Results and Provides Business Update

- *Announces Western Institutional Review Board Approval for Select INSPIRE 2.0 Study Sites* -

CAMBRIDGE, Mass. (November 8, 2018) – InVivo Therapeutics Holdings Corp. (NVIV) today provided a business update and reported financial results for the quarter ended September 30, 2018.

Richard Toselli, M.D., President and Chief Executive Officer of InVivo, commented, “In the third quarter, we continued to focus efforts on and advance toward our top priority of initiating patient enrollment in the INSPIRE 2.0 study. We are pleased to announce that we have received Western Institutional Review Board (WIRB) approval for several sites in the INSPIRE 2.0 study. We expect that WIRB approval will efficiently streamline the site initiation process for those sites that participate in the WIRB program. In the third quarter we also announced a joint research collaboration with Q Therapeutics, Inc., which aims to evaluate the preclinical safety and feasibility of the *Neuro-Spinal Scaffold™* with stem cells. Looking forward, we anticipate the initiation of patient enrollment in the INSPIRE 2.0 study in the fourth quarter, as well as the continued exploration of adjacent synergistic technologies.”

Financial Results

Operating expenses in the three-month period ended September 30, 2018 were \$2.1 million compared to \$6.3 million for the three-month period ended September 30, 2017. The Company’s operating expenses for the nine-month period ended September 30, 2018 were \$9.8 million, versus \$19.9 million for the nine-month period ended September 30, 2017. The Company anticipates that it will continue to maintain its current cash burn rate of less than \$1 million per month, including expenses related to the Inspire 2.0 Study, in the coming quarters.

For the three-month period ended September 30, 2018, the Company reported a net loss of \$3.2 million, or \$0.42 per diluted share, compared to a net loss of \$9.4 million, or \$6.99 per diluted share, for the three-month period ended September 30, 2017. For the nine-month period ended September 30, 2018, the company reported a net loss of \$20.9 million, or \$5.81 per diluted share, compared to a net loss of \$22.1 million, or \$16.98 per diluted share, for the nine-month period ended September 30, 2017.

The Company ended the quarter with \$19.7 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, the impact of the WIRB approval on site initiation process, the impact of cost-control measures and the ability of the Company to maintain its cash burn rate 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 September 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	
	September 30, 2018	December 31, 2017
ASSETS:		
Current assets:		
Cash and cash equivalents	19,707	12,910
Restricted cash	4	361
Prepaid expenses and other current assets	637	535
Total current assets	20,348	13,806
Property, equipment and leasehold improvements, net	112	157
Restricted cash	90	—
Other assets	926	82
Total assets	21,476	14,045
LIABILITIES AND STOCKHOLDERS' EQUITY :		
Current liabilities:		
Accounts payable	1,279	988
Loan payable, current portion	216	452
Derivative warrant liability	—	4
Deferred rent, current portion	—	30
Accrued expenses	1,443	1,638
Total current liabilities	2,938	3,112
Loan payable, net of current portion	—	400
Deferred rent, net of current portion	—	367
Other liabilities	56	56
Total liabilities	2,994	3,935
Stockholders' equity :		
Common stock, \$0.00001 par value, authorized 25,000,000 shares; 8,506,946 issued and outstanding shares at September 30, 2018; 1,370,992 issued and outstanding shares at December 31, 2017	1	1
Additional paid-in capital	223,286	194,016
Accumulated deficit	(204,805)	(183,907)
Total stockholders' equity	18,482	10,110
Total liabilities and stockholders' equity	21,476	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 September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Operating expenses:				
Research and development	928	2,928	3,352	9,522
General and administrative	1,185	3,388	6,405	10,389
Total operating expenses	<u>2,113</u>	<u>6,316</u>	<u>9,757</u>	<u>19,911</u>
Operating loss	<u>(2,113)</u>	<u>(6,316)</u>	<u>(9,757)</u>	<u>(19,911)</u>
Other income (expense):				
Interest income / (expense), net	71	25	122	94
Other income / (expense), net	834	—	902	—
Derivatives gain (loss)	<u>(1,967)</u>	<u>(3,059)</u>	<u>(12,165)</u>	<u>(2,264)</u>
Other income (expense), net	<u>(1,062)</u>	<u>(3,034)</u>	<u>(11,141)</u>	<u>(2,170)</u>
Net loss	<u>(3,175)</u>	<u>(9,350)</u>	<u>(20,898)</u>	<u>(22,081)</u>
Net loss per share, basic and diluted	<u>(0.42)</u>	<u>(6.99)</u>	<u>(5.81)</u>	<u>(16.98)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>7,562,807</u>	<u>1,337,800</u>	<u>3,597,460</u>	<u>1,300,648</u>

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