



ransEnterix®



# Todd M. Pope President & CEO

JP Morgan Healthcare Conference

January 8, 2018

# Forward Looking Statements

*This presentation includes statements relating to TransEnterix's current regulatory and commercialization plans for our products, the Senhance™ Surgical Robotic System and the SurgiBot™ System. These statements and other statements regarding our future plans and goals constitute "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, and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that are often difficult to predict, are beyond our control, and which may cause results to differ materially from expectations. Factors that could cause our results to differ materially from those described include, but are not limited to, whether the commercialization of the Senhance Surgical Robotics System will be successful, the pace of adoption of our products by surgeons, the success and market opportunity of our products, our current cash reach, the effect on our business of existing and new regulatory requirements and other economic and competitive factors. For a discussion of the most significant risks and uncertainties associated with TransEnterix's business, please review our filings with the Securities and Exchange Commission (SEC), including our including our Annual Report on Form 10-K filed on March 6, 2017 and other filings we make with the SEC. You are cautioned not to place undue reliance on these forward looking statements, which are based on our expectations as of the date of this presentation and speak only as of the origination date of the presentation. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.*



# TransEnterix: TRXC

Focus: Surgical Robotics

Category: Digital Laparoscopy

## Compelling Platform Technology

- Senhance Surgical Robot
- Robotic benefits with responsible economics

## Significant addressable market opportunity

- Surgical robotics penetration remains low (< 10%)

## Commercial Stage

- Clinically validated in multiple procedures and sites
- Senhance FDA cleared and CE Marked
- Sales and distribution in place in US and EU
- Strong financial position



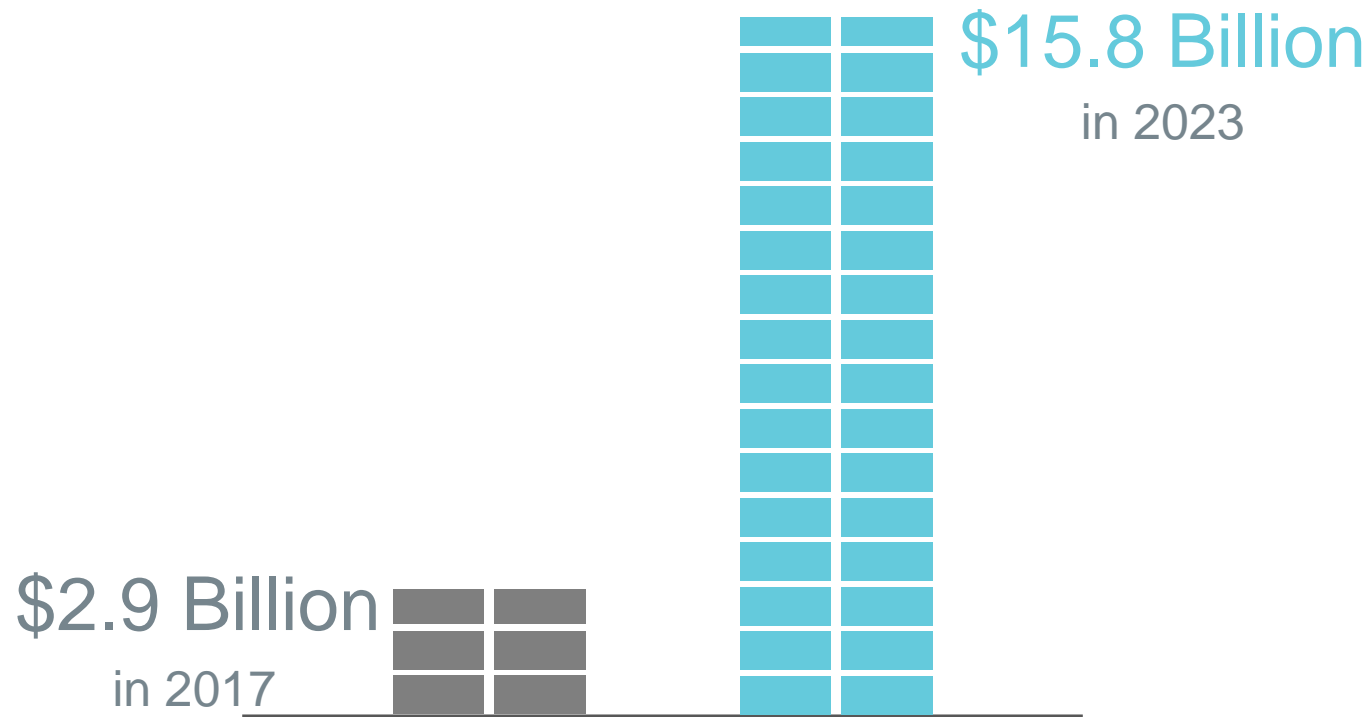




**Value-based healthcare is forcing hospitals to find new ways to improve outcomes, efficiencies and talent retention.**

# Surgical Robotics Poised for Growth

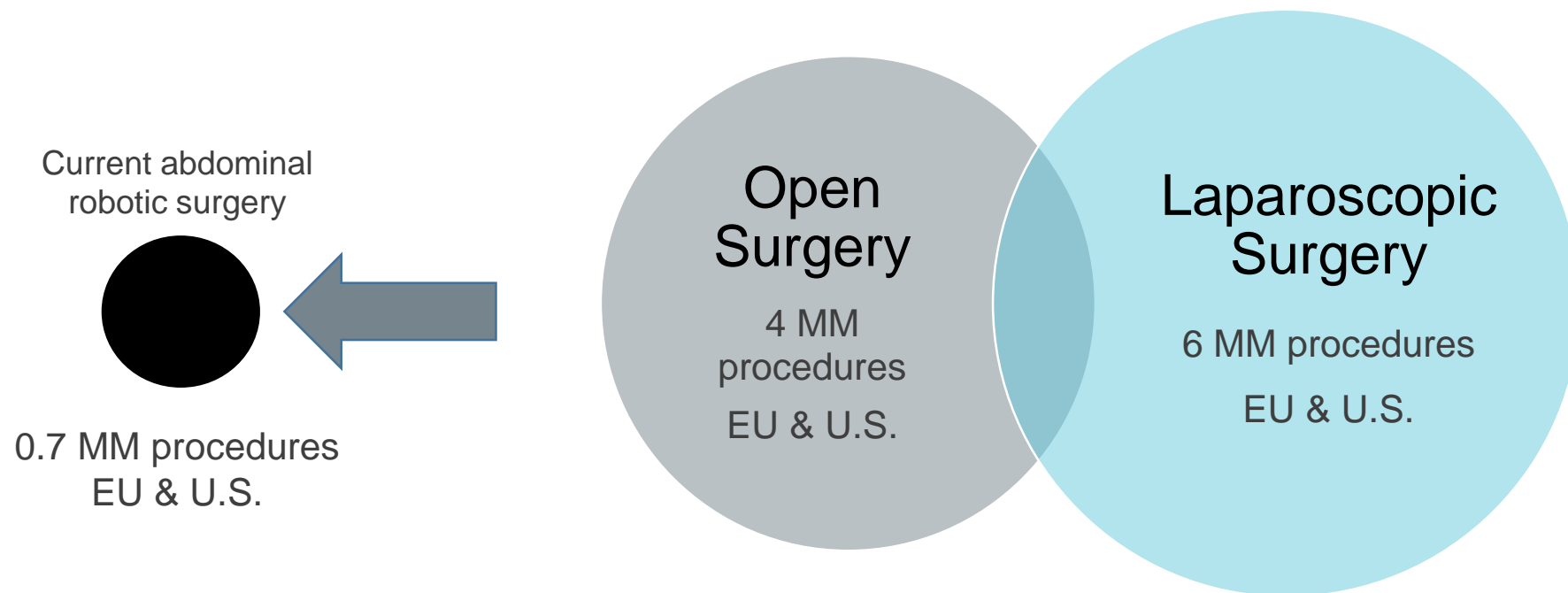
## Abdominal Robotic Surgery Market Size



- Robotic surgery is <10% of surgery today
- Largest opportunity is to convert laparoscopic procedures; not enabled by current options
- Must meet value-based healthcare criteria and build off laparoscopy (>60% of surgery)



# Robotic Surgery Landscape



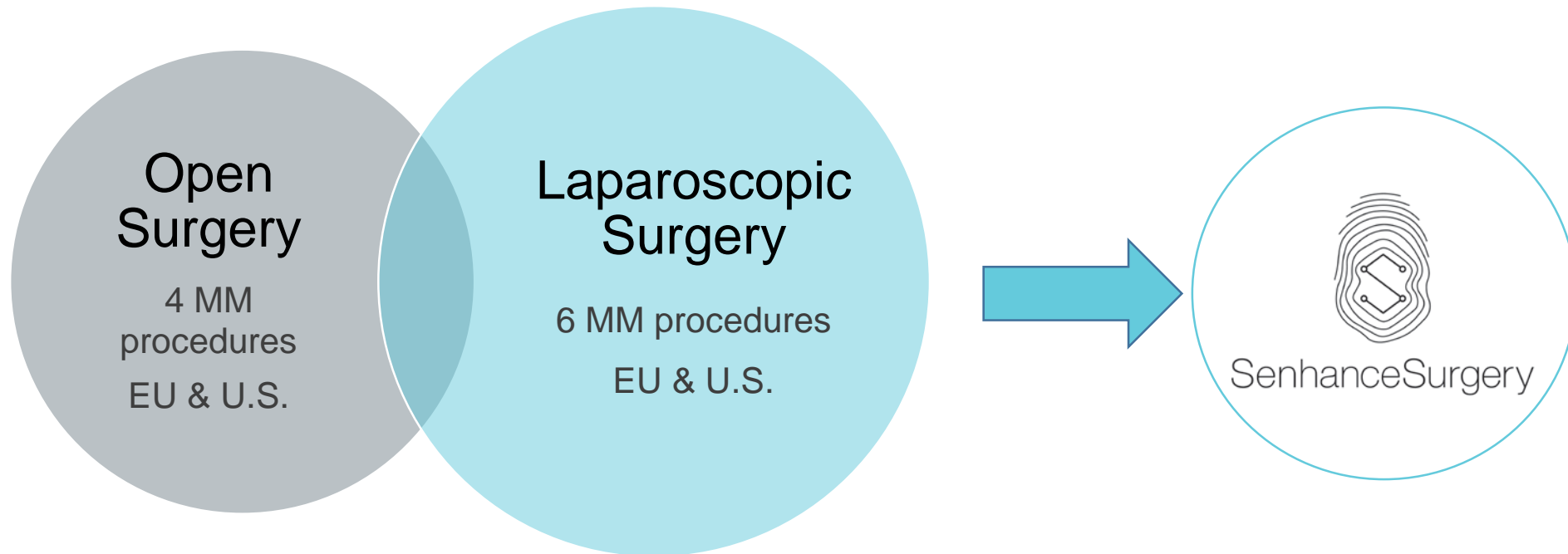
## Historical Growth Drivers:

Sources: TRXC Estimates, Millennium Research Group and Intuitive Surgical

- Convert open surgeries to robotics
- Offset significant per-procedure cost increase with length of stay benefit vs. open surgery
- Clinical and patient benefits have come from converting an open procedure to a minimally-invasive surgical approach
- Conversion of laparoscopy to robotics difficult due to substantial per-procedure cost



# Digital Laparoscopy Opportunity



## Future Growth Drivers:

- Convert laparoscopic surgeries to robotics
- Improve laparoscopy: designed for greater precision, efficiencies, safety, ergonomics
- Provide meaningful robotic benefits to laparoscopic surgery without significant per procedure cost increase

Sources: TRXC Estimates and Millennium Research Group





# Need for Robotic System that Addresses the Laparoscopic Market

## Laparoscopy is Widespread

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- Familiar motion and approach
- Completed learning curve
- Significant investments in laparoscopic ecosystem

## Limitations of Laparoscopy

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- Reliance on assistant to control camera
- Challenging ergonomics
- Imprecise instrument movement
- Torque at incision sites

## Hospitals Under Pressure

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- Robotics has added procedure costs
- Hospitals feel pressured to offer robotic option or lose volume
- Majority of surgeons now hospital employees, need to retain and extend productivity



# Senhance is Uniquely Positioned to Address Laparoscopic Market

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Maintain O.R. Efficiency



Maintain MIS standards



Responsible Economics

Familiar lap  
technique

Rapid  
docking for  
ease of  
setup

Ease of  
patient re-  
positioning

Retain  
5-mm  
instruments

Security of  
haptic  
feedback

Haptics  
allows for  
minimal  
incision  
trauma

Reusable instruments maintain  
procedural costs similar to  
laparoscopy



Senhance Robotic Benefits

Precision

Ergonomics

Advanced  
Instrument-  
ation

Eye-  
sensing  
camera  
control

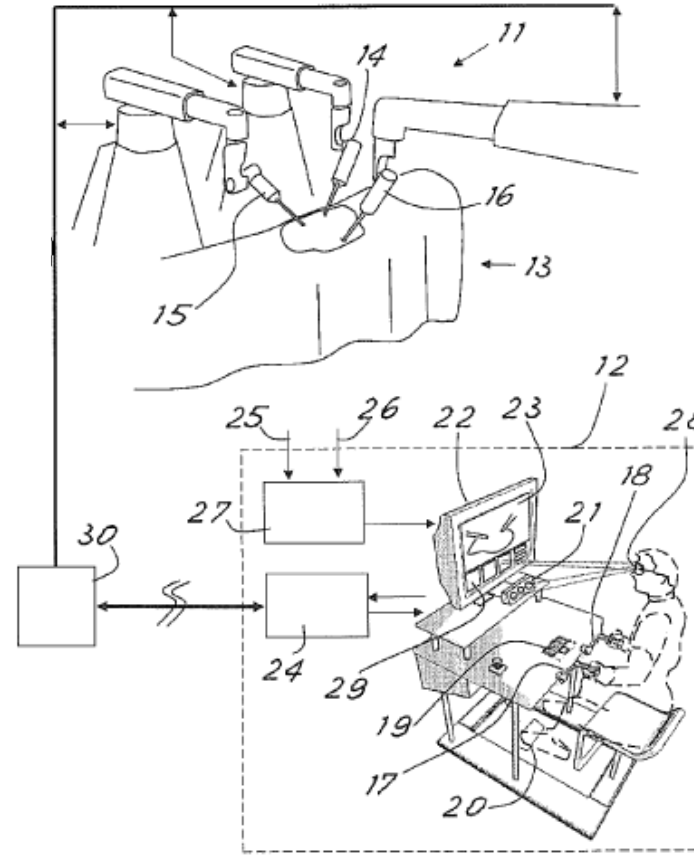




SenhanceSurgery

# Growing TransEnterix Patent Portfolio

- Issued Patents:
  - 93 worldwide
  - Includes 25 US issued
- Patent Applications:
  - 92 worldwide
  - Includes 54 pending US applications





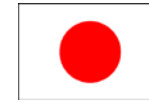
# Building Clinical Validation



- Imperial College, St. Mary's, London, England
- C.H.U. ST Etienne, Saint-Etienne, France
- St. Marien-Krankenhaus, Siegen, Germany
- University Clinic Hamburg – Eppendorf (UKE), Hamburg, Germany
- Humanitas University, Milan, Italy
- Policlinico Gemelli, Rome, Italy



- Florida Hospital, Orlando, Florida



- Saitama Medical University, Hidaka-City, Japan

## BUILDING CLINICAL VALIDATION

- Peer-reviewed published data on procedures for benign and malignant disease and in obese patients
- Surgeons cite positives of short learning curve & median 7 minute set-up time
- Feasibility, safety profile and procedural economics similar to lap surgery for procedures investigated

**19**  
**PUBLICATIONS**

**500+**  
**PATIENT COHORT**



Senhance Robotic Inguinal Hernia Repair  
Left side, TAPP, Lateral and Medial Hernias

Dr. Dietmar Stephan, St. Marien Krankenhaus  
Siegen, Germany

Department of Minimally Invasive and Robotic Surgery  
Clinic of General Surgery, Chief Prof. Dr. F. Willeke

# Senhance FDA Cleared and CE Marked

- First new entrant to abdominal robotics since 2000
- Senhance received FDA clearance October 2017
- Cleared for colorectal and gynecological laparoscopic surgery in US
  - Indications cover 23 procedures
  - Covers benign and oncologic treatments
- Initial market 1.5 million US procedures



# Delivering on Open Architecture Strategy

## Robotic Microlap



- Introducing the first robotic microlap 3mm system
- Enabling virtually scarless surgery
- Using robotic precision, tremor filtration and surgeon camera control with microlaparoscopy

## Open Source Visualization



- Leverage existing hospital visualization systems
- Adapters for leading vision systems; Stryker, Novadaq, ConMed, Richard-Wolf
- Advanced imaging with fluorescence
- 5mm and 10mm scopes





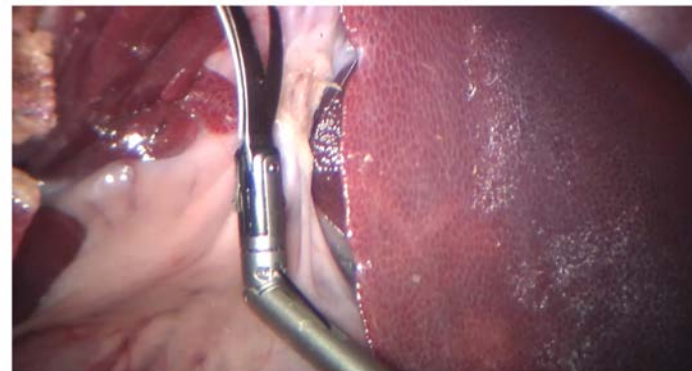
# High Impact Portfolio Growth in 2018

## Advanced Energy Instrument for Robotic



- Based on ultrasonic energy
- Clinically and financially validated need: \$2+ billion global business in surgical advanced energy instruments

## Articulating Instrument platform expansion



- Increase degrees of freedom in surgical cases
- Minimize incision size with 5mm platform

## Clinical indications for use expansions



- Hernia: 378,000 addressable procedures
- Gallbladder: 1,235,000 addressable procedures



# Commercial Activity - US

- Sales resources
  - 17 sales professionals
  - Majority of 20 largest MSAs covered
  - Established surgeon training center at the Institute for Surgical Advancement in Orlando Q3 '17
  - Strong presence at major trade shows
- Sales activities
  - First sale to Florida Hospital Orlando Q4 '17
  - Anticipate 4-6 quarter capital sales cycle



# Commercial Activity - OUS

- Strong foundation established
  - Direct sales team covering Germany, Italy, France, Benelux & UK
  - Distributors and agents expand coverage to other markets
- Sales activities
  - Italian sale Q3 '16
  - German sale in Q1 '17
  - Japan sale Q2 '17
  - Taiwan sale Q3 '17
  - CIS sale Q4 '17



# SurgiBot Commercialization Update/Strategy

- Enables TransEnterix to expand portfolio, increases cash, and develops partner relationship for China manufacturing and distribution
- Received minimum consideration of \$29 million (cash, stock purchase and royalties)
- Retain rights for distribution and sales outside of China for SurgiBot, single port robotic system
- Manufacturing to be done in China
- Partnering with leading firms with China National Scientific and Instruments and Materials Company, a core enterprise of SinoPharm





# Financial (unaudited)

- 2017 Revenue ~ \$7.0 million
  - 360% increase over 2016
- December 31, 2017 Balance Sheet Highlights
  - Cash & Restricted Cash ~ \$97 million
  - Debt ~ \$14 million
- Common shares outstanding ~ 199 million



# Key Priorities

2017	
Continued focus on commercialization efforts in CE Mark countries	✓
Continue to demonstrate clinical success across multiple specialties and procedures	✓
Obtain Senhance US 510(k) clearance by year end	✓
Prepare for U.S. launch with focused market development activities	✓

2018
Commercial results in US, EU and Asia
Expand instrument portfolio to include advanced energy and articulating instrumentation
Expand US 510(k) indications for use by mid-year
Accelerating clinical adoption across multiple specialties and procedures

