
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

**May 23, 2018
Date of Report (date of earliest event reported)**

TransEnterix, Inc.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

0-19437
(Commission
File Number)

11-2962080
(I.R.S. Employer
Identification Number)

**635 Davis Drive, Suite 300
Morrisville, North Carolina**
(Address of principal executive offices)

919-765-8400
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On May 23, 2018, TransEnterix, Inc. (the “Company”) and its domestic subsidiaries, as co-borrowers (together with the Company, the “Borrowers”), entered into a Loan and Security Agreement (the “Loan Agreement”) with the several banks and other financial institutions or entities from time to time party to the Loan Agreement (collectively, the “Lender”) and Hercules Capital, Inc., as administrative agent and collateral agent (the “Agent”). Under the Loan Agreement, the Lender has agreed to make certain term loans to the Borrowers in the aggregate principal amount of up to \$40,000,000, with funding of the first \$20,000,000 tranche occurring on May 23, 2018 (the “Initial Funding Date”). The Borrowers will be eligible to draw on the second tranche of \$10,000,000 upon achievement of certain Senhance™ Surgical Robotic System (“Senhance”) revenue-related milestones for its 2018 fiscal year, and a third tranche of \$10,000,000 upon achievement of designated trailing six month GAAP net revenue from Senhance sales. The Borrowers are entitled to make interest-only payments until December 1, 2020, and at the end the interest-only period, the Borrowers will be required to repay the term loans over an eighteen-month period based on an eighteen-month amortization schedule, with a final maturity date of June 1, 2022. The term loans will be required to be repaid if the term loans are accelerated following an event of default.

The term loans bear interest at a rate equal to the greater of (i) 9.55% per annum (the “Fixed Rate”) and (ii) the Fixed Rate plus the prime rate (as reported in The Wall Street Journal) minus 5.00%. Following the draw of the third tranche, the Fixed Rate will be reduced to 9.20% effective on the first interest payment date to occur during the first fiscal quarter following the draw of the third tranche. On the Initial Funding Date, the Borrowers are obligated to pay a facility fee \$400,000. In addition, the Borrowers are permitted to prepay the term loans in full at any time, with a prepayment fee of 3.0% of the outstanding principal amount of loan in the first year after the Initial Funding Date, 2.0% if the prepayment occurs in the second year after the Initial Funding Date and 1.0% thereafter. Upon prepayment of the term loans in full or repayment of the terms loans at the maturity date or upon acceleration, the Borrowers are required to pay a final fee of 6.95% of the aggregate principal amount of term loans funded.

The Borrowers’ obligations under the Loan Agreement are to be guaranteed by all current and future material foreign subsidiaries of the Company and are secured by a security interest in all of the assets of the Borrowers and their current and future domestic subsidiaries and all of the assets of their current and future material foreign subsidiaries, including a security interest in the intellectual property. The Loan Agreement contains customary representations and covenants that, subject to exceptions, restrict the Company’s and its subsidiaries’ ability to do the following, among things: declare dividends or redeem or repurchase equity interests; incur additional indebtedness and liens; make loans and investments; engage in mergers, acquisitions, and asset sales; transact with affiliates; undergo a change in control; add or change business locations; and engage in businesses that are not related to its existing business. Under the terms of the Loan Agreement, the Borrowers are required to maintain cash and/or investment property in accounts pledged to the Agent in an amount equal to at least 80% of the aggregate cash of the Company and its consolidated subsidiaries.

The Agent is granted the option to invest up to \$2,000,000 in any future equity offering broadly marketed by the Company to investors on the same terms as the offering to other investors.

The foregoing is a summary of the Loan Agreement and is qualified in its entirety by reference to the complete text of the Loan Agreement, which will be filed by the Company as an exhibit to its Quarterly Report on Form 10-Q for the quarter ending June 30, 2018.

Item 1.02 Termination of a Material Definitive Agreement.

The Company entered into a payoff letter dated as of May 23, 2018, with Innovatus Life Sciences Lending Fund I, LP (“Innovatus”) pursuant to which the Company terminated that certain Loan and Security Agreement, dated May 10, 2017, by and among the Company and its domestic subsidiaries, and Innovatus (the “Innovatus Loan Agreement”). The Company repaid all amounts owed under the Innovatus Loan Agreement of approximately \$15.4 million.

The foregoing description of the Innovatus Loan Agreement is not complete and is qualified in its entirety by reference to the full text of the Innovatus Loan Agreement, filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on May 10, 2017, and incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information disclosed under Item 1.01 of this Current Report on Form 8-K is incorporated by reference under this Item 2.03.

Item 3.03 Material Modification to the Rights of Security Holders.

The Loan Agreement imposes restrictions on the Company’s ability to declare dividends.

Item 8.01 Other Events.

The Company issued a press release on May 23, 2018, announcing its entry into the Loan Agreement. The full text of the press release is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Loan and Security Agreement, dated May 10, 2017, by and among TransEnterix, Inc., TransEnterix Surgical, Inc., TransEnterix International, Inc. and SafeStitch LLC, as Borrower, and Innovatus Life Sciences Lending Fund I, LP, as Lender and Collateral Agent (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, filed with the SEC on May 10, 2017).</u>
99.1	<u>Press Release of TransEnterix, Inc. dated May 23, 2018</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 23, 2018

TRANSENERIX, INC.

/s/ Joseph P. Slattery

Joseph P. Slattery
Executive Vice President and Chief
Financial Officer

TransEnterix, Inc. Announces Loan Agreement with Hercules Capital

— *Non-dilutive financing extends cash reach to over two years* —

RESEARCH TRIANGLE PARK, N.C.—(BUSINESS WIRE)— May 23, 2018— TransEnterix, Inc. (NYSE American: TRXC) (the “Company”), a medical device company that is digitizing the interface between the surgeon and the patient to improve minimally invasive surgery, today announced that it has entered into a debt financing agreement with Hercules Capital, Inc., as administrative agent and collateral agent (“Hercules”), and the banks and financial institutions entering into the loan agreement, to provide the Company with up to \$40.0 million in term loans.

“We are pleased to partner with Hercules to refinance our debt and strengthen our balance sheet in a non-dilutive manner,” said Todd M. Pope, president and chief executive officer of TransEnterix. “Assuming the ability to borrow all tranches, we believe this refinancing, combined with cash on hand, provides us more than two years of cash runway and will support the continuing commercialization of our Senhance System.”

On May 23, 2018, the Company entered into a loan and security agreement (the “Loan Agreement”) with Hercules pursuant to which Hercules has agreed to make certain term loans in the aggregate principal amount of up to \$40 million, with funding of the first \$20 million tranche occurring on May 23, 2018. The Company will be eligible to draw on the second tranche of \$10 million upon achievement of certain Senhance System revenue-related milestones for its 2018 fiscal year, and a third tranche of \$10 million upon achievement of designated trailing six months GAAP net revenue from Senhance sales. The Company is entitled to make interest-only payments until December 1, 2020, and at the end of the interest-only period, the Company will be required to repay the term loans over an eighteen-month period based on an eighteen-month amortization schedule, with a final maturity date occurring on June 1, 2022. The Company repaid all amounts owed under their previous loan agreement with Innovatus Life Sciences Lending Fund on May 23, 2018.

“Hercules is very pleased to partner with TransEnterix as they continue to expand the commercial adoption of Senhance,” said Scott Bluestein, Chief Investment Officer at Hercules. “The debt facility provides another example of our ability to creatively finance dynamic growth oriented Life Sciences companies through multiple stages of development and through various value inflection points.”

Armentum Partners acted as financial advisor to TransEnterix for the debt financing. Additional details regarding the Company’s financing are included in the Company’s Current Report on Form 8-K which is expected to be filed on May 23, 2018 by TransEnterix, Inc. with the Securities and Exchange Commission.

About TransEnterix TransEnterix is a medical device company that is digitizing the interface between the surgeon and the patient to improve minimally invasive surgery by addressing the clinical and economic challenges associated with current laparoscopic and robotic options in today's value-based healthcare environment. The Company is focused on the commercialization of the Senhance™ Surgical System, which digitizes laparoscopic minimally invasive surgery. The system allows for robotic precision, haptic feedback, surgeon camera control via eye sensing and improved ergonomics while offering responsible economics. The Senhance Surgical System is available for sale in the US, the EU and select other countries. For more information, visit www.transenterix.com.

About Hercules Capital

Hercules Capital, Inc. (NYSE: HTGC) ("Hercules") is a leading and largest specialty finance company focused on providing senior secured venture growth loans to high-growth, innovative venture capital-backed companies in a broad variety of technology, life sciences and sustainable and renewable technology industries. Since inception (December 2003), Hercules has committed more than \$7.6 billion to over 420 companies and is the lender of choice for entrepreneurs and venture capital firms seeking growth capital financing.

Forward-Looking Statements

This press release includes statements relating to the Company's May 2018 debt refinancing, that provides an opportunity to borrow up to \$40.0 million assuming various milestones are met. 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 and includes whether this financing, combined with cash on hand, provides TransEnterix with more than two years of cash runway and will support the continued commercialization of the Senhance Surgical Robotic System. For a discussion of the risks and uncertainties associated with TransEnterix's business, please review our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K filed on March 8, 2018 and our 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 press release and speak only as of the origination date of this press release. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

For TransEnterix, Inc.

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