



Q3 Financial and Operating Results

Corporate Update

November 12, 2019



SPEAKERS ON TODAY'S CALL



Paul LaViolette
Chairman of the
Board of Directors



Anthony Fernando
President and
Chief Executive Officer



Joe Slattery
Executive Vice President
and Chief Financial Officer

FORWARD LOOKING STATEMENTS

This presentation includes statements relating to TransEnterix' refocused plan for the market development, product advances and key opinion leader buy-in, and regulatory and commercial plans for the Senhance Surgical System and a general corporate update. 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 we will be able to execute upon our corporate objectives. 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 for the year ended December 31, 2018, filed with the SEC on February 27, 2019 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 presentation and speak only as of the origination date of this 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.

PAUL LAVIOLETTE

Chairman of The Board of Directors

ANTHONY FERNANDO

President and Chief Executive Officer

AGENDA

**INTRODUCTORY
COMMENTS**

**Q3 QUARTERLY
FINANCIAL
REVIEW**

**BUSINESS
UPDATE**

**OUTLOOK AND
EXPECTATIONS**



Q3 FINANCIAL REVIEW

**JOE
SLATTERY**

Executive Vice President and Chief Financial Officer



BUSINESS UPDATE

**ANTHONY
FERNANDO**

President and Chief Executive Officer

BUSINESS UPDATE

1

WHAT WE KNOW

2

WHAT WE HAVE LEARNED

3

WHAT WE STILL NEED TO DO



BUSINESS UPDATE

1

WHAT WE KNOW

2

WHAT WE HAVE LEARNED

3

WHAT WE STILL NEED TO DO



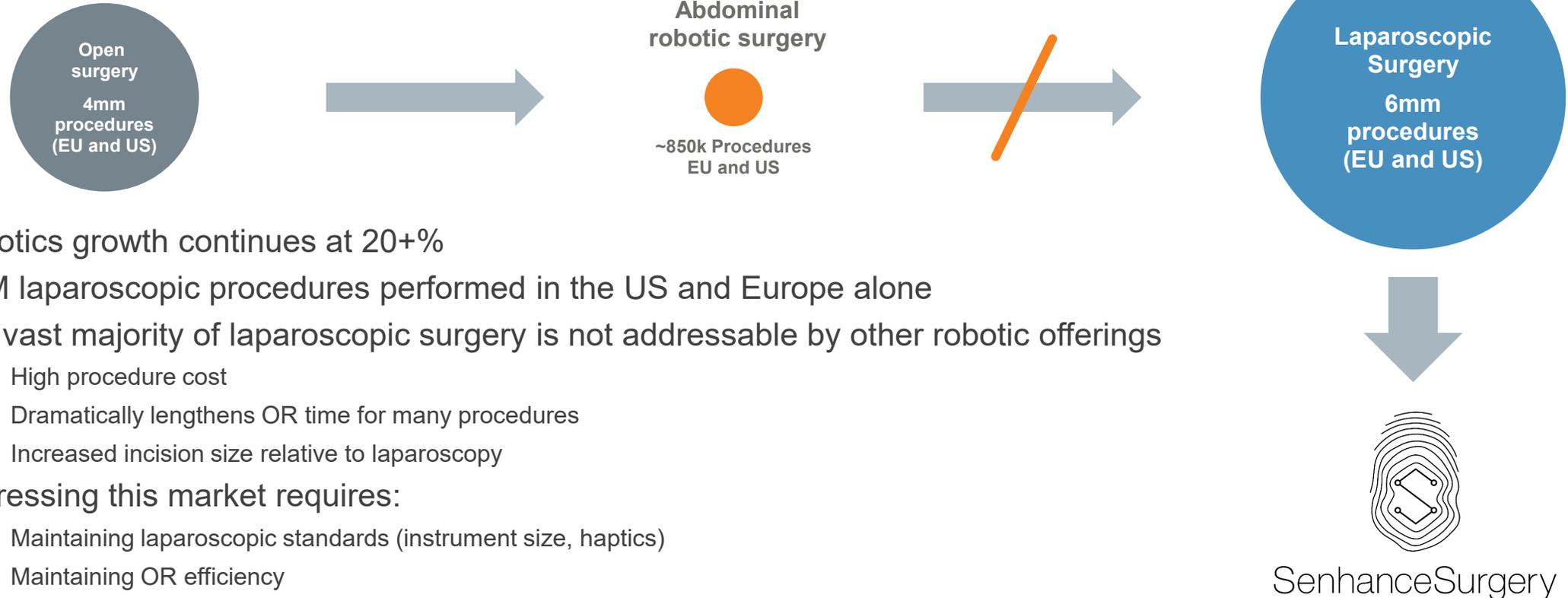
WHAT WE KNOW:

WE ARE UNIQUELY FOCUSED ON DIGITAL LAPAROSCOPY

	On the Market	In Development	Product Strategy → Implications
Digital Laparoscopy	<p>Senhance</p>  <p>US ✓ EU ✓ JP ✓</p>		<p>Lap motion → Familiarity for Laparoscopic surgeons</p> <p>Fully reusable instruments → Low cost per procedure</p> <p>Standard 5mm and 3mm Instruments → Advances MIS benefit</p> <p>Haptic feedback → Restores significant sensory input to surgery</p> <p>Eye tacking camera control → Novel and satisfying surgical vision control</p> <p>Open vision system → Leverage best in class visualization technologies</p> <p>Individual boom arms → Full patient access</p> <p>Articulating instruments → Enabling where needed</p>
Robotic Assisted Surgery	<p>Da Vinci</p>  <p>US ✓ EU ✓ JP ✓</p>	<p>Medtronic VERB CMR</p>	<p>Open motion → More enabling for non-laparoscopists</p> <p>Limited use/Single use instruments → High cost per procedure</p> <p>Wristed instruments → Enabling but higher cost per procedure</p> <p>8mm and 5mm instruments → Not improving invasiveness over laparoscopy</p>

WHAT WE KNOW:

LAPAROSCOPIC MARKET IS LARGE WITH LIMITED ROBOTIC PENETRATION TODAY

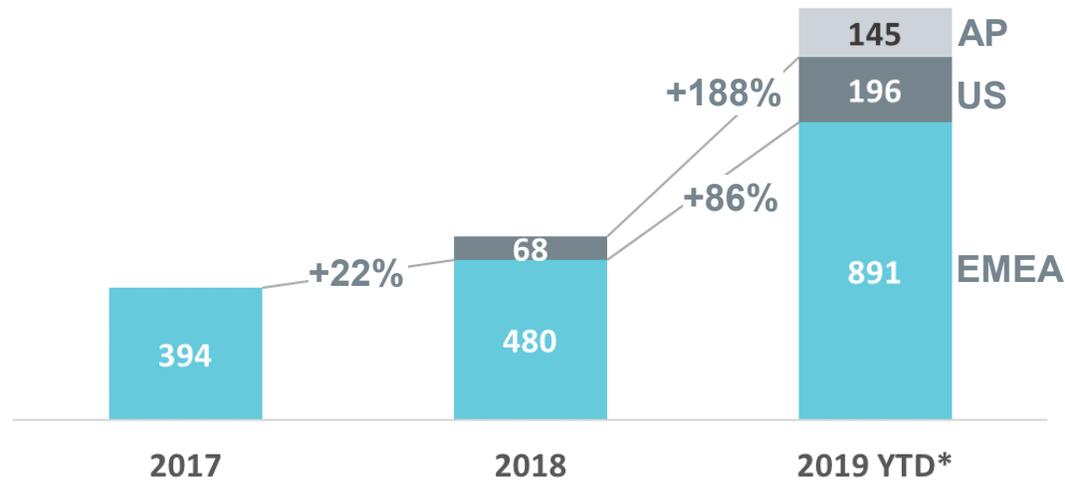


- Robotics growth continues at 20+%
- 6MM laparoscopic procedures performed in the US and Europe alone
- The vast majority of laparoscopic surgery is not addressable by other robotic offerings
 - High procedure cost
 - Dramatically lengthens OR time for many procedures
 - Increased incision size relative to laparoscopy
- Addressing this market requires:
 - Maintaining laparoscopic standards (instrument size, haptics)
 - Maintaining OR efficiency
 - Responsible economics
 - Digital benefits
- Increasing desire of administration for robotics competition

WHAT WE KNOW:

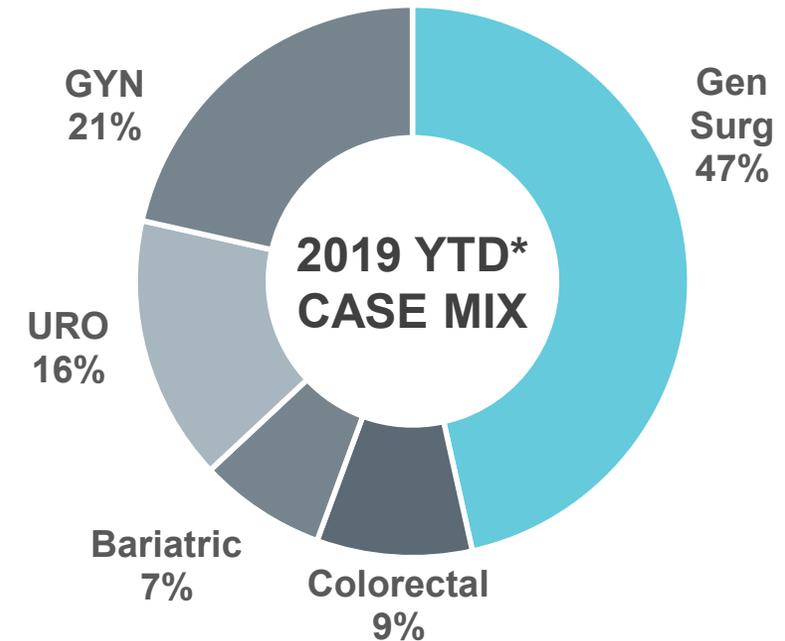
SENHANCE DEMONSTRATING STRONG CLINICAL PERFORMANCE ACROSS THE GLOBE

GLOBAL CLINICAL CASE VOLUME GROWTH



Active Sites	6	15	24
Total Cases	394	548	1232

Strong clinical case performance in 2019

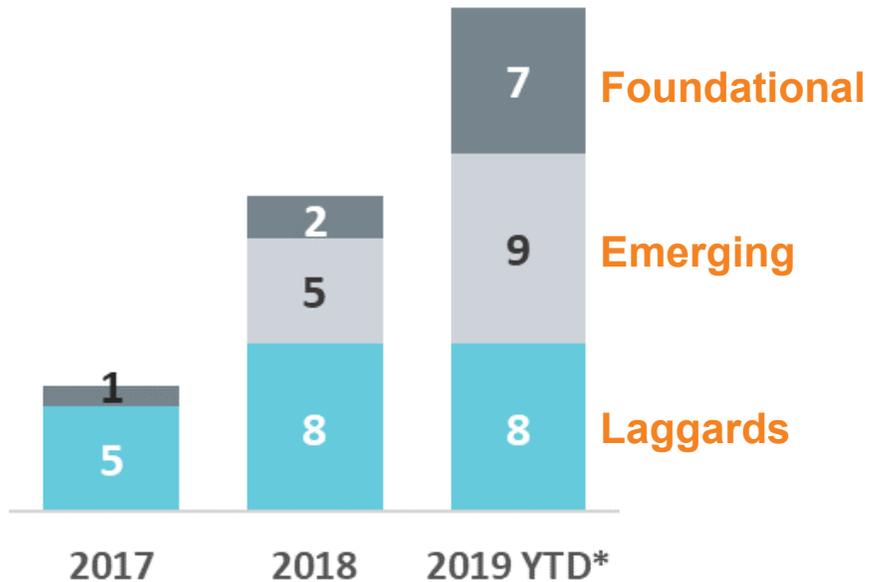


Adoption across multiple specialty areas, demonstrating broader applicability and adoption

WHAT WE KNOW:

SENHANCE VALUE DEMONSTRATED IN MULTIPLE CUSTOMER SETTINGS

SITE PERFORMANCE



CURRENT FOUNDATIONAL SITES

Location	First Case	YTD Procedures*	Annual Pace	# Surgeons	Specialties
Netherlands	Nov - 18	161	175+	10	GS, GYN, CR, URO
Kazakhstan 1	Oct - 18	130	150+	9	GS, GYN, CR, URO
Germany 1	Jul - 19	55	150+	3	GS, CR
Germany 2	Mar - 17	104	125+	5	GS, GYN, CR
Kazakhstan 2	Mar - 18	108	125+	3	GS, URO
Taiwan	Apr - 19	60	100+	4	BAR, GS, URO
New Jersey	Mar - 19	81	100+	3	BAR, GS, CR, GYN

FOUNDATIONAL SITE = 100+ CASES PER YEAR + MULTIPLE SPECIALTIES/SURGEONS

*YTD Case volumes as of October 10/31/ 2019

BUSINESS UPDATE

1

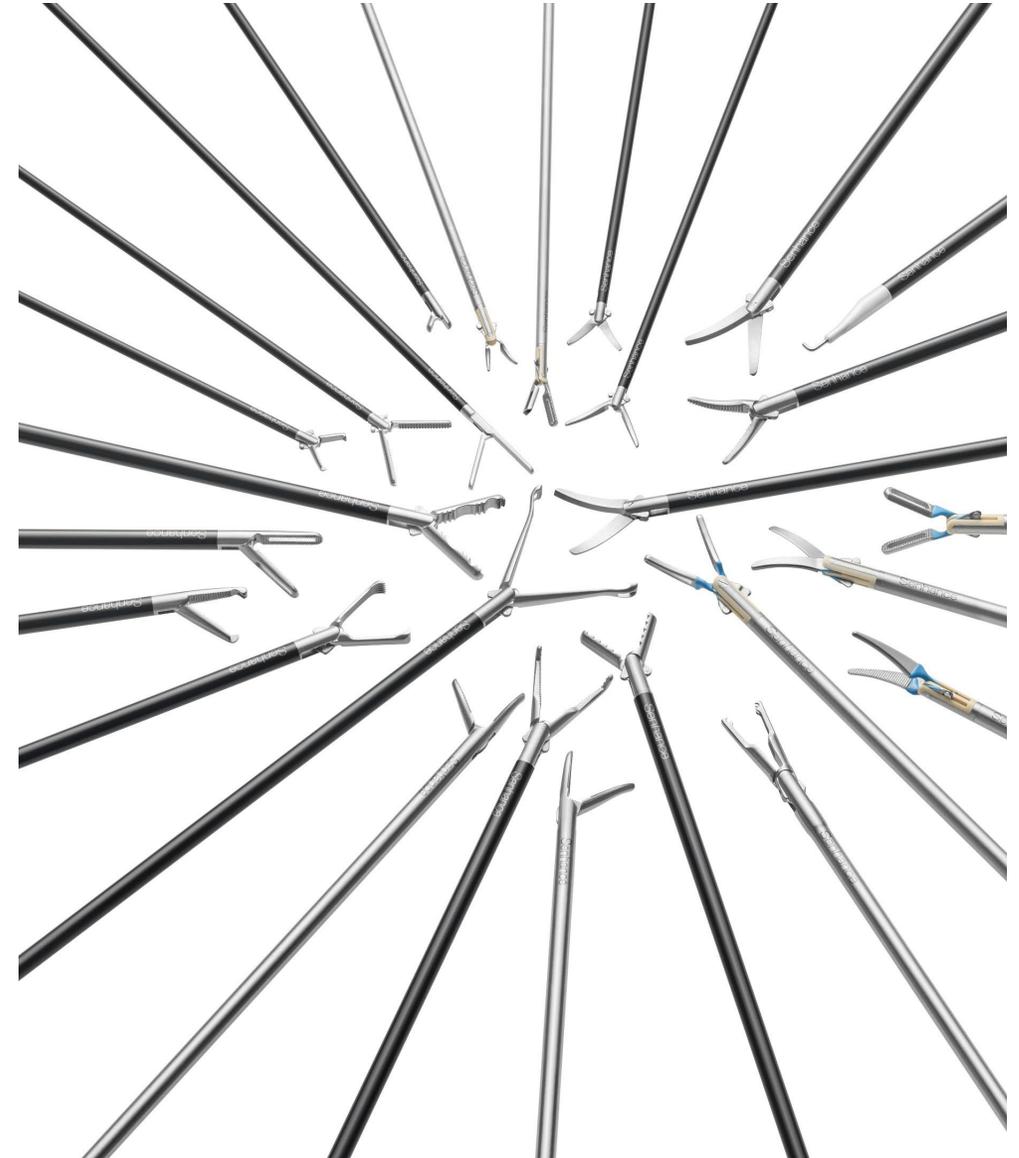
WHAT WE KNOW

2

WHAT WE HAVE LEARNED

3

WHAT WE STILL NEED TO DO



WHAT WE HAVE LEARNED:

THE CHALLENGES

1. We focused too heavily on "sales" ...

...which required significant investment

...and resulted in a broad geographic approach

...creating a sub-optimal customer base to gain feedback

...to make improvements and leverage for a strong value proposition

...and drove our OUS regulatory investments based on individual opportunities

2. Before the system was broadly attractive...

...first gen software did not perform well ✓

...had unfilled portfolio gaps

- Advanced Energy ✓

- 3rd party vision system compatibility ✓

- Articulating instruments ✓

3. Before we had established an enthusiastic user base to complement selling efforts...

...lacked compelling clinical/real-world experience

...lacked enthusiastic user base to leverage for advocacy, speaking/presenting and per-to-peer marketing

BUSINESS UPDATE

1

WHAT WE KNOW

2

WHAT WE HAVE LEARNED

3

WHAT WE STILL NEED TO DO



WHAT WE STILL NEED TO DO:

MARKET DEVELOPMENT

- Expand utilization, surgeon base, and specialties within existing sites
- Rapid implementation of new Senhance programs at strategic sites in focus regions
- Increase number of speakers and formalize speaker program
- Drive share of voice through multiple channels & peer to peer events

SITE PERFORMANCE



WHAT WE STILL NEED TO DO:

FOCUSED AND DELIBERATE GATHERING OF EVIDENCE TO SUPPORT KEY VALUE PROPOSITIONS

Cost Effective Robotics - Senhance driving cost savings & enabling a cost effective robotics growth strategy

Maintaining O.R. Efficiency – demonstrate how learning curve, camera control, open platform, hybrid approach, rapid docking drive robotic efficiency

Reduction in Physical & Cognitive Fatigue – support how Senhance ergonomics, camera control, & robotic precision favorably impact fatigue

Improved Clinical Outcomes – demonstrate the clinical benefits of Senhance enabled 3mm instruments

We plan to initiate programs or leverage existing experiences to generate support for our key differentiators and validate our value proposition to hospitals and surgeons

WHAT WE STILL NEED TO DO:

PORTFOLIO EXPANSION

ARTICULATING INSTRUMENTS

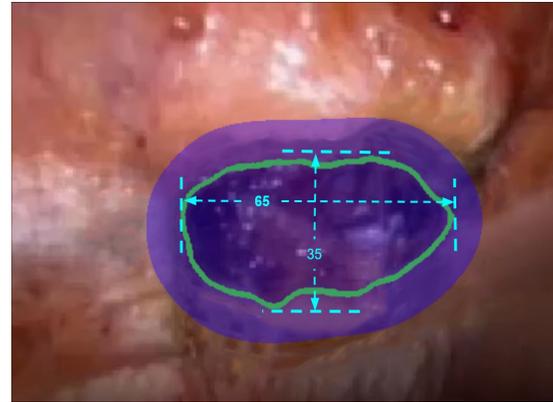


- 5mm Articulating Instrument portfolio
- Passive and bipolar energy capable
- Enabling expanded Senhance clinical utility

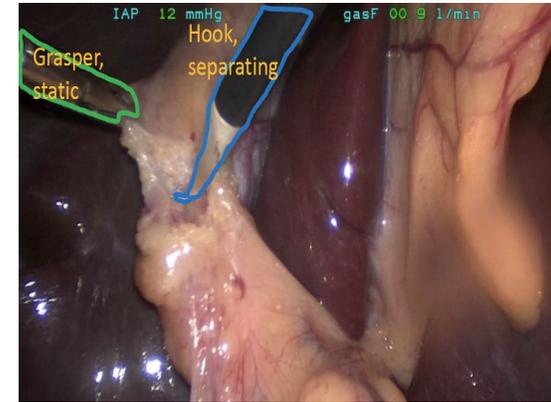
INDICATION EXPANSION

- Broad General Surgery indication in the US
- Bariatric indication in the US
- Pediatric indication in EU

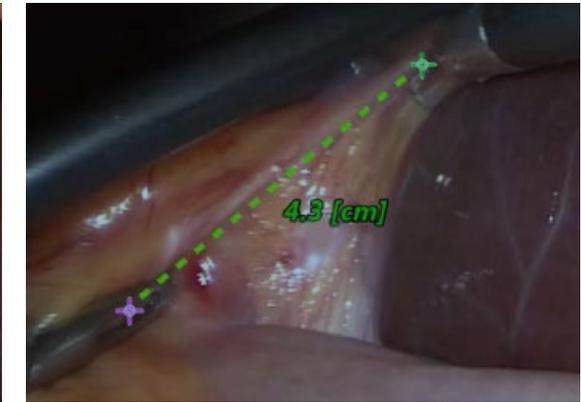
DIGITAL SURGICAL TECHNOLOGY



DEFECT IDENTIFICATION AND MESH SIZING



INSTRUMENT TAGGING AND PROJECTION



POINT TO POINT 3D MEASUREMENT

First of Kind Senhance Digital Tools which Enable:

- Surgical scene understanding & situational awareness
 - Stage in operation
 - Type of tool
 - Type of operation
 - Organs in the field of view
- Augmented Intelligence and machine learning to assist surgeons reduce fatigue
 - Segment tools
 - Segment organs
- System monitoring and control to provide additional layer of safety

1

WHAT WE KNOW

- ✓ Uniquely focused on digital laparoscopy
- ✓ Market expansion opportunity
- ✓ Senhance value proposition proven in key sites

2

WHAT WE HAVE LEARNED

- ✓ Lessons from the past have informed our go forward strategy

3

WHAT WE STILL NEED TO DO

- ✓ Broaden market awareness and expand data that supports our value proposition while continuing to innovate



OUTLOOK AND EXPECTATIONS

2020 – SENHANCE AND DIGITAL LAPAROSCOPY RECOGNIZED AS KEY COMPONENTS FOR ROBOTIC GROWTH

TECHNOLOGY THAT HAS THE ABILITY TO “RIGHT SIZE ROBOTICS”

MARKET DEVELOPMENT

- 20 “foundational sites” performing 100+ procedures annual run rate
- Double the number of clinical cases
- Increase the number of speakers & advocates cascading our key messages
- Broad array of peer to peer learning events where critical messaging is discussed & shared

CLINICAL EVIDENCE

- Publication of evidence supporting Senhance value propositions
 - Cost Effectiveness
 - Ergonomics
 - Clinical Outcomes
 - O.R. Efficiency

PORTFOLIO EXPANSION

- Scene cognition and Augmented Intelligence module launched in the US
- Full EU launch of 5mm Articulating instruments
- Indication expansion
 - General Surgery in US
 - Bariatric in US
 - Pediatric in EU

By End 2020 – Critical mass of advocacy, awareness, and credibility exists as a foundation to drive future growth

