



# Acquisition of MST Medical Surgery Technologies Ltd:

*Meaningfully Bolsters Senhance Platform  
Innovation to Further Advance  
Digital Laparoscopy*

**September 24, 2018**

# FORWARD LOOKING STATEMENTS

*This presentation includes statements relating to TransEnterix' proposed acquisition of the assets of MST Medical Surgery Technologies Ltd. (MST) and the anticipated uses of such assets by TransEnterix in the future, including related to its Senhance™ Surgical 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 reported transaction with MST is successfully consummated, our ability to use the acquired assets as intended and our commercial success related to such assets, 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 8, 2018 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.*

# SPEAKERS ON TODAY'S CALL



**Todd M. Pope**  
President & CEO



**Anthony Fernando**  
COO & CTO



**Joseph P. Slattery**  
EVP & CFO

PURCHASE OF TECHNOLOGY ASSETS, INTELLECTUAL PROPERTY  
AND R&D PERSONNEL

# TRANSACTION OVERVIEW

## Transaction Terms

- Acquisition of IP, technology assets of Medical Surgery Technologies Ltd. (MST)
  - MST employees will join Transenterix
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## Transaction Structure

- Two tranche payment structure:
    - At closing: \$5.8M Cash + 3.15 million shares of TRXC stock (1.5% of outstanding)
    - On or before first anniversary: \$6.6M in Cash or Stock
- 

## Timing

- Closing expected in Q4 2018
- Subject to customary closing conditions

IMAGE ANALYTICS TECHNOLOGY THAT WILL BOTH ACCELERATE AND DRIVE  
MEANINGFUL SENHANCE PLATFORM INNOVATION

## A STRATEGIC AND COMPELLING IMAGE ANALYTICS ACQUISITION

- Technology and software engine is anticipated to help accelerate Senhance platform innovation to meaningfully advance the benefits of digital laparoscopy to patients, surgeons and operating rooms globally
- Existing MST team establishes Transenterix R&D center in Israel with access to high-caliber engineering talent in the image analytics, artificial intelligence and machine learning fields

TransEnterix

## STRATEGIC INTENT

At TransEnterix, we believe in **digitizing the interface between the surgeon and patient** in laparoscopy to **increase control and reduce surgical variability** in today's value-based healthcare environment.

THE PRESSURE AND IMPACT ON SURGEONS ARE INCREASING UNDER  
THE CONSTRAINTS OF VALUE-BASED HEALTHCARE  
**VALUE-BASED HEALTHCARE IS FORCING HOSPITALS TO IMPROVE  
OUTCOMES, EFFICIENCIES, AND TALENT RETENTION**



OR  
Inefficiencies



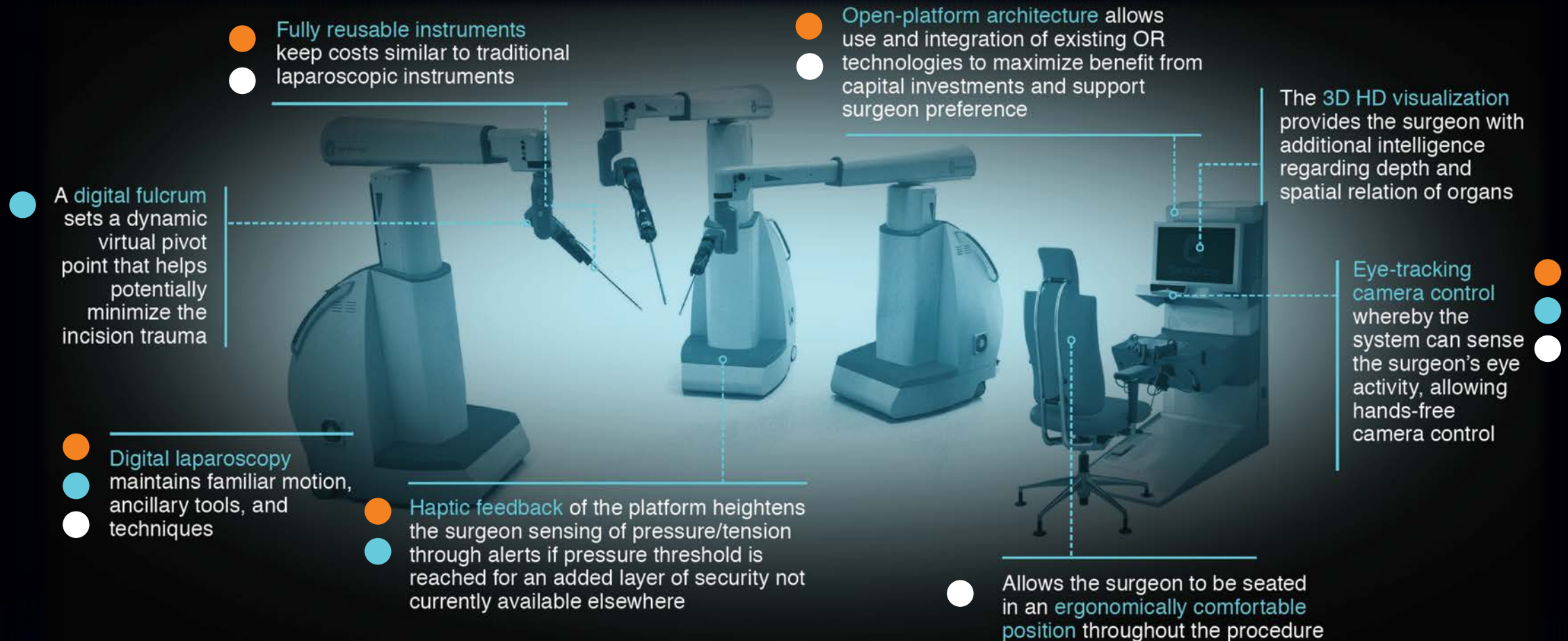
Surgical  
Variability



Workforce  
Challenges

**Laparoscopy** is the **most widely performed** surgical technique and carries limitations that **compound these factors** and can **impact clinical outcomes**

# THE SENHANCE SYSTEM CAN HELP ADDRESS KEY CHALLENGES FACING HOSPITALS AND LAPAROSCOPIC SURGEONS



OR Inefficiencies

Surgical Variability

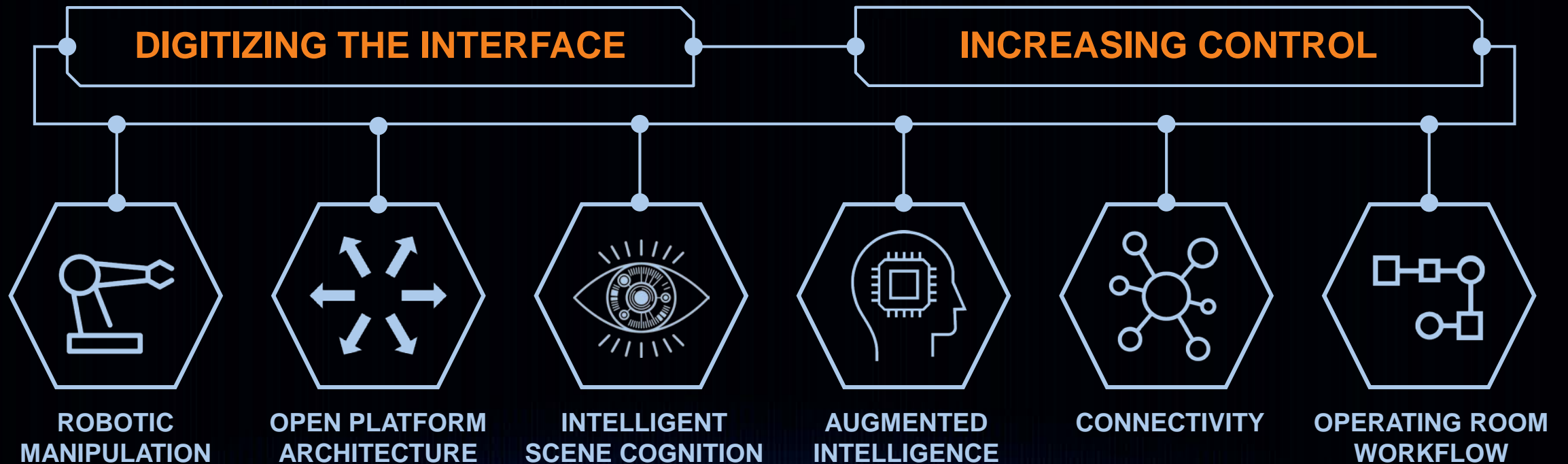
Workforce Challenges

TransEnterix®



OUR VISION FOR DIGITAL LAPAROSCOPY GOES BEYOND THE ROBOT. WE BELIEVE DIGITIZATION IS A FOUNDATIONAL STEP FOR THE FUTURE OF SURGERY

## DIGITAL LAPAROSCOPY PLATFORM – MORE THAN THE ROBOT



MST'S SOFTWARE-BASED IMAGE ANALYTICS PLATFORM IS AT THE FOREFRONT OF THE HEALTHCARE DATA REVOLUTION IN SURGERY

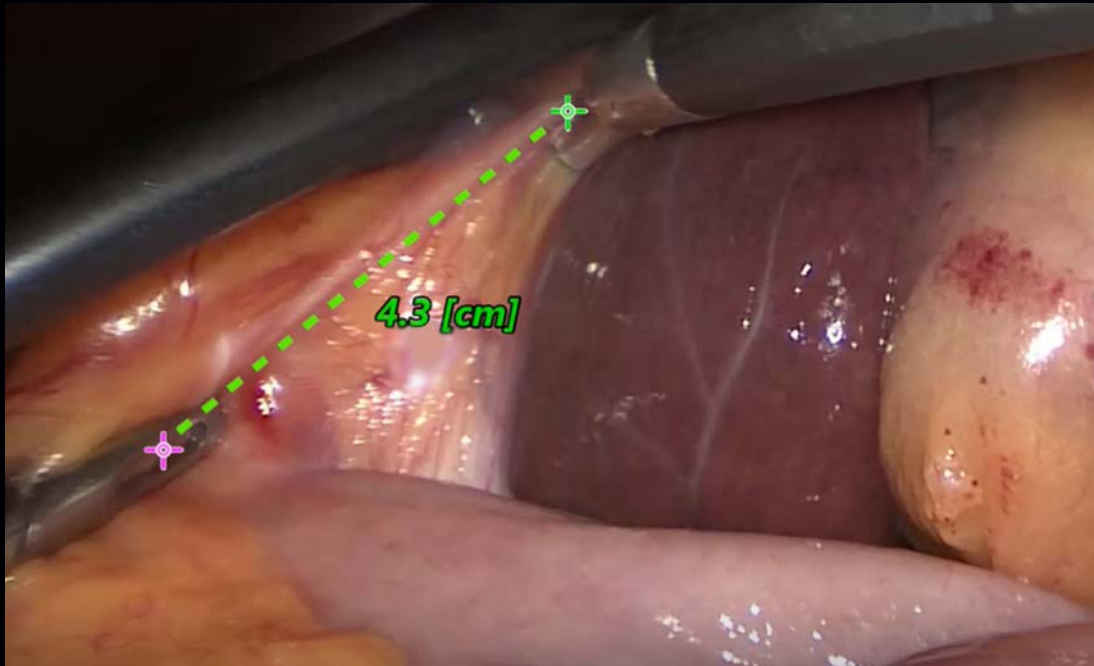
## MST MEDICAL SURGERY TECHNOLOGIES - OVERVIEW



- AutoLap™ - one of the only image-guided robotic scope positioning systems with FDA and CE clearance
- Fully vetted technology with over 1500 surgeries, multiple specialties, post marketing publications and studies
- Broad IP portfolio - substantial coverage in robotics, analytics and machine learning
  - 31 pending applications
  - 30 granted patents
- Highly experienced multidisciplinary team (Clinical, Scientific & Engineering)

A COMBINATION OF IMAGE ANALYTIC AND OBJECT RECOGNITION ENABLING  
DYNAMIC DISTANCE MEASUREMENT

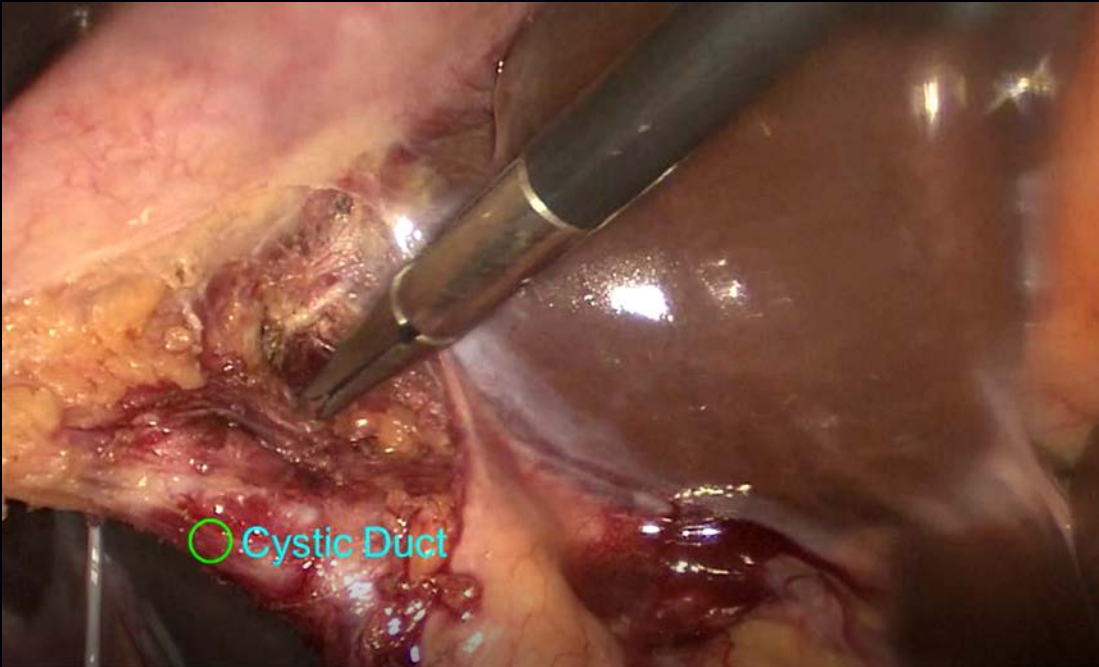
# DYNAMIC 3D POINT-TO-POINT MEASUREMENT



Digitally measures the distance between points in the operative field and recognizes predefined points on the instruments dynamically

DEEP LEARNING CAPABILITY BASED ON IDENTIFIABLE STRUCTURES  
WITHIN THE FIELD OF VIEW

# ANATOMICAL STRUCTURE IDENTIFICATION

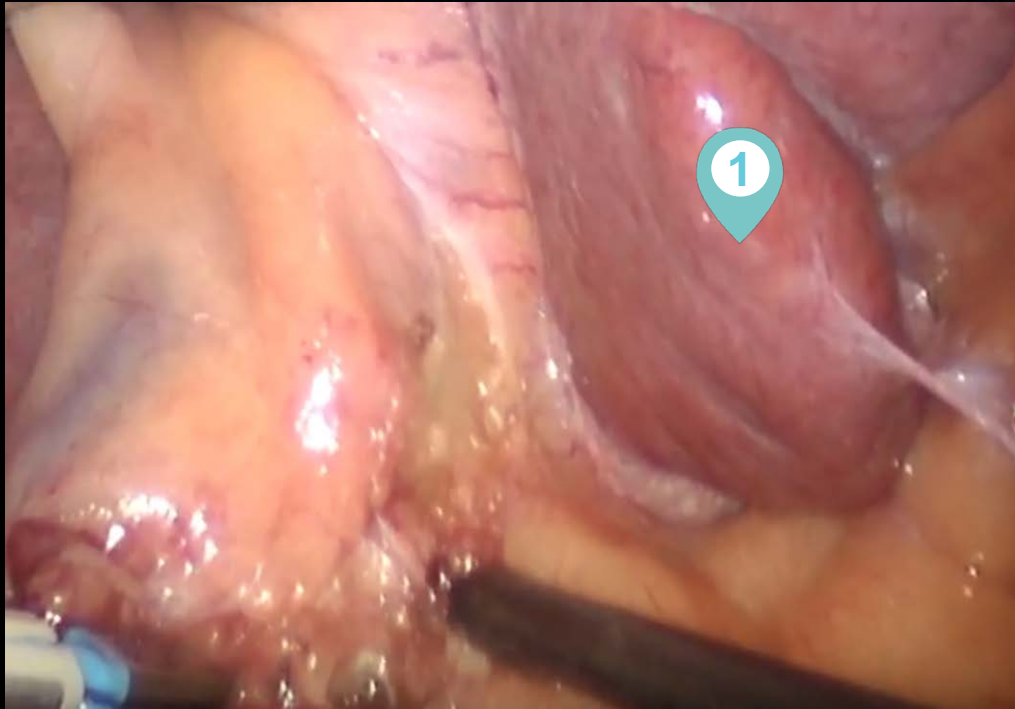


Machine learning helps identify key anatomical structures during the surgery based on a growing database of clinical procedural videos

VIRTUAL PIN-DROPS CAN BE PLACED TO HELP IDENTIFY A SPECIFIC POSITION(S) DURING THE PROCEDURE FOR EASY OF ACCESS

## LANDMARK SETTING

1  
2

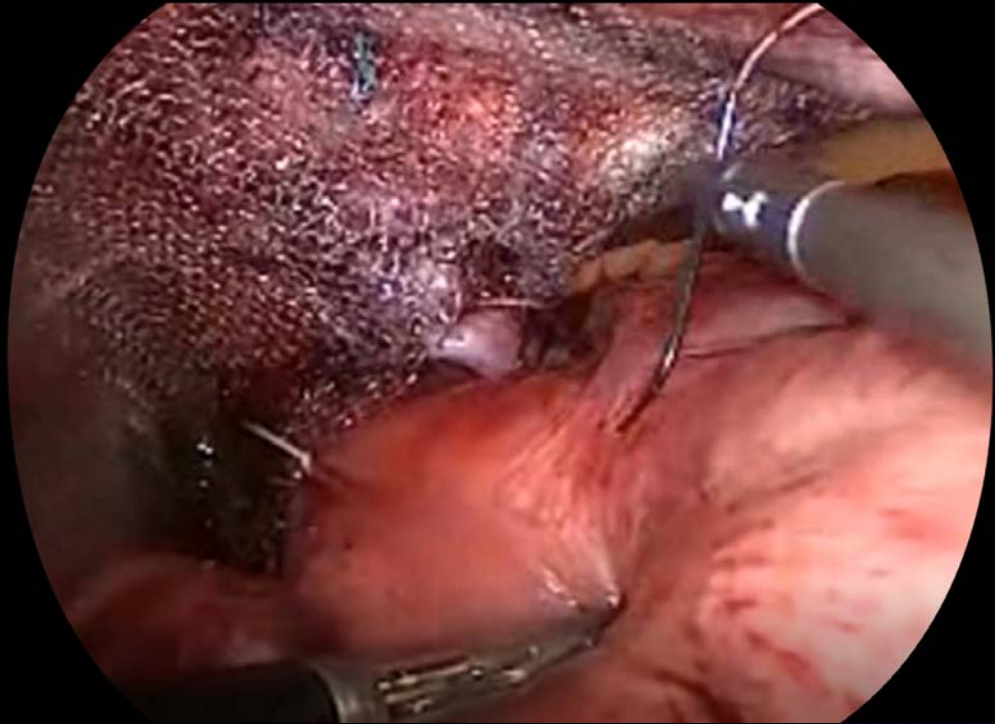


Virtual landmark can be created to identify specific locations

Landmarks can be returned to with a single click

SYSTEM IS CAPABLE OF LEARNING ROUTINE TASKS AND PREDICTING  
THE NEXT MOVE

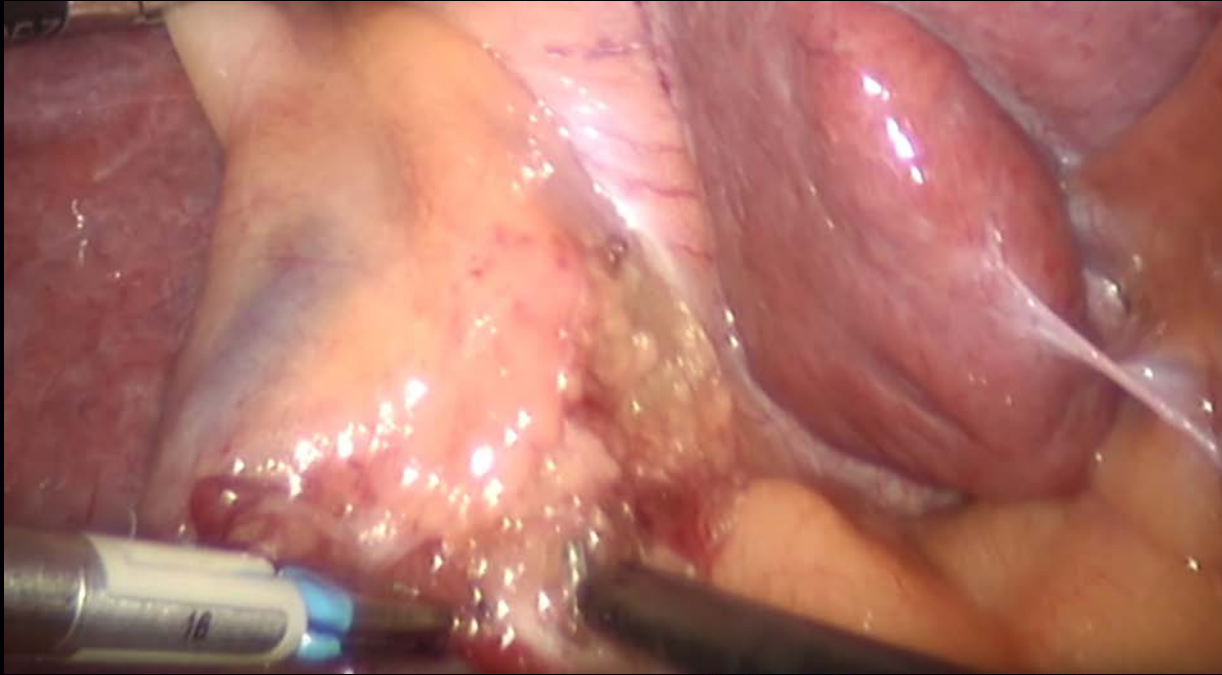
## AUTO ZOOM



Recognizes the task and zooms in  
and out to provide the best view

DATA AND INFORMATION ALONE WILL ONLY GET YOU SO FAR. THE TRUE VALUE IS TO USE THEM TO DERIVE CONTEXTUAL INSIGHTS.

# POWER OF INSIGHTS



STANDARD VISUALIZATION



INTELLIGENT SCENE COGNITION

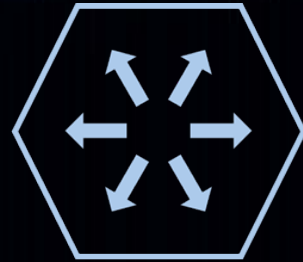


MST'S SOFTWARE-BASED IMAGE ANALYTICS PLATFORM WILL PROVIDES INTELLIGENT VISION CAPABILITY TO THE SENHANCE SYSTEM AND ENABLE AUGMENTED INTELLIGENCE CAPABILITIES

# EXPANDING THE VISION OF DIGITAL LAPAROSCOPY



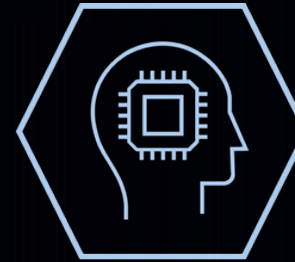
ROBOTIC  
MANIPULATION



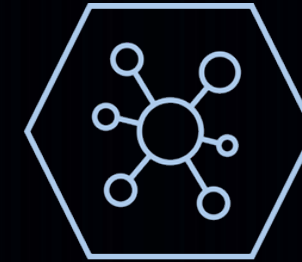
OPEN PLATFORM  
ARCHITECTURE



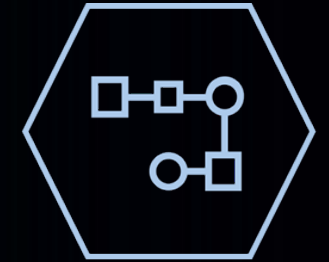
INTELLIGENT  
SCENE COGNITION



AUGMENTED  
INTELLIGENCE



CONNECTIVITY



OPERATING ROOM  
WORKFLOW



Senhance





# FINANCIAL OVERVIEW AND IMPACT

## Transaction Structure and Timing

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## Financial Impact

- Increased operating costs consistent with planned investments
- Cash outlook unchanged
  - Current cash sufficient for 2+ years
- Valuation work to be completed in Q4
  - Transaction value will depend on stock price at closing
  - Anticipate a substantial portion of the value will be intangible assets



SenhanceSurgery

**WHEN YOU DIGITIZE THE INTERFACE  
BETWEEN THE SURGEON AND THE  
PATIENT, SURGERY BECOMES  
SAFER AND PREDICTABLE**



