

TransEnterix, Inc. Reports Operating Results for the First Quarter 2015

RESEARCH TRIANGLE PARK, N.C.--(BUSINESS WIRE)-- TransEnterix, Inc. (NYSE MKT: TRXC), a medical device company that is pioneering the use of robotics and flexible instruments to improve minimally invasive surgery, today announced its operating and financial results for the first quarter 2015.

Operating Highlights

- Announces Completion of GLP Studies
- SurgiBot system FDA 510(k) Submission Expected in June 2015

"We are pleased with our progress in the first quarter and to have successfully completed our GLP studies, a key remaining step prior to our 510(k) submission," said Todd M. Pope, President and Chief Executive Officer of TransEnterix. "We are pleased to announce that we now anticipate being in a position to make our 510(k) submission for the SurgiBot system in June 2015."

For the three months ended March 31, 2015, the Company reported a net loss of \$10.1 million, or \$0.16 net loss per share, including research and development expenses of \$7.5 million, sales and marketing expenses of \$0.4 million, and general and administrative expenses of \$2.0 million. Operating expenses were primarily associated with the development of the SurgiBot System. On March 31, 2015, the Company's cash and cash equivalents totaled \$28.4 million.

At-The-Market Offering

On February 20, 2015, we entered into a Controlled Equity OfferingSM Sales Agreement with Cantor Fitzgerald & Co., as sales agent, pursuant to which we can sell through Cantor, from time to time, up to \$25 million in shares of common stock in an at-the-market offering. Through May 5, 2015, we have sold approximately 1.8 million shares with proceeds of approximately \$5.7 million, net of commissions. All sales of shares have been and will continue to be made pursuant to an effective shelf registration statement on Form S-3 filed with the SEC.

Conference Call

TransEnterix, Inc. will host a conference call on Wednesday, May 6, 2015 at 8:30 AM ET to discuss its 2015 first quarter operating and financial results. To listen to the conference call on your telephone, please dial (888) 576-4387 for domestic callers or (719) 325-2361 for international callers approximately ten minutes prior to the start time. To access the live audio webcast or archived recording, use the following link <http://ir.transenterix.com/events.cfm>. The replay will be available on the Company's website.

About SurgiBot

The [SurgiBot™](#) system, currently in development, is a minimally invasive, patient-side robotic surgery system. The system utilizes [flexible instruments](#) through articulating channels controlled directly by the surgeon, with robotic assistance, at the patient's bedside. The flexible nature of the system allows for multiple instruments to be introduced and deployed through a single incision. The SurgiBot system has not been cleared by the FDA for use in the United States.

About TransEnterix

TransEnterix is a medical device company that is pioneering the use of robotics and flexible instruments to improve minimally invasive surgery. The company is focused on the development and commercialization of the SurgiBot™ system, a minimally invasive surgical robotic system that allows the surgeon to be patient-side within the sterile field. For more information, visit the company's website at www.transenterix.com.

Forward Looking Statements

This press release includes statements relating to the SurgiBot system, our flexible energy device and our current regulatory and commercialization plans for these products. 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 SurgiBot system's 510(k) application(s) will be submitted in June 2015 or cleared by the U.S. FDA, the pace of adoption of our products by surgeons, the success and market opportunity of our products, most notably the SurgiBot system, 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 Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC on February 20, 2015, 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 press release and speak only as of the 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.

TransEnterix, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(in thousands)
(Unaudited)

	Three Months Ended March 31,	
	<u>2015</u>	<u>2014</u>
Sales	\$ —	\$ 93
Operating Expenses		
Cost of goods sold	—	220
Research and development	7,484	5,011
Sales and marketing	375	406
General and administrative	<u>1,980</u>	<u>1,614</u>
Total Operating Expenses	<u>9,839</u>	<u>7,251</u>
Operating Loss	<u>(9,839)</u>	<u>(7,158)</u>
Other Expense		
Interest expense, net	<u>(281)</u>	<u>(321)</u>
Total Other Expense, net	<u>(281)</u>	<u>(321)</u>
Net Loss	<u>\$ (10,120)</u>	<u>\$ (7,479)</u>
Other comprehensive income (loss)	<u>—</u>	<u>—</u>
Comprehensive loss	<u>\$ (10,120)</u>	<u>\$ (7,479)</u>
Net loss per share - basic and diluted	<u>\$ (0.16)</u>	<u>\$ (0.15)</u>
Weighted average common shares outstanding - basic and diluted	<u>63,745</u>	<u>48,850</u>

Consolidated Balance Sheets
(in thousands, except share amounts)
(Unaudited)

	<u>March 31,</u> 2015	<u>December</u> 31, 2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 28,376	\$ 34,766
Accounts receivable, net	53	133
Interest receivable	1	1
Other current assets	<u>644</u>	<u>789</u>
Total Current Assets	<u>29,074</u>	<u>35,689</u>
Restricted cash	250	250
Property and equipment, net	3,010	3,120
Intellectual property, net	2,116	2,241
Trade names, net	7	7
Goodwill	93,842	93,842
Other long term assets	<u>52</u>	<u>62</u>
Total Assets	<u><u>\$ 128,351</u></u>	<u><u>\$ 135,211</u></u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 2,278	\$ 1,768
Accrued expenses	1,626	1,769
Note payable - current portion	<u>1,540</u>	<u>610</u>
Total Current Liabilities	5,444	4,147
Long Term Liabilities		
Note payable - less current portion, net of debt discount	<u>8,360</u>	<u>9,275</u>
Total Liabilities	13,804	13,422
Commitments and Contingencies		
Stockholders' Equity		
Common stock \$0.001 par value, 750,000,000 shares authorized at March 31, 2015 and December 31, 2014; and 64,478,085 and 63,182,806 shares issued and outstanding at March 31, 2015 and December 31, 2014, respectively	64	63
Additional paid-in capital	260,519	257,642
Accumulated deficit	<u>(146,036)</u>	<u>(135,916)</u>
Total Stockholders' Equity	<u>114,547</u>	<u>121,789</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 128,351</u></u>	<u><u>\$ 135,211</u></u>

TransEnterix, Inc.
Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2015	2014
Operating Activities		
Net loss	\$ (10,120)	\$ (7,479)
Adjustments to reconcile net loss to net cash and cash equivalents used in operating activities:		
Depreciation and amortization	390	286
Amortization of debt discount	15	-
Amortization of debt issuance costs	12	22
Stock-based compensation	899	405
Changes in operating assets and liabilities:		
Accounts receivable	80	136
Interest receivable	-	(5)
Inventory	-	50
Other current and long term assets	143	(178)
Restricted cash	-	125
Accounts payable	510	54
Accrued expenses	(143)	125
Net cash and cash equivalents used in operating activities	(8,214)	(6,459)
Investing Activities		
Proceeds from sale and maturities of investments	-	1,722
Purchase of property and equipment	(155)	(187)
Net cash and cash equivalents used in investing activities	(155)	(1,535)
Financing Activities		
Payment of debt	-	(938)
Proceeds from issuance of common stock, net of issuance costs	1,783	-
Proceeds from exercise of stock options	196	8
Net cash and cash equivalents provided by (used in) financing activities	1,979	(930)
Net decrease in cash and cash equivalents	(6,390)	(5,854)
Cash and Cash Equivalents, beginning of period	34,766	10,014
Cash and Cash Equivalents, end of period	\$ 28,376	\$ 4,160
Supplemental Disclosure for Cash Flow Information		
Interest paid	\$ 187	\$ 179

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