TRANSENTERIX INC.

FORM 8-K
(Current report filing)

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Address	635 DAVIS DRIVE SUITE 300 MORRISVILLE, NC, 27560
Telephone	919-765-8400
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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

November 9, 2017
Date of Report (date of earliest event reported)

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

Delaware	0-19437	11-2962080
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

635 Davis Drive, Suite 300
Morrisville, North Carolina 27560
(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 2.02 Results of Operations and Financial Condition

On November 9, 2017, TransEnterix, Inc., a Delaware corporation (the "Company"), issued a press release announcing its financial results for the third quarter ended September 30, 2017. A copy of the press release is furnished herewith as Exhibit 99.1.

Also on November 9, 2017, following the issuance of the press release referred to above, the Company conducted a conference call to discuss the reported operating and financial results. The Company had issued a press release on October 23, 2017 to announce the scheduling of a conference call. A copy of the transcript of the conference call is furnished herewith as Exhibit 99.2.

The information included herein and in Exhibit 99.1 and Exhibit 99.2 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

99.1 Press Release, dated November 9, 2017.

99.2 November 9, 2017 conference call script

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.

TransEnterix, Inc.

Date: November 13, 2017

/s/ Joseph P. Slattery

Joseph P. Slattery
EVP and Chief Financial Officer

Exhibit 99.1

November 9, 2017

TransEnterix, Inc. Reports Operating Results for the Third Quarter 2017

- *Received U.S. FDA 510(k) clearance for the Senhance Surgical System October 13, 2017*
- *Cash and Restricted Cash of over $100 million as of October 31, 2017*

RESEARCH TRIANGLE PARK, N.C.—(BUSINESS WIRE)— TransEnterix, Inc. (NYSE American:TRXC), a medical device company that is pioneering the use of robotics to improve minimally invasive surgery, today announced its operating and financial results for the third quarter of 2017.

“We are very excited about the progress we made during the third quarter and the 510(k) clearance of the Senhance in October,” said Todd M. Pope, President and Chief Executive Officer of TransEnterix. “There is a significant opportunity for the Senhance in the U.S., with millions of laparoscopic procedures done each year using basic manual tools. As we look to 2018, we are focused on the clinical and commercial success of Senhance in the U.S. while continuing to build on our commercial momentum in Europe and Asia.”

Commercial and Clinical Update

On October 13, 2017, the Company received U.S. FDA 510(k) clearance for the Senhance Surgical System, with indications for use in laparoscopic colorectal surgery and laparoscopic gynecologic surgery. The Company’s U.S. sales team currently includes 17 professionals.

During the third quarter, the Company sold one Senhance system in Taiwan. The system is under a special import process into Taiwan, and does not yet have approval for clinical use. A submission has been sent to Taiwanese authorities for regulatory review, and clearance is expected in 2018. Revenues associated with this sale will be deferred until clinical use of the system commences.

Financial Highlights

For the three months ended September 30, 2017, the Company reported revenue of $0.2 million, primarily related to the recognition of deferred service revenue from previous system sales.

For the three months ended September 30, 2017, total operating expenses were $37.8 million, as compared to $14.0 million in the three months ended September 30, 2016. Operating expenses during the quarter included a $22.9 million non-cash charge for change in fair value of warrant liabilities related to the Company’s April 2017 equity financing.

For the three months ended September 30, 2017, net loss was $38.5 million, or $0.26 per share, as compared to $12.9 million, or $0.11 per share, in the three months ended September 30, 2016.

For the three months ended September 30, 2017, adjusted net loss was $13.0 million, or $0.09 per share, as compared to $11.3 million, or $0.10 per share in the three months ended September 30, 2016, after adjusting for non-cash charges related to amortization of intangible assets, change in fair value of contingent consideration, and change in fair value of warrant liabilities.

The Company had cash and restricted cash of approximately $30.9 million as of September 30, 2017, of which $6.4 million was restricted. As of October 31, 2017, the Company had cash and restricted cash totaling $100.7 million. The increase in October was primarily the result of proceeds obtained from the at-the-market equity offering established in August 2017 and the proceeds from warrant exercises, offset by operating cash flows.

Conference Call

TransEnterix, Inc. will host a conference call on Thursday, November 9, 2017 at 4:30 PM ET to discuss its third quarter 2017 operating and financial results. To listen to the conference call on your telephone, please dial (844) 804-5261 for domestic callers or (612) 979-9885 for international callers and reference conference ID 8898746 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 TransEnterix

TransEnterix is a medical device company that is pioneering the use of robotics 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 Robotic System, a multi-port robotic system that brings the advantages of robotic surgery to patients while enabling surgeons with innovative technology such as haptic feedback and eye sensing camera control. The company is also developing the SurgiBot™ System, a single-port, robotically enhanced laparoscopic surgical platform. The Senhance Surgical Robotic System is available for sale in the US, the EU and select other countries. For more information, visit the TransEnterix website at www.transenterix.com .

Non-GAAP Measures

The Adjusted Net Loss and Adjusted Net Loss per Share presented in this press release are non-GAAP measures. The adjustments relate to amortization of intangible assets, change in fair value of contingent consideration, and change in fair value of warrant liabilities. In the tables that follow under "Reconciliation of Non-GAAP Measures", we present Adjusted Net Loss and Adjusted Net Loss per Share, reconciled to their comparable GAAP measures. These financial

measures are presented on a basis other than in accordance with U.S. generally accepted accounting principles ("Non-GAAP Measures"). These items are adjusted because they are not operational or because these charges are non-cash or non-recurring and management believes these adjustments are meaningful to understanding the Company's performance during the periods presented. These Non-GAAP Measures should be considered a supplement to, not a substitute for, or superior to, the corresponding financial measures calculated in accordance with GAAP.

Forward-Looking Statements

This press release includes statements relating to the Senhance™ Surgical Robotic System and our current regulatory and commercialization plans for this product. 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 include whether there will be a significant opportunity for the Senhance in the U.S and whether, as we look to 2018, we will have clinical and commercial success of Senhance in the U.S. while continuing to build on our commercial momentum in Europe and Asia. 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 7, 2017 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.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenue	$ 183	$ 1,466	$ 3,713	$ 1,466
Cost of revenue	921	1,031	3,227	1,031
Gross (loss) profit	(738)	435	486	435
Operating Expenses				
Research and development	4,889	7,011	16,814	21,760
Sales and marketing	4,528	2,574	12,000	5,563
General and administrative	2,920	2,793	8,688	7,927
Amortization of intangible assets	1,821	1,709	5,144	5,312
Change in fair value of contingent consideration	773	(100)	1,226	1,700
Change in fair value of warrant liabilities	22,887	—	25,213	—
Issuance costs for warrants	—	—	627	—
Inventory write-down related to restructuring	—	—	—	2,565
Restructuring and other charges	—	—	—	3,085
Goodwill impairment	—	—	—	61,784
Total Operating Expenses	37,818	13,987	69,712	109,696
Operating Loss	(38,556)	(13,552)	(69,226)	(109,261)
Other Expense				
Interest expense, net	(501)	(432)	(1,457)	(1,499)
Other (expense) income	(194)	(30)	(294)	65
Total Other Expense, net	(695)	(462)	(1,751)	(1,434)
Loss before income taxes	$ (39,251)	$ (14,014)	$ (70,977)	$(110,695)
Income tax benefit	738	1,070	2,337	4,707
Net loss	$ (38,513)	$ (12,944)	$ (68,640)	$(105,988)
Other comprehensive income				
Foreign currency translation gain	2,952	689	9,515	2,199
Comprehensive loss	$ (35,561)	$ (12,255)	$ (59,125)	$(103,789)
Net loss per share - basic and diluted	$ (0.26)	$ (0.11)	$ (0.51)	$ (0.95)
Weighted average common shares outstanding - basic and diluted	149,516	114,946	134,622	111,189

TransEnterix, Inc.
Consolidated Balance Sheets
(in thousands, except share amounts)

	September 30, 2017 (unaudited)	December 31, 2016
Assets		
Current Assets		
Cash and cash equivalents	$ 24,483	$ 24,165
Accounts receivable, net	253	621
Inventories	11,273	7,883
Interest receivable	19	12
Other current assets	8,245	5,335
Total Current Assets	44,273	38,016
Restricted cash	6,386	10,425
Accounts receivable, net of current portion	—	266
Property and equipment, net	7,197	5,772
Intellectual property, net	36,663	37,090
In-process research and development	17,888	15,920
Goodwill	71,038	68,697
Other long term assets	279	63
Total Assets	$ 183,724	$ 176,249
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 2,625	$ 3,984
Accrued expenses	8,926	8,206
Contingent consideration – current portion	6,958	10,502
Notes payable - current portion, net of debt discount	—	7,997
Total Current Liabilities	18,509	30,689
Long Term Liabilities		
Contingent consideration – less current portion	11,446	12,298
Notes payable - less current portion, net of debt discount	12,825	4,995
Warrant liabilities	31,156	—
Net deferred tax liabilities	9,223	10,397
Total Liabilities	83,159	58,379
Commitments and Contingencies		
Stockholders' Equity		
Common stock $0.001 par value, 750,000,000 shares authorized at September 30, 2017, and December 31, 2016; 155,283,207 and 115,781,030 shares issued at September 30, 2017 and December 31, 2016, respectively; and 155,281,071 and 115,687,351 shares outstanding at September 30, 2017 and December 31, 2016, respectively	155	115
Additional paid-in capital	468,150	426,609
Accumulated deficit	(371,484)	(302,844)
Treasury stock at cost, 2,136 and 93,679 shares at September 30, 2017 and December 31, 2016, respectively	(2)	(241)
Accumulated other comprehensive income (loss)	3,746	(5,769)
Total Stockholders' Equity	100,565	117,870
Total Liabilities and Stockholders' Equity	$ 183,724	$ 176,249

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

	Nine Months Ended September 30,	
	2017	2016
Operating Activities		
Net loss	$(68,640)	$(105,988)
Adjustments to reconcile net loss to net cash and cash equivalents used in operating activities:		
Depreciation	1,816	1,498
Amortization of intangible assets	5,144	5,312
Amortization of debt discount and debt issuance costs	212	140
Stock-based compensation	5,321	3,858
Non-employee warrant awards	571	—
Common stock issued for services	—	116
Inventory write-down related to restructuring	—	2,565
Non-cash restructuring and other charges	—	2,551
Goodwill impairment	—	61,784
Deferred tax benefit	(2,320)	(4,725)
Loss on extinguishment of debt	308	—
Change in fair value of warrant liabilities	25,213	—
Change in fair value of contingent consideration	1,226	1,700
Changes in operating assets and liabilities:		
Accounts receivable	886	(809)
Interest receivable	79	(9)
Inventories	(3,519)	(1,883)
Other current and long term assets	(2,454)	(1,290)
Accounts payable	(1,599)	(1,917)
Accrued expenses	207	(168)
Net cash and cash equivalents used in operating activities	(37,549)	(37,265)
Investing Activities		
Purchase of property and equipment	(1,488)	(878)
Purchase of intellectual property	(418)	—
Net cash and cash equivalents used in investing activities	(1,906)	(878)
Financing Activities		
Payment of debt	(13,343)	(4,972)
Proceeds from issuance of debt and warrants, net of issuance costs	12,956	—
Payment of contingent consideration	(395)	—
Proceeds from issuance of common stock and warrants, net of issuance costs	31,546	57,637
Taxes paid related to net share settlement of vesting of restricted stock units	(168)	(130)
Proceeds from exercise of stock options and warrants	5,449	163
Net cash and cash equivalents provided by financing activities	36,045	52,698
Effect of exchange rate changes on cash and cash equivalents	(311)	(133)
Net (decrease) increase in cash, cash equivalents and restricted cash	(3,721)	14,422
Cash, cash equivalents and restricted cash, beginning of period	34,590	38,449
Cash, cash equivalents and restricted cash, end of period	$ 30,869	$ 52,871
Supplemental Disclosure for Cash Flow Information Interest paid	$ 597	$ 1,019
Supplemental Schedule of Noncash Investing Activities		
Transfer of inventory to property and equipment	—	$ 1,866
Issuance of common stock as contingent consideration	$ 5,227	—
Relative fair value of warrants issued with debt	$ 300	—
Reclass of warrant liability to common stock and additional paid in capital	$ 2,289	—

RECONCILIATION OF NON-GAAP MEASURES
Adjusted Net Loss and Loss per Share
(in thousands except per share amounts)
(Unaudited)

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net loss	(38,513)	(12,944)	(68,640)	(105,988)
Adjustments				
Amortization of intangible assets	1,821	1,709	5,144	5,312
Change in fair value of contingent consideration	773	(100)	1,226	1,700
Change in fair value of warrant liabilities	22,887	—	25,213	—
Inventory write-down related to restructuring	—	—	—	2,565
Restructuring and other charges	—	—	—	3,085
Goodwill impairment	—	—	—	61,784
Adjusted net loss from continuing operations	(13,032)	(11,335)	(37,057)	(31,542)

(Unaudited, per diluted share)	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net loss per share	(0.26)	(0.11)	(0.51)	(0.95)
Adjustments				
Amortization of intangible assets	0.01	0.01	0.04	0.04
Change in fair value of contingent consideration	0.01	(0.00)	0.01	0.02
Change in fair value of warrant liabilities	0.15	—	0.18	—
Inventory write-down related to restructuring	—	—	—	0.02
Restructuring and other charges	—	—	—	0.03
Goodwill impairment	—	—	—	0.56
Adjusted net loss per share	(0.09)	(0.10)	(0.28)	(0.28)

The non-GAAP financial measures for the three and nine months ended September 30, 2017 provide management with additional insight into its results of operations and are calculated using the following adjustments:

a.) Intangible assets that are amortized consist of purchased patent rights recorded at cost and amortized over 7 to 10 years.

b.) Contingent consideration in connection with the Senhance Acquisition is recorded as a liability and is the estimate of the fair value of potential milestone payments related to business acquisitions. Contingent consideration is measured at fair value using a discounted cash flow model utilizing significant unobservable inputs including the probability of achieving each of the potential milestones and an

estimated discount rate associated with the risks of the expected cash flows attributable to the various milestones. Significant increases or decreases in any of the probabilities of success or changes in expected timelines for achievement of any of these milestones would result in a significantly higher or lower fair value of these milestones, respectively, and commensurate changes to the associated liability. The contingent consideration is revalued at each reporting period and changes in fair value are recognized in the consolidated statements of operations and comprehensive loss.

c.) The Company's Series A Warrants and Series B Warrants are measured at fair value using a simulation model which takes into account, as of the valuation date, factors including the current exercise price, the expected life of the warrant, the current price of the underlying stock, its expected volatility, holding cost and the risk-free interest rate for the term of the warrant. The warrant liability is revalued at each reporting period and changes in fair value are recognized in the consolidated statements of operations and comprehensive loss.

d.) The inventory write-down was related to restructuring as a result of the Company's decision to reprioritize its efforts to focus on commercialization and regulatory clearance of the Senhance system.

e.) The restructuring and other charges were a result of the Company's decision to reprioritize its efforts to focus on commercialization and regulatory clearance of the Senhance system. The Company implemented a restructuring plan in the 2016 second quarter.

f.) The goodwill impairment was due to the negative FDA response on the SurgiBot in April 2016 which obligated us to conduct an impairment analysis of the goodwill during the 2016 second quarter. A significant input to this analysis was that the Company's market value fell below its book value during the second quarter.

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Exhibit 99.2
Company: TRANSENTERIX
Conference Title: Q3 2017 TransEnterix Inc. Earnings Call
Moderator: Mark Klausner
Date: November 9, 2017

PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the TransEnterix's Third Quarter 2017 Financial and Operating Results Conference Call. As a reminder, this conference call is webcast live and recorded.

It is now my pleasure to introduce your host, Mr. Mark Klausner of Westwicke Partners. Please go ahead, sir.

Mark R. Klausner - *Westwicke Partners, LLC - Managing Partner*

Good afternoon, and thank you for joining us for TransEnterix's Third Quarter 2017 Conference Call. Joining us on today's call is TransEnterix's President and Chief Executive Officer, Todd Pope; and its Executive Vice President and Chief Financial Officer, Joe Slattery.

I would like to remind you that this call is being webcast live and recorded. A replay of the event will be available following the call on our website.To access the webcast, please visit the Events link in the IR section of our website, transenterix.com.

Before we begin, I would like to caution listeners that certain information discussed by management during this conference call are forward-looking statements covered under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those stated or implied by our forward-looking statements due to risks and uncertainties associated with the Company's business.

The Company undertakes no obligation to update the information provided on this call. For a discussion of risks and uncertainties associated with TransEnterix business, I encourage you to review the Company's filings with the Securities and Exchange Commission, including the Form 10-K for the year ended December 31, 2016, and the Form 10-Q for the quarter ended September 30, 2017, expected to be filed today.

During the call, we will also present certain non-GAAP financial information relating to adjusted net income and adjusted earnings per share. Management believes that non-GAAP financial measures taken in conjunction with U.S. GAAP financial measures provide useful information for both management and investors by excluding certain non-cash and other expenses that are not indicative of the Company's core operating results. Management uses non-GAAP measures to compare our performance relative to forecasts and strategic plans, to benchmark our performance externally against competitors, and for certain compensation decisions. Reconciliations between U.S. GAAP and non-GAAP results are presented in the tables accompanying our earnings release, which can be found in the Investor Relations section of our website. With that, it's my pleasure to turn the call over to TransEnterix's President and Chief Executive Officer, Todd Pope.

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Thank you, Mark, and welcome to our third quarter 2017 conference call. On today's call, I will start by discussing our recently announced Senhance FDA clearance. I will then turn it over to Joe to provide a financial update. I will then provide an update on our European commercialization efforts, our early progress on our U.S. commercialization, and our product development roadmap. We will then open the line for questions.

On October 13, we announced the FDA clearance of the Senhance Surgical System, a significant milestone for the Company and the broader surgical robotics market, representing the first new entry into abdominal surgical robotics in the United States since the year 2000. Until now, surgeons have been approaching the boundaries of what can be accomplished with currently available laparoscopic technologies. In addition, these same surgeons are continually seeking ways to improve ergonomics in the operating room. Utilizing innovative technology and a novel design, the Senhance addresses both of these unmet needs. The Senhance was cleared for laparoscopic colorectal surgery and laparoscopic gynecologic surgery, which encompasses 23 different procedures. This initial indication gives us immediate access to over 1.5 million annual procedures in the United States, and importantly, these colorectal and gynecologic procedures include use in benign and oncologic treatments within these two specialties. We're very excited about the opportunity that lies ahead in The United States for the Senhance. We are now turning our attention to successful commercialization. With that, I'd now like to hand it over to Joe for a financial update. Joe?

Joseph P. Slattery - *TransEnterix, Inc. - CFO, Principal Accounting Officer and EVP*

Thank you, Todd. For the three months ended September 30, 2017, we reported revenue of $183,000, primarily related to the recognition of deferred revenue related to service from previous system sales. Cost of revenue was $921,000, which included overhead and the cost of our field service organization.

R&D expenses in the quarter decreased to approximately $4.9 million as compared to the prior-year period at $7 million, primarily due to the timing of costs related to FDA application activities. Sales and marketing expenses in the quarter increased to $4.5 million from $2.6 million in the prior-year period, primarily due to our commercial efforts in Europe as well as a build-out of our U.S. commercial and infrastructure in anticipation of the Senhance launch.

General and administrative expenses in the quarter increased slightly to approximately $2.9 million from approximately $2.8 million in the prior-year period. Noncash charges related to warrants, amortization of intangible assets and contingent consideration totaled $25.5 million in the quarter. GAAP net loss for the quarter was $38.5 million, or $0.26 per share, compared to a GAAP net loss of $12.3 million, or $0.11 per share, in the prior-year period. Adjusted net loss for the quarter ended September 30, 2017 was $13 million or $0.09 per share compared to adjusted net loss of $11.3 million, or $0.10 cents per share, in the prior-year period, after adjusting for noncash charges related to warrants, amortization of intangible assets and contingent consideration.

Moving on to the balance sheet., we finished the third quarter with cash of approximately $30.9 million, of which $6.4 million was restricted.

Earlier this year, we completed an equity offering that included Series A Warrants that expired ten days after the announcement of the FDA clearance of the Senhance, as well as Series B Warrants with a five-year exercise period. To date, all of the Series A Warrants have been exercised resulting in $24.9 million of proceeds to the Company. We have also received $9.1 million in proceeds from the Series B and other warrants. In total, proceeds received since September 30 relating to the warrant exercises were $28.5 million. Also, in August, we also established a $50 million equity offering program commonly known as an "at-the-market" offering. On October 31, we had concluded this equity offering resulting in net proceeds of $48.5 million.

As a result of these financings, our October 31, 2017 balance of cash and restricted cash totaled $100.7 million and our common shares outstanding as of November 3 is now 199.2 million shares. We have no plans to execute additional equity financings in the near term. We believe that we are sufficiently capitalized through 2018 and beyond and we are extremely well positioned for expanded U.S. commercialization efforts and to continue to invest in other geographies. Todd?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Thank you, Joe. I would now like to provide an update on our EU commercialization. We continue to feel like our pipeline is developing and maturing in line with our guidance of the capital sales cycle in Europe being four to six quarters.

I'm pleased to announce that we close a sale in Taiwan in September. This system is installed at the National Taiwan University Hospital in Taipei, which will serve as a demonstration facility as the system does not currently have regulatory clearance in Taiwan. The regulatory approval process is well underway in the region, and we expect the clearance will occur in 2018. Revenues associated with this sale will be deferred until clinical use of the system commences.

This is now the second sale we have made in Asia and speaks to the high level of interest in the system, even in regions where we do not yet have regulatory approvals. Asia is a substantial market for robotics, not only due to their significant populations, but their eagerness to pursue advanced technology. Japan is already the world's second largest robotics market behind the United States, and other countries in the region continue to see significant growth in demand for robotics. Naturally, this is an appealing marketplace for TransEnterix, and we will continue to evaluate commercial opportunities in this region.

I'm also pleased to report that we recently received an order for a system in Europe, which we expect to deliver in the fourth quarter, and we are optimistic about the potential of other opportunities that we are tracking.

Now moving on to our U.S. commercial update. With the FDA clearance, we are now focused on driving the commercial adoption of the Senhance in the U.S. As part of our initial launch, we have significantly expanded our commercial team, which now totals 17 sales professionals. As our initial indications cover GYN and colorectal, we are targeting hospitals with a high volume of these procedures, and we feel that the team we have in place will be effective in covering our high priority target accounts. Similar to Europe, we expect the sales cycle to average four to six quarters in the U.S. Having said that, we have had a strong presence at key global conferences, which has raised the visibility of Senhance.

We have also hosted surgeons and executive team members from several U.S. hospitals at our customer sites in Germany and Italy as part of our U.S. market development efforts. On these visits, surgeons have had the opportunity to participate in pre-clinical labs and to observe live surgery while helping the Company hone our U.S. value proposition. As a result, we are optimistic that we will have our first U.S. sale by the end of the year.

The timing of our FDA clearance was excellent, given that two of the largest and most relevant surgical meetings of the year, the American College of Surgery, and the American Association of Gynecologic Laparoscopy take place in October and November. ACS, which took place in San Diego, was very productive for our Company. We were able to debut the Senhance to a large audience of surgeons and hospital administrators. The interest in the system was high, we had a steady stream of attendees at our booth throughout the week, and many signed up for hands-on demonstrations.

On Tuesday evening, Dr. Dietmar Stephan, a general surgeon from Siegen, Germany presented his clinical results and experience with the Senhance. Of note, Dr. Stephan highlighted their technique and the data that has been collected on their use of the Senhance in hernia repair, cholecystectomy, colorectal surgery and foregut surgery. He highlighted an average docking time of eight minutes, which includes their learning curve for all procedures. He also stated their operative times were averaging just 28 minutes for inguinal hernia repair in their last 20 cases. These efficiencies have helped allow his hospital to perform as many as five Senhance procedures in one operative day. This experience supports our belief that Senhance can be used efficiently and widely at busy hospitals for a range of procedures. Dr. Stephan's presentation is available on the Events & Presentation page in the Investors section of our website, and I would encourage those of you who are interested to watch it.

Next week, the Senhance will also be featured at AAGL's Global Congress on Minimally Invasive Gynecologic Surgery in Washington, DC. Robotics will be featured prominently, so this is a great opportunity for us to engage with a very focused group of GYN surgeons interested in advancing minimally-invasive gynecology and introduce them to the advanced feature sets and responsible economics that the Senhance provides.

Moving on, I want to touch on our product development and regulatory strategy. Our strategy to expand our indications in the United States continues to be enabled by the procedures done throughout Europe. In 2017, we have completed over 350 procedures in Europe, including 25 "first-ever" procedures for the Senhance System. Among those procedures, we have now collected data on over 100 hernia and cholecystectomy procedures, and we will be submitting this data to the FDA in the coming months. We will continue to leverage our rapidly expanding clinical experience to support additional indications in 2018 and beyond.

In Europe, we expect to start shipping an expanded suite of instruments in the coming weeks, including 3-millimeter instruments, and clip appliers, bringing our total product portfolio to 45 instruments. Looking ahead to 2018, we also expect to launch advanced energy and a suite of articulating instruments in both Europe and the United States. This portfolio expansion will also include the launch of 3-millimeter instruments here in the United States.

Before I turn to Q&A, I'd like to reflect on our current position and the significant progress we have made since our last quarterly call. With the FDA clearance in hand, commercial infrastructure in place, and $100 million cash on the balance sheet, we are incredibly well positioned to capitalize on opportunities in the world's largest robotics markets. With that, I'd like to open up the line for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from Glenn Novarro with RBC Capital Markets.

Glenn John Novarro - *RBC Capital Markets, LLC, Research Division – Analyst*

Hey, good afternoon guys, can you hear me okay?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Yeah, we sure can. How are you doing today?

Glenn John Novarro - *RBC Capital Markets, LLC, Research Division – Analyst*

I'm very good. Couple of questions first. The sale in Taiwan, do you book it when they start using it or do you book it, the sale, once it gets approved in Taiwan?

Joseph P. Slattery - *TransEnterix, Inc. - CFO, Principal Accounting Officer and EVP*

Hi Glenn, its Joe. We'll book revenue on that when they start doing clinical cases after we get a clear - regulatory clearance.

Glenn John Novarro - *RBC Capital Markets, LLC, Research Division - Analyst*

Okay. So that would be sometime in 2018 we should add something like that into the models then for next year.

Joseph P. Slattery - *TransEnterix, Inc. - CFO, Principal Accounting Officer and EVP*

Yes, we would expect to recognize that revenue next year.

Glenn John Novarro - *RBC Capital Markets, LLC, Research Division - Analyst*

Okay. And then Todd, did I hear you correctly, did you say you are expecting to sell a robot in the United States by the end of this year?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Yes. As we stated, we've taken several accounts that had high interest over the year. They've traveled to Europe to be able to kind of begin that process to watch surgery, do preclinical labs and that's resulted in being able to go a little faster than our typical start, just post-approval. So it's market development activities that have resulted in a few hospitals that have been accelerated through the process, and we would hope we could close one of those by year's end.

Glenn John Novarro - *RBC Capital Markets, LLC, Research Division - Analyst*

Okay. Great. Congratulation there. And then just two more quick ones. The 17 sales professionals that you now have on board, is that going to be the full number for 2018? Or are there plans to continue to expand that sales force?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Yes, that's a really good number for us. We worked pretty hard over the summer to prepare for the approval. If we did have it, we wanted those folks in the field and trained. So with that, we can cover the majority of the 20 largest MSAs in the country, so we feel really good about that number and are not looking to expand that in the near term. That's a really ideal number for us to go out to the market with.

Glenn John Novarro - *RBC Capital Markets, LLC, Research Division - Analyst*

Okay. And then my last question. You've got a Center of Excellence down in Orlando, where I think in the U.S. the goal is to bring in surgeons and get them used to Senhance. So if that's the case, can you maybe talk qualitatively about the traffic flow and the type of feedback you're getting through that Orlando facility? Thanks.

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Sure. I think it's important for us to be able to have people to come in, hear the story, be able to see the system, get their hands on it, both in a dry lab and in a preclinical setting. We can do that both here in our headquarters in Research Triangle Park, North Carolina, and now we can do it also in Orlando down at Florida Hospital's facility. So there are two places that are fairly easily to access. I would just say that each week both of those locations are busy throughout the week with both surgeons and hospital executives that are interested in coming down and understanding the platform more. So, we're off to a good start.

Glenn John Novarro - *RBC Capital Markets, LLC, Research Division - Analyst*

Okay, great. Thanks for taking my questions.

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Thanks, Glenn.

Operator

Thank you. And our next question comes from Rick Wise with Stifel.

Frederick Allen Wise - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst*

Good afternoon, everybody. Congratulations on the European order and the possibility of the U.S. one. Todd, maybe you'll talk to us a little bit about price and the European order, how - was it a full price sale? And you are optimistic that you could have the first U.S. order again, are these normal full price kinds of offerings at the kind of levels that you have been thinking about?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Yes, Rick, in Europe the order that we referenced will be at the pricing levels that we posted previously over there in Europe. So, in line with those pricing expectations, yes.

Frederick Allen Wise - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst*

And I know you don't have the U.S. order, but we should think - you're feeling good about sort of holding the line on price as you go forward?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Yes, I mean, we've been in our early discussions talking about our price coming right in below at $1.5 million. It's been pretty consistent for us in that area. And that includes instrument trades also. We get - most of our conversations are around per procedure pricing. As we've talked about many times, hospitals buy capital, certainly mini robots have been purchased throughout the United States and the world. That's something that happens quite frequently every quarter as we all see. The questions that we get involved

with more are per procedure pricing--can we try to get similar pricing as laparoscopic surgery or just a slight premium. And that's where most of the reimbursement for the procedures that are being done day in and day out falls, and that's where hospitals feel like they can really proliferate more utilization with robotics. So that's where more of the questions, and frankly, the excitement in these early days are coming from.

Frederick Allen Wise - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst*

Again, I know it's early, but has U.S. FDA approval changed or accelerated any of your discussions in Europe for that kind of a positive reaction at all, make us a little more optimistic about the outlook?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Yes, I think any time you have a young company that is beginning to commercialize, two questions you frequently get, in addition to the technology, is do you have regulatory approval in the largest market for robotics in the U.S. and now, we have that, and that's certainly comforting to those folks. And I think just continuing to see a strong balance sheet is very important. And I think both the FDA approval was met very positively around the world where we are talking to customers and I think after today's call when they understand cash on hand for the Company, it's going to continue to accelerate our progress.

Frederick Allen Wise - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst*

And I hate to ask a question about 2018, but I want to, so I will. It's early, I get that, but you're obviously more clearly starting to have visible success in Europe. You got the 17 reps. Talk about '18, just sort of qualitatively at least a little bit, how much coverage of the U.S. market do the 17 reps give you? And both - specifically in Europe and separately for the U.S., what kind of - you are an experienced sales manager, leader, what kind of first year productivity would you expect from your reps? Your European guys all have that 4 to 6 quarters of experience you talk about. What are you going to expect and what should we expect from your U.S. team as well, some of whom have been on the ground for 6 months or so now?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

A few of them will be, and certainly some of these significant early interest accounts that are moving a little closer as we alluded to, potentially closing one by year's end, have been with reps that have been out there a little bit longer and been able to do some market development with some early interested accounts. I think when it comes to capital equipment, I don't think the expectation is very different than the EU. I think typically if you talk to folks, 4 to 6 quarters sales cycle is typical. I would say for us, we've seen significant early interest. As we know, it's the first robotic platform for abdominal soft tissue robotics in 17 years. So, that interest is super high right now. Might that accelerate a few of those deals past the classic sales cycle? Yes, it could happen in 2018. But I would say the majority of our folks are really just finalizing training post-approval. They are just getting out there right now. It's a wide funnel right now, but I think as the calls go through in 2018, we'll get a lot better idea of how kind of sales are matriculating through the funnel. But we couldn't be any more pleased with the early feedback we're getting, not only the numbers of hospitals that are interested, but we have a lot of administrators that are very interested too, robotics is a pretty important top line to many hospitals.

Frederick Allen Wise - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst*

All right. And just one last one from me. Congratulations on the cash, that's certainly more cash than I expected. And you had said before that you thought - I think in the last public call you had said you thought you're good through the end of '18. Now, Joe, you're adding the comment and beyond. With that extra cash, is this just backup and insurance? Or no, we should imagine you might accelerate the commercial efforts in some way? How are you thinking about that now?

Joseph P. Slattery - *TransEnterix, Inc. - CFO, Principal Accounting Officer and EVP*

Yes, Rick, what I would say is, we've got a strong plan to go after these markets, but it gives us a unique ability to be opportunistic if we, in whatever circumstance, whether that's expanding the team, making an investment with a customer to do something more dramatic and get more deep into our market. So I think we just have - we have a lot of opportunity to accelerate the commercial efforts once we see the traction.

Frederick Allen Wise - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst*

Thank you very much.

Operator

Thank you. And our next question comes from Lawrence Keusch with Raymond James.

John Hsu

Good afternoon, this is John, in for Larry.

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Hi John, how are you doing?

John Hsu

Doing well, thank you. Congratulations on the order in Europe, and the potential sell in the U.S. as well. If we could start off with just, in terms of utilization, I know you talked about kind of ramping towards 350 procedures from your existing base. Could you give a little bit more color in terms of numbers of surgeons that are using it? And maybe some of the unique procedures that are being used?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Sure. That 350 number is what we've done year-to-date. So we think that we will continue to calendarize that out and finish north of 400, obviously, if you do the math. I would say that on average each one of our facilities has probably three different surgeons actively using the system., and that is easily in two to three different specialties depending. And you can imagine our CE Mark, where we're doing our procedures in Europe, we have general surgery, GYN, thoracic and urology. So the majority of those procedures up to this point have been in general surgery and GYN, and it really covers the scope. On our last call we kind of reeled off the 23 procedures we're covered for here in the U.S. I won't put you through that list again, but a majority of those procedures have been accomplished and we're starting to get some upper G.I. volumes going too and bariatric-type procedures. So, in addition to any reflux or GERD surgery. So we really feel confident with the breadth of surgeries that are being performed. We have four different countries, multiple specialties and accounts using day in and day out over there. And I think that's really going to help build up our clinical data. So as we pursue our expanded indication strategy here in the U.S. we're going to have a nice stream of human clinical data going into 2018.

John Hsu

Okay. Great. That's really helpful. And then in terms of the next catalyst on the instrumentation side, it is our sense that advance energy vessel sealing is really kind of maybe the most important features of the next ones coming. So, what's that regulatory pathway for that? And maybe in Europe as well as in the U.S. do you expect clinical data? And then also just again on the Senhance itself in the U.S., when would you expect to get clearance for a fourth arm?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Yes, for advanced energy, we've said in our call that 2018 is when we look to launch that both in Europe and in the U.S. And those are fairly straightforward CE Mark and FDA 510(k) filings. And they typically do not require human data. Those are products that have lots of predicates out in the market and that's fairly straightforward. And as we go through 2018, we are going to have an expanded indication strategy that will include a myriad of different things, instruments, procedures and fourth arm very well may be categorized in our priorities in 2018. We're going to take a look. One experience set that I'll give you is, the majority of our cases in Europe where people have four arms, they are utilizing three. So we'll definitely pursue our indication strategy in 2018 based on pull and feedback from the market, but we feel great where we are today.

John Hsu

Great. And then as a follow-up to that, just maybe could you talk a little bit about the vessel sealer that you're working with in terms of feature set and maybe how it's differentiated from Intuitive.

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

No, we will not really go into that right now. I just don't think it's wise to start talking about specificity before regulatory approval. But we'll certainly give you a lot of color on that as we get closer to approval.

John Hsu

Okay. Fair enough. And then last one from me, you also talked about, on the last call, setting up a registry in Europe. So, any update on timing there? And then maybe a procedure focus, if any?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Certainly, we think we will have that up and going in the coming months. We have most of the structure in place for that. And I think it's going to be able to cast a fairly wide net. We're not going to be limiting that to any particular specialty or procedure set. We're going to take a look at the broad usage that we have across our broad CE Mark. And we're going to start gathering data across all of those specialties. I think it's going to be helpful because we have a podium strategy, we have a publication strategy. And that's suited us very well so far this year and that data will continue to feed into it.

John Hsu

Great. That's all from me, thank you.

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Thank you, John.

Operator

Thank you. And our next question comes from Jeffrey Cohen with Ladenburg.

Jeffrey Scott Cohen - *Ladenburg Thalmann & Co. Inc., Research Division - MD of Equity Research*

Hi Todd and Joe, thanks for taking the questions. I was wondering if you could discuss a little bit about the capital as well as the consumable sets, and where they're going to be assembled, final assembly, some of the systems builds and some of the builds on the refurbishable units. Second, it would be occurring in Italy or North Carolina? What kind of set up there do you have? And what kind of volumes can you handle now, and in the future?

Joseph P. Slattery - *TransEnterix, Inc. - CFO, Principal Accounting Officer and EVP*

Jeff, its Joe. For the initial launch in the U.S., we'll continue to leverage the existing supply network with the robots primarily - most of the robot parts coming out of Italy. The instruments come from a variety of vendors, most of them are in Europe. And so, on the initial launch, we'll get all that product here in the U.S. for delivery into the customer sites. Over time, we'll evaluate what type of the remanufacturing here we do or late-stage assembly. But we do have a very strong partner in Italy that can handle the volume that we expect to need to deliver over the next couple of years. So we're comfortable with the supply chain that we have.

Jeffrey Scott Cohen - *Ladenburg Thalmann & Co. Inc., Research Division - MD of Equity Research*

Okay. Got it. And could you give us a little additional color on U.S., and some of the hospital decision making in their capital budgets. I'm assuming that a fair amount of them are on fiscal basis, and if someone tells you this month or next month, they'd like a unit, does that mean the money gets allocated, but the actual purchase would be in '18, and the same thing of '18 into '19. How should we think about how these deals hit and when we may see a press release that may not be correlated exactly with that quarter's gross revenues, could you talk about that a little bit?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Yes. Well, I'll certainly say that hospitals' fiscal cycles, sometimes they follow the calendar year, other times not. Typically, hospitals when they get excited about a system like ours, and the interest is very high, they've already been thinking about it. We've just not been able to go out there and talk to them or pre-promote prior to approval. So now, we're just going out there and engaging that high interest level. We've been able to talk to them about features and benefits, people have been able to hear surgeons from Europe at all the major shows talk about their clinical data and their experience. So people have been thinking about it, but when they actually make a decision that they want to acquire Senhance, oftentimes that is a budget number that has to be put in their next fiscal budget. And depending on when you're talking to them, that might be coming up in the coming months or quarter after that, it might be longer. And then sometimes, we get a deal with hospitals that they had put aside a capital budget allocation whether it's for robotics or something else. They don't have to wait till the next fiscal cycle. So, I would say, Jeff, if you've seen one of these deals, you've seen one, they all are fairly unique. But I think the thing I would reiterate is, robotics continues to grow at a great clip. I think the market is excited about having choice here in the U.S., and I think we'll keep you posted as concurrent calls happen of how our pipeline starts to shape up here in the U.S.

Jeffrey Scott Cohen - *Ladenburg Thalmann & Co. Inc., Research Division - MD of Equity Research*

Got it. But I guess for the U.S., it's possible you may have some sales and or sale numbers, but you may also be carrying a backlog number?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Well, maybe, and depending on how our pipeline matures, if we will discuss that or not, but right now, we're just focusing on getting out, getting in front of this demand that we have, and making sure we can sit down in front of folks, and then quickly get them in front of the system as quickly and efficiently as we can. But as the calls go through 2018, our folks will be developing pipelines, we'll give you more color on that.

Jeffrey Scott Cohen - *Ladenburg Thalmann & Co. Inc., Research Division - MD of Equity Research*

Great, thanks very much.

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Thank you.

Operator

Thank you. And our next question is a follow-up from Glenn Novarro, RBC Capital Markets.

Glenn John Novarro - *RBC Capital Markets, LLC, Research Division - Analyst*

Great, hey, thanks for taking the question. I just had a follow-up on the new approvals for next year. Todd, did you say hernia and choley, and if so, when do you think you'd expect FDA approval next year? And then can you remind us the number of cases done for these indications in the United States? Thanks.

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Sure. We are planning on filing both hernia and cholecystectomy data in the coming months. And we would expect, I would just say as, by way of comparison, our Senhance process was mid-April to mid-October, so six months. So we would expect it to be in line or potentially a little shorter than that for expansion indications. As far as number of those procedures, those are two of the larger procedures done. You combine them together, hernia and gallbladder, and you're up over two million procedures in the United States. And I'll remind you that our initial indication was right at 1.5 million for colorectal and GYN. So, we feel like we're going to be in the wide sweet spot in '18. A great number of procedures that are really going to be interested in a robotic system that gives them some differentiated features and some per procedure economics that they can actually rationalize using these robots, the Senhance. So we're excited about it. We purposely have chosen those. We think those are going to be very beneficial for us.

Glenn John Novarro - *RBC Capital Markets, LLC, Research Division - Analyst*

Okay, great. Thanks for taking my questions.

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Thank you.

Operator

Thank you. And our next question is a follow-up from Rick Wise with Stifel.

Frederick Allen Wise - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst*

Todd, just a couple of follow ups here. Just to follow up on Glenn's question about the data and everything. I think you said 100 cases each for hernia and choley, is that a lot, will it take a long time to pull that together? And you think FDA is going to accept European or they want U.S. data? Just how do we think about that nuance.

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Yes, to clarify that, 100 on hernia and choley were combined data, not individual. And I don't think the FDA typically has any problem except in European data, certainly what we turned in with our first submission that we got approval on October 13. So we feel really good about--we just feel good that we've got systems placed in multiple countries doing surgery every day across multiple specialties. I think it gives us a real rich clinical experience that we can gather and pull data from and continue to go into 2018 on our expanded indication strategy.

Frederick Allen Wise - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst*

And post-American College of Surgeons, post-the ASC meeting, is there any way you could quantify for us, Todd, any metric you could share with us, that would give us a feeling for the kind of early interest in them, and obviously you're saying it qualitatively, but is there anything you could say about our post-ACS demo pipeline schedule or some metric, some indicator that could point to the post-meeting sort of reaction and response?

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Yes, certainly, I would say that as we've headed throughout the summer, there's been a lot of interest in Senhance for sure. As we talked about, some folks who have actually made the commitment to go over to Europe to actually investigate it and see it for themselves. But until that approval came, I think everyone still was cautiously optimistic. Post-the approval in mid-October and then going to the American College of Surgery, such a large meeting, I know you're out there Glenn - Rick, and you got to see a little bit of that. I'd tell you, it was an exponential level of increase of people that actually wanted to get on a plane and go somewhere and be able to sit down and see the system. They are able to get a taste of it at the American College of Surgery, but not really be able to spend half a day or a day on it in a dry lab, in a wet lab. So, I would say that even though we have facilities here at our headquarters, at Research Triangle Park, and certainly have a capability of doing that down at Florida Hospital in Orlando, we're keeping those centers busy, pretty much daily, since the ACS. And I think, we're very fortunate to have AAGL just next week, that meeting is in Washington, DC. It's a drive from our headquarters here in RTP. And I think, we're already getting some requests from people that are going to be at that meeting from different parts of the United States, they want to extended their trip on the East Coast and get down to see us here. So, I would say that a robust pipeline, albeit, early.

Frederick Allen Wise - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst*

Thanks so much, Todd.

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Thank you.

Operator

Ladies and gentlemen, that concludes our question-and-answer session for today. I'll now turn the call back to Mr. Pope for any closing remarks.

Todd M. Pope - *TransEnterix, Inc. - CEO, President and Director*

Thank you very much operator, and I want to thank all of you again for joining us today. And we look forward to updating you on our next quarterly call. Good evening.

Operator

Ladies and gentlemen, thank you for participating in today's conference. This does conclude today's program. And you may all disconnect. Everyone, have a wonderful day.