

# Mazor Corporate Presentation

NASDAQ, TASE: MZOR

September, 2018



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CORE  
TECHNOLOGY

ALIGN WITH  
EXPERIENCE

# FORWARD LOOKING STATEMENT

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Forward-looking statements are not historical facts, and are based upon management’s current expectations, beliefs and projections, many of which, by their nature, are inherently uncertain. Such expectations, beliefs and projections are expressed in good faith. However, there can be no assurance that management’s expectations, beliefs and projections will be achieved and actual results may differ materially from what is expressed in or indicated by the forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the forward-looking statements, including risks detailed in Mazor Robotics Ltd.’s (“Mazor Robotics” or the “Company”) annual reports on Form 20-F filed with the U.S. Securities and Exchange Commission. The following solutions are not yet cleared for use: Mazor X Stealth Edition, Stealth Navigation, Guidewireless

Forward-looking statements speak only as of the date the statements are made. The Company assumes no obligation to update forward-looking statements to reflect actual results, subsequent events or circumstances, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements.



## Our Mission

Mazor as a growing global innovation leader focused on improving patients' outcomes throughout the **care continuum**, by developing advanced, **data-enabled**, image-based **robotic** products with **universal connectivity** in multiple surgical fields.

# Mazor Today

- Mazor Core™ technology with product portfolio and three generations of commercial products
- Supporting and serving 200+ installations and spine programs globally
- 36,000+ Patients, 100s of surgeons, wide spectrum of procedures
- Strategic partnership with Medtronic (Mazor X in spine)
- Successful initiative in ASC market (Ren)
- 55+ peer-reviewed articles and strong evidence of improved patient outcomes
- Ramping up Production



III Renaissance

MAZOR X



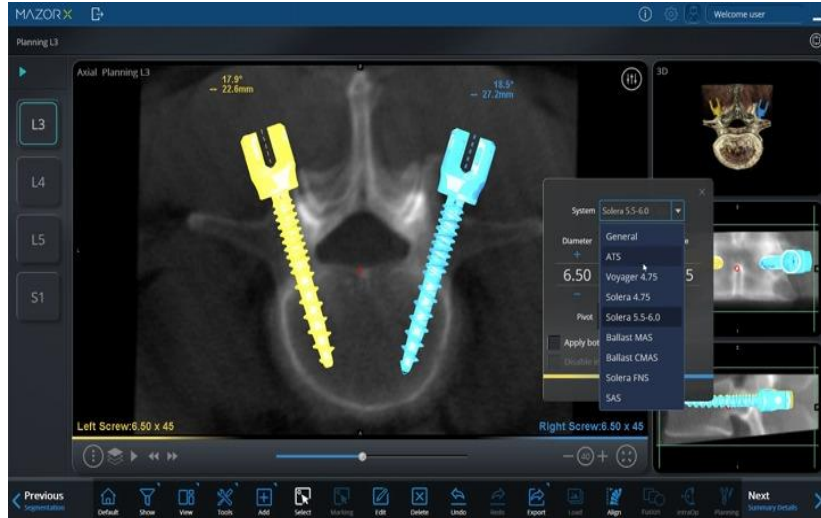
# Mazor Robotic Guidance Systems

## Predictability, Precision and Efficiency through Innovation

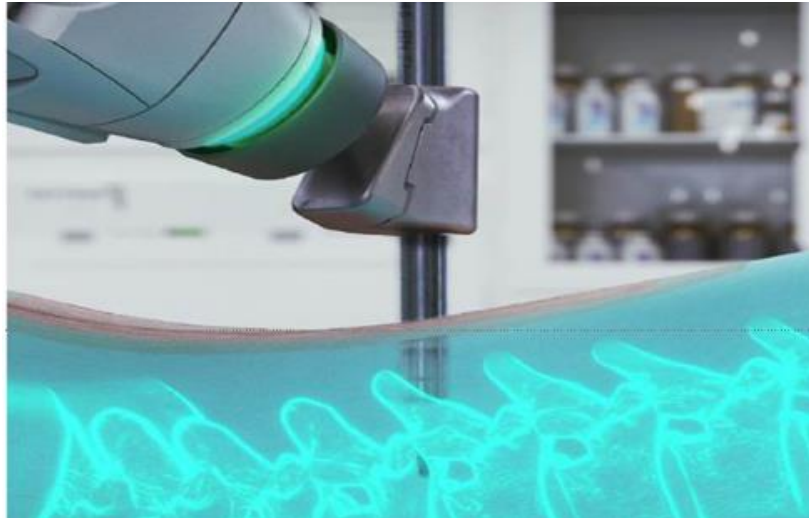
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### 1. Planning



### 2. Guided Execution



### 3. Intra Op Verification

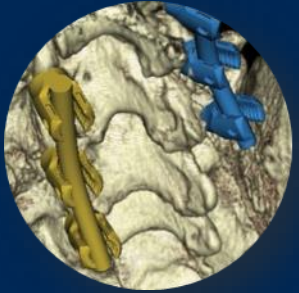


Value creation through robotic workflow

# MAZOR CORE TECHNOLOGY

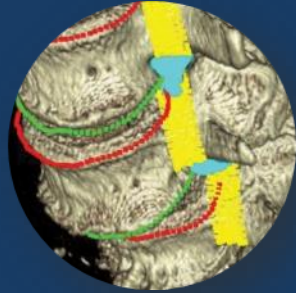
**The Mazor Core Technology** is the collaboration of four key technologies in Mazor's systems to provide predictable, efficient and precise surgical procedures.

## Surgical Planning Suite



- 3D analytics and virtual tools developed to determine procedure goals and surgical plan. The suite of tools allow creation of a “surgical blueprint” separating the planning from the actual surgery.
- During surgery, the surgeon executes the plan as an efficient and **predictable** procedure with no anatomical surprises. Implants are pre-selected and prepped, the team knows what to expect.

## Anatomy Recognition Engine



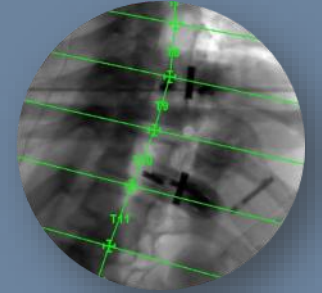
- The advanced anatomy recognition engine reads images and recognizes anatomical features based on advanced and propriety algorithms.
- The engine is fundamental for planning and serves as the underlying technology for features such as vertebral segmentation, image registration and alignment calculations.

## Patient Connection Platform



- Set of biocompatible devices that rigidly affix the robotic system/arm to the patient’s skeletal anatomy during surgery, ensuring precision through a stable, solid connection.
- This unique feature maintains patient-machine unity during the operation and is a major contributor to accuracy.

## Cross-modality image registration



- Sophisticated registration tool with the ability to analyze and match images from different modalities and body positions, e.g. pre-op CT with intra-op fluoroscopy.
- Each vertebra is registered independently of the others and irrespective of modality, date of the image, or patient position.

# Robotics and Navigation in One Integrated System

## Mazor X Stealth Edition\*

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\*Not available for sale in the US, pending FDA clearance

### Features

- Robotic Guidance and Integrated Stealth Navigation
- Robotic Guided implants
- Sophisticated tools for Construct Planning
- Real-Time reconciliation with Plan
- Mazor Core feature set



### Benefits

- Assures Performance, closes the surgical loop
- Simplified workflow
- Holistic and personalized patient planning
- Real time verification of surgical goals
- Proven clinical benefits



# Renaissance Strategy

## U.S. Focus on Ambulatory Surgical Centers

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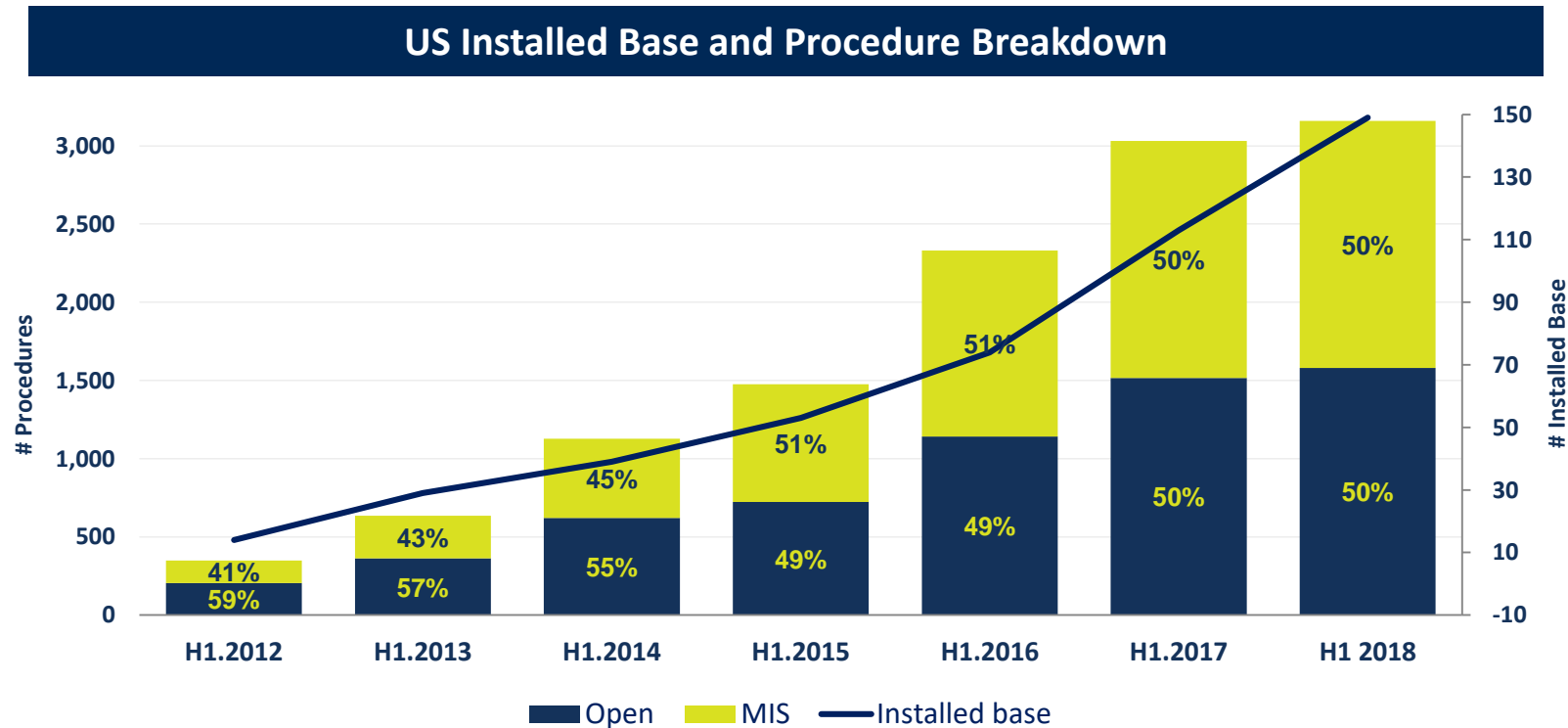
- **Business Model:**
  - Cost-sensitive market penetration and development
  - ~1000+ sites Addressable Market
  - Successful initial efforts with growing number of installations and usage
- **Global Sales Organization**
  - Direct activities in the United States
  - Active distributors in China, Taiwan, Australia, Thailand, Vietnam, Germany
- **Technology**
  - Mazor Core + Brain
  - 10% of accounts include Renaissance Brain



# Accelerated Clinical Utilization Driving MIS and Serving Patients

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**Isador Lieberman, MD, MBA, FRCSC, Plano, Texas, USA**

*"If you do spine surgery for a living, this will come naturally to you...This is the future of spinal surgery."*

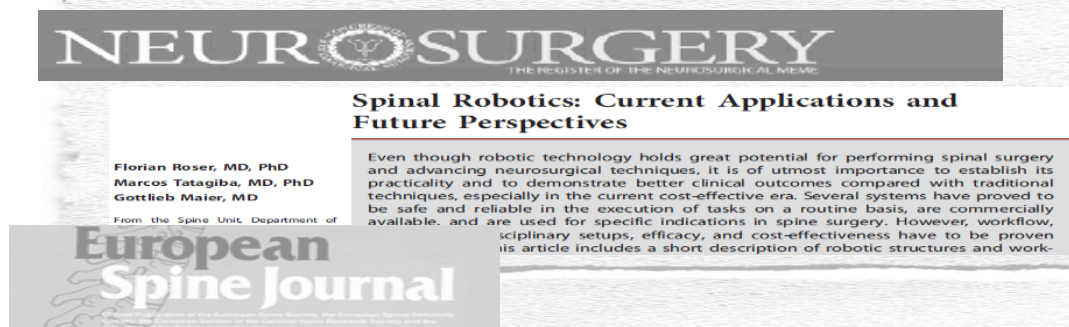
# Evidence-based Medicine

## From Accuracy to Outcomes

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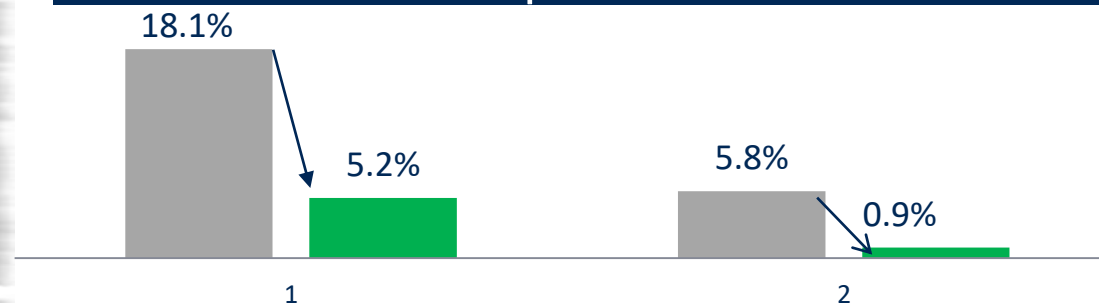
### Consistent Accuracy with Improved Outcomes



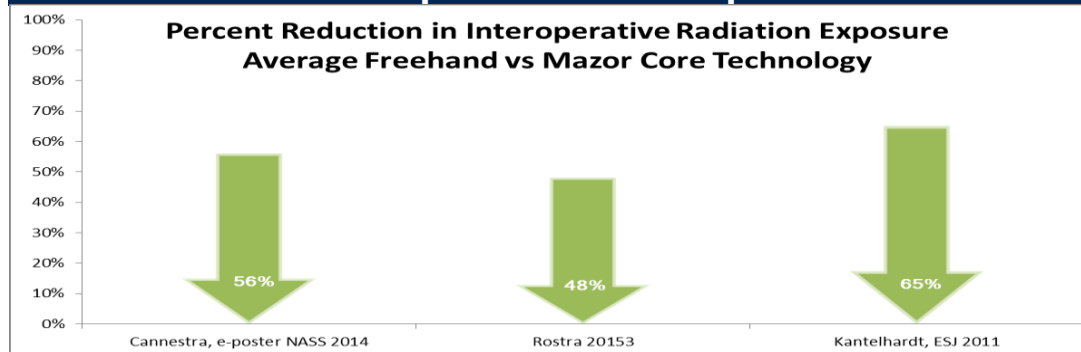
### Dr. Thomas Sweeney,, Orthopaedic Surgeon, FL

*I have been doing minimally-invasive surgery since 1999. Mazor Robotics Renaissance®'s revolutionary approach to spinal surgery has transformed my practice so I no longer need to do any open thoracic and lumbar surgery..*

### Reduction in Complications and Revisions <sup>(1)</sup>



### Reduction in Exposure to IntraOp Radiation <sup>(2)</sup>



1. Based on published data: Cannestra, e-poster NASS 2014; Kantelhardt, ESJ 2011; Ringel, ESJ 2012, Roser, 2013.

2. Freehand represents the average fluoro radiation exposure during a freehand operation as a baseline for comparison to Renaissance only.

# Evidence-Based Medicine

## MIS-ReFRESH Prospective Study

(Presented at IMAST 2018)

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### Significantly fewer complications in robotic arm

- Compared to fluoro-guided, robotic-guided surgeries were at **3.1** times LOWER risk for a complication

### Significantly fewer revisions in robotic arm

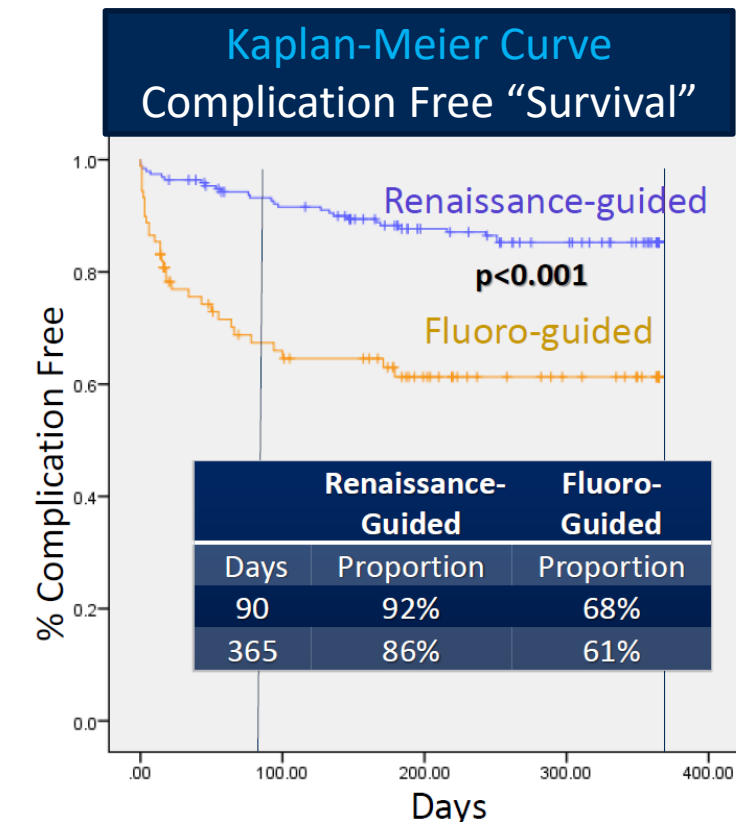
- Compared to fluoro-guided, robotic-guided surgeries were at **14.7** times LOWER risk for a revision

### 79% less fluoro time/screw in robotic arm

### Significantly fewer complications and revisions in robotic arm also in single level cases

#### Caveats:

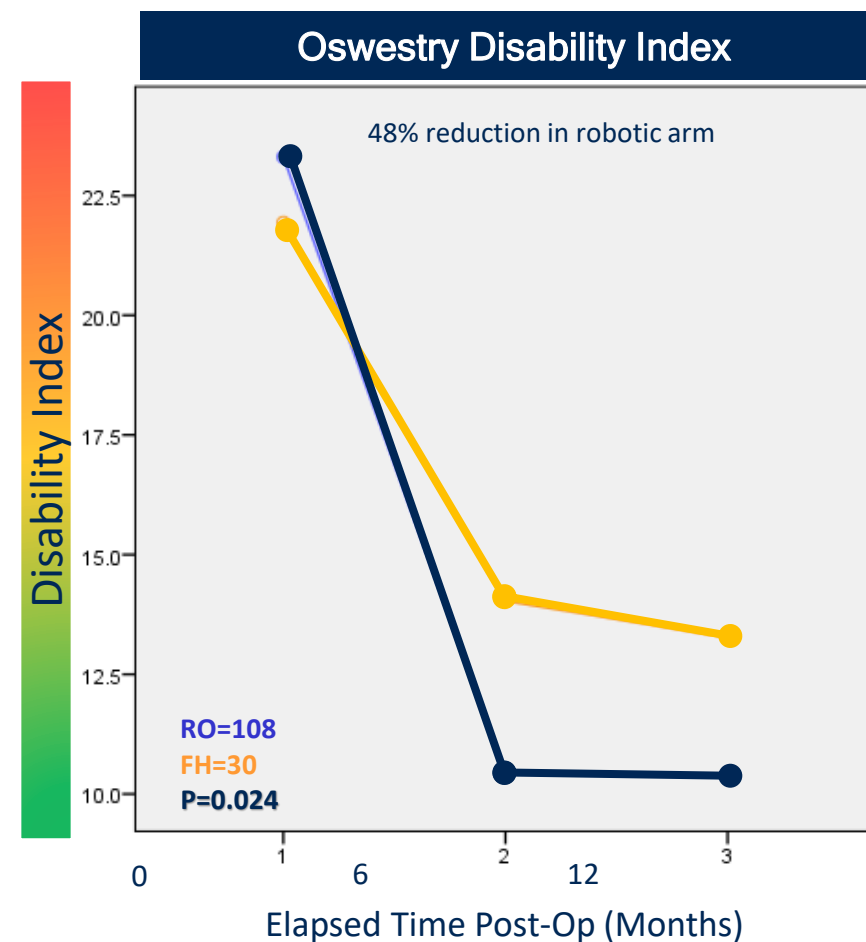
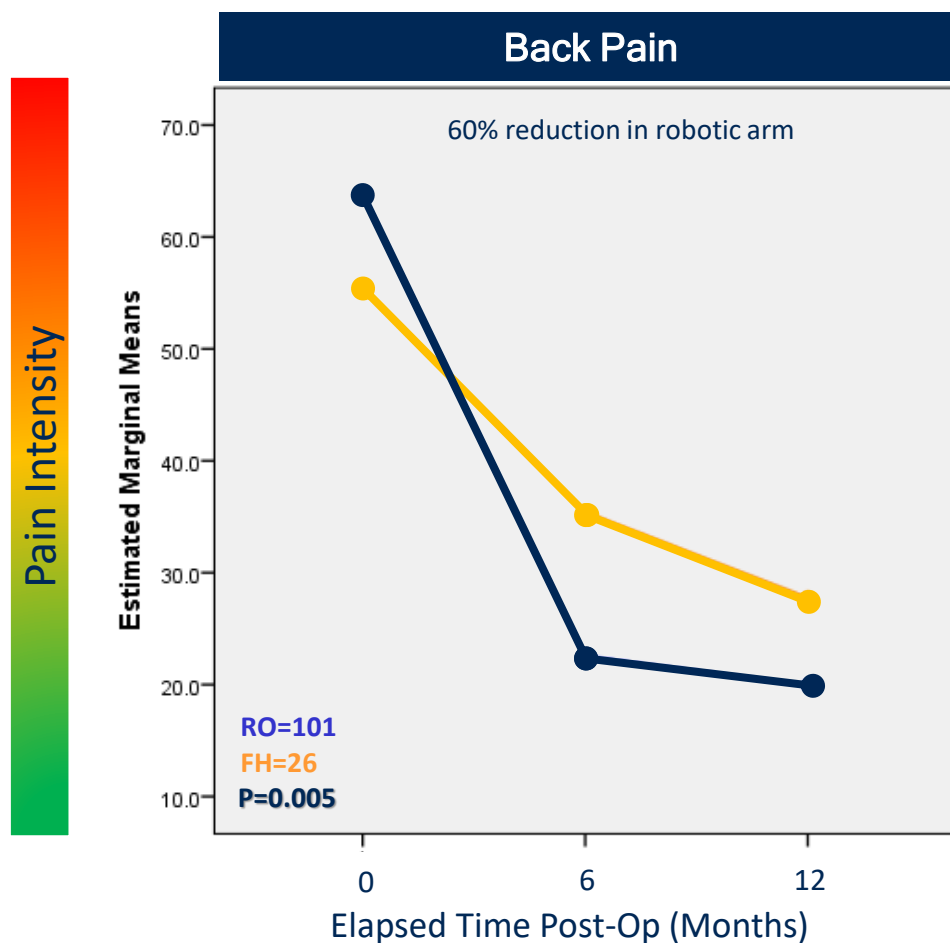
- Interim report – only 110 control patients
- Only 2 surgeons in control arm
- Average Follow up 1.3 +0.8 years in robotic and control arm
- High event rate in fluoro-guided arm



# MIS ReFRESH Prospective Study of Mazor Core Technology

## Patient Self-Evaluations

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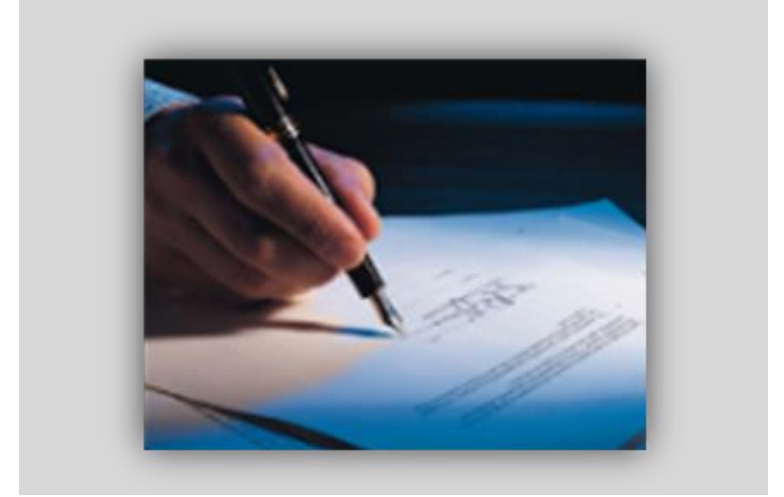
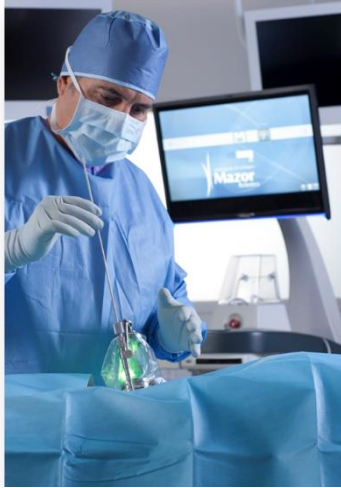


# Business Model

## Three Revenue Pillars

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### Capital Sales

Mazor X &  
Upgrades

Distributor Sales

Renaissance

Direct Sales

### Per Case Revenue

Disposable Kits

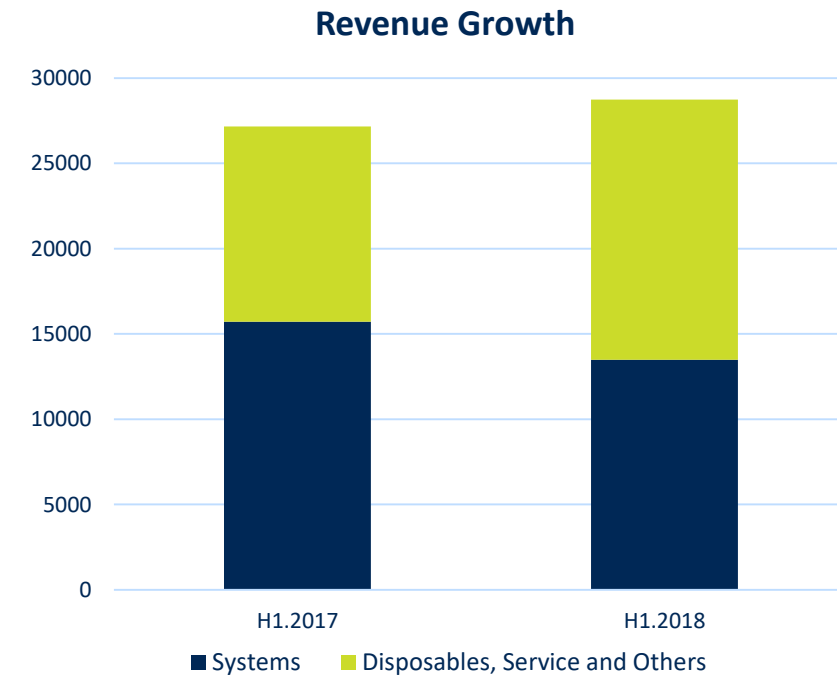
Synergy fee revenue.\*  
(\* under certain conditions)

### Per System Revenue

Annual Service revenues

# H1 2018 Financial and Operating Highlights

- Robotic guidance systems sold in the first half of 2018 increased 32% over the first half of 2017
  - Q1 - increased by 42%
  - Q2 - increased by 25%
- Significant majority of systems sold and installed were to US customers
- H1/2018 financial performance and binding commitments for the Mazor X Stealth Edition position Mazor for revenue growth in H2 2018 compared to the H1 2018

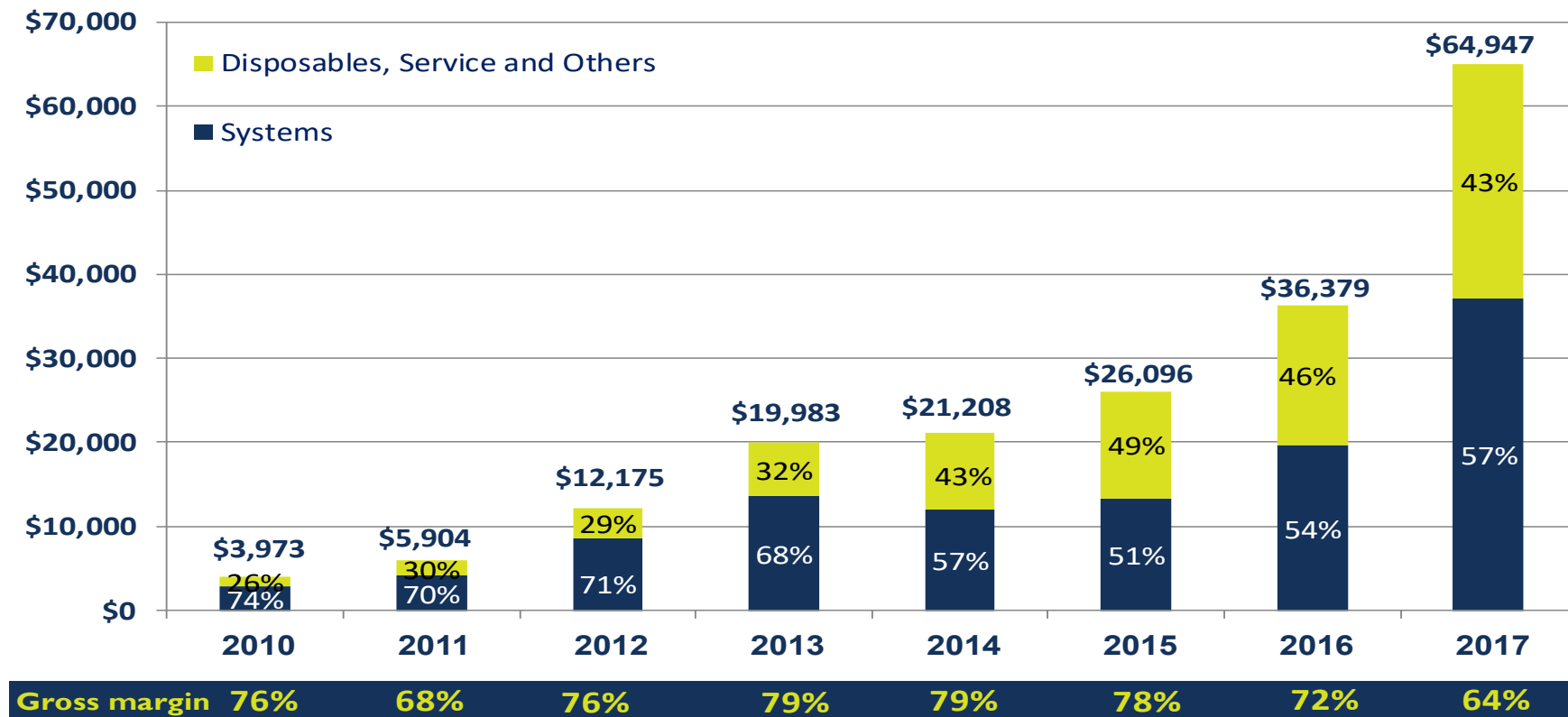


# Revenue Breakdown

## Year Ended December, 2017

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# Income Statement

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## Income Statement

	Year Ended December 31,		6 Months Ended June 30,	
	2017	2016	2018	2017
<i>(\$ in thousands)</i>				
<b>Revenue</b>	<b>\$64,947</b>	<b>\$36,379</b>	<b>\$28,745</b>	<b>\$27,174</b>
Cost of sales	\$23,684	\$10,330	\$12,272	\$8,875
<b>Gross Profit</b>	<b>\$41,263</b>	<b>\$26,049</b>	<b>\$16,473</b>	<b>\$18,299</b>
<i>% margin</i>	64%	72%	57%	67%
<b>Operating Expenses</b>				
Research and development, net	\$8,192	\$5,736	\$5,069	\$4,034
Selling and marketing, net	\$39,499	\$33,637	\$12,288	\$20,209
General and administrative	\$7,375	\$5,697	\$4,442	\$3,657
<b>Total operating expenses</b>	<b>\$55,066</b>	<b>\$45,070</b>	<b>\$21,799</b>	<b>\$27,900</b>
<i>% of revenue</i>	85%	124%	76%	103%
<b>Loss from operations</b>	<b>(\$13,803)</b>	<b>(\$19,021)</b>	<b>(\$5,326)</b>	<b>(\$9,601)</b>
<b>Net loss</b>	<b>(\$12,419)</b>	<b>(\$18,668)</b>	<b>(\$5,118)</b>	<b>(\$8,908)</b>

# Balance Sheet

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## Consolidated Statements of Financial Position

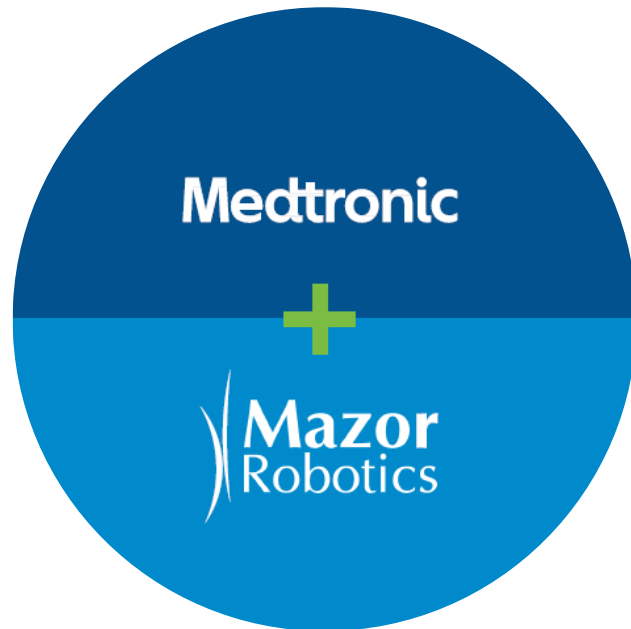
	As of June 30, 2018	As of December 31, 2017
<i>(\$ in thousands)</i>		
<b>Assets</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Cash and Cash equivalent	\$37,475	\$46,376
Short-term investments	\$66,796	\$56,708
Trade receivables	\$9,401	\$5,460
Other accounts receivable	\$2,936	\$2,054
Inventory	\$7,130	\$7,864
<b>Total current assets</b>	<b>\$123,738</b>	<b>\$118,462</b>
<b>Total non-current assets</b>	<b>\$11,233</b>	<b>\$12,534</b>
<b>Total Assets</b>	<b>\$134,971</b>	<b>\$130,996</b>
<b>Current liabilities</b>	<b>\$16,858</b>	<b>\$16,819</b>
<b>Total non-current liabilities</b>	<b>\$454</b>	<b>\$414</b>
<b>Equity</b>	<b>\$117,659</b>	<b>\$113,763</b>
<b>Total liabilities and Equity</b>	<b>\$134,971</b>	<b>\$130,996</b>



# Mazor Robotics 2018

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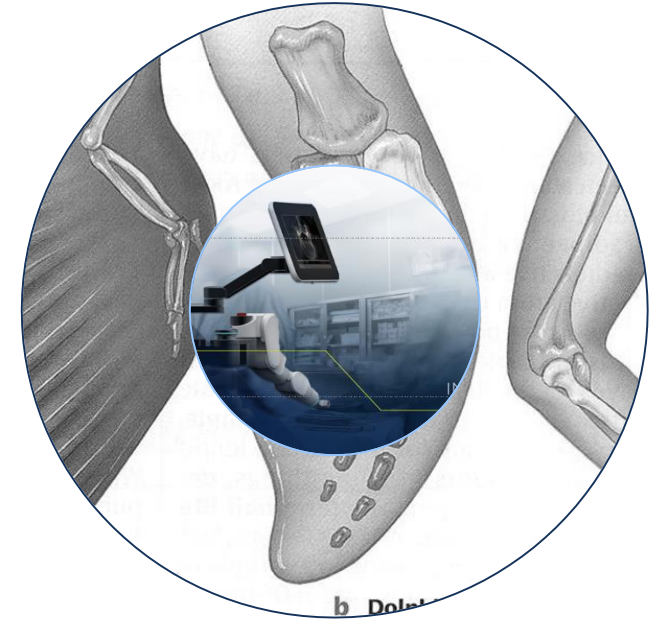
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Strategic Partnership  
with Medtronic for Mazor X



Ambulatory Surgery Center  
Strategy for the Renaissance



Leverage Robotics  
Spine and Out-of-Spine