

## Mazor Robotics Announces Fourth Quarter and Full Year 2013 Financial Results

- Revenue of \$5.7 Million in Fourth Quarter; \$20.0 Million for Full Year 2013, a 111% and 64% Increase, Respectively, Over 2012  
- Gross Margin Expands to 78.5% for the Fourth Quarter and 78.6% for the Full Year Ends the Fourth Quarter with Clinical Installed Base of 34 Renaissance Systems in U.S., 63 Systems Globally Conference Call Today at 8:30 AM EST

CAESAREA, Israel – February 25, 2014 – Mazor Robotics Ltd. (TASE: MZOR; NASDAQGM: MZOR), a developer of innovative guidance systems and complementary products, announced today its financial results for the fourth quarter and full year ended December 31, 2013.

“Our strong operating performance and revenue growth in the fourth quarter capped off a very successful year for Mazor Robotics. Fourth quarter revenue more than doubled leading to a 64% year over year increase, reflecting the strong global adoption of the Renaissance system,” said Ori Hadomi, Mazor’s Chief Executive Officer. “We sold 23 systems globally in 2013, bringing our total global installed base to 63 systems, with 34 located in the U.S. market. We plan on building on this strong momentum in 2014 by increasing our investments in sales force expansion, increased marketing activities, research and development initiatives and additional clinical data development.”

“We are confident that these strategic investments will allow us to increase our market leadership position while providing the best standard of care in robotic spine surgery for patients, surgeons and hospitals,” added Mr. Hadomi.

### FOURTH QUARTER 2013 FINANCIAL RESULTS ON IFRS BASIS (“GAAP”)

Revenue for the three months ended December 31, 2013 was \$5.7 million compared to \$2.7 million in the three months ended December 31, 2012. U.S. generated revenue increased to \$4.2 million from \$1.4 million in the year-ago quarter, primarily due to the commercial sales of four Renaissance™ systems, compared to the sale of one system in the fourth quarter of 2012. International non-U.S. revenue was \$1.5 million compared to \$1.3 million reported in the fourth quarter of 2012, reflecting three system sales in the fourth quarter of 2013 compared to two system sales in the 2012 fourth quarter. Revenue from system kit sales, services and other totaled \$1.9 million in the fourth quarter of 2013, compared to \$1.1 million in the fourth quarter of 2012.

Gross margin for three months ended December 31, 2013 was 78% compared to 73% in the year-ago quarter, due to higher sales volume in the fourth quarter of 2013.

Total operating expenses in the fourth quarter of 2013 were \$6.6 million, compared to \$3.7 million in the fourth quarter of 2012, reflecting the Company’s investments in sales and marketing resources. Operating loss for the fourth quarter of 2013 was \$2.1 million, compared to an operating loss of \$1.8 million in fourth quarter of 2012. Net loss for the fourth quarter of 2013 was \$2.0 million, or \$0.05 per share, compared to a net loss of \$4.5 million, or \$0.15 per share in the fourth quarter of 2012.

Cash used in operating activities in the fourth quarter of 2013 was \$1.3 million, compared to \$0.4 million in the fourth quarter of 2012. As of December 31, 2013, cash, cash equivalents and marketable securities totaled \$65 million, reflecting the net proceeds to the Company of \$43.6 million from the ADS offering in the 2013 fourth quarter.

### FOURTH QUARTER 2013 FINANCIAL RESULTS ON NON-GAAP BASIS

The tables below include a reconciliation of the Company’s GAAP results to non-GAAP results.

The reconciliation primarily relates to non-cash expense in the amount of \$0.4 million with respect to share-based compensation and intangible asset amortization in the fourth quarter of 2013. On a non-GAAP-basis, the net loss in the fourth quarter of 2013 was \$1.6 million, or \$0.04 per share, compared to \$1.4 million, or \$0.05 per share in the fourth quarter of 2012.

#### FULL YEAR ENDED DECEMBER 31, 2013 FINANCIAL RESULTS IFRS BASIS ("GAAP")

For the full year ended December 31, 2013, revenue totaled \$20.0 million, representing a 64% increase compared to \$12.2 million for the year ended December 31, 2012. The growth is attributed to the increased sales of the Company's Renaissance system, both in the U.S. and globally. In 2013, the Company sold a total of 23 Renaissance systems and one system upgrade, compared to 15 systems sold in 2012. Gross margin for the full year 2013 was 79%, compared to 76% for the year ended December 31, 2012. The Company's net loss for 2013 was \$20.5 million, or \$0.57 per share, compared to \$7.1 million, or \$0.29 per share, in 2012.

#### FULL YEAR ENDED DECEMBER 31, 2013 FINANCIAL RESULTS ON NON-GAAP BASIS

On a non-GAAP-basis, net loss for the year ended 2013 was \$5.7 million, or \$0.16 per share, compared to a net loss of \$3.4 million, or \$0.14 per share in 2012.

#### CONFERENCE CALL INFORMATION

The Company will host a conference call to discuss these results on Tuesday, February 25, 2014, at 8:30 AM EST (3:30 PM IST). Investors within the United States interested in participating are invited to call 877-941-0844 and reference the Conference ID: 4665722. Participants in Israel can use the toll free dial-in number 1809-21-4368 and reference the same Conference ID number. All other international participants can use the dial-in number 1-480-629-9765, using the same Conference ID.

A replay of the event will be available for two weeks following the conclusion of the call. To access the replay, callers in the United States can call 1-800-406-7325 and reference the Replay Access Code: 4665722. All international callers can dial 1-303-590-3030, using the same Replay Access Code.

To access the webcast, please visit [www.mazorrobotics.com](http://www.mazorrobotics.com), click 'Investors.'

#### Use of Non-GAAP Measures

In addition to disclosing financial results calculated in accordance with generally accepted accounting principles in conformity with International Financial Reporting Standards (GAAP), this press release contains Non-GAAP financial measures for gross profit, operating expenses, operating loss, financing income, net income and basic and diluted earnings per share that exclude the effects of non-cash expense of amortization of intangible assets, stock-based compensation and revaluation of the fair value of the derivative instruments. Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding the Company's performance that enhances management's and investors' ability to evaluate the Company's net income and earnings per share and to compare them to historical net income and earnings per share.

The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management uses both GAAP and non-GAAP measures when operating and evaluating the Company's business internally and therefore decided to make these non-GAAP adjustments available to investors.

## About Mazor

Mazor Robotics (TASE: MZOR; NASDAQGM: MZOR) believes in healing through innovation by developing and introducing revolutionary robotic-based technology and products aimed at redefining the gold standard of quality care. Mazor Robotics Renaissance® Guidance System enables surgeons to conduct spine and brain procedures in a more accurate and secure manner. For more information, please visit [www.MazorRobotics.com](http://www.MazorRobotics.com).

## Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Any statements in this release about future expectations, plans or prospects for the Company, including without limitation, statements regarding the expectations for growth in system sales and recurring revenue, the Company's expected sales in 2016, and other statements containing the words "believes," "anticipates," "plans," "expects," "will" and similar expressions are forward-looking statements. These statements are only predictions based on Mazor's current expectations and projections about future events. There are important factors that could cause Mazor's actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. Those factors include, but are not limited to, the impact of general economic conditions, competitive products, product demand and market acceptance risks, reliance on key strategic alliances, fluctuations in operating results, and other factors indicated in Mazor's filings with the Securities and Exchange Commission (SEC) including those discussed under the heading "Risk Factors" in Mazor's annual report on Form 20-F filed with the SEC on April 29, 2015 and in subsequent filings with the SEC. For more details, refer to Mazor's SEC filings. Mazor undertakes no obligation to update forward-looking statements to reflect subsequent occurring events or circumstances, or to changes in our expectations, except as may be required by law.

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