

# Senseonics Holdings, Inc. Reports Fourth Quarter and Full Year 2020 Financial Results



March 04, 2021

GERMANTOWN, Md.--(BUSINESS WIRE)-- Senseonics Holdings, Inc. (NYSE American: SENS), a medical technology company focused on the development and commercialization of long-term, implantable continuous glucose monitoring (CGM) systems for people with diabetes, today reported financial results for the quarter and full year ended December 31, 2020.

## Recent Highlights & Accomplishments:

- Generated fourth quarter 2020 revenue of \$3.9 million primarily driven by orders to support the European installed base up to the Ascensia Diabetes Care commercial transition
- Raised \$175 million of proceeds from equity offerings in the first quarter of 2021 to strengthen the balance sheet
- Ascensia Diabetes Care initiated Eversense<sup>®</sup> sales and marketing activities in Europe in select markets on February 1, 2021
- Eversense implantable CGM CPT codes were added to the 2021 Medicare Physician Fee Schedule improving national reimbursement payment availability for implantable CGM systems and physician services
- Reduced fourth quarter operating expenses by \$13.8 million, compared to the prior year period, resulting from the execution of strategic cost reductions and the streamlined operational focus

“We are very pleased with our fourth quarter results, our commercial collaboration agreement with Ascensia, and the success of our recent financings. These steps conclude a strategically transformational year for Senseonics,” said Tim Goodnow, PhD, President and Chief Executive Officer of Senseonics. “We believe Ascensia’s commercial experience and global footprint will help grow the market for Eversense in 2021 and beyond. We are working with Ascensia to further expand commercial activity in the coming months. These collaborative efforts include developing plans for new programs designed to raise patient and provider awareness, reduce patient cost, and continually expand global access for Eversense.”

## **Fourth Quarter 2020 Results:**

Total revenue for the quarter was \$3.9 million compared to \$9.0 million for the fourth quarter of 2019. U.S. revenue was \$0.4 million and revenue outside the U.S. was \$3.5 million.

Fourth quarter 2020 gross profit increased by \$10.8 million year-over-year, to \$2.6 million. The positive gross margin in the quarter was primarily due to the ability to fill resupply orders with existing written off inventory as existing patient reinsertion rates were above the expectations established in the first quarter of 2020 amid the onset of the COVID-19 pandemic.

Fourth quarter 2020 sales and marketing expenses decreased by \$8.0 million year-over-year, to \$3.0 million. The decrease was primarily due to the recent changes in our go-to-market strategy.

Fourth quarter 2020 research and development expenses decreased by \$5.1 million year-over-year, to \$4.7 million. The decrease was primarily driven by lower clinical study costs and personnel related expenses.

Fourth quarter 2020 general and administrative expenses decreased by \$0.7 million year-over-year, to \$5.2 million. The decrease was primarily due to a decrease in miscellaneous general and administrative costs.

Net loss was \$101.6 million, or \$0.41 per share, in the fourth quarter of 2020, compared to \$35.6 million, or \$0.18 per share, in the fourth quarter of 2019. Net loss increased by \$66.0 million due to a \$90.6 million increase to other expenses primarily related to non-cash accounting charges resulting from the accounting for imbedded derivatives related to certain of the company financings, partially offset by a \$24.6 million decrease in loss from operations.

## **Full Year 2020 Results:**

Total revenue for 2020 was \$4.9 million compared to total revenue of \$21.3 million in 2019. U.S. revenue was \$1.1 million. Revenue outside the U.S. was \$3.8 million.

2020 gross profit increased by \$2.1 million year-over-year, to (\$17.4) million.

2020 sales and marketing expenses decreased by \$29.0 million year-over-year, to \$20.6 million. The decrease was primarily due to the recent changes in our go-to-market strategy.

2020 research and development expenses decreased by \$18.0 million year-over-year, to \$20.4 million. The decrease was primarily driven by lower clinical study costs and

personnel related expenses.

2020 general and administrative expenses decreased by \$2.4 million year-over-year, to \$20.8 million. The decrease was primarily due to decrease in other general and administrative costs.

Net loss was \$175.2 million, or \$0.77 per share, in 2020, compared to \$115.5 million, or \$0.61 per share, in 2019. Net loss increased by \$59.6 million due to a \$111.2 million increase to other expenses primarily related to non-cash accounting entries for the company's financings, partially offset by a \$51.5 million decrease in loss from operations.

As of December 31, 2020, cash, cash equivalents and restricted cash were \$18.2 million and outstanding indebtedness was \$117.2 million. Cash, cash equivalents, and restricted cash rose to \$187.3 million on January 31, 2021 following the equity financings completed in the first quarter of 2021.

## 2021 Financial Outlook

Global net revenue to Senseonics for the full year 2021 is expected to be in the range of \$12.0 million to \$15.0 million.

## Conference Call and Webcast Information:

Company management will host a conference call at 4:30 pm (Eastern Time) today, March 4, 2021, to discuss these financial results and recent business developments. This conference call can be accessed live by telephone or through Senseonics' website.

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### **Live Teleconference Information:**

Dial in number: 888-317-6003

Entry Number: 3569931

*International dial in: 412-317-6061*

### **Live Webcast Information:**

Visit <http://www.senseonics.com> and select the "Investor Relations" section

A replay of the call can be accessed on Senseonics' website <http://www.senseonics.com> under "Investor Relations."

## About Senseonics

Senseonics Holdings, Inc. is a medical technology company focused on the design, development and commercialization of transformational glucose monitoring products designed to help people with diabetes confidently live their lives with ease. Senseonics' CGM systems, Eversense<sup>®</sup> and Eversense<sup>®</sup> XL, include a small sensor inserted

completely under the skin that communicates with a smart transmitter worn over the sensor. The glucose data are automatically sent every 5 minutes to a mobile app on the user's smartphone.

## **Forward Looking Statements**

Any statements in this press release about future expectations, plans and prospects for Senseonics, including the revenue projections under “2021 Financial Outlook,” statements about the potential benefits of the Ascensia commercialization and collaboration agreement, including the ability of Ascensia to grow the market for Eversense, the future increase in patient and provider awareness of Eversense, reductions in patient costs and expansion of access to Eversense, and other statements containing the words “believe,” “expect,” “intend,” “may,” “projects,” “will,” “planned,” and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: uncertainties in the development and regulatory approval processes for the 180-day Eversense product, uncertainties inherent in the commercial launch and commercial expansion of the product, uncertainties inherent in the transition of commercialization responsibilities to Ascensia, uncertainties in insurer, regulatory and administrative processes and decisions, uncertainties in the duration and severity of the COVID-19 pandemic, and such other factors as are set forth in the risk factors detailed in Senseonics’ Annual Report on Form 10-K for the year ended December 31, 2019, Senseonics’ Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 and Senseonics’ other filings with the SEC under the heading “Risk Factors.” In addition, the forward-looking statements included in this press release represent Senseonics’ views as of the date hereof. Senseonics anticipates that subsequent events and developments will cause Senseonics’ views to change. However, while Senseonics may elect to update these forward-looking statements at some point in the future, Senseonics specifically disclaims any obligation to do so except as required by law. These forward-looking statements should not be relied upon as representing Senseonics’ views as of any date subsequent to the date hereof.

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**Senseonics Holdings, Inc.**  
**Consolidated Balance Sheets**  
**(in thousands, except for share and per share data)**

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**December 31,**

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2020

2019

**Assets**

## Current assets:

Cash and cash equivalents	\$ 18,005	\$ 95,938
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Restricted cash	200	—
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Accounts receivable, net	565	3,239
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Accounts receivable - related parties	2,421	7,140
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Inventory, net	5,281	16,929
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Prepaid expenses and other current assets	3,774	4,512
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Total current assets	30,246	127,758
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Option	1,886	—
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Deposits and other assets	2,229	3,042
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Property and equipment, net	1,557	2,001
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Total assets	\$ 35,918	\$ 132,801
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## Liabilities and Stockholders' Deficit

### Current liabilities:

Accounts payable	\$	1,762	\$	4,285
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Accrued expenses and other current liabilities		11,674		18,636
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Term Loans, net		3,202		43,434
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2025 Notes, net		—		60,353
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Total current liabilities		16,638		126,708
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Long-term debt and notes payables, net		57,216		11,800
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Derivative liabilities		62,119		664
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Options		39,734		
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Other liabilities		1,483		2,278
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Total liabilities		177,190		141,450
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Preferred stock and additional paid-in-capital,  
subject to possible redemption: \$0.001 par value  
per share; 3,000 shares and 0 shares issued and  
outstanding as of December 31, 2020 and  
December 31, 2019

2,811	—
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Total temporary equity

2,811

—

Commitments and contingencies

Stockholders' deficit:

Common stock, \$0.001 par value per share;  
450,000,000 shares authorized; 265,582,688 and  
203,452,812 shares issued and outstanding as of  
December 31, 2020 and 2019

266

203

Additional paid-in capital

504,162

464,491

Accumulated deficit

(648,511)

(473,343)

Total stockholders' deficit

(144,083)

(8,649)

Total liabilities and stockholders' deficit

\$ 35,918

\$ 132,801

**Senseonics Holdings, Inc.**  
**Consolidated Statements of Operations and Comprehensive Loss**  
**(in thousands, except for share and per share data)**

**Years Ended**

**December 31,**

	2020	2019	2018
Revenue, net	\$ 1,368	\$ 4,924	\$ 2,039
Revenue, net - related parties	3,581	16,377	16,874
Total revenue	4,949	21,301	18,913
Cost of sales	22,315	40,749	27,059
Gross profit (loss)	(17,366)	(19,448)	(8,146)
Expenses:			
Sales and marketing expenses	20,550	49,555	27,730
Research and development expenses	20,413	38,430	31,863
General and administrative expenses	20,801	23,229	19,839
Operating loss	(79,130)	(130,662)	(87,578)
Other (expense) income, net:			
Interest income	175	1,933	2,001
Loss on fair value adjustment	(30,721)	—	—

Loss on extinguishment of debt	(21,112)	(398)	—
Loss on issuance of debt & other issuance costs	(12,706)	—	—
Interest expense	(16,167)	(11,799)	(8,282)
Debt issuance costs	(1,216)	(3,344)	—
Gain (Loss) on fair value and change in fair value of derivatives	(11,641)	29,232	209
Impairment costs	(2,339)		
Other expense	(311)	(511)	(321)
Total other (expense) income, net	(96,038)	15,113	(6,393)
Net loss	(175,168)	(115,549)	(93,971)
Total comprehensive loss	\$ (175,168)	\$ (115,549)	\$ (93,971)
Basic and diluted net loss per common share	\$ (0.77)	\$ (0.61)	\$ (0.14)

Basic and diluted weighted-average shares outstanding	227,912,358	188,754,160	157,429,145
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Source: Senseonics Holdings, Inc.