

Senseonics Holdings, Inc. Reports Third Quarter 2022 Financial Results



November 08, 2022

GERMANTOWN, Md.--(BUSINESS WIRE)-- Senseonics Holdings, Inc. (NYSE American: SENS), a medical technology company focused on the development and manufacturing of long-term, implantable continuous glucose monitoring (CGM) systems for people with diabetes, today reported financial results for the quarter ended September 30, 2022.

Recent Highlights & Accomplishments:

- Launched collaboration with the Nurse Practitioner Group designed to expand U.S. patient access to Senseonics' six-month Eversense E3 System by providing additional convenient in-office and at-home sensor insertion options.
- Completed enrollment of a pivotal trial for a 365-day sensor configuration and submitted IDE for enrollment of a pediatric cohort in the ENHANCE study.
- Concluded the full transition to Eversense E3 globally, with our commercial partner Ascensia Diabetes Care, launching E3 in all planned global markets and now only E3 systems are being shipped globally.
- Inclusion of all three CPT© codes in CMS CY 2023 Medicare Physician Fee Schedule used for the Eversense E3 system with updated national pricing that accounts for the longer 6-month sensor.
- Received positive coverage decisions from Blue Cross Blue Shield of Florida and others, adding 5 million covered lives for Eversense E3 CGM.
- Generated revenue of \$4.6 million in the third quarter of 2022.

“Having launched the partnership with the Nurse Practitioner Group to expand access with in-home and in-office insertion options, we continue to work with Ascensia to execute and build the foundation for increased adoption of Eversense,” said Tim Goodnow, PhD, President and Chief Executive Officer of Senseonics. “Together with the recent achievement of key milestones in our clinical and R&D programs, notably enrolling a pivotal 365-day trial, we continue to advance our initiatives towards delivering the benefits of long-term implantable CGM to more patients.”

Third Quarter 2022 Results:

Total revenue for the third quarter of 2022 was \$4.6 million, compared to \$3.5 million for the third quarter of 2021. U.S. revenue was \$1.9 million in the third quarter of 2022, compared to \$0.6 million in the prior year period, and revenue outside the U.S. was \$2.7 million in the third quarter of 2022, compared to \$2.9 million in the prior year period.

Third quarter 2022 gross profit of \$0.8 million increased from \$(1.2) million in the third quarter of 2021.

Third quarter 2022 research and development expenses increased by \$3.8 million year-over-year, to \$11.0 million. The increase was primarily due to investments in product development and clinical trials for next generation technologies.

Third quarter 2022 selling, general and administrative expenses decreased by \$0.3 million year-over-year, to \$7.3 million.

Net loss was \$60.4 million, or (\$0.13) per share, in the third quarter of 2022 compared to net income of \$42.9 million, or \$0.10 per share, in the third quarter of 2021. Net income decreased by \$103.3 million due to the non-cash accounting for embedded derivatives and fair value adjustments.

Cash, cash equivalents, short and long-term investments were \$163.0 million and outstanding indebtedness was \$103.8 million as of September 30, 2022.

Updated 2022 Financial Outlook

Senseonics' updated expectation is for full year 2022 global net revenue to be in the range of \$15.0 million to \$17.0 million, compared to the prior expectation for full year 2022 global net revenue to be in the range of \$14.0 to \$18.0 million.

Conference Call and Webcast Information:

Company management will host a conference call at 4:30 pm (Eastern Time) today, November 8, 2022, to discuss these financial results and recent business developments. This conference call can be accessed live by telephone or through Senseonics' website.

Live Teleconference Information:

Dial in number: 888-317-6003

Entry Number: 1126379

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. ("Senseonics") is a medical technology company focused on the development and manufacturing of glucose monitoring products designed to transform lives in the global diabetes community with differentiated, long-term implantable glucose management technology. Senseonics' CGM systems, Eversense®, Eversense® XL and Eversense® E3 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 "Updated 2022 Financial Outlook," statements about the commercial launch of Eversense® E3, statements regarding increasing patient access and adoption, statement regarding advancing development programs, 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 inherent in the commercial launch of Eversense® E3 CGM system and commercial expansion of the Eversense product, uncertainties inherent in the transition of commercialization responsibilities to Ascensia Diabetes Care and its commercial initiatives, uncertainties inherent in collaborating with a new partner in the Nurse Practitioner Group and that partner's assumption of certain clinical and administrative activities, uncertainties in insurer, regulatory and administrative processes and decisions, uncertainties in the duration and severity of the COVID-19 pandemic, uncertainties inherent in the development and registration of new technology, uncertainties relating to the current economic environment, 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, 2021, the Quarterly Report on Form 10-Q for the nine months ended September 30, 2022 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.

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

| | September 30, | December 31, |
|--|---------------|--------------|
| | 2022 | 2021 |
| | (unaudited) | |

Assets

Current assets:

| | | |
|--|-----------|-----------|
| Cash and cash equivalents | \$ 35,484 | \$ 33,461 |
| Short term investments, net | 118,715 | 96,445 |
| Accounts receivable, net | 103 | 205 |
| Accounts receivable, net - related parties | 2,021 | 1,768 |
| Inventory, net | 7,257 | 6,316 |
| Prepaid expenses and other current assets | 5,714 | 6,218 |

| | | |
|-----------------------------|------------|------------|
| Total current assets | 169,294 | 144,413 |
| Option | 101 | 239 |
| Deposits and other assets | 3,241 | 1,086 |
| Long term investments, net | 8,851 | 51,882 |
| Property and equipment, net | 1,183 | 1,308 |
| Total assets | \$ 182,670 | \$ 198,928 |

Liabilities and Stockholders' Equity (Deficit)

| | | |
|---|--------|----------|
| Current liabilities: | | |
| Accounts payable | \$ 684 | \$ 1,204 |
| Accrued expenses and other current liabilities | 12,674 | 10,667 |
| Accrued expenses and other current liabilities, related parties | 671 | 3,597 |
| Note payable, current portion, net | 15,223 | — |
| Derivative liability, current portion | 328 | — |
| Option, current | 28,068 | — |
| Term Loans, net | — | 2,926 |

| | | |
|--|---------|---------|
| Total current liabilities | 57,648 | 18,394 |
| Long-term debt and notes payables, net | 53,434 | 59,798 |
| Derivative liabilities | 83,794 | 236,291 |
| Option | — | 69,401 |
| Other liabilities | 2,859 | 579 |
| Total liabilities | 197,735 | 384,463 |

| |
|-------------------------------|
| Commitments and contingencies |
|-------------------------------|

| |
|---------------------------------|
| Stockholders' equity (deficit): |
|---------------------------------|

Common stock, \$0.001 par value per share; 900,000,000 shares authorized as of September 30, 2022 and December 31, 2021; 478,211,956 shares and 447,282,263 shares issued and outstanding as of September 30, 2022 and December 31, 2021

478 447

| | | |
|--------------------------------------|---------|---------|
| Additional paid-in capital | 806,069 | 765,215 |
| Accumulated other comprehensive loss | (1,185) | (212) |

| | | |
|--|------------|------------|
| Accumulated deficit | (820,427) | (950,985) |
| Total stockholders' equity (deficit) | (15,065) | (185,535) |
| Total liabilities and stockholders' equity (deficit) | \$ 182,670 | \$ 198,928 |

Senseonics Holdings, Inc.
Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income
(in thousands, except share and per share data)

| | Three Months Ended | | Nine Months Ended |
|--------------------------------|--------------------|---------|-------------------|
| | September 30, | | September 30, |
| | 2022 | 2021 | 2022 |
| Revenue, net | \$ 126 | 276 | \$ 550 |
| Revenue, net - related parties | 4,496 | 3,256 | 10,260 |
| Total revenue | 4,622 | 3,532 | 10,810 |
| Cost of sales | 3,866 | 4,778 | 8,770 |
| Gross profit (loss) | 756 | (1,246) | 2,100 |

Expenses:

Research and development expenses

10,985

7,200

28,08

Selling, general and administrative expenses

7,340

7,585

23,78

Operating loss

(17,569)

(16,031)

(49,76

Other income (expense), net:

Interest income

544

486

87

Gain (Loss) on fair value adjustment of option

(8,592)

13,556

41,33

Gain on extinguishment of debt and option

—

—

-

Interest expense

(4,801)

(4,245)

(13,80

Gain (Loss) on change in fair value of derivatives

(28,948)

50,075

152,16

Impairment cost

(984)

(488)

(13

Other expense

(41)

(439)

(11

Total other income (expense), net

(42,822)

58,945

180,32

Net Income (Loss)

(60,391)

42,914

130,55

Other comprehensive income
(loss)

| | | | |
|--|-------------|-----------|-----------|
| Unrealized gain (loss) on marketable securities | (57) | 18 | (97) |
| Total other comprehensive gain (loss) | (57) | 18 | (97) |
| Total comprehensive income (loss) | \$ (60,448) | \$ 42,932 | \$ 129,58 |

| | | | |
|--|-------------|-------------|------------|
| Basic net income (loss) per common share | \$ (0.13) | 0.10 | \$ 0.2 |
| Basic weighted-average shares outstanding | 472,475,747 | 445,378,308 | 464,244,73 |

| | | | |
|--|-------------|-------------|------------|
| Diluted net income (loss) per common share | \$ (0.13) | 0.08 | \$ (0.1 |
| Diluted weighted-average shares outstanding | 472,475,747 | 581,760,516 | 608,345,71 |

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20221108005966/en/>

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