Senseonics

Fourth Quarter 2016 Earnings Conference Call

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CORPORATE PARTICIPANTS

Tim Goodnow - *President, Chief Executive Officer*

Don Elsey - *Chief Financial Officer*

Mukul Jain - *Chief Operating Officer*

Mirasol Panlilio - *Global Head of Commercial Activities*

PRESENTATION

Operator
Good afternoon, and welcome to the Senseonics Fourth Quarter 2016 Earnings Conference Call. All participants will be in listen-only mode. Should you need assistance, please signal a conference specialist by pressing the "*" key followed by "0." After today's presentation, there will be an opportunity to ask questions. To ask a question you may press "*" then "1" on your telephone keypad, to withdraw your question, please press "*" then "2." Please note, this event is being recorded.

I would now like to turn the conference over to Don Elsey, Chief Financial Officer. Please go ahead.

Don Elsey
Thank you very much and welcome to the fourth quarter 2016 Senseonics earnings call. Before we begin today, let me remind you that the company's remarks include forward-looking statements. These statements reflect management's expectations about future events, operating plans, regulatory matters, product enhancements and company performance and speak only as of the date hereof. These forward-looking statements involve a number of risks and uncertainties.

A list of the factors that could cause actual results to be materially different from those expressed or implied by any of these forward-looking statements is detailed under risk factors and elsewhere, in our annual report on Form 10-K and our other reports filed with the SEC. These documents are available in the investor relations section of our website at www.senseonics.com. We undertake no obligation to update publicly or revise these forward-looking statements for any reason except as required by law.

With that, I will now turn the call over to Tim Goodnow. Tim…

Tim Goodnow
Thank you, Don. Good afternoon and thank you for joining us on our call today. 2016, was a very busy year for Senseonics with many accomplishments throughout the year.

In addition to achieving several clinical and regulatory milestones, our initial commercial rollout in Europe has been successful, as we gained valuable insights and begin expanding and ramping-up our efforts. With this, we are reiterating our expectation for revenue of $6 million to $7 million in 2017.

I would like to take just a moment to review some of our recent accomplishments. First, in Europe, we received our CE Mark for the Eversense Continuous Glucose Monitoring System and through our partners Rubin Medical and Roche Diabetes Care; we undertook a controlled launch in Sweden, Norway, and Germany.

In December, we also announced that we expanded our distribution agreement with Roche to include all of Europe outside of Scandinavia and Finland, the Middle East other than Israel and all of Africa.

We are also happy to announce that we have received our CE Mark approval for our second generation smart transmitter. As previously discussed, this new transmitter has all the current

features, it is removable and rechargeable, provides on-body vibration alerts and has a one-year life, and on top of that it will be about 50% smaller and lighter and is water-resistant.

Lastly, we have submitted our CE Mark amendment for a 180-day label for our Eversense sensor. In the United States, we are equally busy. We initiated and completed our US pivotal trial. We showed industry-leading accuracy results with an excellent safety profile.

With these results, we submitted or premarketing approval application to the FDA and this application is under active review. We are also working collaboratively with the FDA to identify what is required for dosing claim given the strong performance demonstrated by the Eversense System in the clinical trial.

And finally, we have successfully worked with the AMA and ACE to establish category III CPT Codes for reimbursement for initial insertion, reinsertion and removal. The full PRECISE II pivotal trial results were presented in November at the 16th Annual Diabetes Technology Meeting in Bethesda, Maryland by the study's principal investigator Dr. Mark Christensen.

As you will recall, the primary accuracy results demonstrated a mean absolute relative difference or MARD of 8.8% over the full glycemic range for the entire 90-day sensor duration. As well, we have initiated a pediatric trial in Canada with the successful insertion of our first participant at a clinic study site in the fourth quarter. This study involves participants aged 12 to 18 and will be 180-day duration.

We are continuing with enrollment, and as of now, over half of these patients have been enrolled. We anticipate enrollment completion by mid 2017. We believe that this study will provide informative clinical data that will be instrumental in defining our US pediatric trial and our strategy for label expansion in Europe.

On the product development front, we are making great progress in R&D on our second-generation sensor which will incorporate a completely redundant glucose sensing capability. We expect this to further improve the accuracy, longevity and functionality of the sensor with the ultimate goal of eliminating the need for a finger-stick calibration. The current version of this sensor is in human feasibility trials and we are using this to define the glucose algorithm from the two parallel sensing elements.

On our commercial progress, let me come back to our European launch for a few minutes. As we have characterized on our last call, our initial rollout is going well, as we work collaboratively with our distributors on our controlled launch. We are gaining valuable insight as we optimize our approach and will leverage this for a broader ramp throughout this year.

Clinician feedback has been strong, characterized by positive experiences particularly with respect to the simplicity of the insertion and removal process. Last year, we established best practices for success on three areas at the clinical level.

One, initiating clinics on this new technology and technique for CGM; two, easily integrating Eversense in the clinic workflow; and three, instilling comfort and confidence among the providers that they are performing a sensor insertion and removal procedure.

We have initiated clinics now in nearly all major areas in Sweden and we are showing strong progress in Germany. As an example of meaningful improvements stemming from insights gained in our controlled launch, we are streamlining the clinics startup process. In the early

days of our launch it took most of a day and several people to initiate a clinic. Now, the startup process is a few hours with one sales rep and one clinical trainer.

This team will help the clinic to get setup, do the insertion, train the patients and complete necessary documentation. Every clinic is different and their workflows vary, but patterns are emerging in patient selection and scheduling, as well as placement of product orders. Together with our distributor partners we are continuing to collaborate with clinics on further improving workflow and ensuring a smooth integration into clinic practices.

As I mentioned earlier, the insertion process itself has also been well received and in some cases surpassed expectations. On average, after one or two insertions the clinicians are comfortable with the procedure and are confident to do it on their own.

On the patient side, we have a similar goal with a different focus. Here we are particularly focused on first, the implanted sensor acceptance; secondarily product usability; and third, after sales support.

Our early users have had strong experiences while providing valuable feedback. Many have had previous sensor experience while nearly half are completely new to CGM. We are excited to be introducing our CGM technologies to users that have had previously chosen not to use CGM.

In either case, those that have switched from other products or those that are new to CGM, these users are embracing Eversense as an implanted sensor based on a desire for a long term ease of use with no weekly sensor insertion.

Feedback has been exceptional with commentary specifically around the benefit of long term use, convenience and that they forget that they even have the sensor after insertion. The controlled launch has allowed us to learn more about the early adopters' usage of the system. We are delighted to hear of experiences from some of our more active users.

As an example, we have a user in Germany who ran a marathon in Dubai while constantly monitoring his readings with his Eversense System. The system performed as usual despite extreme heat, humidity and sweat.

And finally, we are also working with our partners to continually improve support to our end users. We are in early stages of building more educational and training tools on our web site, 24/7 customer support and social media programs.

And as we gain experience in the field we are improving our position to more deeply penetrate our initial markets and broaden our commercial launch to additional countries. As we announced in December, we expanded our agreement with Roche and expect to expand our presence in a number of these markets in 2017.

Now, I would like to turn the call back over to Don to review our fourth quarter and full year financials, and then I will finish up with some perspectives on 2017.

Don Elsey
Thank you, Tim. For the three months ended December 31st, 2016, total net loss was $9.9 million or $0.11 per share, compared to $8.4 million or $0.39 per share in the fourth quarter of 2015.

Fourth quarter 2016 net loss per share is based on 93.4 million weighted average shares outstanding compared to 22 million weighted average shares outstanding in the fourth quarter of 2015.

For the 12 months ended December 31st, 2016, total net loss was $43.9 million or $0.49 per share compared to $30.3 million or $4.32 per share in the 12 months of 2015. The 12 month 2016 net loss per share is based on 89.2 million weighted average shares outstanding compared to 7 million weighted average shares outstanding in the 12 months of 2015.

The largest driver of the increase in net loss was higher operating expenses compared to last year. Specifically, our total operating expenses for the 12 months increased $13.6 million to $42.4 million, driven primarily by an $8.1 million increase in R&D spending which includes clinical spend as well as continual improvement of supply chain management and ongoing software improvements, and a $5.2 million increase in SG&A spending which includes efforts to support our commercial rollout.

I like to now turn to our balance sheet at year end. At the end of the fourth quarter our cash, cash equivalents and marketable securities were $20.3 million. We anticipate that we will draw our next tranche of $5 million from our Oxford Silicon Valley Bank line by April, taking our total outstanding debt to $25 million. We continue to project that our cash balance, along with the remaining facility with Oxford and Silicon Valley Bank will take us through September of this year.

Let me turn to guidance for the year. As we announced in early January our revenue guidance for 2017 is between $6 million and $7 million. This revenue is driven by sales in Europe and is anticipated primarily in the second half of the year as we transition from our controlled launch stage to full marketing in selected countries, specifically for Q1, and while we do not intend to provide quarterly guidance on an ongoing basis. For modeling purposes we expect revenue in Q1 to be roughly double our revenue reported in Q4, 2016.

With that, I will now turn the call back over to Tim.

Tim Goodnow
Thank you. On the heels of many successes in 2016, and as we look ahead in 2017 we are excited about the developments we anticipate on many fronts.

First, we are working closely with the FDA to ensure the approval of our PMA submission, and we continue to expect approval later this year. Anticipating this, we are making initial preparations for our launch in the United States.

We have begun the process to enlist a sales leadership executive, as well as, select national accounts positions. We are also putting in place plans to prepare for a necessary reimbursement discussions with the private payers.

As I mentioned earlier in our prepared remarks, we have secured a category III code which is actually comprised of three different codes based on use case. The first is for sensor insertion; the second for sensor removal without reinsertion; and the third is for sensor removal and sensor reinsertion at the same time. Our next step will be to obtain coverage once we have PMA approval.

On the European commercial front we are working with Rubin Medical and Roche Diabetes Care to expand sales in the territories where Eversense has already been launched, as well as to initiate launches in a number of additional territories as I discussed earlier.

We have received CE Mark approval and are preparing the markets for the launch of the second generation transmitter now. We expect to receive the 180 day label in the next few months and to begin rollout of those market introduction programs.

As we have said repeatedly, our mission is to deliver transformative glucose monitoring products to enable people with diabetes to confidently live their lives with ease, and all of our energies are devoted to accomplishing this mission. We expect 2017 will be another exciting year as we continue to grow and to offer the Eversense system to an increasing number of people with diabetes; we are excited to be part of this change.

This concludes our prepared remarks. Joining us for questions are Mukul Jain, our Chief Operating Officer and Mirasol Panlilio, our Global Head of Commercial Activities.

Operator, let's open up the call for questions.

QUESTION AND ANSWER

Operator
We will now begin the question and answer session. To ask a question, you may press “*” then “1” on your touchtone phone. If you are using a speakerphone, please pickup your handset before pressing the keys, to withdraw your question, please press “*” then “2.” At this time, we will pause momentarily to assemble our roster.

The first question comes from Kyle Rose with Canaccord. Please go ahead.

Kyle Rose
Great, thank you very much for taking the questions. Can you hear me all right?

Tim Goodnow
Sounds good, Kyle. How are you?

Kyle Rose
I'm doing well. I just wanted to see if we could get a little more color on the European market and just the initial feedback you have gotten from the team at Roche just as far as commercialization in Germany over the back half of 2016 and just the expectations for entering some of the new markets in 2017 there?

Tim Goodnow
Sure, I will let Marisol give some of the details, but as you well know, last week was an important time for us in the space with the Paris Technology meeting. It did give us a pretty good opportunity to work closely with a number of our partners and countries of Roche, and I'll let Marisol add some more detail.

Mirasol Panlilio
Specifically on Germany, I think they are reviewing all the data that they have now on the clinics as well as on the patients. They've learned a lot, especially with respect to customer support and how to handle some of those phone calls. They continue to be very positive in terms of the

feedback that they've gotten both from clinicians and patients. So we are looking good in terms of the next three quarters. And now, with the approval of our second-generation smart transmitter, I think we're going to see a lot more movements on the Roche Germany side. Other markets are going really well as well. You didn't ask about Sweden, but Sweden I think is going extremely well in terms of the feedback and in terms of what they plan to do in the next three quarters as well.

Kyle Rose
Okay, great. Now I appreciate that. And then quickly on the US regulatory side, you submitted the PMA in the Q4. I guess, can you just talk to us about some of the regulatory milestones we should expect for 2017 just as far as the 100-day meeting. Have you had that? Is it scheduled or when should expect that? Any feedback from the agency, any specific lines of questions that we should think about? And then just your thoughts on the potential for a dosing claim longer term?

Mukul Jain
Hi, Kyle, this is Mukul Jain. Thanks for the question. So let's start, we submitted in November, since then we have had a very busy and very interactive session with FDA. They have had a lot of questions, and we have been very responsive and very quick in responding to them. At this stage, we are looking at two options whether we do a submission issue pathway or a 100-day meeting, both of them have their pros and cons. So we are looking at that. We are in discussion with the agency in terms of which path…which way to go forward with, but we have requested a meeting to discuss all the issues that we have gone back and forth during this timeframe. As far as our guidance, we are still looking at about a 12-month cycle, so looking at October approval.

Tim Goodnow
And Kyle, as we've talked about the dosing direction for the category obviously is very appropriate and very important. We are very excited about the performance of the product, and we do feel that we are great candidates given the level of accuracy that we've demonstrated. But as noted, our submission did go in actually in late October, which was prior to the announcement from the agency on the Dexcom decision. So we have submitted as an adjunctive device. We do feel it's best to get that approval underway. And then we will quickly shift via the supplemental process as Dexcom ultimately did for the dosing claim approval. We have partnered with and contracted with the University of Virginia. So the partner organization, as you know, from the Padova Group that supported the previous simulation characterization which we anticipate we'll need to provide as well. And we expect to have that wrapped up here in the next couple of months. So it's high on our to-do list. But we do think instead of modifying the current submission that's in, and taking the chance of starting a clock-over on a review that we think it's best to go ahead and push the approval forward and follow-up quickly with the extended claim.

Kyle Rose
That makes sense. Thank you very much for the questions, I will hop back in queue.

Operator
The next question comes from Greg Chodaczek with B. Riley. Please go ahead.

Greg Chodaczek
Yes, just a couple ones, in terms, I know Roche your partner in Europe or parts of Europe. But can you talk about what type of patient they are seeing who are using, I know you talked about

50:50 split between [indiscernible] and CGM user to a CGM user. But what type of patient, old, young on top of…I am just curious what they are seeing.

Mirasol Panlilio
It varies really specifically again in Germany, we are seeing a lot of patients who had previous sensor experience, we are seeing quite a number of FreeStyle Libre as well and then, as Tim said, about the half of our new users. And they run really the gamut, in terms of aids and other demographics, but the one thing that we've seen anecdotally is that they tend to be more active. They got very active life style and I think that probably fits with respect to some of the features and benefits of the product with the convenience of an implantable system, but other than that really, nearly all I think are type 1s, I don't know if we have any type 2s. So that's probably as much as I have.

Tim Goodnow
Yes, I don't think we have seen them target any particular segment at all, we had folks there, more experienced in life and we had one gentleman that wasn't a Smartphone user; he got very, very comfortable with the iPod Touch. We taught him how to create and use an email account, but we also had the young tech savvy really active folks. So we haven't seen, nor would we expect any specific segmentation that are targeted just towards an implantable sensor, at least not yet.

Greg Chodaczek
And Tim and I assume a portion of them have reimbursement for CGM, so it's not coming all out of pocket for them?

Tim Goodnow
Yes, that's right, it's been a mix some of…and again, it depends on the country, some of I think the early work Roche had been supporting but in other cases, it's being funded through the usual channels which is the regular national reimbursements schemes.

Greg Chodaczek
And staying in Europe, can you talk about the 180-day sensor, that you filed CE Mark or you are about to file the CE Mark and how does that sensor, in terms of costs change for you compared to the 90-day?

Tim Goodnow
So let's…well, first, I will let talk Mukul about the submission that did go in for the 180-day

Mukul Jain
Yes, so we did file the submission that was right before the end of the year, last year and at this stage, we have been going back and forth with the notified body and we expect approval soon enough.

Tim Goodnow
And from a cost position, Greg, obviously it's a key area that we are under planning and preparation for at this point, I don't think it would appropriate for us to really disclose the conversations that we have been having with the distributors. Now, as you are certainly aware the price is actually set by either Rubin or Roche depending on the market and our sale price to them will be part of a negotiation conversation that we will have in place. But I would anticipate that the reimbursement has generally been established, there are some pressure points in

Europe as you can imagine and all of us as manufacturers need to provide the best value and the product we can, and at the same time, look for a fair return for that innovation.

Greg Chodaczek
And last one, Tim; in terms of COGS for the 180-day sensor. Can you talk about that?

Tim Goodnow
COGS?

Greg Chodaczek
Yes.

Tim Goodnow
Did you say?

Greg Chodaczek
Yes.

Tim Goodnow
No.

Greg Chodaczek
Then I will try one more. Did you had the 100-day meeting, I missed that part, and did you have that with the FDA yet?

Mukul Jain
No we haven't. We have requested a meeting, whether it's 100-day meeting or the submission issue pathway which is 21-day pre-cert [sp] and they are discussing internally and getting back to us on what makes sense at this stage.

Tim Goodnow
Yes. Frankly the process they have been, they have frankly been very good partners on this. So as opposed to a traditional approach where you might think a 100-day meeting, I think they have been giving us some real good feedback along the way and it may make sense for us to do another approach as opposed to the classic 100-day meeting, just given how quickly this has progressed.

Greg Chodaczek
Fantastic. Thank you, Tim.

Operator
Again, if you have a question, please press "*" then "1". The next question comes from Jayson Bedford with Raymond James. Please go ahead.

Dominic
Hi guys, this is Dominic in for Jayson. Thanks for taking the question.

Tim Goodnow
Hi.

Dominic
Thanks. I was wondering, if you could start-off, maybe you could give us a rough number of centers in planning the Eversense in Germany.

Tim Goodnow
We are traditionally not going to get to that level of disclosure because frankly, we won't have it, right, this is all under Roche's control, but I will share with you that Germany, it was a pilot launch approach and we have communicated in the past that their approach was to do…I think it actually turned out to be 11 centers. With right around a 10 patient per center, they are in the process now of going Pan Germany. So for the pilot launch, it was around 11 of the most influential centers, but that is…but that's just for the pilot.

Dominic
Okay, understood. And so far in which country do you think you are seeing the most traction with Eversense. I know Germany and Sweden are big countries for the guidance, is one of them are you seeing greater traction than another?

Mirasol Panlilio
We are probably seeing more in Sweden, for example, we doubled the number of clinics that were in Sweden since the last time we talked. So Sweden is going well, our first focus certainly is on the clinics so that patients would know where to go and the clinicians would be ready to coach the patients. So we are very pleased about the progress in Sweden and we are sure that now that the pilot is done in Germany that we will achieve the same in Germany.

Tim Goodnow
And I would frankly caution to draw any conclusions on a country performance based on product. Sweden has a very interested aggressive proactive distributor…

Mirasol Panlilio
And community.

Tim Goodnow
And community, right. So all of that contributes obviously as well.

Dominic
Okay and if I remember, the level of reimbursement in Sweden is pretty high.

Mirasol Panlilio
It is and its hospital tenders, so it's the clinics that pay for it, but it's very attractive.

Dominic
Okay and then on Germany, I believe you mentioned before in the prepared remarks, but where are you with reimbursement there and is there a sense of how many regions are paying for the device and how that might expand in 2017?

Mirasol Panlilio
Well, with our partner Roche, they have been in negotiation with the top 20 payers, which covers about 93% of member lives. So they have done a good job of doing the negotiation on our behalf. So that's underway and I think their goal is certainly to get to many more payers.

Dominic
Okay. And a couple more, for the US launch, when we should start seeing build in the sales team and how big do you expect it to be at launch?

Tim Goodnow
So, we have…as we described, we have begun the process of identifying a key senior [indiscernible] executive now as well as some national account folks. I will let Mirasol talk to the rollout of the rest of the organization, but our plan as we said is to marry that with the timing of the approval from the agency.

Mirasol Panlilio
Yes, besides the ahead of US sales, we will be looking at national accounts, so we will be calling on payers, probably not to discuss the number of sales rep at this point, but it will be a very targeted approach to base on agents where we believe that we will get that positive coverage decision.

Dominic
Okay. And moving back to the approvals, with the 180-day approval expected in Europe shortly, do you expect that to accelerate and maybe how people view Eversense or whether it helps increase awareness or maybe even the growth rate, get more people in the clinic?

Tim Goodnow
We are asked that question a lot, but frankly, we get asked that question a lot from the finance side. We don't get asked that question a lot from the user side, they are really excited about a 90-day product, there is a small preference…improvement for a 180-day over 90-day but remember their frame of reference today is seven or 14 days. So for them a long term sensor is strictly [ph] 30 days. So we frankly don't expect a major uptick to go to 180, it certainly makes sense and we will always be continuing to improve the product, but we do not see any impact to roll out interest or the like at 90 versus 180.

Mirasol Panlilio
Yes. And I would just echo that, if you do ask somebody do you prefer 180-day or 90-day, of course they will say 180-day. But you ask them how do you feel about 90-day, I mean they are ecstatic, it is something that they have never had before and for the clinicians as well they see it as a value, patient comes in every quarter and they get to see the patient. And so the 90-day really works, in a 180-day would just be equally good.

Dominic
Okay. And just two more…just to confirm, we are seeing a little stocking at the distributor level?

Tim Goodnow
We are seeing, is that a question or…

Dominic
Are you guys seeing any stocking at the distributor level?

Tim Goodnow
No, it's really, it's not a material, we do have a distribution center that we use because the international nature of how the product is produced, but there is not a large inventory that's held at a distributor.

Dominic
Okay. And last one in terms of calibrations and the final FDA label. Do you expect the FDA to include the MARD on one a day, and two a day calibration or just a single label there?

Tim Goodnow
We don't...we are not ready to answer that yet, we are still in good conversation with [indiscernible]…that being one of them. So we will have to ask you to stay tuned on that, but our desire certainly is to be able to show that.

Dominic
Okay. Thank you, guys.

Tim Goodnow
Thank you

Operator
Excuse me. The next question comes from Danielle Antalffy with Leerink Partners. Please go ahead.

Danielle Antalffy
Hey, good afternoon guys. Thanks so much for taking the question.

Tim Goodnow
Not a problem, how are you?

Danielle Antalffy
I am good thanks. Just wanted to ask a question on, you guys have a best-in-class MARD at 8.8%. I am just curious Tim on your thoughts on, how much does data matter at this point to adoption, when I say data specifically the MARD, you guys have the lowest one of all the current marketed devices. But at what point, do we sort of get to a…I am trying to find the right word, but sort of…it matters less and less the discrepancies in MARD. And then what are the other aspects of the clinical data using matter to physicians most and then separately the patients most [indiscernible]?

Tim Goodnow
Yes, I mean it's a good strategic question because we…what are the biggest nobs to further drive the technology. And I think we already got some indications of that, quite frankly from an accuracy perspective, I think there will always be the usual commercial competitiveness of my MARD is better than your MARD. But what does that really mean? I think when you get really, really practically into the single digits; there is less and less differentiation, now better accuracy, so a lower MARD is always going to be better.

But I don't know how much contribution that's really going to be to the use of the product. If you go back to the 13% MARD Gen 4, a lot of people were very happy with that right, that was pretty differentiated, and then along came the 9, and it certainly did get better. But I don't…but I don't we are at the point where the difference between 8.8 and 9.0 is going to have any practical reality in regard to the patient use perspective, what I believe the most important thing for us to be working on, as some of you may heard me said, is to keep that sub 10% MARD and take the calibration down, and ultimately eliminated, that's the next step for us, we can't go back in MARD. But I would rather have a product that's calibrated. Once every 14 days and an MARD

of 9, than a calibrated…than a system that is calibrated two times every day and has an MARD of 7.5.

Danielle Antalffy
Right, okay.

Tim Goodnow
And Libre has absolutely shown us that. So our direction is to more focus on those ease of use elements, take some of headache away which is calibration, not accuracy. Now, we are always going to be focused on low end accuracy because predicting hyperglycemia with a 100% certainty is a goal for all of us. So it's not always the case, but generally calibration before accuracy now within limits.

Danielle Antalffy
Okay, got it. And then, if I could follow-up on the reps question. So how should we think about ultimate sales force rep productivity for a business like this, and how quickly can reps generally ramp, once they are hired?

Tim Goodnow
So the analysis we have done, I think is pretty good, because when you look around into the diabetes space, you keep coming up with pretty similar numbers, right. As you may have heard us say, there is about 2,100 endocrinologists that do about 85% of all the insulin scripts in the United States. And to cover all of those zip codes, our analysis says you need about 100 sales reps. And that's pretty consistent with what you see with most of the other diabetes technology companies over the years, right? Now we have got some uniqueness in that. We are going to have a specific medical team they will be training on insertions and removals, right? So as you bring up a new clinic, we need to get them through these one or two trainings for insertion and removal, and then we will move on to the next group…the next practice, right? So we anticipate that we will ultimately be at full utilization, be a little bit larger than 100, but it's probably something like a 120 is what we would imagine, would be our full team. Now, we wouldn't start that on day one, as we gain reimbursement with the payers, you regionally add folks as you get greater and greater covered lives in that region.

Danielle Antalffy
And, as far as the ramp to productivity goes, I mean, do these folks come online, does it take three months, does it take nine months, twelve to fifteen months, I feel like is some of the high tech med devices, what's the right way to think about it?

Tim Goodnow
Yes, I think we'd like to get a little bit more experience Danielle from watching our friends at Roche and Rubin Medical with that, right. We will know a lot better; we have gotten much, much better in the last few months ourselves. But I would rather speak from a position of a little bit more data. So maybe in another quarter or so, we can talk about that, and do it better than a guess.

Danielle Antalffy
Alright, I will hold you to that, Tim.

Tim Goodnow
I will be there.

Danielle Antalffy
Thanks so much.

Operator
This concludes our question and answer session. I would like to turn the conference back over to Dr. Goodnow for any closing remarks.

CONCLUSION

Tim Goodnow
Well, great. Thank you, folks, we really appreciate the opportunity to speak today. This is all the comments we have. We hope all have an enjoyable evening. Take care.

Operator
The conference has now concluded. Thank you for attending today's presentation, you may now disconnect.