REFINITIV

DELTA REPORT

10-Q

SENS - SENSEONICS HOLDINGS, INC.

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1405
CHANGES	213
DELETIONS	860
ADDITIONS	332

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☐ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June September 30, 2023

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-37717

Senseonics Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	3841	47-1210911
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

20451 Seneca Meadows Parkway

Germantown, MD 20876-7005

(301) 515-7260

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	SENS	NYSE American

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☐

There were 492,900,981 528,281,405 shares of common stock, par value $0.001, outstanding as of August 4, 2023 November 3, 2023.

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

	June 30, 2023 (unaudited)	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 28,551	$ 35,793
Short term investments, net	89,067	108,222
Accounts receivable, net	655	127
Accounts receivable, net - related parties	3,020	2,324
Inventory, net	9,194	7,306
Prepaid expenses and other current assets	7,742	7,428
Total current assets	138,229	161,200
Deposits and other assets	6,755	3,108
Long term investments, net	7,453	12,253
Property and equipment, net	925	1,112
Total assets	$ 153,362	$ 177,673
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 975	$ 419
Accrued expenses and other current liabilities	14,256	14,616
Accrued expenses and other current liabilities, related parties	630	837
Note payable, current portion, net	—	15,579
Derivative liability, current portion	—	20
Total current liabilities	15,861	31,471
Long-term debt and notes payables, net	39,108	56,383
Derivative liabilities	1,792	52,050
Other liabilities	6,408	2,689
Total liabilities	63,169	142,593
Preferred stock and additional paid-in-capital, subject to possible redemption: $0.001 par value per share; 12,000 shares and 12,000 shares issued and outstanding as of June 30, 2023 and December 31, 2022	37,656	37,656
Total temporary equity	37,656	37,656

Commitments and contingencies				
Stockholders' equity (deficit):				
Common stock, $0.001 par value per share; 900,000,000 shares authorized as of June 30, 2023 and December 31, 2022; 492,826,683 shares and 479,637,138 shares issued and outstanding as of June 30, 2023 and December 31, 2022		493		480
Additional paid-in capital		880,129		806,488
Accumulated other comprehensive loss		(120)		(678)
Accumulated deficit		(827,965)		(808,866)
Total stockholders' equity (deficit)		52,537		(2,576)
Total liabilities and stockholders' equity	$	153,362	$	177,673

		September 30, 2023 (unaudited)		December 31, 2022
Assets				
Current assets:				
Cash and cash equivalents	$	55,759	$	35,793
Short term investments, net		69,648		108,222
Accounts receivable, net		701		127
Accounts receivable, net - related parties		2,749		2,324
Inventory, net		9,726		7,306
Prepaid expenses and other current assets		7,557		7,428
Total current assets		146,140		161,200
Deposits and other assets		6,991		3,108
Long term investments, net		—		12,253
Property and equipment, net		934		1,112
Total assets	$	154,065	$	177,673
Liabilities and Stockholders' Equity (Deficit)				
Current liabilities:				
Accounts payable	$	2,669	$	419
Accrued expenses and other current liabilities		14,356		14,616
Accrued expenses and other current liabilities, related parties		277		837
Note payable, current portion, net		—		15,579
Derivative liability, current portion		—		20
Total current liabilities		17,302		31,471
Long-term debt and notes payables, net		40,485		56,383
Derivative liabilities		245		52,050
Other liabilities		6,312		2,689
Total liabilities		64,344		142,593
Preferred stock and additional paid-in-capital, subject to possible redemption: $0.001 par value per share; 12,000 shares and 12,000 shares issued and outstanding as of September 30, 2023 and December 31, 2022		37,656		37,656
Total temporary equity		37,656		37,656
Commitments and contingencies				
Stockholders' equity (deficit):				

Common stock, $0.001 par value per share; 900,000,000 shares authorized as of September 30, 2023 and December 31, 2022; 528,176,273 shares and 479,637,138 shares issued and outstanding as of September 30, 2023 and December 31, 2022	528	480
Additional paid-in capital	903,665	806,488
Accumulated other comprehensive loss	(59)	(678)
Accumulated deficit	(852,069)	(808,866)
Total stockholders' equity (deficit)	52,065	(2,576)
Total liabilities and stockholders' equity	$ 154,065	$ 177,673

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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Senseonics Holdings, Inc.

Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue, net	$ 437	$ 137	$ 750	$ 429	$ 426	$ 126	$ 1,176	$ 555
Revenue, net - related parties	3,689	3,577	7,513	5,767	5,671	4,496	13,184	10,263
Total revenue	4,126	3,714	8,263	6,196	6,097	4,622	14,360	10,818
Cost of sales	3,709	2,890	7,433	4,845	4,925	3,866	12,358	8,711
Gross profit	417	824	830	1,351	1,172	756	2,002	2,107
Expenses:								
Research and development expenses	12,830	9,299	25,235	17,103	12,769	10,985	38,003	28,088
Selling, general and administrative expenses	7,455	8,561	15,173	16,445	7,425	7,340	22,598	23,785
Operating loss	(19,868)	(17,036)	(39,578)	(32,197)	(19,022)	(17,569)	(58,599)	(49,766)
Other income (expense), net:								
Interest income	1,311	241	2,420	334	1,460	544	3,879	878
Gain on fair value adjustment of option	—	28,224	—	49,925				
Exchange related gain, net	—	—	18,776	—				

Gain (Loss) on fair value adjustment of option					—	(8,592)	—	41,333
Exchange related gain (loss), net					(4,569)	—	14,207	—
Interest expense	(2,310)	(4,510)	(6,962)	(9,005)	(2,425)	(4,801)	(9,388)	(13,806)
Gain on change in fair value of derivatives	289	96,548	6,067	181,117				
Gain (Loss) on change in fair value of derivatives					438	(28,948)	6,505	152,169
Impairment cost, net	—	816	—	846	—	(984)	—	(138)
Other income (expense)	155	(52)	178	(71)	15	(41)	194	(112)
Total other (expense) income, net	(555)	121,267	20,479	223,146	(5,081)	(42,822)	15,397	180,324
Net (Loss) Income	(20,423)	104,231	(19,099)	190,949	(24,103)	(60,391)	(43,202)	130,558
Other comprehensive income (loss)								
Unrealized gain (loss) on marketable securities	100	(291)	558	(916)	61	(57)	619	(973)
Total other comprehensive gain (loss)	100	(291)	558	(916)	61	(57)	619	(973)
Total comprehensive (loss) income	$ (20,323)	$ 103,940	$ (18,541)	$ 190,033	$ (24,042)	$ (60,448)	$ (42,583)	$ 129,585
Basic net (loss) income per common share	$ (0.04)	$ 0.22	$ (0.04)	$ 0.42	$ (0.04)	$ (0.13)	$ (0.08)	$ 0.28
Basic weighted-average shares outstanding	567,125,022	464,133,903	532,499,776	460,061,022	592,452,262	472,475,747	552,703,546	464,244,736
Diluted net loss per common share	$ (0.04)	$ (0.03)	$ (0.04)	$ (0.06)	$ (0.04)	$ (0.13)	$ (0.08)	$ (0.10)
Diluted weighted-average shares outstanding	567,125,022	601,330,959	532,499,776	604,342,540	592,452,262	472,475,747	552,703,546	608,345,713

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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Senseonics Holdings, Inc.

Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit) (in
(in thousands)

	Common Stock		Additional Paid-In	Accumulated Other		Total Accumulated Stockholders'	Series B Convertible Preferred Stock Temporary	Common Stock		Additional Paid-In	Accumulated Other		Total Accumulated Stockholders'	Ser Conv Pref St Temp
	Shares	Amount	Capital	Comprehensive Loss	Deficit	Equity (Deficit)	Equity	Shares	Amount	Capital	Comprehensive Loss	Deficit	Equity (Deficit)	Eq
Three months ended June 30, 2022:														
Balance, March 31, 2022	463,229	$ 463	$775,172	$ (837)	$(864,267)	$ (89,469)	$ —							
Three months ended September 30, 2022:														
Balance, June 30, 2022								465,326	$ 465	$776,640	$ (1,128)	$(760,036)	$ 15,941	$
Issuance of common stock, net of issuance costs								12,084	12	26,427	—	—	26,439	
Exercise of stock options and warrants	127	—	68	—	—	68	—	681	1	711	—	—	712	
Issued common stock for vested RSUs and ESPP purchase	3,063	3	(2)	—	—	1	—	121	—	69	—	—	69	
Stock-based compensation expense	—	—	2,585	—	—	2,585	—	—	—	2,222	—	—	2,222	
Shares withheld related to net share settlement of equity awards	(1,093)	(1)	(1,183)	—	—	(1,184)	—							
Net income	—	—	—	—	104,231	104,231	—							
Net loss								—	—	—	—	(60,391)	(60,391)	
Other comprehensive loss, net of tax	—	—	—	(291)	—	(291)	—	—	—	—	(57)	—	(57)	
Balance, June 30, 2022	465,326	$ 465	$776,640	$ (1,128)	$(760,036)	$ 15,941	$ —							
Balance, September 30, 2022								478,212	$ 478	$806,069	$ (1,185)	$(820,427)	$ (15,065)	$
Six months ended June 30, 2022:														
Nine months ended September 30, 2022:														
Balance, December 31, 2021	447,282	$ 447	$765,215	$ (212)	$(950,985)	$ (185,535)	$ —	447,282	$ 447	$765,215	$ (212)	$(950,985)	$ (185,535)	$
Issuance of common stock, net of issuance costs	3,077	3	8,001	—	—	8,004	—	15,161	15	34,428	—	—	34,443	
Exercise of stock options and warrants	9,211	9	230	—	—	239	—	9,892	10	941	—	—	951	
Issued common stock for vested RSUs and ESPP purchase	6,849	7	56	—	—	63	—	6,970	7	125	—	—	132	
Stock-based compensation expense	—	—	4,321	—	—	4,321	—	—	—	6,543	—	—	6,543	
Shares withheld related to net share settlement of equity awards	(1,093)	(1)	(1,183)	—	—	(1,184)	—	(1,093)	(1)	(1,183)	—	—	(1,184)	
Net income	—	—	—	—	190,949	190,949	—	—	—	—	—	130,558	130,558	
Other comprehensive loss, net of tax	—	—	—	(916)	—	(916)	—	—	—	—	(973)	—	(973)	
Balance, June 30, 2022	465,326	$ 465	$776,640	$ (1,128)	$(760,036)	$ 15,941	$ —							
Balance, September 30, 2022								478,212	$ 478	$806,069	$ (1,185)	$(820,427)	$ (15,065)	$
Three months ended June 30, 2023:														
Balance, March 31, 2023	479,780	$ 480	$871,746	$ (220)	$(807,542)	$ 64,464	$ 37,656							

Three months ended September 30, 2023:														
Balance, June 30, 2023								492,827	$ 493	$880,129	$ (120)	$(827,965)	$ 52,537	$ 37
Issued common stock for vested RSUs and ESPP purchase								210	1	117	—	—	118	
Exercise of stock options and warrants								—	—	5	—	—	5	
Exchange of 2025 Notes								35,139	35	20,967	—	—	21,002	
Issuance of warrants, net of issuance costs								—	—	363	—	—	363	
Stock-based compensation expense								—	—	2,084	—	—	2,084	
Net loss								—	—	—	—	(24,103)	(24,103)	
Other comprehensive income, net of tax								—	—	—	61	—	61	
Balance, September 30, 2023								528,176	$ 528	$903,665	$ (59)	$(852,069)	$ 52,065	$ 37
Nine months ended September 30, 2023:														
Balance, December 31, 2022								479,637	$ 480	$806,488	$ (678)	$(808,866)	$ (2,576)	$ 37
Issuance of common stock, net of issuance costs	9,945	10	7,366	—	—	7,376	—	9,945	10	7,366	—	—	7,376	
Issued common stock for vested RSUs and ESPP purchase	5,228	5	(3)	—	—	2	—	5,581	6	199	—	—	205	
Issuance of warrants, net of issuance costs								—	—	63,645	—	—	63,645	
Exercise of stock options and warrants	6	—	3	—	—	3	—	6	—	3	—	—	3	
Warrant issuance costs	—	—	(260)	—		(260)	—							
Exchange of 2025 Notes								35,139	35	20,967	—	—	21,002	
Stock-based compensation expense	—	—	2,870	—	—	2,870	—	—	—	6,735	—	—	6,735	
Shares withheld related to net share settlement of equity awards	(2,132)	(2)	(1,596)	—	—	(1,598)	—	(2,132)	(2)	(1,601)	—	—	(1,603)	
Other	—	—	3	—	—	3		—	—	(137)	—	—	(137)	
Net loss	—	—	—	—	(20,423)	(20,423)	—	—	—	—	—	(43,202)	(43,202)	
Other comprehensive income, net of tax	—	—	—	100	—	100	—	—	—	—	619	—	619	
Balance, June 30, 2023	492,827	$ 493	$880,129	$ (120)	$(827,965)	$ 52,537	$ 37,656							
Six months ended June 30, 2023:														
Balance, December 31, 2022	479,637	$ 480	$806,488	$ (678)	$(808,866)	$ (2,576)	$ 37,656							
Issuance of common stock, net of issuance costs	9,945	10	7,366	—	—	7,376	—							
Issued common stock for vested RSUs and ESPP purchase	5,371	5	82	—	—	87	—							
Issuance of warrants, net of issuance costs	—	—	63,282	—	—	63,282	—							
Exercise of stock options and warrants	6	—	3	—	—	3	—							
Stock-based compensation expense	—	—	4,651	—	—	4,651	—							
Shares withheld related to net share settlement of equity awards	(2,132)	(2)	(1,601)	—	—	(1,603)	—							
Other	—	—	(142)	—	—	(142)								
Net loss	—	—	—	—	(19,099)	(19,099)	—							
Other comprehensive income, net of tax	—	—	—	558	—	558	—							
Balance, June 30, 2023	492,827	$ 493	$880,129	$ (120)	$(827,965)	$ 52,537	$ 37,656							
Balance, September 30, 2023								528,176	$ 528	$903,665	$ (59)	$(852,069)	$ 52,065	$ 37

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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Senseonics Holdings, Inc.

Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash flows from operating activities		
Net (loss) income	$ (19,099)	$ 190,949
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization expense	454	520
Non-cash interest expense (debt discount and deferred costs)	3,426	5,726
Gain on change in fair value of derivatives	(6,067)	(181,117)
Gain on fair value adjustment of option	—	(49,925)
Exchange related gain, net	(18,776)	—
(Gain) Impairment of option, net	—	(846)
Stock-based compensation expense	4,651	4,321
Provision for inventory obsolescence and net realizable value	(65)	—
Other	55	—
Changes in assets and liabilities:		
Accounts receivable	(1,224)	(2,070)
Prepaid expenses and other current assets	(314)	(1,600)
Inventory	(1,823)	(934)
Deposits and other assets	(26)	163
Accounts payable	556	530
Accrued expenses and other liabilities	493	44
Accrued interest	357	(102)
Operating lease liabilities	(430)	—
Net cash used in operating activities	(37,832)	(34,341)
Cash flows from investing activities		
Capital expenditures	(57)	(211)
Purchase of marketable securities	(61,818)	—
Proceeds from sale and maturity of marketable securities	87,746	42,319
Net cash provided by investing activities	25,871	42,108
Cash flows from financing activities		
Issuance of common stock, net of issuance costs	7,376	8,004
Issuance of stock options, net of issuance costs	(52)	302
Repayment of 2023 Note	(15,700)	—
Taxes paid related to net share settlement of equity awards	(1,603)	(1,183)
Proceeds from issuance of warrants, net	14,698	—
Repayment of term loans	—	(2,926)
Net cash provided by financing activities	4,719	4,197
Net (decrease) increase in cash and cash equivalents	(7,242)	11,964
Cash and cash equivalents, at beginning of period	35,793	33,461
Cash and cash equivalents, at ending of period	$ 28,551	$ 45,425
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	$ 1,756	$ 3,381
Lease liabilities arising from obtaining right-of-use assets	3,831	2,944
Supplemental disclosure of non-cash investing and financing activities		
Issuance of warrant in exchange for PHC Notes	48,564	—

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cash flows from operating activities		
Net (loss) income	$ (43,202)	$ 130,558
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization expense	641	751
Non-cash interest expense (debt discount and deferred costs)	6,581	8,858
Net amortization of premiums and accretion of discounts on marketable securities	(2,253)	—
Gain on change in fair value of derivatives	(6,505)	(152,169)
Gain on fair value adjustment of option	—	(41,333)
Exchange related (gain) loss, net	(14,207)	—
Impairment of option, net	—	138
Stock-based compensation expense	6,735	6,543
Provision for inventory obsolescence and net realizable value	89	—
Loss on disposal of assets	5	—
Other	56	—
Changes in assets and liabilities:		
Accounts receivable	(998)	(151)
Prepaid expenses and other current assets	(129)	504
Inventory	(2,509)	(941)
Deposits and other assets	(342)	163
Accounts payable	669	(519)
Accrued expenses and other liabilities	1,161	(1,070)
Accrued interest	(292)	(257)
Operating lease liabilities	(596)	—
Net cash used in operating activities	(55,096)	(48,925)
Cash flows from investing activities		
Capital expenditures	(180)	(255)
Purchase of marketable securities	(68,537)	(82,807)
Proceeds from sale and maturity of marketable securities	122,235	102,594
Net cash provided by investing activities	53,518	19,532
Cash flows from financing activities		
Issuance of common stock, net of issuance costs	7,376	34,443
Issuance of stock options, net of issuance costs	71	1,083
Taxes paid related to net share settlement of equity awards	(1,603)	(1,184)
Repayment of 2023 Notes	(15,700)	—
Repayment of 2025 Notes	(7,500)	—
Repayment of term loans	—	(2,926)
Proceeds from issuance of Loan and Security Agreement, net	24,446	—
Payment of debt issuance costs	(244)	—
Proceeds from issuance of warrants, net	14,698	—
Net cash provided by financing activities	21,544	31,416
Net increase in cash, cash equivalents	19,966	2,023
Cash, cash equivalents, at beginning of period	35,793	33,461
Cash, cash equivalents, at ending of period	$ 55,759	$ 35,484
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	$ 3,100	$ 5,137
Lease liabilities arising from obtaining right-of-use assets	3,831	2,944
Supplemental disclosure of non-cash investing and financing activities		
Issuance of warrants in exchange for PHC Notes	48,564	—
Issuance of warrants for Loan and Security Agreement	364	—
Issuance of common stock converted from 2025 Notes	21,002	—

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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Senseonics Holdings, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

1. Organization and Nature of Operations

Senseonics Holdings, Inc., a Delaware corporation, is a medical technology company focused on the development and manufacturing of long-term, implantable continuous glucose monitoring ("CGM") systems to improve the lives of people with diabetes by enhancing their ability to manage their disease with relative ease and accuracy.

Senseonics, Incorporated is a wholly owned subsidiary of Senseonics Holdings, Inc. and was originally incorporated on October 30, 1996 and commenced operations on January 15, 1997. Senseonics Holdings, Inc. and Senseonics, Incorporated are hereinafter collectively referred to as the "Company" unless otherwise indicated or the context otherwise requires.

2. Liquidity and Capital Resources

From its founding in 1996 until 2010, the Company has devoted substantially all of its resources to researching various sensor technologies and platforms. Beginning in 2010, the Company narrowed its focus to developing and refining a commercially viable glucose monitoring system. The Company has incurred substantial losses and cumulative negative cash flows from operations since its inception in October 1996 and expects to incur additional losses in the near future. We incurred total gross profit (loss) of $2.7 million, ($0.8) million, and ($17.4) million for the years ended December 31, 2022, 2021 and 2020, respectively. For the three months ending June 30, 2023 September 30, 2023, the Company had gross profit of $0.4 million $1.2 million and an accumulated deficit of $828.0 million $852.1 million. To date, the Company has funded its operations principally through the issuance of preferred stock, common stock, warrants, convertible notes and debt. As of June 30, 2023 September 30, 2023, the Company had cash, cash equivalents and marketable securities of $125.1 $125.4 million.

On Aug September 8, 2023 (the "Effective Date"), the Company entered into a Loan and Security Agreement (the "Loan Agreement") with the several institutions or entities party thereto (collectively, the "Lenders") and Hercules Capital, Inc., a Maryland corporation ("Hercules") in its capacity as administrative agent and collateral agent for itself and the Lenders, pursuant to which the Lenders have agreed to make available to the Company up to $50.0 million in senior secured term loans (the "Term Loan Facility"), consisting of (i) an initial term loan of $25.0 million (the "Tranche 1 Loan"), which was funded on the Effective Date and (ii) two additional tranches of term loans in the amounts of up to $10.0 million (the "Tranche 2 Loan") and $15.0 million (the "Tranche 3 Loan"), respectively, which will become available to the Company upon the Company's satisfaction of certain terms and conditions set forth in the Loan Agreement. The loans under the Loan Agreement mature on September 1, 2027 (the "Maturity Date").

ust 10, 2023

On August 10, 2023, the Company entered into separate, privately negotiated exchange agreements (the "Exchange Agreements") with a limited number of holders (the "Noteholders") of the Company's currently outstanding 5.25% Convertible Senior Notes due 2025 (the "2025 Notes"). Under the terms of the Exchange Agreements, the Noteholders have agreed to exchange with the Company (the "Exchanges") up to $30.8 million in aggregate principal amount of the Company's outstanding 2025 Notes (the "Exchanged Notes") for a combination of $7.5 million of cash and newly issued shares of common stock (the "Exchange Shares"). The Exchanged Notes are presently convertible into an aggregate of approximately 23.3 million shares of common stock. The number of Exchange Shares to be issued to the Noteholders will be was determined based upon the volume-weighted average price per share of the common stock during a 15-day averaging period commencing on August 11, 2023 and ending August 31, 2023. The maximum number of Exchange Shares that may be issued is 10%Based on the volume-weighted average price per share of the Company's common stock outstanding as of August 10, 2023 (the "Exchange Share Cap"). If the average trading price over during the averaging period, would otherwise result a total of 35.1 million shares of common stock were issued in the number of shares to be issued exceeding the Exchange Share Cap, the amount of the Exchanged Notes will be proportionally reduced. Exchanges. The Exchanges are subject to customary closing conditions were settled on the initial share issuance date of August 14, 2023 and are expected to close on or about the final settlement date of September 5, 2023.

In August 2023, the Company entered into an Equity Distribution Agreement (the "Equity Distribution Agreement") with Goldman Sachs & Co. LLC ("GS"), under which the Company could offer and sell, from time to time, at its sole discretion, shares of its common stock having an aggregate offering price of up to $106.6 million through GS as its sales agent in an "at the market" offering. GS will receive a commission up to 3.0% of the gross proceeds of any common stock sold through GS under the Equity Distribution Agreement. The shares will be offered and sold pursuant

to a an effective shelf registration statement on Form S-3, (the "Registration Statement"), which was originally filed with the Securities and Exchange Commission (the "Commission") on August 10, 2023. The Registration Statement has not yet been declared effective by the Commission and As of September 30, 2023, no sales may be have been made until such time as under the Registration Statement is declared effective. Equity Distribution Agreement.

In November 2021, the Company entered into an Open Market Sale Agreement, (the "2021 Sales Agreement") with Jefferies LLC ("Jefferies"), under which the Company could offer and sell, from time to time, at its sole discretion, shares of its common stock having an aggregate offering price of up to $150.0 million through Jefferies as its sales agent in an "at the market" offering. Jefferies will receive a commission received commissions up to 3.0% of the gross proceeds of any common

stock sold through Jefferies under the 2021 Sales Agreement. During the six months ended June 30, 2023, 2023, the Company received $7.4 million in net proceeds from the sale of 9,944,663 shares of its common stock under the 2021 Sales Agreement. For the six nine months ended June 30, 2022 September 30, 2022, the Company received $8.0 million $34.4 million in net proceeds from the sale of 3,077,493 15,160,899 shares of its common stock under the 2021 Sales Agreement. On Effective August 7, 2023, the Company and Jefferies mutually agreed to terminate the Open Market Sale Agreement, effective as of August 7, 2023. 2021 Sales Agreement. At the time of termination, approximately $106.6 million remained available for issuance pursuant to the 2021 Sales Agreement.

On November 9, 2020, the Company entered into an Equity Line Agreement (the "Equity Line Agreement") with Energy Capital, LLC, a Florida limited liability company ("Energy Capital"), which provided that, upon the terms and subject to the conditions and limitations set forth therein, Energy Capital was committed to purchase up to an aggregate of $12.0 million of shares of the Company's newly designated series B convertible preferred stock (the "Series B Preferred Stock") at the Company's request from time to time during the 24-month term of the Equity Line Agreement. Under the Equity Line Agreement, beginning January 21, 2021, subject to the satisfaction of certain conditions, including that the Company have less than $8.0 million of cash, cash equivalents and other available credit (aside from availability under the Equity Line Agreement), the Company had the right, at its sole discretion, to present Energy Capital with a purchase notice (each, a "Regular Purchase Notice") directing Energy Capital (as principal) to purchase shares of Series B Preferred Stock at a price of $1,000 per share (not to exceed $4.0 million worth of shares) once per month, up to an aggregate of $12.0 million of the Company's Series B Preferred Stock at a per share price (the "Purchase Price") equal to $1,000 per share of Series B Preferred Stock, with each share of Series B Preferred Stock initially convertible into common stock, beginning six months after the date of its issuance, at a conversion price of $0.3951 per share, subject to customary anti-dilution adjustments, including in the event of any stock split. The Equity Line Agreement provided that the Company was not permitted to affect any Regular Purchase Notice under the Equity Line Agreement on any date where the closing price of the Company's common stock on the NYSE American is less than $0.25 without the approval of Energy Capital. In addition, beginning on January 1, 2022, since there had been no sales of the Series B Preferred Stock pursuant to the Equity Line Agreement, Energy Capital had the right, at its sole discretion, by its delivery to the Company of a Regular Purchase Notice, to purchase up to the $12.0 million of Series B Preferred Stock under the Equity Line Agreement at the Purchase Price. On November 7, 2022, Energy Capital exercised in full its right to purchase $12.0 million of Series B Preferred Stock. The excess of the Purchase Price and the fair value of the Energy Capital option in the total amount of $37.6 million was recorded in additional-paid-in-capital. additional-paid-in-capital as convertible preferred stock.

On August 9, 2020, the Company entered into a financing agreement with the parent company of Ascensia Diabetes Care Holdings AG (“Ascensia”), PHC Holdings Corporation (“PHC”), pursuant to which the Company issued $35.0 million in aggregate principal amount of Senior Secured Convertible Notes due on October 31, 2024 (the “PHC Notes”), to PHC. The Company also issued 2,941,176 shares of common stock to PHC as a financing fee. The Company also has the option to sell and issue PHC up to $15.0 million of convertible preferred stock on or before December 31, 2022, contingent upon obtaining U.S. Food and Drug Administration (“FDA”) approval for the 180-day Eversense product for marketing in the United States before such date. The Company successfully obtained FDA approval in February 2022 and the option was not exercised. As described in Note 11, 12, on March 13, 2023, the Company entered into an Exchange Agreement (the “Exchange “PHC Exchange Agreement”) with PHC, pursuant to which PHC agreed to exchange (the “Exchange” “PHC Exchange”) its $35.0 million aggregate principal amount of the PHC Notes, including all accrued and unpaid interest thereon, for a warrant (the “Exchange “PHC Exchange Warrant”) to purchase up to 68,525,311 shares of the Company’s common stock, $0.001 par value per share (the “Exchange “PHC Exchange Warrant Shares”). The PHC Exchange Warrant is a “pre-funded” warrant with a nominal exercise price of $0.001 per PHC Exchange Warrant Share. On March 31, 2023, the PHC Exchange was consummated, and the Company issued the PHC Exchange Warrant to PHC in consideration for the cancellation of the PHC Notes.

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On March 13, 2023, the Company entered into a securities purchase agreement (the “Securities Purchase Agreement”) with PHC, pursuant to which the Company issued and sold to PHC in a private placement (the “Private Placement”) a warrant (the “Purchase Warrant”) to purchase 15,425,750 shares of the Company’s common stock, $0.001 par value per share (the “Purchase Warrant Shares”). The purchase price of the Purchase Warrant was approximately $0.97 per Purchase Warrant Share, representing the undiscounted, trailing 10-day volume weighted average price of the Company’s common stock through March 10, 2023. The Purchase Warrant is a “pre-funded” warrant with a nominal exercise price of $0.001 per Purchase Warrant Share. The issuance of the Purchase Warrants enabled PHC to maintain, as of the closing of the transaction, a 15% beneficial ownership for purposes of the Investor Rights Agreement, dated August 9, 2020, between the Company and PHC. The Private Placement closed on March 13, 2023 (the “Private

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Placement Closing Date”) and the Company received aggregate gross proceeds of $15.0 million, before deducting private placement expenses payable by the Company.

3. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and the instructions to Quarterly Report on

Form 10-Q and Article 10 of Regulation S-X. Although the Company considers the disclosures in these unaudited consolidated financial statements to be adequate to make the information presented not misleading, certain information or footnote information normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted as permitted under the rules and regulations of the SEC. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement of financial position at June 30, 2023 September 30, 2023, and December 31, 2022, results of operations, comprehensive income (loss), and changes in stockholder's deficit for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022 and cash flows for the six nine months ended June 30, 2023 September 30, 2023 and 2022 have been included. The unaudited condensed consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC on March 16, 2023. The interim results for June 30, 2023 September 30, 2023 are not necessarily indicative of the results to be expected for the year ending December 31, 2023, or for any future interim periods.

The consolidated financial statements reflect the accounts of Senseonics Holdings, Inc. and its wholly owned operating subsidiary Senseonics, Incorporated. The Company views its operations and manages its business in one segment, glucose monitoring products. Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments ("ASU 2016-13")*, which requires entities to record expected credit losses for certain financial instruments, including trade receivables, as an allowance that reflects the entity's current estimate of credit losses expected to be incurred. For available-for-sale debt securities in unrealized loss positions, the new standard requires allowances to be recorded instead of reducing the amortized cost of the investment. The Company currently holds investments in available-for-sale securities. The Company has not historically experienced collection issues or bad debts with trade receivables. Accordingly, the Company does not expect this to have a significant impact on its consolidated financial statements and related disclosures at this time. The Company adopted this guidance as of January 1, 2023 and its adoption did not have a material impact on the consolidated financial statements and related disclosures.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. In the accompanying unaudited consolidated financial statements, estimates are used for, but not limited to, stock-based compensation, recoverability of long-lived assets, deferred taxes and valuation allowances, fair value of investments, derivative assets and liabilities, obsolete inventory, warranty

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obligations, variable consideration related to revenue, bad debts, allowance for credit losses, depreciable lives of property and equipment, and accruals for clinical study costs, which are accrued based on estimates of work performed under contract. The Company bases these estimates on historical and anticipated results, trends, and various other assumptions that it believes are reasonable, including assumptions as to future events. These estimates form the basis for making judgments about the carrying values of assets and liabilities and recorded revenues and expenses. Actual results could differ from those estimates; however, management does not believe that such differences would be material.

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Significant Accounting Policies

The accounting policies used by the Company in its presentation of interim financial results are consistent with those presented in Note 3 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

4. Revenue Recognition

The Company generates product revenue from sales of the Eversense system and related components and supplies to Ascensia, through a collaboration and commercialization agreement (the "Ascensia Commercialization Agreement"), third-party distributors in the European Union and to strategic fulfillment partners in the United States (collectively, the "Customers"), who then resell the products to health care providers and patients. Customers pay the Company for sales, regardless of whether or not the Customers resell the products to health care providers and patients. The Company's policies for recognizing sales have not changed from those described in our Annual Report on Form 10-K for the year ended December 31, 2022.

Revenue by Geographic Region

The following table sets forth net revenue derived from the Company's two primary geographical markets, the United States and outside of the United States, based on the geographic location to which the Company delivers the product, for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022:

	Three Months Ended June 30, 2023		Six Months Ended June 30, 2023		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
(Dollars in thousands)	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
Revenue, net:								
United States	$ 1,793	43.5 %	$ 3,955	47.9 %	$ 3,930	64.5 %	$ 7,885	54.9 %
Outside of the United States	2,333	56.5	4,308	52.1	2,167	35.5	6,475	45.1
Total	$ 4,126	100.0 %	$ 8,263	100.0 %	$ 6,097	100.0 %	$ 14,360	100.0 %

	Three Months Ended June 30, 2022		Six Months Ended June 30, 2022		Three Months Ended September 30, 2022		Nine Months Ended September 30, 2022	
(Dollars in thousands)	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
Revenue, net:								
United States	$ 1,207	32.5 %	$ 1,974	31.9 %	$ 1,934	41.8 %	$ 3,908	36.1 %
Outside of the United States	2,507	67.5	4,222	68.1	2,688	58.2	6,910	63.9
Total	$ 3,714	100.0 %	$ 6,196	100.0 %	$ 4,622	100.0 %	$ 10,818	100.0 %

Contract Assets

Contract assets consist of unbilled receivables from customers and are recorded at net realizable value and relate to the revenue share variable consideration from the Ascensia Commercialization Agreement. Accounts receivable –

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related parties, net as of June 30, 2023 September 30, 2023 and December 31, 2022, included unbilled accounts receivable of $0.9 million $1.3 million and $1.7 million, respectively. The Company expects to invoice and collect all unbilled accounts receivable within 12 months.

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Concentration of Revenue and Customers

For the three months ended June 30, 2023 September 30, 2023 and 2022, the Company derived 89% 93% and 96% 97%, respectively, of its total revenue from one customer, Ascensia. For the six nine months ended June 30, 2023, September 30, 2023 and 2022, the Company derived 91% 92% and 93% 95%, respectively of its total revenue from one customer, Ascensia. Revenues for these corresponding periods represent sales of sensors, transmitters and miscellaneous Eversense system components.

5. Net Income (Loss) per Share

Basic net income (loss) per share attributable to common stockholders is calculated by dividing the net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding during the period. An aggregate of 83,951,061 shares of common stock issuable upon the exercise of the PHC Exchange Warrant Shares and the Purchase Warrant Shares held by PHC are included in the number of outstanding shares used for the computation of basic net income (loss) per share for the three and six nine months ended June 30, 2023 September 30, 2023. Since the shares are issuable for little or no consideration, sometimes referred to as "penny warrants", they are considered outstanding in the context of earnings per share, as discussed in ASC 260-10-45-13.

Dilutive net income (loss) per share is computed using the weighted average number of common shares outstanding during the period and, when dilutive, potential common share equivalents. Potentially dilutive common shares consist of shares issuable from restricted stock units, stock options, warrants and the Company's convertible notes. Potentially dilutive common shares issuable upon vesting of restricted stock units and exercise of stock options and warrants are determined using the average share price for each period under the treasury stock method. Potentially dilutive common shares issuable upon conversion of the Company's convertible notes are determined using the if converted method. The if-converted method assumes conversion of convertible securities at the beginning of the reporting period. Interest expense, dividends, and the changes in fair value measurement recognized during the period are added back to the numerator. The denominator includes the common shares issuable upon conversion of convertible securities.

In periods of net loss, all potentially dilutive common shares are excluded from the computation of the diluted net loss per share for those periods, as the effect would be anti-dilutive.

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The following table sets forth the computation of basic and diluted net income (loss) per share for the periods shown:

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Net (loss) income	$ (20,423)	$ 104,231	$ (19,099)	$ 190,949	$ (24,103)	$ (60,391)	$ (43,202)	$ 130,558

Impact of conversion of dilutive securities	—	(124,010)	—	(228,614)	—	—	—	(188,563)
Dilutive Net loss	$ (20,423)	$ (19,779)	$ (19,099)	$ (37,665)	$ (24,103)	$ (60,391)	$ (43,202)	$ (58,005)
Net (loss) income per share								
Basic	$ (0.04)	$ 0.22	$ (0.04)	$ 0.42	$ (0.04)	$ (0.13)	$ (0.08)	$ 0.28
Diluted	$ (0.04)	$ (0.03)	$ (0.04)	$ (0.06)	$ (0.04)	$ (0.13)	$ (0.08)	$ (0.10)
Basic weighted average shares outstanding	567,125,022	464,133,903	532,499,776	460,061,022	592,452,262	472,475,747	552,703,546	464,244,736
Dilutive potential common stock outstanding								
Stock-based awards	—	4,649,548	—	7,003,387	—	—	—	6,499,671
2023 Notes	—	4,617,646	—	4,617,646	—	—	—	4,617,646
2025 Notes	—	39,689,142	—	39,689,142	—	—	—	39,211,358
PHC Notes	—	65,718,303	—	65,816,535	—	—	—	67,625,174
Energy Capital Option	—	21,164,986	—	23,690,945	—	—	—	23,335,635
Warrants	—	1,357,430	—	3,463,862	—	—	—	2,811,493
Diluted weighted average shares outstanding	567,125,022	601,330,959	532,499,776	604,342,540	592,452,262	472,475,747	552,703,546	608,345,713

Outstanding anti-dilutive securities not included in the diluted net income (loss) per share calculations were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended Septemb	
	2023	2022	2023	2022	2023	2022	2023	2022
Stock-based awards	31,785,464	13,900,070	31,785,464	11,142,459	31,953,024	24,940,972	31,953,024	10,42
2023 Notes					—	4,617,646	—	
2025 Notes					15,622,814	39,211,358	15,622,814	
PHC Notes					—	68,322,952	—	
PHC Option	—	20,003,765	—	23,161,214	—	31,512,605	—	22,71
2025 Notes	39,689,142	—	39,689,142	—				
Energy Capital Option					—	30,372,058	—	
Energy Capital Preferred Shares	30,372,058	—	30,372,058	—	30,372,058	—	30,372,058	
Warrants	427,821	427,821	427,821	260,251	1,260,183	3,177,821	1,260,183	42
Total anti-dilutive shares outstanding	102,274,485	34,331,656	102,274,485	34,563,924	79,208,079	202,155,412	79,208,079	33,57

6. Marketable Securities

Marketable securities available for sale, were as follows (in thousands):

	June 30, 2023				September 30, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Commercial Paper	$ 43,242	$ —	$ —	$ 43,242	$ 26,281	$ —	$ —	$ 26,281
Corporate debt securities	11,867	3	(34)	11,836	7,944	—	(24)	7,920
Asset backed securities	7,479	—	(26)	7,453	—	—	—	—
Government and agency securities	34,052	—	(63)	33,989	35,482	—	(35)	35,447
Total	$ 96,640	$ 3	$ (123)	$ 96,520	$ 69,707	$ —	$ (59)	$ 69,648

	December 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Commercial Paper	$ 41,503	$ —	$ —	$ 41,503
Corporate debt securities	32,331	—	(189)	32,142
Asset backed securities	8,363	—	(103)	8,260
Government and agency securities	38,956	—	(386)	38,570
Total	$ 121,153	$ —	$ (678)	$ 120,475

The following are the scheduled maturities as of June 30, 2023 September 30, 2023 (in thousands):

	Net Carrying Amount	Fair Value	Net Carrying Amount	Fair Value
2023 (remaining six months)	$ 62,529	$ 62,519		
2023 (remaining three months)			$ 36,156	$39,231
2024	27,362	27,277	33,551	30,417
2025	6,749	6,724		
Total	$ 96,640	$ 96,520	$ 69,707	$69,648

The Company periodically reviews its portfolio of debt securities to determine if any investment is impaired due to credit loss or other potential valuation concerns. For debt securities where the fair value of the investment is less than the amortized cost basis, the Company assesses at the individual security level, for various quantitative factors including, but not limited to, the nature of the investments, changes in credit ratings, interest rate fluctuations, industry analyst reports, and the severity of impairment. Unrealized losses on available-for-sale securities at June 30, 2023 September 30, 2023 were not significant and were primarily due to changes in interest rates and not due to increased credit risk associated with specific securities. The Company does not intend to sell these impaired investments and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases, which may be at maturity.

7. Inventory, net

Inventory, net of reserves, consisted of the following (in thousands):

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Finished goods	$ 2,379	$ 1,697	$ 2,440	$ 1,697
Work-in-process	5,408	4,057	5,981	4,057
Raw materials	1,407	1,552	1,305	1,552
Total	$ 9,194	$ 7,306	$ 9,726	$ 7,306

The Company charged less than $0.1 million to cost of sales for each of the three and six nine months ended June 30, 2023 September 30, 2023 and $0.6 million $0.5 million to cost of sales for each of the three and six nine months ended June 30, 2022 September 30, 2022 to reduce the value of inventory for items that are potentially obsolete due to expiry, in excess of product demand, or to adjust costs to their net realizable value.

8. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Contract manufacturing(1)	$ 4,026	$ 4,097	$ 4,577	$ 4,097
Tax credits receivable(2)	1,793	—	1,793	—
Insurance	625	1,243	340	1,243
Unsettled stock issuance proceeds	369	—		
Clinical and Preclinical	255	924	180	924
Interest receivable	241	336	218	336
Rent and utilities	150	132	151	132
Research and development			135	67
Accounting and Audit	48	270	117	270
Other	235	426	46	359
Total prepaid expenses and other current assets	$ 7,742	$ 7,428	$ 7,557	$ 7,428

(1) Includes deposits to contract manufacturers for manufacturing process.

(2) Refundable employee retention credits, enacted under the CARES Act.

9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Research and development	$ 5,367	$ 3,502	$ 4,168	$ 3,502
Professional and administrative services			3,947	1,053
Compensation and benefits	2,558	4,699	3,569	4,699
Professional and administration services	2,381	1,053		
Contract manufacturing	2,105	2,480	1,396	2,480
Interest on notes payable	1,232	2,050		
Product warranty and replacement obligations	494	781	517	781
Operating lease	483	725	413	725
Interest on notes payable			381	149
Sales and marketing services	266	149	242	2,050
Other	—	14	—	14
Total accrued expenses and other current liabilities	$ 14,886	$ 15,453	$ 14,633	$ 15,453

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10. Leases

The Company leases approximately 33,000 square feet of research and office space for its corporate headquarters under a non-cancelable operating lease. In May 2023, the Company amended our lease, extending the lease term through May 31, 2033, and obtained a tenant improvement allowance of $1.3 million. The Company accounted for the amendment as a lease modification and remeasured the ROU asset and lease liability as of the amendment date, which resulted in an increase of $2.5 million to the ROU asset, and an increase of $3.8 million to the lease liability. The Company has one option to extend the term for an additional period of five years beginning on June 1, 2033. The rent expense is recognized on a straight-line basis through the end of the lease term, excluding option renewals. The difference between the straight-line rent amounts and amounts payable under the lease is recorded as deferred rent.

Operating lease expense for the six nine months ended June 30, 2023 September 30, 2023 and 2022 was $0.4 million $0.6 million and $0.3 million $0.5 million, respectively.

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The following table summarizes the lease assets and liabilities as of June 30, 2023 September 30, 2023 and December 31, 2022 (in thousands):

Operating Lease Assets and Liabilities	Balance Sheet Classification	June 30, 2023	December 31, 2022	Balance Sheet Classification	
Assets					

Operating lease ROU assets	Deposits and other assets	$ 5,340	$ 3,032	Deposits and other assets	$
Tenant improvement allowance receivable	Deposits and other assets	1,312	—	Deposits and other assets	
Liabilities					
Current operating lease liabilities	Accrued expenses and other current liabilities	$ 483	$ 725	Accrued expenses and other current liabilities	$
Non-current operating lease liabilities	Other non-current liabilities	6,408	2,689	Other non-current liabilities	
Total operating lease liabilities		$ 6,891	$ 3,414		$

The following table summarizes the maturity of undiscounted payments due under operating lease liabilities and the present value of those liabilities as of June 30, 2023 September 30, 2023 (in thousands):

2023 (remaining 6 months)	$ 594	
2023 (remaining 3 months)		$ 283
2024	912	912
2025	939	939
2026	967	967
2027	996	996
Thereafter	5,934	5,934
Total	10,342	10,031
Less: Present value adjustment	(3,451)	(3,306)
Present value of lease liabilities	$ 6,891	$ 6,725

The following table summarizes the weighted-average lease term and weighted-average discount rate as of June 30, 2023 September 30, 2023:

Remaining lease term (years)	**2023**
Operating leases	9.7 9.6
Discount rate	
Operating leases	8.5 %

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11. Product Warranty Obligations

The Company provides a warranty of one year on its smart transmitters. Additionally, the Company may also replace Eversense system components that do not function in accordance with the product specifications. Estimated replacement costs are recorded at the time of shipment as a charge to cost of sales in the consolidated statement of operations and are developed by analyzing product performance data and historical replacement experience, including comparing actual replacements to revenue.

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At each June 30, 2023 September 30, 2023 and December 31, 2022, the warranty reserve was $0.5 million and $0.8 million, respectively. The following table provides a reconciliation of the change in estimated warranty liabilities for the six nine months ended June 30, 2023 September 30, 2023, and for the twelve months ended December 31, 2022 (in thousands):

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Balance at beginning of the period	$ 781	$ 723	$ 781	$ 723
Provision for warranties during the period	62	166	136	166
Settlements made during the period	(349)	(108)	(400)	(108)
Balance at end of the period	$ 494	$ 781	$ 517	$ 781

12. Notes Payable, Preferred Stock and Stock Purchase Warrants

Term Loans

Loan and Security Agreement

On September 8, 2023 (the "Effective Date"), the Company entered into a Loan and Security Agreement (the "Loan Agreement") with Hercules Capital, Inc. and its managed fund (collectively, the "Lenders"), pursuant to which the Lenders have agreed to make available to Senseonics up to $50.0 million in senior secured term loans (the "Term Loan Facility"), consisting of (i) an initial term loan of $25.0 million (the "Tranche 1 Loan"), which was funded on the Effective Date and (ii) two additional tranches of term loans in the amounts of up to $10.0 million (the "Tranche 2 Loan") and $15.0 million (the "Tranche 3 Loan"), respectively, which will become available to Senseonics upon Senseonics' satisfaction of certain terms and conditions set forth in the Loan Agreement. The loans under the Loan Agreement mature on September 1, 2027 (the "Maturity Date").

The loans under the Loan Agreement bear interest at an annual rate equal to the greater of (i) the prime rate as reported in The Wall Street Journal *plus* 1.40% and (ii) 9.90%. Borrowings under the Loan Agreement are repayable in monthly interest-only payments through (a) initially, September 1, 2026 and (b) if the Company satisfies the Interest Only Extension Conditions (as defined in the Loan Agreement), the Maturity Date. After the interest-only payment period, borrowings under the Loan Agreement are repayable in equal monthly payments of principal and accrued interest until the Maturity Date.

At the Company's option, the Company may prepay all or any portion of the outstanding borrowings under the Loan Agreement, subject to a prepayment fee equal to (a) 3.0% of the principal amount being prepaid if the prepayment occurs within one year of the Effective Date, 2.0% of the principal amount being prepaid if the prepayment occurs during the second year following the Effective Date, and 1.00% of the principal amount being prepaid if the prepayment occurs more than two years after the Effective Date and prior to the Maturity Date. In addition, the Company paid a $375,000 facility fee upon closing and will pay additional facility charges in connection with any borrowing of the Tranche 2 Loan or Tranche 3 Loan, in each case in the amount of 0.50% of the amount of such tranche of loans. The Loan Agreement also provides for an end of term fee in an amount equal to 6.95% of the aggregate principal amount of loan advances actually made under the Loan Agreement, which fee is due and payable on the earliest to occur of (i) the Maturity Date, (ii) the date the Company prepays the outstanding loans in full, and (iii) the date that the secured obligations become due and payable. The end of term fee is accreted to interest expense over the term of the loans.

The Company's obligations under the Loan Agreement are secured, by a first-priority security interest in substantially all of its assets. The Loan Agreement contains a minimum cash covenant that requires the Company to hold unrestricted cash equal to 30% of the outstanding loan amount under the Loan Agreement. The Loan Agreement also contains a performance covenant, commencing on July 1, 2024, that requires the Company to generate net product revenue on a trailing six-month basis in excess of specified percentage for applicable measuring periods, subject to certain exceptions.

In addition, the Loan Agreement contains customary representations and warranties and customary affirmative and negative covenants, including, among other things, restrictions on indebtedness, liens, investments, mergers, [Table of Contents](#)

corporate changes, dispositions, prepayment of other indebtedness, and dividends and other distributions, subject to certain exceptions. The Loan Agreement also contains events of default including, among other things, payment defaults, breach of covenants, material adverse effect, breach of representations and warranties, cross-default to material indebtedness, bankruptcy-related defaults, judgment defaults, revocation of certain government approvals, and the occurrence of certain adverse events. Following an event of default and any applicable cure period, a default interest rate equal to the then-applicable interest rate plus 4.0% may be applied to the outstanding amount, and the Lenders will have the right to accelerate all amounts outstanding under the Loan Agreement, in addition to other remedies available to them as secured creditors of the Company.

In addition, in connection with the issuance of the Tranche 1 Loan, the Company issued warrants to the Lenders (collectively, the “Warrants”) to acquire an aggregate of 832,362 shares of the Company’s common stock at an exercise price of $0.6007 per share (the “Warrant Shares”). The Warrants may be exercised through the earlier of (i) the seventh anniversary of the Effective Date and (ii) the consummation of certain acquisition transactions involving the Company, as set forth in the Warrants. The number of Warrant Shares for which the Warrants are exercisable and the associated exercise price are subject to certain customary proportional adjustments for fundamental events, including stock splits and reverse stock splits, as set forth in the Warrants. The proceeds from the Loan Agreement were allocated between the Tranche 1 Loan and the Warrants based on their respective fair value of $25.0 million and $0.4 million, and the amount allocated to the Warrants was recorded in equity resulting in a debt discount to the Tranche 1 Loan that is being amortized as additional interest expense over the term of the loan agreement using the effective interest method.

In connection with Loan Agreement, the Company incurred $1.1 million in debt issuance costs and debt discounts which are netted against the principal balance of the initial term loan and amortized as interest expense over the term of the initial term loan using an effective interest rate of 13.01%.

Pursuant to the Loan Agreement, the Company also agreed to issue additional seven year term warrants upon the funding of the Tranche 2 and Tranche 3 Loans, which warrants would be exercisable for an aggregate number of shares equal to 2.0% of the funded loan amount divided by the exercise price equal to the three-day volume-weighted average price at the time of each advance.

PPP Loan

On April 22, 2020, the Company received $5.8 million in loan funding from the PPP pursuant to the CARES Act, as amended by the Flexibility Act, and administered by the Small Business Administration (“SBA”). The unsecured loan (the “PPP Loan”) was evidenced by the PPP Note dated April 21, 2020 (the “PPP Note”) in the principal amount of $5.8 million with Silicon Valley Bank (“SVB”).

Under the terms of the PPP Note and the PPP Loan, interest accrued on the outstanding principal at a rate of 1.0% per annum. The term of the PPP Note was two years. In April 2022, the Company repaid the outstanding principal and accrued interest in full.

Convertible Preferred Stock and Warrants

Equity Line Agreement

On November 9, 2020, the Company entered into the Equity Line Agreement with Energy Capital, which provides provided that, upon the terms and subject to the conditions and limitations set forth therein, Energy Capital is was committed to purchase up to an aggregate of $12.0 million of shares of the Company’s Series B Preferred Stock at the Company’s request from time to time during the 24-month term of the Equity Line Agreement. Under the Equity Line Agreement, beginning January 21, 2021, subject to the satisfaction of certain conditions, including the Company having less than $8 million of cash, cash equivalents and other available credit (aside from availability under the Equity Line Agreement), the Company has had the right, at sole discretion, to present Energy Capital with a Regular Purchase Notice directing Energy Capital (as principal) to purchase shares of Series B Preferred Stock at a price of $1,000 per share (not to exceed $4.0 million worth of shares) once per month, up to an aggregate of $12.0 million of the Company’s Series B Preferred Stock at the Purchase Price equal to $1,000 per share of Series B Preferred Stock, with each share of Series B Preferred Stock initially convertible into common stock, beginning six months after the date of its issuance, at a conversion price of $0.3951 per share, [Table of Contents](#)

subject to customary anti-dilution adjustments, including in the event of any stock split. The Equity Line Agreement provides provided that the Company shall not affect any Regular Purchase Notice under the Equity Line Agreement on any date where the closing price of the Company's common stock on the NYSE American is less than $0.25 without the approval of Energy Capital. In addition, beginning on January 1, 2022, since there have been no sales of the Series B Preferred Stock pursuant to the Equity Line Agreement, Energy Capital has had the right, at its sole discretion, by its delivery to the Company of a Regular Purchase Notice, to purchase up to the $12.0 million of Series B

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Preferred Stock under the Equity Line Agreement at the Purchase Price. On November 7, 2022, Energy Capital exercised in full its right to purchase $12.0 million of Series B Preferred Stock.

The Company accounted for the Equity Line Agreement as a put/call option (the "Energy Capital Option"). This put/call option was classified as a liability in accordance with ASC 480, Distinguishing liabilities from equity, on the Company's balance sheet and was recorded at the estimated fair value of $4.2 million upon issuance. The put/call option was required to be remeasured to fair value at each reporting period with the change recorded in change in fair value of derivatives that is a component of other income (expense). In connection with the execution of the Equity Line Agreement, the Company incurred $7.6 million in debt issuance costs in fiscal year 2020. The fair value of the Energy Capital Option as of December 31, 2021 was $69.4 million. The Company adjusted the Energy Capital Option to its fair value of $25.7 million on the exercise date, recognizing a fair value adjustment gain of $43.7 million.

Concurrently with entry into the Equity Line Agreement, the Company issued a warrant to Energy Capital, exercisable beginning on May 9, 2021, to purchase up to 10,000,000 shares of common stock at an exercise price of $0.3951 per share (the "Warrant" "Energy Capital Warrant"). The Energy Capital Warrant was exercised on a net basis in February 2022 and Energy Capital received 8,917,535 shares of common stock upon the net exercise of the Energy Capital Warrants.

Securities Purchase Agreement

On March 13, 2023, pursuant to the Securities Purchase Agreement with PHC, the Company issued and sold to PHC in a private placement a warrant (the "Purchase Warrant") to purchase 15,425,750 shares of common stock (the "Purchase Warrant Shares"). The Purchase Warrant is a "pre-funded" warrant with a nominal exercise price of $0.001 per Purchase Warrant Share. On the private placement closing date, the Company received aggregate gross proceeds of $15.0 million, before deducting private placement expenses payable by the Company. All or any part of the Purchase Warrant shall is exercisable by the holder at any time and from time to time.

The Company determined that the Purchase Warrant shall be classified as equity in accordance with ASC Topic 480, Distinguishing Liabilities from Equity and ASC Topic 815. At issuance, the Company recorded the estimated fair value of the Purchase Warrant in the amount of $14.3 million as additional paid-in-capital in the Company's consolidated balance sheets.

Because PHC was an existing stockholder of the Company at the time of the transaction, the $0.7 million excess of the purchase price over the fair value of the Purchase Warrant was recognized as an equity transaction and recorded as a capital contribution made by PHC to the Company as additional paid-in-capital in the Company's consolidated balance sheets.

Additionally, on March 13, 2023, the Company entered into an the Exchange Agreement with PHC, pursuant to which PHC agreed to exchange (the "Exchange" "PHC Exchange") its $35.0 million aggregate principal amount of the PHC Notes, including all accrued and unpaid interest thereon, for a warrant (the "Exchange "PHC Exchange Warrant") to purchase up to 68,525,311 shares of common stock (the "Exchange "PHC Exchange Warrant Shares"). The PHC Exchange Warrant is a "pre-funded" warrant with a nominal exercise price of $0.001 per PHC Exchange Warrant Share. All or any part of the PHC Exchange Warrant is exercisable by the holder at any time and from time to time. The number of PHC Exchange Warrant Shares represents the number of shares of common stock previously issuable upon conversion of the PHC

Notes, in accordance with the original terms of the notes, including a number of shares in respect of accrued and unpaid interest through the closing date, plus additional shares with a value of $675,000 reflecting a portion of the future interest payments forgone by PHC. On March 31, 2023 (6:00 am Japan Standard Time on April 1, 2023), the PHC Exchange

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was consummated, and the Company issued the PHC Exchange Warrant to PHC in consideration for the cancellation of the PHC Notes.

The Company determined that the PHC Exchange Warrant shall be classified as equity in accordance with ASC 480 and ASC 815. At March 31, 2023, the Company recorded the estimated fair value of the PHC Exchange Warrant in the amount of $48.6 million as additional paid-in-capital in the Company's consolidated balance sheets.

As of June 30, 2023 September 30, 2023, the Purchase Warrant and the PHC Exchange Warrant remained unexercised and outstanding. As they are prefunded warrants, the Company included the entirety of the warrant shares as weighted average outstanding shares in the calculation of its basic earnings per share.

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Convertible Notes

PHC Notes

On August 9, 2020, the Company entered into a Note Purchase Agreement (the "Note Purchase Agreement") with PHC, as the purchaser (together with the other purchasers from time-to-time party thereto, the "Note Purchasers") and Alter Domus (US) LLC, as collateral agent. Pursuant to the Note Purchase Agreement, the Company borrowed $35.0 million in aggregate principal through the issuance and sale of the PHC Notes on August 14, 2020 (the "Closing Date"). The Company also issued 2,941,176 shares of its common stock, $0.001 par value per share to PHC as a financing fee (the "Financing Fee Shares") on the Closing Date. The Financing Fee Shares are accounted for as debt discount in the amount of $1.5 million.

The PHC Notes were senior secured obligations of the Company and were guaranteed on a senior secured basis by the Company's wholly owned subsidiary, Senseonics, Incorporated. Interest at the initial annual rate of 9.5% is payable semi-annually in cash or, at the Company's option, payment in kind. The interest rate decreased to 8.0% in April 2022 as a result of the Company having obtained FDA approval for the 180-day Eversense E3 system for marketing in the United States. The maturity date for the PHC Notes was October 31, 2024 (the "Maturity Date"). The obligations under the PHC Notes were secured by substantially all of the Company's and its subsidiary's assets.

The Note Purchasers were entitled to convert the PHC Notes to common stock at a conversion rate of 1,867.4136 shares per $1,000 principal amount of the PHC Notes (including any interest added thereto as payment in kind), equivalent to a conversion price of approximately $0.53 per share, subject to specified anti-dilution adjustments, including adjustments for the Company's issuance of equity securities on or prior to April 30, 2022 below the conversion price. In addition, following a notice of redemption or certain corporate events that occured occurred prior to the maturity date, the Company would have been required, in certain circumstances, to increase the conversion rate for a holder electing to convert its PHC Notes in connection with such notice of redemption or corporate event. In certain circumstances, the Company would have been required to pay cash in lieu of delivering make whole shares unless the Company obtained stockholder approval to issue such shares.

Subject to specified conditions, on or after October 31, 2022, the PHC Notes would have become redeemable by the Company if the closing sale price of the common stock were to exceed 275% of the conversion price for a specified period of time and subject to certain conditions upon 10 days prior written notice at a cash redemption price equal to the then outstanding principal amount (including any payment in kind interest which has been added to such amount), plus any accrued but unpaid interest. On or after October 31, 2023, the PHC Notes would have become redeemable by the Company upon 10 days prior written notice at a cash redemption price equal to the then outstanding principal amount (including any payment in kind interest which had been added to such amount), plus any accrued but unpaid interest, plus a call premium of 130% if redeemed at least six months prior to the Maturity Date or a call premium of 125% if redeemed within six months of the Maturity Date.

The Note Purchase Agreement contained customary terms and covenants, including financial covenants, such as operating within an approved budget and achieving minimum revenue and liquidity targets, and negative covenants, such as limitations on indebtedness, liens, mergers, asset transfers, certain investing activities and other matters customarily restricted in such agreements. Most of these restrictions were subject to certain minimum thresholds and exceptions. The

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Note Purchase Agreement also contained customary events of default, after which the PHC Notes would have become due and payable immediately, including defaults related to payment compliance, material inaccuracy of representations and warranties, covenant compliance, material adverse changes, bankruptcy and insolvency proceedings, cross defaults to certain other agreements, judgments against the Company, change of control or delisting events, termination of any guaranty, governmental approvals, and lien priority.

The Company also had the option to sell and issue PHC up to $15.0 million of convertible preferred stock on or before December 31, 2022 (the “PHC Option”), which was initially contingent upon obtaining FDA approval for the 180-day Eversense product for marketing in the United States before such date, and which approval the Company successfully obtained in February 2022. The PHC option was not exercised and expired on December 31, 2022 and the Company recognized a loss on extinguishment of $0.1 million.

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The Note Purchase Agreement also contained several provisions requiring bifurcation as a separate derivative liability including an embedded conversion feature, mandatory prepayment upon event of default that constitutes a breach of the minimum revenue financial covenant, optional redemption upon an event of default, change in interest rate after PMA approval and default interest upon an event of default. On the date of issuance, the Company recorded the fair value of the embedded features in the amount of $25.8 million as a derivative liability in the Company’s consolidated balance sheets in accordance with ASC 815. The derivative was adjusted to fair value at each reporting period, with the change in the fair value recorded in change in fair value of derivatives that is a component of other income (expense) in the Company’s consolidated statement of operations and comprehensive loss.

In connection with the issuance of the PHC Notes, the Company incurred $2.9 million in debt issuance costs and debt discounts. The associated debt issuance costs were recorded as a contra liability in the amount of $1.4 million and are were deferred and amortized as additional interest expense over the term of the notes. notes at an effective interest rate of 29.19%. There were no conversions of the PHC Notes prior to the exchange of the PHC Notes for the PHC Exchange Warrant described above.

As described above, the PHC Exchange Agreement with PHC was consummated on March 31, 2023, whereby PHC exchanged the PHC Notes in $35.0 million principal amount and all accrued and unpaid interest for the PHC Exchange Warrant. On March 31, 2023, the Company was released from its obligation under the PHC Notes.

Upon execution of the PHC Exchange Agreement, the exercise of the original conversion feature of the PHC Notes became remote. Accordingly, the Company remeasured the embedded derivative to its fair value of $0. The Company recognized a change in fair value of the embedded derivative of $44.2 million in the caption "Exchange related gain (loss), net" that is a component of other income (expense) in the Company's consolidated statement of operations and comprehensive loss.

The Company accounted for the PHC Exchange as an extinguishment of the PHC Notes, and thus, it derecognized the PHC Notes in its consolidated balance sheets and recognized a loss of $25.4 million as the difference between the carrying value plus accrued interest of the PHC Notes of $23.2 million and the $48.6 million fair value of the PHC Exchange Warrant as an extinguishment loss in the caption "Exchange related gain (loss), net" that is a component of other income (expense) in the Company's consolidated statement of operations and comprehensive loss. As a result of the PHC Exchange, the Company recognized a total net gain on exchange of the PHC notes of $18.8 million representing the gain on change in the fair value of the PHC Notes conversion feature recognized as an embedded derivative and the loss on extinguishment of the PHC Notes in exchange for the PHC Exchange Warrant.

2025 Notes

In July 2019, the Company issued $82.0 million in aggregate principal amount of senior convertible notes that will mature on January 15, 2025 (the "2025 Notes"), unless earlier repurchased or converted. The 2025 Notes are convertible, at the option of the holders, into shares of the Company's common stock, at an initial conversion rate of 757.5758 shares per $1,000 principal amount of the 2025 Notes (equivalent to an initial conversion price of approximately $1.32 per share).

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The 2025 Notes also contained an embedded conversion option requiring bifurcation as a separate derivative liability, along with the fundamental change make-whole provision and the cash settled fundamental make-whole shares provision. The derivative is adjusted to fair value at each reporting period, with the change in the fair value recorded to other income (expense) in the Company's consolidated statement of operations and comprehensive loss. The fair value of the derivative at June 30, 2023 and December 31, 2022 was $1.8 millionand $7.9 million, respectively.

On April 24, 2020, $24.0 million aggregate principal of the Company's outstanding 2025 Notes held by Highbridge Capital Management, LLC ("Highbridge") were exchanged for (i) $15.7 million of Second Lien Notes (the "Second Lien Notes"), (ii) 11,026,086 shares of common stock, (iii) warrants to purchase up to 4,500,000 shares of common stock at an exercise price of $0.66 per share, and (iv) $0.3 million in accrued and unpaid interest on the 2025 Notes being exchanged. This transaction modified the original 2025 Notes outstanding with Highbridge and resulted in

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$13.2 million $13.2 million of deferred issuance fees and debt discounts associated with the exchanged 2025 Notes being transferred as a discount to the Second Lien Notes.

In January 2021, there were conversions of $6.5 million of outstanding principal amount of the 2025 notes for 4,924,998 shares of common stock. Accordingly, $3.2 million of allocated deferred issuance costs and debt discounts were recognized as a loss on extinguishment of debt. There were no conversions

On August 10, 2023, the Company entered into separate, privately negotiated exchange agreements (the "Exchange Agreements") with a limited number of holders (the "Noteholders") of the Company's currently outstanding 2025 Notes. Under the terms of the Exchange Agreements, the Noteholders agreed to exchange with the Company (the "Exchanges") up to $30.8 million in aggregate principal amount of the 2025 Notes (the "Exchanged Notes") for a combination of $7.5 million of cash and newly issued shares of common stock (the "Exchange Shares"). The number of Exchange Shares was determined based upon the volume-weighted average price per share of the common stock during a 15-day averaging period commencing on August 11, 2023 and ending August 31, 2023. Based on the volume-weighted average price per share of the common stock during the six months ended June 30, 2023 averaging period, a total of 35.1 million shares of common stock were issued in the Exchanges. The Exchanges were settled on the initial share issuance date of August 14, 2023 and the final settlement date of September 5, 2023.

The Company accounted for the Exchanges as an extinguishment of the Exchanged Notes and the associated embedded derivative and recognized a loss of $4.6 million in the caption "Exchange related gain (loss), net" that is a component of other income (expense) in the Company's consolidated statement of operations and comprehensive loss. The extinguishment loss represents the difference between (i) the carrying value of the Exchanged Notes (inclusive of the fair value of the embedded derivative) and (ii) the sum of $7.5 million cash payment, the fair value of the Exchanged Shares, and transaction costs incurred in the Exchange.

Following the Exchanges, approximately $20.4 million aggregate principal amount of the 2025 Notes remain outstanding. The remaining unamortized debt discount and debt issuance costs are amortized as interest expense over the term of the loan at an effective interest rate of 15.54%. The fair value of the derivative at September 30, 2023 and December 31, 2022 was $0.2 million and $4.7 million, respectively.

2023 Notes

In the first quarter of 2018, the Company issued $53.0 million in aggregate principal amount of senior convertible notes due February 1, 2023 (the "2023 Notes"). In July 2019, the Company used the net proceeds from the issuance of the 2025 Notes to repurchase $37.0 million aggregate principal amount of the outstanding 2023 Notes. Each $1,000 of principal of the 2023 Notes is initially convertible into 294.1176 shares of the Company's common stock, which is equivalent to an initial conversion price of approximately $3.40 per share, subject to adjustment upon the occurrence of specified events. Holders may convert at any time prior to February 1, 2023. Holders who convert on or after the date that is six months after the last date of original issuance of the 2023 Notes but prior to February 1, 2021, may also be entitled to receive, under certain circumstances, an interest make-whole payment payable in shares of common stock. If specific corporate events occur prior to the maturity date, the Company will increase the conversion rate pursuant to the make-whole fundamental change provision for a holder who elects to convert their 2023 Notes in connection with such an event in certain circumstances. Additionally, if a fundamental change occurs prior to the

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maturity date, holders of the 2023 Notes may require the Company to repurchase all or a portion of their 2023 Notes for cash at a repurchase price equal to 100% of the principal amount plus any accrued and unpaid interest.

The Company bifurcated the embedded conversion option, along with the interest make-whole provision and make-whole fundamental change provision, and in January 2018 recorded the embedded features as a debt discount and derivative liability in the Company's consolidated balance sheets at its initial fair value of $17.3 million. Additionally, the Company incurred transaction costs of $2.2 million. The debt discount and transaction costs are being amortized to interest expense over the term of the 2023 Notes at an effective interest rate of 9.30%. The derivative is adjusted to fair value at each reporting period, with the change in the fair value recorded to other income (expense) in the Company's consolidated statement of operations and comprehensive loss. On January 31, 2023, the Company repaid the outstanding principal and accrued interest in full. The derivative was unexercised upon maturity and the fair value in the amount of $0.02

million was recognized as an extinguishment gain in the caption “Other income (expense)” in Company’s consolidated statement of operations and comprehensive loss.

The following carrying amounts were outstanding under the Company’s notes payable as of June 30, 2023 September 30, 2023 and December 31, 2022 (in thousands):

	June 30, 2023				September 30, 2023			
	Principal ($)	Debt Discount ($)	Issuance Costs ($)	Carrying Amount ($)	Principal ($)	Debt (Discount) Premium ($)(1)	Issuance Costs ($)	Carrying Amount ($)
2025 Notes	51,199	(11,892)	(199)	39,108	20,399	(3,732)	(62)	16,605
Loan and Security Agreement					25,000	(880)	(240)	23,880

	December 31, 2022				December 31, 2022			
	Principal ($)	Debt Discount ($)	Issuance Costs ($)	Carrying Amount ($)	Principal ($)	Debt (Discount) Premium ($)(1)	Issuance Costs ($)	Carrying Amount ($)
2023 Notes	15,700	(121)	-	15,579	15,700	(121)	-	15,579
2025 Notes	51,199	(15,029)	(252)	35,918	51,199	(15,029)	(252)	35,918
PHC Notes	35,000	(13,698)	(837)	20,465	35,000	(13,698)	(837)	20,465

(1) Includes accretion of end of term fees payable at maturity

Interest expense related to the notes payable for the nine months ended September 30, 2023 and 2022 was as follows (dollars in thousands):

	Nine Months Ended September 30, 2023				
	Interest Rate	Interest ($)	Debt Discount and Fees ($)(1)	Issuance Costs ($)	Total Interest Expense ($)
2023 Notes	5.25%	69	120	-	189
2025 Notes	5.25%	1,881	4,808	81	6,770
PHC Notes	8.00%	700	1,442	88	2,230
Loan and Security Agreement	9.90%	158	38	3	199
Total		2,808	6,408	172	9,388

	Nine Months Ended September 30, 2022				
	Interest Rate	Interest ($)	Debt Discount and Fees ($)(1)	Issuance Costs ($)	Total Interest Expense ($)
2023 Notes	5.25%	618	1,022	-	1,640
2025 Notes	5.25%	2,002	4,035	68	6,104
PHC Notes	8.00%	2,319	3,519	215	6,053
PPP Loan	1.00%	6	-	-	6
Total		4,945	8,576	283	13,803

(1) Includes accretion of end of term fees payable at maturity

Interest expense related to the notes payable for the six months ended June 30, 2023 and 2022 was as follows (dollars in thousands):

	Six Months Ended June 30, 2023				
	Interest Rate	Interest ($)	Debt Discount and Fees ($)	Issuance Costs ($)	Total Interest Expense ($)
2023 Notes	5.25%	69	120	-	189
2025 Notes	5.25%	1,344	3,146	53	4,543
PHC Notes	8.00%	700	1,442	88	2,230
Total		2,113	4,708	141	6,962

	Six Months Ended June 30, 2022				
	Interest Rate	Interest ($)	Debt Discount and Fees ($)	Issuance Costs ($)	Total Interest Expense ($)
2023 Notes	5.25%	412	673	-	1,085
2025 Notes	5.25%	1,330	2,625	44	3,999
PHC Notes	8.00%	1,531	2,246	137	3,914
PPP Loan	1.00%	6	-	-	6
Total		3,279	5,545	181	9,005

The following are the scheduled maturities of the Company's notes payable (including end of term fees) as of June 30, 2023 September 30, 2023 (in thousands):

2023 (remaining six months)	$ —	
2023 (remaining three months)		$ —
2024	—	—
2025	51,199	20,399
2026		7,397
Thereafter		19,341
Total	$ 51,199	$47,137

13. Stockholders' Equity (Deficit)

In November 2021, the Company entered into the 2021 Sales Agreement with Jefferies, under which the Company could offer and sell, from time to time, at its sole discretion, shares of its common stock having an aggregate offering price of up to $150.0 million through Jefferies as the sales agent in an "at the market" offering. Jefferies will receive a commission received commissions up to 3.0% of the gross proceeds of any common stock sold through Jefferies under the 2021 Sales Agreement. During the six nine months ended June 30, 2023 September 30, 2023, the Company received $7.4 million in net proceeds from the sale of 9,944,663 shares of its common stock under the 2021 Sales Agreement. In 2022, the Company received $34.4 million in net proceeds from the sale of 15,160,899 shares of its common stock under the 2021 Sales Agreement. On August 7, 2023, the Company and Jefferies mutually agreed to terminate the 2021 Sales Agreement, effective as of August 7, 2023. At the time of termination, approximately $106.6 million remained available for issuance pursuant to the 2021 Sales Agreement.

In August 2023, the Company entered into an Equity Distribution Agreement (the "Equity Distribution Agreement") with Goldman Sachs & Co. LLC ("GS"), under which the Company could offer and sell, from time to time, at its sole discretion, shares of its common stock having an aggregate offering price of up to $106.6 million through GS as its sales agent in an "at the market" offering. GS will receive a commission up to 3.0% of the gross proceeds of any common stock sold through GS under the Equity Distribution Agreement. The shares will be offered and sold pursuant to an effective shelf registration statement on Form S-3, which was originally filed with the Securities and Exchange Commission on August 10, 2023. As of September 30, 2023, no sales have been made under the Equity Distribution Agreement.

14. Stock-Based Compensation

2015 Plan

In December 2015, the Company adopted the 2015 Equity Incentive Plan (the "2015 Plan"), under which incentive stock options, non-qualified stock options and restricted stock units may be granted to the Company's employees and certain other persons, such as officers and directors, in accordance with the 2015 Plan provisions. In February 2016, the Company's Board of Directors adopted, and the Company's stockholders approved, an Amended and Restated 2015 Equity Incentive Plan (the "Amended and Restated 2015 Plan"), which became effective on February 20, 2016. The Company's Board of Directors may terminate the Amended and Restated 2015 Plan at any time. Options granted under the Amended and Restated 2015 Plan expire ten years after the date of grant.

Pursuant to the Amended and Restated 2015 Plan, the number of shares of the Company's common stock reserved for issuance automatically increases on January 1 of each year, ending on January 1, 2026, by 3.5% of the total number of shares of its common stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares as may be determined by its Board of Directors. As of June 30, 2023 September 30, 2023, 28,775,002 28,974,957 shares remained available for grant under the Amended and Restated 2015 Plan.

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Inducement Plan

On May 30, 2019, the Company adopted the Senseonics Holdings, Inc. Inducement Plan (the "Inducement Plan"), pursuant to which the Company reserved 1,800,000 shares of the Company's common stock for issuance. The

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only persons eligible to receive grants of awards under the Inducement Plan are individuals who satisfy the standards for inducement grants in accordance with NYSE American Company Guide Section 711(a), including individuals who were not previously an employee or director of the Company, or following a bona fide period of non-employment, as an inducement material to such persons entering into employment with the Company. An "Award" is any right to receive the Company's common stock pursuant to the Inducement Plan, consisting of non-statutory options, restricted stock unit awards and other equity incentive awards. As of June 30, 2023 September 30, 2023, 201,569 172,256 shares remained available for grant under the Inducement Plan.

Commercial Equity Plan

On January 30, 2023, the Company adopted the Senseonics Holdings, Inc. 2023 Commercial Equity Plan (the "Commercial Equity Plan"), pursuant to which the Company reserved 10,000,000 shares of common stock for issuance. Eligible recipients under the plan are non-employees of Senseonics, including employees of our global commercial partner, Ascensia, who assist with the commercialization of our products. An "Award" is any right to receive the Company's common stock pursuant to the Commercial Equity Plan, consisting of non-statutory options and restricted stock unit awards. On May 3, 2023, the The Company has issued 2,525,000 2,937,500 shares under the

Commercial Equity Plan. Plan since adoption. As of June 30, 2023 September 30, 2023, 7,475,000 7,062,500 shares remained available for grant under the Commercial Equity Plan.

2016 Employee Stock Purchase Plan

In February 2016, the Company adopted the 2016 Employee Stock Purchase Plan, (the "2016 ESPP"). The 2016 ESPP became effective on March 17, 2016. The maximum number of shares of common stock that may be issued under the 2016 ESPP was initially 800,000 shares and automatically increases on January 1 of each year, ending on and including January 1, 2026, by 1.0% of the total number of shares of common stock outstanding on December 31 of the preceding calendar year; provided, however, the Board of Directors may act prior to the first day of any calendar year to provide that there will be no January 1 increase in the share reserve for such calendar year or that the increase in the share reserve for such calendar year will be a lesser number of shares of common stock. As of June 30, 2023 September 30, 2023, there were 17,760,078 17,624,582 shares of common stock available for issuance under the 2016 ESPP. For the six nine months ended June 30, 2023 September 30, 2023, there were purchases of 86,816 222,312 shares of common stock pursuant to the 2016 ESPP.

The 2016 ESPP permits participants to purchase shares of the Company's common stock through payroll deductions of up to 15% of their earnings. Unless otherwise determined by the administrator, the purchase price of the shares will be 85% of the lower of the fair market value of common stock on the first day of an offering or on the date of purchase. Participants may end their participation at any time and deductions not yet used in a purchase are refundable upon employment termination. The Company initiated its first 2016 ESPP offering period on August 1, 2019 and new offering periods occur every six months thereafter, each consisting of two purchase periods of six months in duration ending on or about January 31st and July 31st of each year. A participant may only be in one offering at a time. On February 1, 2020, there were 566,573 shares purchased in connection with the offering period. The 2016 ESPP contains an offering reset provision whereby if the fair market value of a share on offering date of an ongoing offering is less than or equal to the fair market value of a share on a new offering date, the ongoing offering will terminate immediately after the purchase date and rolls over to the new offering.

The 2016 ESPP is considered compensatory for financial reporting purposes.

1997 Plan

On May 8, 1997, the Company adopted the 1997 Stock Option Plan (the "1997 Plan"), under which incentive stock options, non-qualified stock options, and restricted stock awards may be granted to the Company's employees and certain other persons in accordance with the 1997 Plan provisions. Approximately 1,217,348 1,026,870 shares of the Company's

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common stock underlying options have vested under the 1997 Plan. Upon the effectiveness of the 2015 Plan, the Company no longer grants any awards under the 1997 Plan.

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15. Fair Value Measurements

The following table represents the fair value hierarchy of the Company's financial assets and liabilities measured at fair value on a recurring basis at June 30, 2023 September 30, 2023 and December 31, 2022 (in thousands):

	June 30, 2023				September 30, 2023			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets								
Money market funds[1]	$ 25,007	$ 25,007	—	—	$52,696	$52,696	—	—
Commercial paper	43,242	—	43,242	—	26,281	—	26,281	—
Corporate debt securities	11,836	—	11,836	—	7,920	—	7,920	—
Asset backed securities	7,453	—	7,453	—	—	—	—	—
Government and agency securities	33,989	33,989	—	—	35,447	35,447	—	—
Liabilities								
Embedded features of the 2025 Notes	$ 1,792	$ —	—	1,792	$ 245	$ —	—	245

	December 31, 2022			
	Total	Level 1	Level 2	Level 3
Assets				
Money market funds[1]	$ 34,658	$ 34,658	—	—
Commercial paper	41,503	—	41,503	—
Corporate debt securities	32,142	—	32,142	—
Asset backed securities	8,260	—	8,260	—
Government and agency securities	38,570	31,627	6,943	—
Liabilities				
Embedded features of the 2023 Notes	$ 20	$ —	20	—
Embedded features of the PHC Notes	44,191	—	—	44,191
Embedded features of the 2025 Notes	7,859	—	—	7,859

(1) Classified as cash and cash equivalents due to their short-term maturity

The following table provides a reconciliation of the beginning and ending net balances of items measured at fair value on a recurring basis that used significant unobservable inputs (Level 3) (in thousands):

	Level 3 Instruments	Level 3 Instruments
December 31, 2022	$ 52,050	$ 52,050
Conversion of financial instruments		(1,109)
Gain on change in fair value of embedded features of the PHC Notes	(44,191)	(44,191)
Gain on change in fair value of embedded features of the 2025 Notes	(6,067)	(6,505)
June 30, 2023	$ 1,792	
September 30, 2023		$ 245

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The recurring Level 3 fair value measurements of the embedded features of the notes payable and preferred stock, include the following significant unobservable inputs at June 30, 2023 and December 31, 2022 September 30, 2023:

Unobservable Inputs	As of June 30, 2023 2025 Notes Assumptions		As of September 30, 2023 2025 Notes Assumptions	
Stock price volatility	40.0	%	45.0	%
Probabilities of conversion provisions	5.0 - 85.0	%	5.0 - 85.0	%
Credit spread	8.7	%	9.5	%

Unobservable Inputs	As of December 31, 2022 2025 Notes Assumptions		PHC Notes Assumptions		As of December 31, 2022 2025 Notes Assumptions		PHC Notes Assumptions	
Stock price volatility	110.0	%	99.0	%	110.0	%	99.0	%
Probabilities of conversion provisions	5.0 - 10.0	%	5.0 - 10.0	%	5.0 - 10.0	%	5.0 - 10.0	%
Credit spread	13.96	%	13.96	%	13.96	%	13.96	%
Recovery rate	-1.56	%	-5.51	%	-1.56	%	-5.51	%

16. Income Taxes

The Company has not recorded any tax provision or benefit for the six nine months ended June 30, 2023 September 30, 2023 or June 30, 2022 September 30, 2022. The Company has provided a valuation allowance for the full amount of its net deferred tax assets since realization of any future benefit from deductible temporary differences, NOL carryforwards and research and development credits is not more-likely-than-not to be realized at June 30, 2023 September 30, 2023 and December 31, 2022.

17. Related Party Transactions

PHC has a noncontrolling ownership interest in the Company. In addition, PHC has representation on the Company's board of directors. The Company entered into a financing agreement with PHC on August 9, 2020 and entered into an exchange agreement with PHC during 2023 (see Note 12 for further discussion). Ascensia, through the ownership interests of its parent company, PHC, is a related party. Revenue from Ascensia during the six nine months ended June 30, 2023 September 30, 2023 and 2022 was $7.5 million $13.2 million and $5.7 million $10.3 million, respectively. We also purchase certain medical supplies from Ascensia for our clinical trials. We paid Ascensia $0.3 million $0.6 million and $0.1 million $0.2 million during six the nine months ended June 30, 2023 September 30, 2023 and 2022, respectively under this arrangement.

The amount due from Ascensia as of June 30, 2023 September 30, 2023 and December 31, 2022 was $3.0 million $2.7 million and $2.3 million, respectively. The amount due to Ascensia as of June 30, 2023 September 30, 2023 and December 31, 2022 was $0.6 million $0.5 million and $0.9 million, respectively.

18. Subsequent Events

The Company has evaluated all subsequent events through the filing date of this Form 10-Q with the SEC, to ensure that this filing includes appropriate disclosure of events both recognized in the financial statements as of June 30, 2023, September 30, 2023, and events which occurred subsequently but were not recognized in the financial statements. There were no subsequent events that required recognition or disclosure, other than those described below.

2025 Notes Exchange Agreements

On August 10, 2023 the Company entered into separate, privately negotiated exchange agreements (the "Exchange Agreements") with a limited number of holders (the "Noteholders") of the Company's currently outstanding

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5.25% Convertible Senior Notes due 2025 (the “2025 Notes”). Under the terms of the Exchange Agreements, the Noteholders have agreed to exchange with the Company (the “Exchanges”) up to $30.8 million in aggregate principal amount of the Company’s outstanding 2025 Notes (the “Exchanged Notes”) for a combination of $7.5 million of cash and newly issued shares of common stock (the “Exchange Shares”). The Exchanged Notes are presently convertible into an aggregate of approximately 23.3 million shares. The number of Exchange Shares to be issued to the Noteholders will be determined based upon the volume-weighted average price per share of the Common Stock during a 15-day averaging period commencing on August 11, 2023. The maximum number of Exchange Shares that may be issued is 10% of the Company’s common stock outstanding as of August 10, 2023 (the “Exchange Share Cap”). If the average trading price over the averaging period would otherwise result in the number of shares to be issued exceeding the Exchange Share Cap, the amount of the Exchanged Notes will be proportionally reduced. The Exchanges are subject to customary closing conditions and are expected to close on or about September 5, 2023.

At-the-Market Offering Program

As previously disclosed, in November 2021, the Company entered into an Open Market Sale Agreement with Jefferies, pursuant to which the Company could offer and sell, from time to time, at its sole discretion, shares of its common stock having an aggregate offering price of up to $150.0 million through Jefferies as its sales agent in an “at the market” offering. On August 7, 2023, the Company and Jefferies mutually agreed to terminate the Open Market Sale Agreement, effective as of August 7, 2023. Prior to termination, the Company had sold an aggregate of 25,105,562 shares under the Open Market Sale Agreement, resulting in gross proceeds of approximately $43.4 million, before deducting commissions and offering expenses. At the time of termination, approximately $106.6 million remained available for issuance pursuant to the Open Market Sale Agreement.

On August 10, 2023, the Company entered into the Equity Distribution Agreement with Goldman Sachs & Co. LLC, which will enable the Company to issue and sell shares of Common stock in one or more negotiated transactions or transactions that are deemed to be “at the market” offerings as defined in Rule 415 under the Securities Act, for a maximum aggregate offering amount of up to $106.6 million (the “ATM Program”).

The shares will be offered and sold pursuant to a shelf registration statement on Form S-3 (the “Registration Statement”), filed with the Securities and Exchange Commission (the “Commission”) on August 10, 2023. The Registration Statement has not yet been declared effective by the Commission and no sales may be made until such time as the Registration Statement is declared effective. The Registration Statement, once effective, will provide for the issuance of common stock from time to time, in one or more transactions, in the aggregate offering amount of $106.6 million, inclusive of the $106.6 million pursuant to the ATM Program. disclosure.

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ITEM 2: MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements contained in this Quarterly Report on Form 10-Q may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words or phrases “would be,” “will allow,” “intends to,” “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” or similar expressions, or the negative of such words or phrases, are intended to identify “forward-looking statements.” We have based these forward-looking statements on our current expectations and projections about future events. Because such statements include risks, uncertainties, and assumptions, actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to these differences include those described below and elsewhere in this Quarterly Report on Form 10-Q, and in our Annual Report on Form 10-K, particularly in Part I – Item 1A, “Risk Factors,” and our other filings with the Securities and Exchange Commission. Statements made herein are as of the date of the filing of this Quarterly Report on Form 10-Q with the Securities and Exchange Commission and should not be relied upon as of any subsequent date. Unless *otherwise required by applicable law, we do not undertake, and we specifically disclaim, any obligation to update any forward-looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement.*

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited financial statements and related notes that appear in Item 1 of this Quarterly Report on Form 10-Q and with our audited financial statements and related notes for the year ended December 31, 2022, which are included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 16, 2023. Unless otherwise indicated or the context otherwise requires, all references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section to the "Company," "we," "our," "ours," "us" or similar terms refer to Senseonics Holdings, Inc. and its subsidiary.

Overview

We are 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. Our implantable CGM ("Eversense"), including 90-day Eversense, Eversense XL and Eversense E3 CGM system versions are designed to continually and accurately measure glucose levels in people with diabetes via an under-the-skin sensor, a removable and rechargeable smart transmitter, and a convenient app for real-time diabetes monitoring and management for a period of up to six months in the case of Eversense XL and Eversense E3, as compared to seven to 14 days for non-implantable CGM systems. We affixed the CE mark to the original 90-day Eversense CGM system in June 2016, which marked the first certification for the product to be sold within the European Economic Area (being the European Union plus Norway, Iceland, and Liechtenstein) ("EEA"). Subsequently, we affixed the CE mark to the extended life Eversense XL CGM system in September 2017 to be sold in select markets in Europe and the Middle East. In June 2022, we affixed the CE mark to the extended life Eversense E3 CGM system and Ascensia began commercialization in select markets in Europe during the third quarter of 2022. In June 2018, the FDA, approved the 90-day Eversense CGM system for distribution throughout the United States. In June 2019, we received FDA approval for the non-adjunctive indication (dosing claim) for the 90-day Eversense system. With this approval and the availability of a new app in December 2019, the Eversense system can now be used as a therapeutic CGM in the United States to replace fingerstick blood glucose measurement to make treatment decisions, including insulin dosing. In February 2022, the 180-day extended life Eversense E3 CGM system was approved by the FDA and Ascensia began commercializing Eversense E3 in the United States in the second quarter of 2022.

Our net revenues are derived from sales of the Eversense system which is sold in two separate kits: the disposable Eversense Sensor Pack which includes the sensor, insertion tool, and adhesive patches, and the durable Eversense Smart Transmitter Pack which includes the transmitter and charger.

We sell directly to our network of distributors and strategic fulfillment partners, who provide the Eversense system to healthcare providers and patients through a prescribed request and invoice insurance payors for reimbursement. Sales of the Eversense system are widely dependent on the ability of patients to obtain coverage and

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adequate reimbursement from third-party payors or government agencies. We leverage and target regions where we have coverage decisions for patient device use and provider insertion and removal procedure payment. We have reached approximately 300 million covered lives in the United States through positive insurance payor coverage decisions. In June 2023, we received positive payor coverage decision from UnitedHealthcare, the largest healthcare insurance company in the United States that effective July 1, 2023, Eversense E3 CGM system would be covered. On August 3, 2020, the Center for Medicare and Medicaid Services ("CMS") released its Calendar Year 2021 Medicare Physician Fee Schedule Proposed Rule that announces proposed policy changes for Medicare payments, including the proposed establishment of national payment amounts for the three CPT© Category III codes describing the insertion (CPT 0446T), removal (0447T), and removal and insertion (0048T) of an implantable interstitial glucose sensor, which describes our Eversense CGM systems, as a medical benefit, rather than as part of the Durable Medical Equipment channel that includes other CGMs. In December 2021, CMS released its Calendar Year 2022 Medicare Physician Fee Schedule that updated global payments for the device cost and procedure fees. In July 2022, CMS provided temporary G-codes to enable immediate access to Eversense E3 for all eligible Medicare beneficiaries. In November 2022, CMS released its Calendar Year 2023 Medicare

Physician Fee Schedule Proposed Rule that updates the payment amounts for the three CPT© Category III codes to account for the longer 6-month sensor.

In February 2020, we announced that the FDA approved a subgroup of PROMISE trial participants to continue for a total of 365 days to gather feasibility data on the safety and accuracy of a 365-day sensor. This sub-set of 30 participants was left undisturbed for 365 days with the goal of measuring accuracy and longevity over the full 365 days. Information gathered from this sub-set and additional development efforts provided us the confidence to start the Pivotal study for the Eversense 365-day System. The ENHANCE pivotal study for the Eversense 365-day system completed enrollment in the third quarter of 2022 and we the last patient of the adult cohort completed the study in the third quarter of 2023. We expect to have data by the end of 2023, which is intended to support an FDA submission for a new product in the second half of 2023. early 2024.

We are in the early commercialization stages of the Eversense brand and are focused on driving awareness of our CGM system amongst intensively managed patients and their healthcare providers. In both the United States and our overseas markets, we have entered into strategic partnerships and distribution agreements that allow third party collaborators with direct sales forces and established distribution systems to market and promote Senseonics CGM systems, including 90-day Eversense, Eversense XL, Eversense E3 and future generation products.

United States Development and Commercialization of Eversense

In 2016, we completed our PRECISE II pivotal clinical trial in the United States. This trial, which was fully enrolled with 90 subjects, was conducted at eight sites in the United States. In the trial, we measured the accuracy of Eversense measurements through 90 days after insertion. We also assessed safety through 90 days after insertion or through sensor removal. In the trial, we observed a mean absolute relative difference ("MARD"), of 8.5% utilizing two calibration points for Eversense across the 40-400 mg/dL range when compared to YSI blood reference values during the 90-day continuous wear period. Based on the data from this trial, in October 2016 we submitted a pre-market approval ("PMA") application to the FDA to market Eversense in the United States for 90-day use. On June 21, 2018, we received PMA approval from the FDA for the Eversense system. In July 2018, we began distributing the 90-day Eversense system directly in the United States through our own direct sales and marketing organization. We have received Category III CPT codes for the insertion and removal of the Eversense sensor.

In December 2018, we initiated the PROMISE pivotal clinical trial to evaluate the safety and accuracy of Eversense for a period of up to six months in the United States and in September 30, 2019, we completed enrollment of the PROMISE trial. In the trial, we observed performance matching that of the then current Eversense 90-day product available in the United States, with a MARD of 8.5%. This result was achieved with reduced calibration, down to one per day, while also doubling the sensor life to six months. Following the results of the PROMISE trial, on September 30, 2020, a PMA supplement application to extend the wearable life of the Eversense CGM System to six months was submitted to the FDA. In February 2022, the extended life Eversense E3 CGM system was approved by the FDA.

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In June 2019, we received FDA approval for the non-adjunctive indication (dosing claim) for the Eversense system and launched with an updated app in December 2019. With this approval, the Eversense system can be used as a therapeutic CGM to replace fingerstick blood glucose measurement for treatment decisions, including insulin dosing.

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On February 26, 2020, we announced that the FDA approved a subgroup of PROMISE trial participants to continue for a total of 365 days to gather feasibility data on the safety and accuracy of a 365-day sensor. This sub-set of 30 participants were left undisturbed for 365 days with the goal of measuring accuracy and longevity over the full 365 days. Information gathered from this sub-set and additional development efforts provided us the confidence to start the Pivotal study for the Eversense 365 System.

In April 2020, we announced that we received an extension to our CE Certificate of Conformity in the EEA such that the Eversense XL is no longer contraindicated for MRI, which means the sensor does not need to be removed from under the skin during MRI scanning. We had previously obtained this indication for Eversense in the United States in 2019. This MRI approval is a first for the CGM category, as all other sensors are required to be removed during an MRI scan.

On August 9, 2020, we entered into a collaboration and commercialization agreement with Ascensia (the “Commercialization Agreement”) pursuant to which we granted Ascensia the exclusive right to distribute our 90-day Eversense CGM system and our 180-day Eversense E3 CGM system worldwide, with the following initial exceptions: (i) until January 31, 2021, the territory did not include countries covered by our then existing distribution agreement with Roche Diagnostics International AG and Roche Diabetes Care GmbH (together “Roche”), which included Europe, Middle East and Asia, excluding Scandinavia and Israel, and 17 additional countries, including Brazil, Russia, India and China, as well as select markets in the Asia Pacific and Latin American regions; (ii) until September 13, 2021, the territory did not include countries covered by our then current distribution agreement with Rubin Medical, which included Sweden, Norway and Denmark; and (iii) until May 31, 2022, the territory did not include Israel. Pursuant to the Commercialization Agreement, in the United States, Ascensia began providing sales support for the 90-day Eversense product on October 1, 2020 and Ascensia ramped up sales activities and assumed commercial responsibilities for the 90-day Eversense product during the second quarter of 2021.

In February 2022, we received approval from the FDA for the Eversense E3 CGM System. The approval for our third-generation sensor, with proprietary sacrificial boronic acid (“SBA”) technology doubles the sensor life to six months with MARD of 8.5%. Ascensia began commercializing Eversense E3 in the United States during the second quarter of 2022.

The ENHANCE clinical study was initiated as a pivotal study with the purpose of gathering additional clinical data to support an integrated continuous glucose monitoring (iCGM) submission for the Eversense E3 system using the SBA technology. In March 2022, we extended the ongoing ENHANCE clinical study to evaluate the safety and accuracy of the Eversense 365 System for a period of up to one year in the United States. In September 2022, we completed enrollment of the ENHANCE study. study and the last patient of the adult cohort completed the study in the third quarter of 2023. In November 2022, we submitted and in the first quarter of 2023 we received approval of an IDE for the enrollment of a pediatric cohort in the ENHANCE study. We began to enroll pediatric patients during the second quarter of 2023.

European Commercialization of Eversense

In September 2017, we affixed the CE mark for Eversense XL which indicates that the product may be sold freely in any part of the European Economic Area (“EEA”). The Eversense XL is indicated for a sensor life of up to 180 days. Eversense XL began commercialization in Europe in the fourth quarter of 2017. All such commercialization and marketing activities remain subject to applicable government approvals.

In May 2016, we entered into a distribution agreement with Roche. Pursuant to the agreement, as amended, we had granted Roche the exclusive right to market, sell and distribute Eversense in the EMEA, excluding Scandinavia and Israel. In addition, Roche had exclusive distribution rights in 17 additional countries, including Brazil, Russia, India and China, as well as select markets in the Asia Pacific and Latin American regions. Roche was obligated to purchase from

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us specified minimum volumes of Eversense XL CGM components at pre-determined prices. On November 30, 2020, we entered into a final amendment and settlement agreement with Roche to facilitate the transition of distribution to Ascensia as sales concluded on January 31, 2021, including final purchases, and transition support activities. The distribution rights under the agreement expired January 31, 2021.

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In June 2022, we affixed the CE mark to the extended life Eversense E3 CGM system, and Ascensia began commercialization in European markets during the second half of 2022.

Financial Overview

Revenue

We generate product revenue from sales of the Eversense system and related components and supplies to Ascensia, through the Commercialization Agreement, third-party distributors in the European Union and to strategic fulfillment partners in the United States (collectively "Customers"), who then resell the products to health care providers and patients. We are generally paid for our sales directly to the Customers, regardless of whether or not the Customers resell the products to health care providers and patients.

Revenue from product sales is recognized at a point in time when the Customers obtain control of our product based upon the delivery terms as defined in the contract at an amount that reflects the consideration which we expect to receive in exchange for the product. Contracts with our distributors contain performance obligations, mostly for the supply of goods, and is typically satisfied upon transfer of control of the product. Additionally, a portion of revenue is recognized through our consignment program whereas small quantities of inventory are maintained securely at various health care provider locations within the United States. Under this model, the Company does not recognize revenue upon shipment of product. Rather, revenue is recognized when the product is consumed by a patient.

Customer contracts do not include the right to return unless there is a product issue, in which case we may provide replacement product. Product conformity guarantees do not create additional performance obligations and are accounted for as warranty obligations in accordance with guarantee and loss contingency accounting guidance.

Our contracts may contain some form of variable consideration such as prompt-pay discounts, tier-volume price discounts and for the Ascensia commercial agreement, revenue share. Variable consideration, such as discounts and prompt-pay incentives, are treated as a reduction in revenue and variable considerations, such as revenue share, is treated as an addition in revenue when the product sale is recognized. The amount of variable consideration that is included in the transaction price may be constrained and is included in revenue only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period, when the uncertainty associated with the variable consideration is subsequently resolved. Estimating variable consideration and the related constraint requires the use of management judgment. Depending on the variable consideration, we develop estimates for the expected value based on the terms of the agreements, historical data, geographic mix, reimbursement rates, and market conditions.

Contract assets consist of unbilled receivables from customers and are recorded at net realizable value and relate to the revenue share variable consideration from the Ascensia Commercialization Agreement.

Concentration of Revenue and Customers

For the three months ended June 30, 2023 September 30, 2023 and 2022, the Company derived 89% 93% and 96% 97%, respectively, of its total revenue from one customer, Ascensia. For the six nine months ended June 30, 2023 September 30, 2023, and 2022, the Company derived 91% 92% and 93% 95%, respectively of its total revenue from one customer, Ascensia. Revenues for these corresponding periods represent sales of sensors, transmitters and miscellaneous Eversense system components components.

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Revenue by Geographic Region

The following table sets forth net revenue derived from our two primary geographical markets, the United States and outside of the United States, based on the geographic location to which we deliver the product, for three and six nine months ended June 30, 2023 September 30, 2023 and 2022:

	Three Months Ended June 30, 2023		Six Months Ended June 30, 2023		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
(Dollars in thousands)	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Revenue, net:								
United States	$ 1,793	43.5 %	$ 3,955	47.9 %	$ 3,930	64.5 %	$ 7,885	54.9 %
Outside of the United States	2,333	56.5	4,308	52.1	2,167	35.5	6,475	45.1
Total	$ 4,126	100.0 %	$ 8,263	100.0 %	$ 6,097	100.0 %	$ 14,360	100.0 %

	Three Months Ended June 30, 2022		Six Months Ended June 30, 2022		Three Months Ended September 30, 2022		Nine Months Ended September 30, 2022	
(Dollars in thousands)	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Revenue, net:								
United States	$ 1,207	32.5 %	$ 1,974	31.9 %	$ 1,934	41.8 %	$ 3,908	36.1 %
Outside of the United States	2,507	67.5	4,222	68.1	2,688	58.2	6,910	63.9
Total	$ 3,714	100.0 %	$ 6,196	100.0 %	$ 4,622	100.0 %	$ 10,818	100.0 %

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Results of Operations for the Three Months Ended June 30, 2023 September 30, 2023 and 2022

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Period-to-Period Change	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Period-to-Period Change
	(in thousands)		(in thousands)	(in thousands)		(in thousands)
Revenue, net	$ 437	$ 137	$ 300	$ 426	$ 126	$ 300
Revenue, net - related parties	3,689	3,577	112	5,671	4,496	1,175
Total revenue	4,126	3,714	412	6,097	4,622	1,475
Cost of sales	3,709	2,890	819	4,925	3,866	1,059
Gross profit	417	824	(407)	1,172	756	416
Expenses:						
Research and development expenses	12,830	9,299	3,531	12,769	10,985	1,784
Selling, general and administrative expenses	7,455	8,561	(1,106)	7,425	7,340	85
Operating loss	(19,868)	(17,036)	(2,832)	(19,022)	(17,569)	(1,453)
Other income (expense), net:						
Interest income	1,311	241	1,070	1,460	544	916
Gain on fair value adjustment of option	—	28,224	(28,224)			

Exchange related gain, net	—	—	—			
(Loss) Gain on fair value adjustment of option				—	(8,592)	8,592
Exchange related loss, net				(4,569)	—	(4,569)
Interest expense	(2,310)	(4,510)	2,200	(2,425)	(4,801)	2,376
Gain on change in fair value of derivatives	289	96,548	(96,259)			
Gain (Loss) on change in fair value of derivatives				438	(28,948)	29,386
Impairment cost, net	—	816	(816)	—	(984)	984
Other income (expense)	155	(52)	207	15	(41)	56
Total other income (expense), net	(555)	121,267	(121,822)			
Total other (expense) income, net				(5,081)	(42,822)	37,741
Net (Loss) Income	$ (20,423)	$ 104,231	$ (124,654)	$ (24,103)	$ (60,391)	$ 36,288

Total revenue

Our total revenue increased to $4.1 million $6.1 million for the three months ended June 30, 2023 September 30, 2023, compared to $3.7 million $4.6 million for the three months ended June 30, 2022 September 30, 2022, an increase of $0.4 million $1.5 million. This increase was primarily due to the launch higher shipments of Eversense E3 outside of in the United States in the third quarter of 2022 2023 driving higher revenue in the current year. year offset by a higher revenue share percentage due to Ascensia.

Cost of sales and gross profit

Our cost of sales increased to $3.7 million $4.9 million for the three months ended June 30, 2023 September 30, 2023, compared to $2.9 million $3.9 million for the three months ended June 30, 2022 September 30, 2022. Our gross profit decreased increased to $0.4 million $1.2 million for the three months ended June 30, 2023 September 30, 2023, compared to $0.8 million for the three months ended June 30, 2022 September 30, 2022. Gross profit as a percentage of revenue, or gross margin, was 10.1% 19.2% and 22.2% 16.4% for the three months ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022, respectively. The improvement in gross margin was primarily driven by an increase in revenue partially offset by an increase to the revenue share percentage due to Ascensia.

Research and development expenses

Research and development expenses were $12.8 million for the three months ended September 30, 2023, compared to $11.0 millionfor the three months ended September 30, 2022, an increase of $1.8 million. The increase was primarily due to investments in next generation technologies including a $0.2 millionincrease in clinical studies activities and $1.6 million in personnel costs, consulting, contract fabrication and other research and development support services.

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Selling, general and administrative expenses

Selling, general and administrative expenses were $7.4 million for the three months ended September 30, 2023, compared to $7.3 million for three months ended September 30, 2022, an increase of less than $0.1 million.

Total other income (expense), net

Total other expense, net, was $5.1 million for the three months ended September 30, 2023, compared to other expense, net, of $42.8 millionfor the three months ended September 30, 2022, an increase in other income of $37.7 million. The change was primarily due to a $8.6 million change in the fair value adjustment of options, a $29.4 millionchange in the fair value of derivatives, a $1.0 million change in impairment cost, an increase in interest income of $0.9 million, and a decrease in interest expense of $2.4 million, partially offset by a $4.6 million extinguishment loss due to a partial exchange of the 2025 notes.

Results of Operations for the Nine Months Ended September 30, 2023 and 2022

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Period-to-Period Change
	(in thousands)		
Revenue, net	$ 1,176	$ 555	$ 621
Revenue, net - related parties	13,184	10,263	2,921
Total revenue	14,360	10,818	3,542
Cost of sales	12,358	8,711	3,647
Gross profit	2,002	2,107	(105)
Expenses:			
Research and development expenses	38,003	28,088	9,915
Selling, general and administrative expenses	22,598	23,785	(1,187)
Operating loss	(58,599)	(49,766)	(8,833)
Other income (expense), net:			
Interest income	3,879	878	3,001
Gain on fair value adjustment of option	—	41,333	(41,333)
Exchange related gain, net	14,207	—	14,207
Interest expense	(9,388)	(13,806)	4,418
Gain on change in fair value of derivatives	6,505	152,169	(145,664)
Impairment cost	—	(138)	138
Other income (expense)	194	(112)	306
Total other (expense) income, net	15,397	180,324	(164,927)
Net (Loss) Income	$ (43,202)	$ 130,558	$ (173,760)

Total revenue

Our total revenue increased to $14.3 million for the nine months ended September 30, 2023, compared to $10.8 million for the nine months ended September 30, 2022, an increase of $3.5 million. This increase was primarily due to higher shipments of Eversense E3 in the United States in the third quarter of 2023 driving higher revenue in the current year offset by a higher revenue share percentage due to Ascensia.

Cost of sales and gross profit

Our cost of sales were $12.4 million for the nine months ended September 30, 2023 compared to $8.7 million for the nine months ended September 30, 2022, an increase of $3.7 million. Our gross profit decreased to $2.0 million for the nine months ended September 30, 2023, compared to $2.1 million for the nine months ended September 30, 2022. Gross profit as a percentage of revenue, or gross margin, was 13.9% and 19.5% for the nine months ended September 30,

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2023 and September 20, 2022, respectively. The reduction in gross margin was primarily driven by an increase in the revenue share percentage due to Ascensia, sales channel mix and increased manufacturing and logistics costs.

Research and development expenses

Research and development expenses were $12.8 million $38.0 million for the three nine months ended June 30, 2023 September 30, 2023, compared to $9.3 million$28.1 million for the three nine months ended June 30, 2022 September 30, 2022, an increase of $3.5 million. The increase was primarily due to investments in next generation technologies including a $3.1 millionincrease in clinical studies activities and a $0.4 million increase in research and development support services.

Selling, general and administrative expenses

Selling, general and administrative expenses were $7.5 million for the three months ended June 30, 2023, compared to $8.6 million for three months ended June 30, 2022, a decrease of $1.1 million. The decrease was primarily

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the result of a $1.0 million reduction in personnel spend primarily driven by payroll tax credits, lower recruiting costs and a $0.1 million reduction in insurance premiums.

Total other income (expense), net

Total other expense, net, was $0.6 million for the three months ended June 30, 2023, compared to other income, net, of $121.3 millionfor the three months ended June 30, 2022, a decrease in other income of $121.8 million. The change was primarily due to a $28.2 million change in the fair value adjustment of options, a $96.3 millionchange in the fair value of derivatives, and a $0.8 million change in impairment cost partially offset by an increase in interest income (expense), net, of $3.3 million and an increase of $0.2 million in other income (expense), net.

Results of Operations for the Six Months Ended June 30, 2023 and 2022

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Period-to-Period Change
	(in thousands)		
Revenue, net	$ 750	$ 429	$ 321
Revenue, net - related parties	7,513	5,767	1,746
Total revenue	8,263	6,196	2,067
Cost of sales	7,433	4,845	2,588
Gross profit	830	1,351	(521)
Expenses:			
Research and development expenses	25,235	17,103	8,132
Selling, general and administrative expenses	15,173	16,445	(1,272)
Operating loss	(39,578)	(32,197)	(7,381)
Other (expense) income, net:			
Interest income	2,420	334	2,086
Gain on fair value adjustment of option	—	49,925	(49,925)
Exchange related gain, net	18,776	—	18,776
Interest expense	(6,962)	(9,005)	2,043
Gain on change in fair value of derivatives	6,067	181,117	(175,050)
Impairment cost	—	846	(846)
Other income (expense)	178	(71)	249
Total other (expense) income, net	20,479	223,146	(202,667)
Net (Loss) Income	$ (19,099)	$ 190,949	$ (210,048)

Total revenue

Our total revenue increased to $8.3 million for the six months ended June 30, 2023, compared to $6.2 million for the six months ended June 30, 2022, an increase of $2.1 million. This increase was primarily due to the launch of Eversense E3 outside of the United States in the third quarter of 2022 driving higher revenue in the current year.

Cost of sales and gross profit

Our cost of sales were $7.4 million for the six months ended June 30, 2023 compared to $4.8 million for the six months ended June 30, 2022, an increase of $2.6 million. Our gross profit decreased to $0.8 million for the six months ended June 30, 2023, compared to $1.4 million for the six months ended June 30, 2022. Gross profit as a percentage of revenue, or gross margin, was 10.0% and 21.8% for the six months ended June 30, 2023 and June 20, 2022, respectively. The reduction in gross margin was primarily driven by an increase in the revenue share percentage due to Ascensia, sales channel mix and increased manufacturing and logistics costs.

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Research and development expenses

Research and development expenses were $25.2 million for the six months ended June 30, 2023, compared to $17.1 million for the six months ended June 30, 2022, an increase of $8.1 million $9.9 million. The increase was primarily due to investments for next generation technologies including a $5.9 million $6.1 million increase in clinical studies activities, an increase of $2.2 million $3.8 million in personnel costs, consulting, contract fabrication and other research and development support services.

Selling, general and administrative expenses

Selling, general and administrative expenses were $15.2 million $22.6 million for the six nine months ended June 30, 2023 September 30, 2023, compared to $16.4 million $23.8 million for six nine months ended June 30, 2022 September 30, 2022, a decrease of $1.2 million. The decrease was primarily due to a $0.7 million $0.6 million reduction in personnel costs, primarily driven by payroll tax credits, a $0.4 million $0.8 million reduction in other general and administrative costs to include recruiting and associated employee overhead and local tax expenses and a $0.3 million reduction in other sales and marketing costs partially offset by $0.2 million of increased costs for customer support and mobile app enhancements.increase in legal expenses.

Total other income (expense), net

Total other income (expense), net, was $20.5 million $15.4 million for the six nine months ended June 30, 2023 September 30, 2023, compared to other income (expense), net, of $223.1 million $180.3 million for the six nine months ended June 30, 2022 September 30, 2022, a change decrease in other income of $202.6 million $164.9 million. The change was primarily due to a $175.1 million $145.7 million change in fair value of derivatives, a $49.9 million $41.3 million change in fair value of option, and $0.8 million in impairment cost offset by an $18.8 million $14.2 million net gain extinguishment loss on the extinguishment exchange of the PHC notes, an Notes and 2025 Notes, $3.0 million increase in interest income, (expense), net, $4.4 million decrease in interest expense, change in impairment cost of $4.1 million $0.1 million, and an increase of $0.2 million $0.3 million in other income, (expense), net.

Liquidity and Capital Resources

Sources of Liquidity

From its founding in 1996 until 2010, the Company has devoted substantially all of its resources to researching various sensor technologies and platforms. Beginning in 2010, the Company narrowed its focus to developing and refining a commercially viable glucose monitoring system. The Company has incurred substantial losses and cumulative negative cash flows from operations since its inception in

October 1996 and expects to incur additional losses in the near future. We incurred total gross profit of $2.7 million, ($0.8) million, and ($17.4) million for the years ended December 31, 2022, 2021 and 2020, respectively. For the period three months ending June 30, 2023 September 30, 2023, the Company had gross profit of $0.4 million $1.2 million and an accumulated deficit of $828.0 million $852.1 million. To date, the Company has funded its operations principally through the issuance of preferred stock, common stock, warrants, convertible notes, and debt. As of June 30, 2023 September 30, 2023, the Company had cash, cash equivalents and marketable securities of $125.1 million $125.4million.

On September 8, 2023 (the "Effective Date"), the Company entered into a Loan and Security Agreement (the "Loan Agreement") with the several financial institutions or entities party thereto (collectively, the "Lenders") and Hercules Capital, Inc., a Maryland corporation ("Hercules"), pursuant to which the Lenders have agreed to make available to the Company up to $50.0 million in senior secured term loans (the "Term Loan Facility"), consisting of (i) an initial term loan of $25.0 million (the "Tranche 1 Loan"), which was funded on the Effective Date and (ii) two additional tranches of term loans in the amounts of up to $10.0 million (the "Tranche 2 Loan") and $15.0 million (the "Tranche 3 Loan"), respectively, which will become available to the Company upon the Company's satisfaction of certain terms and conditions set forth in the Loan Agreement. The loans under the Loan Agreement mature on September 1, 2027 (the "Maturity Date").

On August 10, 2023, the Company entered into separate, privately negotiated exchange agreements (the "Exchange Agreements") with a limited number of holders (the "Noteholders") of the Company's currently outstanding

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5.25% Convertible Senior Notes due 2025 (the "2025 Notes"). Under the terms of the Exchange Agreements, the Noteholders have agreed to exchange with the Company (the "Exchanges") up to $30.8 million in aggregate principal amount of the Company's outstanding 2025 Notes (the "Exchanged Notes") for a combination of $7.5 million of cash and newly issued shares of common stock (the "Exchange Shares"). The Exchanged Notes are presently convertible into an aggregate of approximately 23.3 million shares. The number of Exchange Shares to be issued to the Noteholders will be was determined based upon the volume-weighted average price per share of the Common Stock common stock during a 15-day averaging period commencing on August 11, 2023 and ending August 31, 2023. The maximum number of Exchange Shares that may be issued is 49,303,648 shares, representing 10% Based on the volume-weighted average price per share of the Company's common stock outstanding as of August 10, 2023 (the "Exchange Share Cap"). If the average trading price over during the averaging period, would otherwise result a total of 35.1 million shares of common stock were issued in the number of shares to be issued exceeding the Exchange Share Cap, the amount of the Exchanged Notes will be proportionally reduced. Exchanges. The Exchanges are subject to customary closing conditions were settled on the initial share issuance date of August 14, 2023 and are expected to close on or about the final settlement date of September 5, 2023.

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Assuming the successful consummation of the Exchanges, upon completion of the Exchanges, we anticipate that the restrictive covenants of the 2025 Notes will no longer be applicable, including limitations on indebtedness, and that approximately $19.2 million aggregate principal amount of the 2025 Notes will remain outstanding.

In August 2023, the Company entered into an Equity Distribution Agreement, (the "Equity Distribution Agreement") with Goldman Sachs & Co. LLC ("GS"), under which the Company could offer and sell, from time to time, at its sole discretion, shares of its common stock having an aggregate offering price of up to $106.6 million through GS as its sales agent in an "at the market" offering. GS will receive a commission up to 3.0% of the gross proceeds of any common stock sold through GS under the Equity Distribution Agreement. The shares will be offered and sold pursuant to a an effective shelf registration statement on Form S-3 (the "Registration Statement"), which was originally filed with the Securities and Exchange Commission (the "Commission") on August 10, 2023. The Registration Statement has not yet been declared effective by the Commission and no sales may be made until such time as the Registration Statement is declared effective. The Registration Statement, once effective, will provide for the issuance of common stock from time to time, in one or more transactions, in the aggregate offering amount of $106.6 million, inclusive of the $106.6 million pursuant to the ATM Program.

In November 2021, we entered into the 2021 Sales Agreement with Jefferies, under which we could offer and sell, from time to time, at our sole discretion, shares of our common stock having an aggregate offering price of up to $150.0 million through Jefferies as our sales agent in an "at the market" offering. Jefferies will receive a commission up to 3.0% of the gross proceeds of any common stock sold through Jefferies under the 2021 Sales Agreement. During the six months ended June 30, 2023, 2023, the Company received $7.4 million in net proceeds from the sale of 9,944,663 shares of its common stock under the 2021 Sales Agreement. For the six nine months ended June 30, 2022 September 30, 2022, Company received $8.0 million $34.4 million in net proceeds from the sale of 3,077,493 15,160,899 shares of its common stock under the 2021 Sales Agreement. On August 7, 2023, the Company and Jefferies mutually agreed to terminate the Open Market Sale 2021 Sales Agreement, effective as of August 7, 2023. At the time of termination, approximately $106.6 million remained available for issuance pursuant to the 2021 Sales Agreement Agreement.

On November 9, 2020, the Company entered into the Equity Line Agreement with Energy Capital which provided that, upon the terms and subject to the conditions and limitations set forth therein, Energy Capital was committed to purchase up to an aggregate of $12.0 million of shares of the Company's newly designated Series B Preferred Stock at the Company's request from time to time during the 24-month term of the Equity Line Agreement. Under the Equity Line Agreement, beginning January 21, 2021, subject to the satisfaction of certain conditions, including that the Company have less than $8.0 million of cash, cash equivalents and other available credit (aside from availability under the Equity Line Agreement), the Company had the right, at its sole discretion, to present Energy Capital with a Regular Purchase Notice directing Energy Capital (as principal) to purchase shares of Series B Preferred Stock at a price of $1,000 per share (not to exceed $4.0 million worth of shares) once per month, up to an aggregate of $12.0 million of the Company's Series B Preferred Stock at a per share price (the "Purchase Price") equal to $1,000 per share of Series B Preferred Stock, with each share of Series B Preferred Stock initially convertible into common stock, beginning six months after the date of its issuance, at a conversion price of $0.3951 per share, subject to customary anti-dilution adjustments, including in the event of any stock split. The Equity Line Agreement provided that the Company was not permitted to affect any Regular Purchase Notice under the Equity Line Agreement on any date where the closing price of the Company's common stock on the NYSE American is less than $0.25 without the approval of Energy Capital. In addition, beginning on January 1, 2022, since there had been no sales of the Series B Preferred Stock pursuant to the Equity Line Agreement, Energy Capital had the right, at its sole discretion, by its delivery to the Company of a Regular Purchase Notice, to purchase up to the $12.0 million of Series B Preferred Stock under the Equity Line Agreement at the Purchase Price. On November 7, 2022, Energy Capital exercised in full its right to purchase $12.0 million of Series B Preferred Stock. The excess of the Purchase Price and the fair value of the Energy Capital option in the total amount of $37.6 million was recorded in additional-paid-in-capital.

On August 9, 2020, the Company entered into a financing agreement with PHC, pursuant to which the Company issued $35.0 million in aggregate principal amount of Senior Secured Convertible Notes due on October 31, 2024 (the "PHC Notes"), to PHC. The Company also issued 2,941,176 shares of common stock to PHC as a financing

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fee. The Company also has the option to sell and issue PHC up to $15.0 million of convertible preferred stock on or before December 31, 2022, contingent upon obtaining FDA approval for the 180-day Eversense product for marketing in

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the United States before such date. The Company successfully obtained FDA approval in February 2022 and the option was not exercised.

On March 13, 2023, the Company entered into an Exchange Agreement with PHC, pursuant to which PHC agreed to exchange its $35.0 million aggregate principal amount of the PHC Notes, including all accrued and unpaid interest thereon, for the PHC Exchange Warrant to purchase up to 68,525,311 PHC Exchange Warrant Shares. The PHC Exchange Warrant is a "pre-funded" warrant with a nominal exercise price of $0.001 per PHC Exchange Warrant Share. The number of PHC Exchange Warrant Shares represents the number of shares of common stock previously issuable upon conversion of the PHC Notes, in accordance with the original terms of the notes, including a number of shares in respect of accrued and unpaid interest through the closing date, plus additional shares with a value of $675,000 reflecting a portion of the future interest payments forgone by PHC. On March 31, 2023, the PHC Exchange was consummated, and the Company issued the PHC Exchange Warrant to PHC in consideration for the cancellation of the PHC Notes.

On March 13, 2023, the Company entered into a Securities Purchase Agreement with PHC, pursuant to which the Company issued and sold to PHC in a private placement a Purchase Warrant to purchase an aggregate of 15,425,750 Purchase Warrant Shares. The purchase price of the Purchase Warrant was approximately $0.97 per Purchase Warrant Share, representing the undiscounted, trailing 10-day volume weighted average price of the Company's common stock through March 10, 2023. The Purchase Warrant is a "pre-funded" warrant with a nominal exercise price of $0.001 per Purchase Warrant Share. The issuance of the Purchase Warrants enabled PHC to maintain, as of the closing of the transaction, a 15% beneficial ownership for purposes of the Investor Rights Agreement, dated August 9, 2020, between the Company and PHC.

On the Private Placement Closing Date, the Company received aggregate gross proceeds of $15.0 million, before deducting private placement expenses payable by the Company.

Common Stock

In November 2021, we entered into the 2021 Sales Agreement with Jefferies, under which we could offer and sell, from time to time, at our sole discretion, shares of our common stock having an aggregate offering price of up to $150.0 million through Jefferies as our sales agent in an "at the market" offering. Jefferies will receive a commission up to 3.0% of the gross proceeds of any common stock sold through Jefferies under the 2021 Sales Agreement. During the six months ended June 30, 2023, the Company received $7.4 million in net proceeds from the sale of 9,944,663 shares of its common stock under the 2021 Sales Agreement. For the six months ended June 30, 2022, Company received $8.0 million in net proceeds from the sale of 3,077,493 shares of its common stock under the 2021 Sales Agreement.

Indebtedness

Term Loans

On the Effective Date, the Company entered into the Loan Agreement with the Lenders and Hercules, pursuant to which the Lenders have agreed to make available to the Company the Term Loan Facility, consisting of (i) an initial Tranche 1 Loan, which was funded on the Effective Date and (ii) the Tranche 2 Loan and Tranche 3 Loan, respectively, which will become available to the Company upon the Company's satisfaction of certain terms and conditions set forth in the Loan Agreement. The loans under the Loan Agreement mature on the Maturity Date.

PPP Loan

On April 22, 2020, we received $5.8 million in loan funding from the PPP pursuant to the CARES Act, as amended by the Flexibility Act, and administered by the Small Business Administration ("SBA"). The unsecured loan PPP Loan was evidenced by the PPP Note, in the principal amount of $5.8 million with Silicon Valley Bank ("SVB").

Under the terms of the PPP Note and the PPP Loan, interest accrued on the outstanding principal at a rate of 1.0% per annum. The term of the PPP Note was two years. In April 2022, the Company repaid the outstanding principal and accrued interest in full.

Convertible Notes

Convertible Notes

The following table summarizes our outstanding convertible notes at June 30, 2023 September 30, 2023:

Convertible Note	Issuance Date	Coupon	Aggregate Principal (in millions)	Maturity Date	Initial Conversion Rate per $1,000 Principal Amount	Conversion Price per Share of Common Stock	Issuance Date	Coupon	Aggregate Principal (in millions)	Maturity Date	Init Ra
2025 Notes	July 1, 2019	5.25%	$ 51.2	January 15, 2025	757.5758	$ 1.32	July 1, 2019	5.25%	$ 20.4	January 15, 2025	

As described above, on August 10, 2023, we entered into executed a series of exchange agreements with certain holders of the 2025 Notes to exchange an aggregate principal amount of up to $30.8 million of 2025 Notes for a combination of cash and newly issued shares of common stock. For additional information on the 2025 Notes, see Note 12—Notes Payable, Preferred Stock and Stock Purchase Warrants in the accompanying unaudited consolidated financial statements.

Funding Requirements and Outlook

Our ability to grow revenues and achieve profitability depends on the successful commercialization and adoption of our Eversense CGM systems by diabetes patients and healthcare providers, along with future product development, regulatory approvals, and post-approval requirements. These activities, including our ongoing focus to grow covered lives through positive insurance payor policy decisions and continued development of Eversense 365-day product, will require significant uses of working capital through 2023 and beyond.

We believe that our existing agreements, including the transactions with PHC, evidence the mutual commitment of PHC and the Company to support the commercialization of Eversense and specifically for the Company, provide the financial resources for manufacturing of Eversense and continued product development. We expect that existing cash, cash equivalents and cash flows from our future operations will be sufficient to meet the Company's current operating plans into 2025. As part of our liquidity strategy, we will continue to monitor our capital structure and market conditions going forward and we may access the debt and equity or equity linked markets for additional funding if the opportunity arises to enhance our capital structure, for changes to our operating plans, for financing strategic initiatives and to provide financial flexibility.

Cash Flows

The following is a summary of cash flows for each of the periods set forth below (in thousands).

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net cash used in operating activities	$ (37,832)	$ (34,341)	$ (55,096)	$ (48,925)
Net cash provided by investing activities	25,871	42,108	53,518	19,532
Net cash provided by financing activities	4,719	4,197	21,544	31,416
Net (decrease) increase in cash and cash equivalents	$ (7,242)	$ 11,964	$ 19,966	$ 2,023

Net cash used in operating activities

Net cash used in operating activities was $37.8 million $55.1 million for the six nine months ended June 30, 2023 September 30, 2023 and consisted of a net loss of $19.1 million $43.2 million, $18.8 million $14.2 million net gain on the loss due to partial exchange of the PHC 2025 Notes, a $6.1 million $6.5 million gain on change in the fair value of the 2025 Notes embedded derivative, a net change in operating assets and liabilities of $2.4 million $2.9 million (most notably increases in accounts receivable of $1.2 million $1.0 million and inventory of $1.8 million $2.5 million), partially offset by $3.9 million $5.1 million related to depreciation/amortization and other non-cash items, net and $4.7 million $6.7 million of stock-based compensation.

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Net cash used in operating activities was $34.3 million $48.9 million for the six nine months ended June 30, 2022 September 30, 2022 and consisted of an $181.1 million $152.2 million change in fair value of derivatives on convertible notes, a $49.9 million gain $41.3 million loss on fair value adjustment of the option, and a net change in operating assets and liabilities of $4.0 million (most notably increases in accounts receivable of $2.1 million and prepaid expenses and other assets of $1.6 million), $2.3 million, partially offset by net income of

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$191.0 million, $5.4 million $130.6 million, $9.8 million related to depreciation/amortization and other non-cash items and $4.3 million $6.5 million of stock based stock-based compensation.

Net cash provided by investing activities

Net cash provided by investing activities was $25.9 million $53.5 million for the six nine months ended June 30, 2023 September 30, 2023 and primarily consisted of $87.7 million $122.2 million in proceeds from the sale and maturity of marketable securities, partially offset by $61.8 million $68.5 million in purchase of marketable securities. and $0.2 million in purchase of capital expenditures.

Net cash provided by investing activities was $42.1 million $19.5 million for the six nine months ended June 30, 2022 September 30, 2022 and primarily consisted of proceeds from the sale and maturity of marketable securities.

Net cash provided (used in) by financing activities

Net cash provided in by financing activities was $4.7 million $21.5 million for the six nine months ended June 30, 2023 September 30, 2023, and primarily consisted of $7.4 million in proceeds from issuance of common stock, and $14.7 million in proceeds from the issuance of the PHC Purchase Warrant, Warrants, and $24.5 million in proceeds from the issuance of the Loan and Security Agreement, partially offset by $15.7 million for the repayment of the 2023 Notes, $0.1 million $7.5 million for issuance the partial repayment of stock options, and the 2025 Notes, $1.6 million related to the settlement of equity awards. awards, and $0.2 million for debt issuance costs.

Net cash provided by financing activities was $4.2 million $31.4 million for the six nine months ended June 30, 2022 September 30, 2022, and primarily consisted of $8.0 million $34.4 million from the issuance of common stock pursuant to the 2021 Sales Agreement and $0.3 million $1.1 million for proceeds related to the exercise of stock options and warrants, partially offset by $2.9 million in repayment of the PPP loan and $1.2 million in tax payments related to the settlement of equity awards.

Contractual Obligations

As of June 30, 2023 September 30, 2023, there were no material changes in our contractual obligations and commitments from those disclosed in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K filed with the SEC on March 16, 2023.

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ITEM 3: Quantitative and Qualitative Disclosures About Market Risk

Under SEC rules and regulations, because we are considered to be a "smaller reporting company", we are not required to provide the information required by this item in this Quarterly Report on Form 10-Q.

ITEM 4: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the assistance of our chief executive officer, who is our principal executive officer, and our chief financial officer, who is our principal financial officer, has reviewed and evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of June 30, 2023September 30, 2023. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by us in the periodic reports filed with the SEC is accumulated and communicated to our management, including our principal executive, financial and accounting officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving such control objectives. Based on the evaluation of our disclosure controls and procedures as of June 30, 2023September 30, 2023, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

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Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended June 30, 2023September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II: OTHER INFORMATION

ITEM 1: Legal Proceedings

From time to time, we are subject to litigation and claims arising in the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a material adverse effect on our business. Legal proceedings, including litigation, government investigations and enforcement actions could result in material costs, occupy significant management resources and entail civil and criminal penalties.

In February 2021, the Company received notice and accepted service of a civil complaint that had been filed in the Western District of Texas and styled Carew ex rel. United States v. Senseonics, Inc., No. SA20CA0657DAE. The complaint was filed by a relator under seal in May 2020 pursuant to the qui tam provisions in the federal False Claims Act. Prior to the unsealing of the complaint, the government declined to intervene in the case. The case, therefore, is being pursued only by the relator and his counsel. The complaint alleges the Company's marketing practices with physicians for its product, Eversense CGM system, violated the False Claims Act, 31 U.S.C. § 3729 and the Texas Medicaid Fraud Prevention Law, Tex. Hum Res. Code § 36.002. The court granted the Company's motion to dismiss the complaint on March 31, 2022 but permitted the plaintiff to file an amended complaint. The court dismissed the amended complaint and entered judgment in favor of Senseonics Holdings, Inc. on March 30, 2023. The relator filed a notice of appeal to the United States Court of Appeals for the Fifth Circuit on April 28, 2023 and . As of September 8, 2023, the case was fully briefed before the Fifth Circuit. The parties are now waiting for the Court to notify the parties are briefing whether it will hear oral argument on the appeal. case or decide the case on the briefs.

ITEM 1A: Risk Factors

Our business is subject to risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. Except as set forth below, there have been no material changes from our risk factors as of the date of this Quarterly Report on Form 10-Q have not changed materially from those described in "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K.

Our recent exchange agreements with certain holders of our 2025 Notes will result in additional dilution and could cause our stock price to decline.

On August 10, 2023, we entered into a series of separate, privately negotiated exchange agreements with certain holders of our 2025 Notes, pursuant to which these the noteholders have agreed to exchange an aggregate principal amount of up to $30.8 million of 2025 Notes for a combination of cash and newly issued shares of common stock. The number of shares we issue issued in connection with these exchanges will be was determined based upon the volume-weighted average price per share of the common stock during a 15-day averaging period commencing on August 11, 2023 and ending August 31, 2023. Based on the volume-weighted average price per share of our the common stock over during the ensuing 15 trading day averaging period, subject to a total limit of 10% of our outstanding 35.1 million shares of common stock outstanding as of August 10, 2023. were issued in the Exchanges. The number of shares that we issue issued in connection with these the exchanges will exceed exceeded the number of shares currently underlying the 2025 Notes being that were exchanged, resulting in incremental dilution to our common stockholders. Additionally, the shares that we issue issued to these the noteholders will generally be eligible for immediate resale in the open market without restriction, which could potentially increase the number of shares of common stock sold over the near term and could cause our stock price to decline. Additionally, if as result of declines in our stock price, the total amount of 2025 Notes repurchased in these exchanges is less than we anticipate, we may not realize the full benefits that we anticipate from these transactions, including the overall level of debt reduction and the elimination of restrictive covenants under the 2025 Notes.

ITEM 2: Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable. On August 10, 2023 the Company entered into the Exchange Agreements with the Noteholders of the 2025 Notes. Under the terms of the Exchange Agreements, the Noteholders agreed to exchange with the Company up to $30.8 million in aggregate principal amount of the Exchanged Notes for a combination of $7.5 million of cash and the Exchange Shares. The number of Exchange Shares was determined based upon the volume-weighted average price per share of the common stock during a 15-day averaging period commencing on August 11, 2023 and ending August 31, 2023. Based on the volume-weighted average price per share of the common stock during the averaging period, a total of 35.1 million shares of common stock were issued in the Exchanges. The Exchanges were settled on the initial share issuance date of August 14, 2023 and the final settlement date of September 5, 2023.

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The Exchange Shares were offered and sold pursuant to the exemption provided by Section 4(a)(2) of the Securities Act of 1933, as amended as a transaction by an issuer not involving a public offering.

ITEM 3: Defaults Upon Senior Securities

Not applicable.

ITEM 4: Mine Safety Disclosures

Not applicable.

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ITEM 5: Other Information

2025 Notes Exchange Agreements Not applicable.

On August 10, 2023 the Company entered into separate, privately negotiated exchange agreements (the "Exchange Agreements") with a limited number of holders (the "Noteholders") of the Company's currently outstanding 5.25% Convertible Senior Notes due 2025 (the "2025 Notes"). Under the terms of the Exchange Agreements, the Noteholders have agreed to exchange with the Company (the "Exchanges") up to $30.8 million in aggregate principal amount of the Company's outstanding 2025 Notes (the "Exchanged Notes") for a combination of $7.5 million of cash and newly issued shares of common stock (the "Exchange Shares"). The Exchanged Notes are presently convertible into an aggregate of approximately 23.3 million shares. The number of Exchange Shares to be issued to the Noteholders will be determined based upon the volume-weighted average price per share of the Common Stock during a 15-day averaging period commencing on August 11, 2023. The maximum number of Exchange Shares that may be issued is 10% of the Company's common stock outstanding as of August 10, 2023 (the "Exchange Share Cap"). If the average trading price over the averaging period would otherwise result in the number of shares to be issued exceeding the Exchange Share Cap, the amount of the Exchanged Notes will be proportionally reduced. The Exchanges are subject to customary closing conditions and are expected to close on or about September 5, 2023.

The foregoing description of the Exchange Agreements and the Exchanges contemplated thereby is not complete and is subject to, and qualified in its entirety by reference to, the form of Exchange Agreement, a copy of which is filed with this Quarterly Report as Exhibit 10.1 and the terms of which are incorporated herein by reference.

The Exchange Shares were offered, and will be sold, pursuant to the exemption provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act") as a transaction by an issuer not involving a public offering.

At-the-Market Offering Program

As previously disclosed, in November 2021, the Company entered into an Open Market Sale Agreement with Jefferies, pursuant to which the Company could offer and sell, from time to time, at its sole discretion, shares of its common stock having an aggregate offering price of up to $150.0 million through Jefferies as its sales agent in an "at the market" offering. On August 7, 2023, the Company and Jefferies mutually agreed to terminate the Open Market Sale Agreement, effective as of August 7, 2023. Prior to termination, the Company had sold an aggregate of 25,105,562 shares under the Open Market Sale Agreement, resulting in gross proceeds of approximately $43.4 million, before deducting commissions and offering expenses. At the time of termination, approximately $106.6 million remained available for issuance pursuant to the Open Market Sale Agreement.

On August 10, 2023, the Company entered into an equity distribution agreement (the "Equity Distribution Agreement") with Goldman Sachs & Co. LLC, which will enable the Company to issue and sell shares of Common stock in one or more negotiated transactions or transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act, for a maximum aggregate offering amount of up to $106.6 million (the "ATM Program").

The shares will be offered and sold pursuant to a shelf registration statement on Form S-3 (the "Registration Statement"), filed with the Securities and Exchange Commission (the "Commission") on August 10, 2023. The Registration Statement has not yet been declared effective by the Commission and no sales may be made until such time as the Registration Statement is declared effective. The Registration Statement, once effective, will provide for the issuance of common stock from time to time, in one or more transactions, in the aggregate offering amount of $106.6 million, inclusive of the $106.6 million pursuant to the ATM Program.

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ITEM 6: Exhibits

The exhibits listed on the Exhibit Index hereto are filed or incorporated by reference (as stated therein) as part of this Quarterly Report on Form 10-Q.

Exhibit No.	Document
3.1	Amended and Restated Certificate of Incorporation of Senseonics Holdings, Inc. (incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-37717), filed with the Commission on March 23, 2016).
3.2	Amended and Restated Bylaws of Senseonics Holdings, Inc. (incorporated herein by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K (File No. 001-37717), filed with the Commission on March 23, 2016).
3.3	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Senseonics Holdings, Inc. (incorporated herein by reference to Exhibit 3.3 to the Registrant's Quarterly Report on Form 10-Q for the Quarter ended June 30, 2018 (File No. 001-37717), filed with the Commission on August 8, 2018).
3.4	Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock (incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-37717), filed with the Commission on August 18, 2020).
3.5	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-37717) filed on October 26, 2020).
3.6	Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock (incorporated by reference to Exhibit 3.5 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-37717) filed with the Commission on November 8, 2022).
3.7	Amendment to Bylaws of Senseonics Holdings, Inc. (incorporated herein by reference to Exhibit 3.7 to the Registrant's Annual Report on Form 10-K (File No. 001-37717) filed with the Commission on March 5, 2021).
10.1* 10.1	Form of Exchange Agreement, dated August 10, 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-37717) filed with the Commission on August 10, 2023).
10.2	Loan and Security Agreement, dated September 8, 2023, by and among the Company and Hercules Capital, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-37717), filed with the Commission on September 11, 2023).

10.3	Form of Warrant Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-37717), filed with the Commission on September 11, 2023).
31.1*	Certification of Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act.
31.2*	Certification of Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act.
32.1**	Certifications of Principal Executive Officer and Principal Financial Officer under Section 906 of the Sarbanes-Oxley Act.
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document)

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101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** These certifications are being furnished solely to accompany this quarterly report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Exchange Act and are not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SENSEONICS HOLDINGS, INC.

Date: August 10, 2023 November 9, 2023

By: /s/Rick Sullivan

Rick Sullivan

Chief Financial Officer

(Principal Financial Officer)

EXHIBIT 10.1

Form of Exchange Agreement

August 10, 2023

Senseonics Holdings, Inc.

5.25% Convertible Senior Notes due 2025

The undersigned investor (the "**Investor**"), for itself and on behalf of the beneficial owners listed on Exhibit A hereto ("**Accounts**") for whom the Investor holds contractual and investment authority (each, including the Investor if it is a party exchanging Notes (as defined below), an "**Exchanging Investor**"), hereby agrees to exchange, with Senseonics Holdings, Inc., a Delaware corporation (the "**Company**"), certain 5.25% Convertible Senior Notes due 2025, CUSIP 81727U AC9 (the **"Notes**") for the Exchange Consideration (as defined below) pursuant to this exchange agreement (the "**Agreement**"). The Investor understands that the exchange (the "**Exchange**") is being made without registration of the offer or sale of the Shares (as defined below) under the Securities Act of 1933, as amended (the "**Securities Act**"), or any securities laws of any state of the United States or of any other jurisdiction in a private placement pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act and that each Exchanging Investor participating in the Exchange is required to be an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act that is also a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and an "Institutional Account" as defined in FINRA Rule 4512(c). Capitalized terms used but not defined in this Agreement have the respective meanings set forth in the Indenture, dated as of July 25, 2019 (the "**Indenture**"), between the Company and U.S. Bank National Association, as trustee (the "**Trustee**").

1. Exchange. On the basis of the representations, warranties and agreements herein contained and subject to the terms and conditions herein set forth, the Investor hereby agrees to exchange for itself and on behalf of the Exchanging Investors, an aggregate principal amount of the Notes set forth on Exhibit A hereto (the "**Exchanged Notes**") for:

(a) An amount of cash, per $1,000 principal amount of such Exchanged Notes, equal to $243.51 (the "**Cash Payment**");

(b) A number of shares (the "**Shares**") of the Company's common stock, $0.001 par value per share (the "**Common Stock**"), per $1,000 principal amount of such Exchanged Notes equal to the Conversion Ratio (the "**Initial Shares**", and together with the Cash Payment, the "**Initial Exchange Consideration**"); plus

(c) An additional number of Shares per $1,000 principal amount of such Exchanged Notes equal to the difference of (x) the quotient of (i) the Final Purchase Price *less* the Cash Payment divided by (ii) the average of the Daily VWAPs (as defined below) over the Reference Period (as defined below) (such average, the "**Reference Price**") *less* (y) the Conversion Ratio (the "**Final Settlement Shares**" and together with the Initial Exchange Consideration, the "**Exchange Consideration**");

in the case of clauses (b) and (c) above, as adjusted in good faith by the Company for any stock dividend, stock split, stock combination, reclassification or similar transaction occurring on or after the date hereof and prior to the applicable Settlement Date; provided that the number of Shares to be exchanged for the Exchanged Notes shall be rounded down to the nearest whole share for each Exchanging Investor.

Notwithstanding the foregoing, in no event shall the number of Shares issuable under this Agreement and in exchange for other Notes pursuant to any other exchange agreement entered into on or about the date of this Agreement (the "**Other Exchange Agreements**") between the Company and holders of such other Notes with respect to the exchange of Notes for Common Stock exceed 10.0% of the Company's issued and outstanding Common Stock on the date hereof (the "**Threshold**"). If such aggregate amount of shares of Common Stock were to exceed the Threshold, the principal amount of Final Exchanged Notes (as defined below) exchanged by each Exchanging Investor under this Agreement and the "Exchanging Investors" under the Other Exchange Agreements shall be reduced on a pro rata basis (but not below zero) based on the principal amount of Notes exchanged by each such Exchanging Investor under this Agreement and each such "Exchanging Investor" under the Other Exchange Agreements such that such aggregate amount of Shares would approximately equal the Threshold (and for the avoidance of doubt, no Shares in excess of the Threshold or other additional consideration shall be deliverable by the Company in respect of the Initial Exchanged Notes).

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or be closed.

"**Conversion Ratio**" means 757.5758.

"**Daily VWAP**" means, for each Trading Day (as defined below) in the Reference Period (as defined below), the per share volume-weighted average price of the Common Stock as displayed under the heading "Bloomberg VWAP" on Bloomberg page "SENS <equity> AQR" (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such Trading Day (or if such volume-weighted average price is unavailable, the Last Reported Sale Price on such day). The "**Daily VWAP**" shall be determined without regard to after-hours trading or any other trading outside of the regular trading session trading hours.

"**Delta Percentage**" means 60%.

"**Final Exchanged Notes**" means an aggregate principal amount of Exchanged Notes identified as "Final Exchanged Notes" on Exhibit A hereto.

"**Final Purchase Price**" means the sum of (A) the Initial Purchase Price and (B) the product of (x) the Reference Price *less* the Initial Reference Price (y) the Conversion Ratio and (z) the Delta Percentage.

"**Initial Exchanged Notes**" means an aggregate principal amount of Exchanged Notes identified as "Initial Exchanged Notes" on Exhibit A hereto.

"**Initial Purchase Price**" means $1,023.76.

"**Initial Reference Price"** means $0.90.

"**Last Reported Sale Price**" of the Common Stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal U.S. national or regional securities exchange on which the Common Stock is traded.

"**Market Disruption Event**" means (a) a failure by the primary U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted for trading to open for trading during its regular trading session or (b) the occurrence or existence prior to 1:00 p.m., New York City time, on any Scheduled Trading Day for the Common Stock for more than one half-hour period in the aggregate during regular trading hours of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant stock exchange or otherwise) in the Common Stock or in any options contracts or futures contracts relating to the Common Stock.

"**Reference Period**" means the period of 15 consecutive Trading Days commencing on the first Trading Day following the date hereof.

"**Trading Day**" means a day on which (a) there is no Market Disruption Event and (b) trading in the Common Stock generally occurs on The NYSE American or, if the Common Stock is not then listed on The NYSE American, on the principal other U.S. national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Common Stock is then listed or admitted for trading, except that if the Common Stock is not so listed or admitted for trading, "**Trading Day**" means a Business Day.

"**Scheduled Trading Day**" means a day that is scheduled to be a Trading Day on the principal U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted for trading. If the Common Stock is not so listed or admitted for trading, "Scheduled Trading Day" means a Business Day.

For the avoidance of doubt, no cash will be paid to any Exchanging Investor in respect of any accrued and unpaid interest on the Exchanged Notes or in respect of any fractional shares.

The Investor agrees that it and any Exchanging Investor shall not deliver a Notice of Conversion with respect to any Exchanged Notes and the Investor and each Exchanging Investor shall hold the Exchanged Notes until the applicable Closing (as defined below). In consideration for the performance of their obligations hereunder (including as described in the immediately preceding sentence), the Company agrees to deliver the Initial Exchange Consideration on the Initial Closing Date (as defined below) and the Final Settlement Shares on the Final Closing Date to each Exchanging Investor in exchange for its Exchanged Notes.

The Exchange shall occur in accordance with the procedures set forth in Exhibit B.2 hereto (the "**Exchange Procedures**"); provided that each of the Company and the Investor acknowledges that the delivery of the Shares to any Exchanging Investor may be delayed due to procedures and mechanics within the system of the transfer agent, The Depositary Trust Company ("**DTC**") or The NYSE American (including the procedures and mechanics regarding the listing of the Shares on The NYSE American) or other events beyond the Company's control and that such a delay will not be a default under this Agreement so long as (i) the Company is using its reasonable best efforts to effect such delivery, or (ii) such delay arises due to a failure by Investor to deliver settlement instructions in accordance with **Section 3(q)**; provided, further, that no delivery of Shares will be made until the Exchanged Notes have been

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properly submitted for exchange in accordance with the Exchange Procedures and no accrued interest will be payable by reason of any delay in making such delivery.

The initial settlement of the Exchange (the "**Initial Closing**") shall take place remotely via the exchange of documents and signatures at 10:00 a.m., New York City time, on August 14, 2023 (subject to the provisos to the immediately preceding paragraph, the "**Initial Closing Date**"), or at such other time and place as the Company and the Investor may mutually agree. The final settlement of the Exchange (the "**Final Closing**" and together with the Initial Closing, each a "**Closing**") shall take place remotely on the second Trading Day immediately following the last Trading Day of the Reference Period (subject to the provisos to the immediately preceding paragraph, the "**Final Closing Date**," together with the Initial Closing, each a "**Closing Date**"), or at such other time and place as the Company and the Investor may mutually agree.

On the Initial Closing Date, subject to satisfaction of the conditions precedent specified herein, and the prior receipt by the Company from the Investor of the Initial Exchanged Notes, the Company shall deliver the Initial Shares to the DTC account and the Cash Consideration by wire transfer to the account, in each case specified by the Investor for each relevant Exchanging Investor in Exhibit B.1.

On the Final Closing Date, subject to the Initial Closing having occurred, and the prior receipt by the Company from the Investor of the Final Exchanged Notes, the Company shall deliver the Final Settlement Shares to the DTC account specified by the Investor for each relevant Exchanging Investor in Exhibit B.1.

All questions as to the form of all documents and the validity and acceptance of the Exchanged Notes and the Exchange Consideration will be determined by the Company, in its sole discretion, which determination shall be final and binding. Subject to the terms and conditions of this Agreement, upon the delivery of the Exchange Consideration, the Investor hereby, for itself and on behalf of its Accounts, irrevocably (a) waives any and all other rights with respect to such Exchanged Notes and (b) releases and discharges the Company and Goldman Sachs & Co. LLC (the "**Placement Agent**") from any and all claims, actions, causes or rights, whether known or unknown, contingent or matured, that the undersigned and its Accounts may now have, or may have in the future, arising out of, or related to, such Exchanged Notes.

2. Representations and Warranties and Covenants of the Company. As of the date hereof and each Closing Date, the Company represents and warrants to, and covenants with, the Exchanging Investors that:

(a) The Company and each of its subsidiaries are entities duly organized, validly existing and in good standing under the laws of their respective jurisdictions of incorporation and have the requisite power and authority to own their properties and to carry on their business as now being conducted, except in the case of the Company's subsidiaries as would not reasonably be expected to have a material adverse effect on the business, properties, assets, liabilities, operations (including results thereof), or financial condition of the Company and its subsidiaries, taken as a whole (a "**Material Adverse Effect**"). The Company and each of its subsidiaries is duly qualified as a foreign entity to do business (where such concept exists) and is in good standing in every jurisdiction (where such concept exists) in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not reasonably be expected to have a Material Adverse Effect. The Company has the power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the Exchange contemplated hereby.

(b) This Agreement has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except that such enforcement may be subject to (A) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally and (B) general principles of equity, whether such enforceability is considered in a proceeding at law or in equity (the "**Enforceability Exceptions**").

(c) This Agreement and consummation of the Exchange will not violate, conflict with or result in a breach of or default under (i) the charter or bylaws of the Company, (ii) any agreement or instrument to which the Company is a party or by which the Company or any of its assets are bound, or (iii) assuming the truth and accuracy of the representations and warranties and compliance with the covenants of the Investor and each Exchanging Investor herein, any laws, regulations or governmental or judicial decrees, injunctions or orders applicable to the Company and its subsidiaries, except in the case of clauses (ii) or (iii), where such violations, conflicts, breaches or defaults as would not, individually or in the aggregate, materially impair the ability of the Company to consummate the transactions contemplated by this Agreement. No consent, approval, order or authorization of, or registration, declaration or filing with any governmental entity or non-governmental regulatory authorities (including The NYSE American, other than the filing with The New York Stock Exchange of a supplemental listing application of the Shares, which the Company will so file) is required on the part of the Company or any of its subsidiaries in connection with the execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the Exchange, except as may be required under any state or federal securities laws or that may be made or obtained after the applicable Closing without penalty or such that would not, individually or in the aggregate, reasonably be expected to materially impair the ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated by this Agreement.

(d) When issued, delivered and paid for in the manner set forth in this Agreement, the Shares will (i) be validly issued, fully paid and non-assessable, (ii) be free and clear of any Liens (as defined in **Section 3(c)** below), option, equity or other adverse claim thereto, including claims or rights under any voting trust agreements, shareholder agreements or other agreements to which the Company is a party, and (iii) will not be subject to any preemptive, participation, rights of first refusal or other similar rights under the General Corporation Law of the State of Delaware or any agreements to which the Company is a party (other than any such rights that will be waived prior to the applicable Closing). Assuming the accuracy of the Investor's and each Exchanging Investor's representations and warranties hereunder, the Shares (A) will be issued in the Exchange in reliance on the exemption from the registration requirements of the Securities Act pursuant to Section 4(a)(2) of the Securities Act and (B) when issued will be free of any restrictive legend and, subject to the requirements of Rule 144(i)(2), will not be subject to restrictions on transfer under Rule 144 promulgated under the Securities Act.

(e) At the applicable Closing, the Shares to be issued at such Closing shall have been approved for listing on The NYSE American, subject only to notice of official issuance.

(f) From January 1, 2023 to the date of this Agreement, the Company has timely filed all reports, schedules, forms, proxy statements, statements and other documents required to be filed by it with the Securities and Exchange Commission (the "**SEC**") pursuant to the reporting

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requirements of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") or timely filed notifications of late filings for any of the foregoing (all of the foregoing filed prior to the date hereof and all exhibits and appendices included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**"). As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents.

(g) Without the prior written consent of the Investor, the Company shall not disclose the name of the Investor or any Exchanging Investor in any filing or announcement, unless such disclosure is required by applicable law, rule, regulation or legal process based on advice of counsel.

(h) The Company agrees that it shall, upon request, execute and deliver any additional documents deemed by the Trustee or transfer agent to be reasonably necessary to complete the Exchange.

(i) The Company hereby agrees to publicly disclose on or before 8:30 a.m., New York City time, on the first Business Day after the date hereof, the exchange of the Exchanged Notes as contemplated by this Agreement in a press release, Current Report on Form 8-K or Quarterly Report on Form 10-Q. The Company hereby acknowledges and agrees that any such press release, Current Report on Form 8-K or Quarterly Report on Form 10-Q will disclose all confidential information communicated by the Company to the Investor or any Exchanging Investor in connection with the Exchange to the extent the Company believes such confidential information constitutes material non-public information, if any, with respect to the Exchange or otherwise.

3. <u>Representations and Warranties and Covenants of the Investor</u>. As of the date hereof and as of each Closing Date (except as otherwise set forth below), the Investor hereby, for itself and on behalf of the Exchanging Investors, represents and warrants to, and covenants with, the Company that:

(a) The Investor and each Exchanging Investor is a corporation, limited partnership, limited liability company or other entity, as the case may be, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) The Investor has all requisite power and authority to execute and deliver this Agreement for itself and on behalf of the Exchanging Investors, to perform its obligations hereunder, and to consummate the Exchange contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Investor and constitutes the legal, valid and binding obligation of the Investor and each Exchanging Investor, enforceable in accordance with its terms, except that such enforcement may be subject to the Enforceability Exceptions. If the Investor is executing this Agreement on behalf of an Account, (i) the Investor has all requisite discretionary and contractual authority to enter into this Agreement on behalf of, and, bind, each Account, and (ii) Exhibit A attached to the Agreement contains a true, correct and complete list of (A) the name of each Account and (B) the principal amount of each Account's Exchanged Notes, as applicable.

(c) As of the date hereof and as of the Initial Closing, each of the Exchanging Investors is the sole legal and beneficial owner of the Exchanged Notes set forth on Exhibit A attached to the Agreement. As of the Final Closing, each of the Exchanging Investors is the sole legal and beneficial owner of the Final Exchanged Notes set forth on Exhibit A attached to the Agreement. When the Exchanged Notes are exchanged, the Company will acquire good,

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marketable and unencumbered title thereto, free and clear of all liens, mortgages, pledges, security interests, restrictions, charges, encumbrances or adverse claims, rights or proxies of any kind ("**Liens**"). None of the Exchanging Investors has, nor prior to the applicable Closing, will have, in whole or in part, other than pledges or security interests that an Exchanging Investor may have created in favor of a prime broker under and in accordance with its prime brokerage agreement with such broker and other than the authority granted by the Exchanging Investors to the Investor, (x) assigned, transferred, hypothecated, pledged, exchanged, submitted for conversion pursuant to the Indenture or otherwise disposed of any of its Exchanged Notes (other than to the Company pursuant hereto), or (y) given any person or entity any transfer order, power of attorney or other authority of any nature whatsoever with respect to its Exchanged Notes.

(d) This Agreement and consummation of the Exchange will not violate, conflict with or result in a breach of or default under (i) the organizational documents of any Investor or any Exchanging Investor, (ii) any agreement or instrument to which any Investor or any Exchanging Investor is a party or by which such Investor or Exchanging Investor or their respective assets are bound, or (iii) any laws, regulations or governmental or judicial decrees, injunctions or orders applicable to the Investor or any Exchanging Investor. No consent, approval, order or authorization of, or registration, declaration or filing with any governmental entity is required on the part of the Investor or any Exchanging Investor in connection with the execution, delivery and performance by the Investor or any Exchanging Investor of this Agreement and the consummation by the Exchanging Investors of the Exchange.

(e) The Investor and each Exchanging Investor will comply with all applicable laws and regulations in effect necessary for each Exchanging Investor to consummate the transactions contemplated hereby and obtain any consent, approval or permission required for the transactions contemplated hereby and the laws and regulations of any jurisdiction to which the Investor and each such Exchanging Investor is subject, and the Company shall have no responsibility therefor.

(f) The Investor and each Exchanging Investor acknowledges that no person has been authorized to give any information or to make any representation or warranty concerning the Company or the Exchange other than the information set forth herein in connection with the Investor's and each Exchanging Investor's examination of the Company and the terms of the Exchange and the Shares and no statement or printed material which is contrary to such information has been made or given to the Investor or any Exchanging Investor by or on behalf of the Company, and the Company does not take, and the Placement Agent does not take, any responsibility for, and neither the Company nor the Placement Agent can provide any assurance as to the reliability of, any other information that others may provide to the Investor or any Exchanging Investor.

(g) The Investor and each Exchanging Investor has such knowledge, skill and experience in business, financial and investment matters so that it is capable of evaluating the merits and risks with respect to the Exchange and an investment in the Shares. With the assistance of the Investor's and each Exchanging Investor's own professional advisors, to the extent that the Investor and such Exchanging Investor has deemed appropriate, such Exchanging Investor has made its own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Shares and the consequences of the Exchange and this Agreement and the Investor and such Exchanging Investor has made its own independent decision that the investment in the Shares is suitable and appropriate for the Investor and such Exchanging Investor. The Investor and each Exchanging Investor has considered the suitability of the Shares as an investment in light of the Investor and such Exchanging Investor's circumstances and financial condition and is able to bear the risks associated with an investment in the Shares.

(h) The Investor confirms that it and each Exchanging Investor is not relying on any communication (written or oral) of the Company, the Placement Agent or any of their respective affiliates or representatives as investment advice or as a recommendation to acquire the Shares in the Exchange. It is understood that information provided by the Company, the Placement Agent or any of their respective affiliates and representatives shall not be considered investment advice or a recommendation to participate in the Exchange, and that none of the Company, the Placement Agent or any of their respective affiliates or representatives is acting or has acted as an advisor to the Investor or any Exchanging Investor in deciding to participate in the Exchange.

(i) The Investor confirms that the Company has not (i) given the Investor or any Exchanging Investor any guarantee, representation or warranty as to the potential success, return, effect or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of an investment in the Shares or (ii) made any representation or warranty to the Investor or any Exchanging Investor regarding the legality of an investment in the Shares under applicable legal investment or similar laws or regulations. The Investor confirms that it and each Exchanging Investor is not relying and has not relied, upon any statement, advice (whether accounting, tax, financial legal or other), representation or warranty by the Company or any of its affiliates or representatives, including, without limitation, the Placement Agent, its affiliates and its or their directors, officers, employees, representatives and controlling persons, except for the representations and warranties made by the Company in this Agreement, and that the Investor has made its own independent decision that the investment in the Shares is suitable and appropriate for the Investor and the Exchanging Investors.

(j) The Investor and each Exchanging Investor is familiar with the business and financial condition and operations of the Company and the Investor and each Exchanging Investor has had the opportunity to conduct its own investigation of the Company and the Shares. The Investor and each Exchanging Investor has had access to the SEC filings (the "**SEC Filings**") of the Company and such other information concerning the Company and the Shares as it deems necessary to enable it to make an informed investment decision concerning the Exchange. The Investor and each Exchanging Investor has been offered the opportunity to ask such questions of the Company and its representatives and received answers thereto, as it deems necessary to enable it to make an informed investment decision concerning the Exchange.

(k) Each Exchanging Investor is an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, an "Institutional Account" as defined in FINRA Rule 4512(c) and a "qualified institutional buyer" as defined in Rule 144A under the Securities Act and agrees not to reoffer or resell the Shares except pursuant to an exemption from registration under the Securities Act or pursuant to an effective registration statement thereunder (it being understood, however, that the disposition of such person's property shall at all times be within such person's control). The Investor agrees to furnish any additional information regarding the Investor or any Exchanging Investor reasonably requested by the Company or any of its affiliates to assure compliance with applicable U.S. federal and state securities laws in connection with the Exchange.

(l) The Investor and each Exchanging Investor is not, and has not been during the consecutive three month period preceding the date hereof and as of each Closing Date, will not be, a director, officer or "affiliate" within the meaning of Rule 144 promulgated under the Securities Act (an "**Affiliate**") of the Company. To the Investor's knowledge, no Exchanging Investor acquired any of the Notes, directly or indirectly, from an Affiliate of the Company.

(m) Each Exchanging Investor is acquiring the Shares solely for its own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Shares. The Investor and each Exchanging Investor understands that the offer and sale of the Shares have not been registered under the Securities Act or any state securities laws and the Shares are being issued without registration under the Securities Act pursuant to Section 4(a)(2) of the Securities Act, which exemption depends in part upon the investment intent of the Exchanging Investors and the accuracy of the other representations and warranties made by the Investor on behalf of the Exchanging Investors in this Agreement. The Investor and the Exchanging Investors understand that the Company is relying upon the representations, warranties and agreements contained in this Agreement (and any supplemental information provided to the Company by the Investor or the Exchanging Investors) for the purpose of determining whether this transaction meets the requirements for such exemption(s) and to issue the Shares without legends as set forth herein. The Investor agrees that until it has resold the Shares, if the Company at any time notifies the Investor that the Company is not in compliance with the requirements of Rule 144(i)(2), the Investor will not resell the Shares in reliance upon Rule 144 until the Company is in compliance with the requirements of Rule 144(i)(2).

(n) The Investor acknowledges that the terms of the Exchange have been mutually negotiated between the Investor and the Company. The Investor was given a meaningful opportunity to negotiate the terms of the Exchange.

(o) The Investor acknowledges that it and each Exchanging Investor had a sufficient amount of time to consider whether to participate in the Exchange and that neither the Company nor the Placement Agent has placed any pressure on the Investor or any Exchanging Investor to respond to the opportunity to participate in the Exchange. The Investor acknowledges that neither it nor any Exchanging Investor become aware of the Exchange through any form of general solicitation or advertising within the meaning of Rule 502 under the Securities Act or otherwise through a "public offering" under Section 4(a)(2) of the Securities Act.

(p) The Investor will, upon request, execute and deliver, for itself and on behalf of any Exchanging Investor, any additional documents deemed by the Company and the Trustee or the transfer agent to be reasonably necessary to complete the transactions contemplated by this Agreement.

(q) No later than one (1) Business Day after the date hereof, the Investor agrees to deliver to the Company settlement instructions substantially in the form of Exhibit B.1 attached to the Agreement for each of the Exchanging Investors and the tax related information and forms specified in **Section 19**.

(r) The Investor acknowledges it and each Exchanging Investor understands that the Company intends to pay the Placement Agent a fee in respect of the Exchange.

(s) The Investor acknowledges and agrees that it and each Exchanging Investor has not disclosed, and will not disclose, to any third party any information regarding the Exchange, and has not transacted, and will not transact in any securities of the Company, including, but not limited to, any hedging transactions, from the time the Investor was first contacted by the Company or the Placement Agent with respect to the transactions contemplated by this Agreement until after the confidential information (as described in the confirmatory wall-crossing email received by the Investor from the Placement Agent) is made public.

(t) The Investor and each Exchanging Investor acknowledges and the Investor agrees that the Placement Agent has not acted as a financial advisor or fiduciary to the Investor or any Exchanging Investor and that the Placement Agent, its affiliates and its or their directors, officers, employees, representatives and controlling persons have no responsibility for making, and have not made, any independent investigation of the information contained herein or in the Company's SEC Filings and make no representation or warranty to the Investor or any Exchanging Investor, express or implied, with respect to the Company, the Exchanged Notes or the Shares or the accuracy, completeness or adequacy of the information provided to the Investor or any Exchanging Investor or any other publicly available information, nor shall any of the foregoing persons be liable for any loss or damages of any kind resulting from the use of the information contained therein or otherwise supplied to the Investor or any Exchanging Investor or in connection with the Exchange.

(u) The Investor and each Exchanging Investor represents and warrants that (i) it is a sophisticated institutional accredited investor with extensive expertise and experience in financial and business matters and in evaluating companies and purchasing and selling their securities; (ii) it has conducted and relied upon its own due diligence investigation of the Company and its own in-depth analysis of the merits and risks of the Exchange in making its investment decision and has not relied upon any information provided by the Placement Agent or any investigation of the Company conducted by the Placement Agent; and (iii) it agrees that the Placement Agent shall have no liability to it in connection with the Exchange.

(v) The Investor and each Exchanging Investor understands that no federal, state, local or foreign agency has passed upon the merits or risks of an investment in the Shares or made any finding or determination concerning the fairness or advisability of this investment.

(w) The operations of the Investor and each Exchanging Investor have been conducted in material compliance with the applicable rules and regulations administered or conducted by the U.S. Department of Treasury Office of Foreign Assets Control ("**OFAC**"), the applicable rules and regulations of the Foreign Corrupt Practices Act ("**FCPA**") and the applicable Anti-Money Laundering ("**AML**") rules in the Bank Secrecy Act. The Investor has performed due diligence necessary to reasonably determine that the Exchanging Investors are not named on the lists of denied parties or blocked persons administered by OFAC, resident in or organized under the laws of a country that is the subject of comprehensive economic sanctions and embargoes administered or conducted by OFAC ("**Sanctions**"), are not otherwise the subject of Sanctions and have not been found to be in violation or under suspicion of violating OFAC, FCPA or AML rules and regulations.

(x) The Investor and each Exchanging Investor acknowledges that the Company may issue appropriate stop-transfer instructions to its transfer agent, if any, and may make appropriate notations to the same effect in its books and records to ensure compliance with the provisions of this Section 3.

(y) The Investor and each Exchanging Investor is a resident of the jurisdiction set forth on Exhibit B.1 attached to this Agreement.

(z) The Investor and each Exchanging Investor understands that the Company, the Placement Agent and others will rely upon the truth and accuracy of the foregoing representations, warranties and covenants and agrees that if any of the representations and warranties deemed to have been made by it or the Exchanging Investors are no longer accurate, the Investor shall promptly notify the Company and the Placement Agent prior to the applicable Closing Date. The

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Investor understands that, unless the Investor notifies the Company in writing to the contrary before the applicable Closing Date, each of the Investor's and Exchanging Investors' representations and warranties contained in this Agreement will be deemed to have been reaffirmed and confirmed as of such Closing Date. If the Investor is exchanging any Exchanged Notes and acquiring the Shares as a fiduciary or agent for one or more accounts (including for purposes of this **Section 3(z)**,the Accounts which are Exchanging Investors), it represents that (i) it has sole investment discretion with respect to each such account, (ii) it has full power to make the foregoing representations, warranties and covenants on behalf of such account and (iii) it has contractual authority with respect to each such account.

4. Conditions to Obligations of the Investor and the Company. The obligations of the Investor and the Exchanging Investors and of the Company under this Agreement are subject to the satisfaction at or prior to the Closing of the following conditions precedent: (a) the representations and warranties of the Company contained in **Section 2** hereof (with respect to the Investor and Exchanging Investors) and of the Investor contained in **Section 3** hereof (with respect to the Company) shall be true and correct as of the Closing in all respects with the same effect as though such representations and warranties had been made as of the Closing and (b) no provision of any applicable law or any judgment, ruling, order, writ, injunction, award or decree of any governmental authority shall be in effect prohibiting or making illegal the consummation of the transactions contemplated by this Agreement.

5. Waiver, Amendment. Neither this Agreement nor any provisions hereof or thereof shall be modified, changed or discharged, except by an instrument in writing, signed by the Company and the Investor.

6. Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by either the Company or the Investor without the prior written consent of the other.

7. Waiver of Jury Trial. EACH OF THE COMPANY AND THE INVESTOR HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to such state's rules concerning conflicts of laws that might provide for any other choice of law.

9. Submission to Jurisdiction. Each of the Company and the Investor: (a) agrees that any legal suit, action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be instituted exclusively in the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York; (b) waives any objection that it may now or hereafter have to the venue of any such suit, action or proceeding; and (c) irrevocably consents to the jurisdiction of the aforesaid courts in any such suit, action or proceeding. Each of the Company and the Investor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

10. Venue. Each of the Company and the Investor irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any

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court referred to in **Section 9**. Each of the Company and the Investor irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

11. Service of Process. Each of the Company and the Investor irrevocably consents to service of process in the manner provided for notices in **Section 12**. Nothing in this Agreement will affect the right of the Company or the Investor to serve process in any other manner permitted by law.

12. Notices. All notices and other communications to the Company provided for herein shall be in writing and shall be deemed to have been duly given if delivered personally, sent by prepaid overnight courier (providing written proof of delivery) or sent by confirmed facsimile transmission or electronic mail and will be deemed given on the date so delivered (or, if such day is not a Business Day, on the first subsequent Business Day) to the following addresses, or in the case of the Investor, the address provided on Exhibit B.1 attached to the Agreement (or such other address as the Company or the Investor shall have specified by notice in writing to the other):

If to the Company:	Senseonics Holdings, Inc. 20451 Seneca Meadows Parkway Germantown, MD 20876-7005 Attn: Chief Financial Officer
with a copy to (which shall not constitute notice):	Cooley LLP One Freedom Square Reston Town Center 11951 Freedom Drive Reston, VA 20190-5656 Attention: Darren DeStefano Email: ddestefano@cooley.com

13. Binding Effect. The provisions of this Agreement shall be binding upon and accrue to the benefit of the Company, the Investor and the Exchanging Investors and their respective heirs, legal representatives, successors and assigns. This Agreement constitutes the entire agreement between the Company and the Investor with respect to the

subject matters hereof. This Agreement may be executed by one or more of the parties hereto in any number of separate counterparts (including by facsimile or other electronic means, including telecopy, email or otherwise), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal E-SIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

14. Notification of Changes. After the date of this Agreement, each of the Company, the Investor and Exchanging Investors hereby covenants and agrees to notify the other upon the occurrence of any event prior to either Closing of the Exchange pursuant to this Agreement that would cause any representation, warranty or covenant of the Company, the Investor or any Exchanging Investor, as the case may be, contained in this Agreement to be false or incorrect.

15. Reliance by the Placement Agent. The Placement Agent may rely on each representation and warranty of the Company, the Investor and each Exchanging Investor made herein or pursuant to the

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terms hereof with the same force and effect as if such representation or warranty were made directly to the Placement Agent. The Placement Agent shall be a third-party beneficiary of this Agreement to the extent provided in this Section 15.

16. Severability. If any term or provision of this Agreement (in whole or in part) is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

17. Survival. The representations and warranties of the Company and the Investor contained in this Agreement or made by or on behalf of the Exchanging Investors pursuant to this Agreement shall survive the consummation of the transactions contemplated hereby.

18. Termination.This Agreement may be terminated and the transactions contemplated hereby abandoned (a) by mutual agreement of the Company and the Investor in writing or (b) by either the Company or the Investor if the conditions to such party's obligations set forth herein have not been satisfied (unless waived by the party entitled to the benefit thereof), and the Initial Closing has not occurred on or before [] without liability of either the Company or the Investor or the Exchanging Investors, as the case may be; provided that neither the Company nor the Investor shall be released from liability hereunder if the Agreement is terminated and the transactions abandoned by reason of the failure of the Company or the Investor or the Exchanging Investors, as the case may be to have performed its obligations hereunder. Except as provided above, if this Agreement is terminated and the transactions contemplated hereby are not concluded as described above, the Agreement will become void and of no further force and effect.

19. Taxation. The Investor acknowledges that, if an Exchanging Investor is a United States person for U.S. federal income tax purposes, either (i) the Company must be provided with a correct taxpayer identification number ("**TIN**," generally a person's social security or federal employer identification number) and certain other information on a properly completed and executed Internal Revenue Service ("**IRS**") Form W-9 stating that the Exchanging Investor is not subject to backup withholding and that the Exchanging Investor is a United States person, or (ii) another basis for exemption from backup withholding must be established. The Investor further acknowledges that, if an Exchanging Investor is not a United States person for U.S. federal income tax purposes, the Company must be provided with a properly completed and executed IRS Form W-8BEN, IRS Form W-8BEN-E, IRS Form W-8IMY (and all required attachments) or other applicable IRS Form W-8, attesting to that non-U.S. Exchanging Investor's foreign status and certain other information, including information establishing an exemption from withholding under Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended (the "**Code**"). The Investor further acknowledges that any Exchanging Investor may be subject to 30% U.S. federal withholding or 24% U.S. federal backup withholding on certain payments made to such Exchanging Investor unless such Exchanging Investor properly establishes an exemption from, or a reduced rate of, such withholding or backup withholding. See Exhibit C for certain additional information. The Company and its agents shall be entitled to deduct and withhold from any consideration payable pursuant to this Agreement such amounts as are required to be deducted or withheld under applicable law. To the extent any such amounts are withheld and remitted to the appropriate taxing authority, such amounts shall be treated

for all purposes as having been paid to the Exchanging Investor to whom such amounts otherwise would have been paid.

20. Section and Other Headings. The section and other headings contained in Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

SENSEONICS HOLDINGS, INC.

By ______________________________

Name:

Title:

Please confirm that the foregoing correctly sets forth the agreement between the Company and the Investor by signing in the space provided below for that purpose.

AGREED AND ACCEPTED:

Investor:

[____________],

in its capacity as described in the first paragraph hereof

By________________________________

____

Name:

Title:

Exchanging Investor Information

Exchanging Investor Name, Address,	Exchanged Notes

Email and Phone Number	Initial Exchanged Notes	Final Exchanged Notes	Total Exchanged Notes

Exchanging Investor: ____

Investor Address: ____
____
____

Telephone: ____

Country of Residence: ____

Taxpayer Identification Number: ____

Account for Notes:

DTC Participant Number:
DTC Participant Name:
DTC Participant Phone Number :
DTC Participant Contact Email :
Account # at Bank/Broker:

Account for Shares (if different from Notes):

DTC Participant Number:
DTC Participant Name:
DTC Participant Phone Number :
DTC Participant Contact Email :
Account # at Bank/Broker:

Wire instructions for Cash Payment:

Bank Name: ______________________
Bank Address: ______________________
ABA Routing Number: ______________________
Account Name: ______________________
Account Number: ______________________

Contact Person:_________________________
FFC Account Name_________________________
FFC Account # at Bank/Broker:_________________________

Exchange Procedures

<u>NOTICE TO INVESTOR</u>

These are the Exchange Procedures for the settlement of the exchange of 5.25% Convertible Senior Notes due 2025, CUSIP 81727U AB1 (the **"Exchanged Notes**") of Senseonics Holdings, Inc., a Delaware corporation (the "**Company**"), for the Shares to be issued as Exchange Consideration (as defined in and pursuant to the Agreement between you and the Company), which is expected to occur on or about August 14, 2023 and on September 5, 2023. To ensure timely settlement for the Exchange Consideration, please follow the instructions as set forth below.

These instructions supersede any prior instructions you received. Your failure to comply with these instructions may delay your receipt of the Exchange Consideration.

If you have any questions, please contact Elizabeth Oppong of Goldman Sachs & Co. LLC at 212-902-0360.

<u>On each Closing Date, to deliver the applicable Exchanged Notes:</u>

You must direct the eligible DTC participant through which you hold a beneficial interest in the Notes **on the applicable Closing Date**, **no later than9:00 a.m., New York City time**, to post a withdrawal request through DTC for the aggregate principal amount of Exchanged Notes set forth on <u>Exhibit A</u> of the Agreement to be exchanged for Shares on such Closing Date. **It is important that this instruction be submitted and the one-sided DWAC withdrawal (not a deliver vs. payment or free delivery) is posted on such Closing Date no later than9:00 a.m., New York City time.**

<u>To receive Exchange Consideration:</u>

- To receive the Shares:

You must direct the eligible DTC participant **on the applicable Closing Date**, **no later than9:00 a.m., New York City time**, to post a deposit request through DTC via DWAC for the aggregate number of Initial Shares or Final Settlement Shares, as applicable, deliverable on such Closing Date in respect of the Exchanged Notes. **It is important that this instruction be submitted and the applicable DWAC posted on such Closing Date no later than9:00 a.m., New York City time.**

- To receive the Cash Payment:

You must provide valid wire instructions to the Company.

Computershare Trust Company, N.A. is the Transfer Agent and Registrar for the Shares.

Closing: On the applicable Closing Date, after the Company receives your Initial Exchanged Notes or Final Exchanged Notes, as applicable, and your delivery instructions and a withdrawal request in respect of the applicable Exchanged Notes has been posted as specified above, and subject to the satisfaction of the conditions to Closing as set forth in your Exchange Agreement, the Company will deliver the applicable Exchange Consideration in respect of the Exchanged Notes on such Closing Date in accordance with the delivery instructions above.

Under U.S. federal income tax law, a holder who exchanges Notes for Shares and/or Cash Payment generally must provide such holder's correct TIN on a properly completed and executed IRS Form W-9 (available from the Company or at www.irs.gov/pub/irs-pdf/fw9.pdf) or otherwise establish a basis for exemption from backup withholding. A TIN is generally an individual holder's social security number or a holder's employer identification number. If the correct TIN is not provided, the holder may be subject to a $50 penalty imposed under Section 6723 of the Code. In addition, certain payments made to holders may be subject to U.S. backup withholding (currently set at 24% of the payment). If a holder is required to provide a TIN but does not have a TIN, the holder should consult its tax advisor regarding how to obtain a TIN. Certain holders (including corporations and non-U.S. holders) are not subject to these backup withholding and reporting requirements.

A non-U.S. holder (i) will be subject to 30% U.S. federal withholding unless such holder establishes an exemption from, or a reduced rate of, such withholding, and (ii) must establish its status as an exempt recipient from backup withholding and can do so by submitting a properly completed IRS Form W-8BEN, IRS Form W-8BEN-E, IRS Form W-8IMY (and all required attachments), or other applicable IRS Form W-8 (available from the Company or at www.irs.gov), signed, under penalties of perjury, attesting to such holder's exempt foreign status. This form also may establish an exemption from withholding under Section 1471 through 1474 of the Code.

U.S. backup withholding is not an additional tax. Rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is timely furnished to the IRS. Exchanging Investors are urged to consult their tax advisors regarding how to complete the appropriate forms and to determine whether they are exempt from backup withholding or other withholding taxes.

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Timothy T. Goodnow, Ph.D., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Senseonics Holdings, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2023 November 9, 2023

/s/ Timothy T. Goodnow, Ph.D.

Timothy T. Goodnow, Ph.D.
President & Chief Executive Officer
(principal executive officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Rick Sullivan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Senseonics Holdings, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2023 November 9, 2023

/s/ Rick Sullivan
Rick Sullivan
Chief Financial Officer
(principal financial officer)

EXHIBIT 32.1

CERTIFICATIONS OF
PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Timothy T. Goodnow, Ph.D., President and Chief Executive Officer of Senseonics Holdings, Inc. (the "Company"), and Rick Sullivan, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 September 30, 2023 (the "Quarterly Report"), to which this Certification is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act, and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

In Witness Whereof, the undersigned have set their hands hereto as of the 10th 9th day of August November 2023.

/s/ Timothy T. Goodnow, Ph.D.	/s/ Rick Sullivan
Timothy T. Goodnow, Ph.D.	Rick Sullivan
President & Chief Executive Officer	Chief Financial Officer
(principal executive officer)	(principal financial officer)

* This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

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