

Tandem Diabetes Care, Inc.
EBITDA Quarterly Trend
2023 and 2022

Reconciliation of GAAP versus Non-GAAP Financial Results

(\$'s in thousands)

	Quarter Ended				Year Ended	Quarter Ended				Year Ended
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	December 31, 2023
GAAP net loss	\$ (14,715)	\$ (15,056)	\$ (48,970)	\$ (15,853)	\$ (94,594)	\$ (123,873)	\$ (35,775)	\$ (32,961)	\$ (30,002)	\$ (222,611)
Income tax expense (benefit)	(1,724)	2,106	1,621	(261)	1,742	287	1,146	2,232	(1,308)	2,357
Interest income and other, net	(415)	(826)	(1,720)	(3,243)	(6,204)	(5,865)	(5,784)	(5,656)	(5,553)	(22,858)
Interest expense	1,516	1,537	1,576	1,579	6,208	1,634	1,605	4,840	1,803	9,882
Depreciation and amortization	3,628	3,553	3,508	3,641	14,330	3,396	4,265	4,023	4,031	15,715
Stock-based compensation expense	18,110	20,131	22,236	24,441	84,918	20,805	23,400	20,741	22,742	87,688
Acquired in-process research and development	—	—	31,016	23	31,039	78,750	—	—	—	78,750
Non-recurring facility consolidation costs	—	—	—	12,420	12,420	—	14,099	—	—	14,099
Severance costs - cash and noncash	—	—	—	—	—	2,680	—	—	—	2,680
Adjustment for Tandem Choice	—	—	599	2,950	3,549	2,023	2,309	8,236	12,539	25,107
Adjusted EBITDA	<u>\$ 6,400</u>	<u>\$ 11,445</u>	<u>\$ 9,866</u>	<u>\$ 25,697</u>	<u>\$ 53,408</u>	<u>\$ (20,163)</u>	<u>\$ 5,265</u>	<u>\$ 1,455</u>	<u>\$ 4,252</u>	<u>\$ (9,191)</u>

Quarterly and Annual Financial Information

The financial data presented in the table above for the years ended December 31, 2023 and December 31, 2022 have been derived from our audited consolidated financial statements included in our Annual Report on Form 10-K, or the Annual Report, as filed with the Securities and Exchange Commission, or the SEC. The financial data presented in the tables for the quarters ended March 31, 2023 and 2022, June 30, 2023 and 2022, and September 30, 2023 and 2022, have been derived from our unaudited financial statements included in our Quarterly Reports on Form 10-Q for the respective periods, or the Quarterly Reports, as filed with the SEC. The financial data presented should be read in conjunction with the other information included in our Annual Report and Quarterly Reports. Copies of our filings with the SEC are available free of charge on our website within the “Investor Center” section. Our historical results for any prior period are not necessarily indicative of results to be expected in any future period.

Non-GAAP Financial Measures

Adjusted EBITDA is a non-GAAP financial measure. GAAP refers to accounting principles generally accepted in the United States of America. EBITDA is defined as net income (loss) excluding interest, income taxes, depreciation and amortization. Adjusted EBITDA further adjusts for non-cash stock-based compensation expense, acquired in-process research and development, revenue adjustments for the Tandem Choice technology access program, and certain other non-recurring expenses.

These non-GAAP financial measures and quarterly trends are presented to provide information that may assist investors in understanding the Company's financial results and assessing its prospects for future performance, but should not be read as a guarantee of future performance or results. We believe these non-GAAP financial measures are important indicators of our operating performance because they exclude items that are unrelated to, and may not be indicative of, our core operating results. These non-GAAP financial measures, as we calculate them, may not necessarily be comparable to similarly titled measures of other companies and may not be appropriate measures for comparing the performance of other companies relative to the Company. These non-GAAP financial results are not intended to represent, and should not be considered to be more meaningful measures than, or alternatives to, measures of operating performance as determined in accordance with GAAP. Investors are referred to the Company's filings with the Securities and Exchange Commission for additional information regarding limitations of these non-GAAP financial measures.