

Tandem Diabetes Care, Inc.
EBITDA Quarterly Trend
2019 and 2018

Reconciliation of GAAP versus Non-GAAP Financial Results

(\$'s in thousands)	Quarter Ended				Year Ended	Quarter Ended				Year Ended
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	December 31, 2019
GAAP net income (loss)	\$ (32,693)	\$ (59,359)	\$ (34,245)	\$ 3,686	\$ (122,611)	\$ (22,992)	\$ (1,512)	\$ (2,901)	\$ 2,652	\$ (24,753)
Income tax expense	—	—	—	51	51	—	—	72	77	149
Change in fair value of stock warrants	14,228	42,549	12,265	(2,548)	66,494	12,746	424	(2,321)	226	11,075
Other (income) expense, net(1)	2,980	2,813	6,272	(630)	11,435	(750)	(778)	(852)	(811)	(3,194)
Depreciation and amortization	1,494	1,405	1,455	1,467	5,821	1,438	1,508	1,484	1,643	6,072
EBITDA	(13,991)	(12,592)	(14,253)	2,026	(38,810)	(9,558)	(358)	(4,518)	3,787	(10,651)
Stock-based compensation expense	1,192	2,698	9,537	10,309	23,736	9,834	12,322	17,231	18,684	58,071
Adjusted EBITDA	\$ (12,799)	\$ (9,894)	\$ (4,716)	\$ 12,335	\$ (15,074)	\$ 276	\$ 11,964	\$ 12,713	\$ 22,471	\$ 47,420

(1) Includes \$5.3 million loss on extinguishment of debt in the quarter ended September 30, 2018.

Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA are non-GAAP financial measures. GAAP refers to accounting principles generally accepted in the United States of America. EBITDA is defined as net income (loss) excluding income taxes, interest and other non-operating items and depreciation and amortization. Adjusted EBITDA further adjusts for non-cash stock-based compensation expense.

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.