

Tandem Diabetes Care, Inc.
EBITDA Quarterly Trend
2021 and 2020

Reconciliation of GAAP versus Non-GAAP Financial Results

(\$'s in thousands)

	Quarter Ended				Year Ended	Quarter Ended		Six Months Ended
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	December 31, 2020	March 31, 2021	June 30, 2021	June 30, 2021
GAAP net income (loss)	\$ (14,867)	\$ (27,107)	\$ (9,408)	\$ 17,000	\$ (34,382)	\$ (5,044)	\$ 4,008	\$ (1,036)
Income tax expense (benefit)	98	(2,075)	39	38	(1,900)	(117)	61	(56)
Interest income and other, net	(726)	(366)	(143)	(332)	(1,567)	(272)	(418)	(690)
Interest expense	—	3,175	4,855	4,775	12,805	1,506	1,509	3,015
Depreciation and amortization	1,830	2,205	2,989	3,427	10,451	3,485	3,440	6,925
EBITDA	(13,665)	(24,168)	(1,668)	24,908	(14,593)	(442)	8,600	8,158
Change in fair value of common stock warrants	1,922	14,336	3,648	(2,819)	17,087	690	272	962
Stock-based compensation expense	15,865	16,421	12,837	13,308	58,431	12,947	14,977	27,924
Adjusted EBITDA	<u>\$ 4,122</u>	<u>\$ 6,589</u>	<u>\$ 14,817</u>	<u>\$ 35,397</u>	<u>\$ 60,925</u>	<u>\$ 13,195</u>	<u>\$ 23,849</u>	<u>\$ 37,044</u>

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 the change in fair value of common stock warrants and 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.