



**TANDEM**<sup>®</sup>  
DIABETES CARE

## Company Overview

August 1, 2019



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# SAFE HARBOR

## Cautionary Note Regarding Forward-Looking Statements

Certain statements in this presentation constitute forward-looking statements, including, without limitation, statements about: the perceived advantages of our products relative to competitive products and technologies; our anticipated growth and other measures of future operating results and financial performance; the development and commercialization of new products; our ability to secure and maintain necessary regulatory approvals for our existing products and new products under development. Our estimates and forward-looking statements are based on our management's current assumptions and expectations of future events and trends, which affect or may affect our business, strategy, operations or financial performance. These statements are not guarantees of future performance and involve a number of risks and uncertainties, many of which are beyond our control. Our actual results may differ materially from those expressed or implied by such forward-looking statements. Some of the factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements can be found under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, as well as in the other reports we file with the Securities and Exchange Commission. In addition, new risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements. Estimates and forward-looking statements speak only as of the date they were made, and, except to the extent required by law, we undertake no obligation to update or review any estimate and forward-looking statement because of new information, future events or other factors.

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# Tandem Diabetes Care.

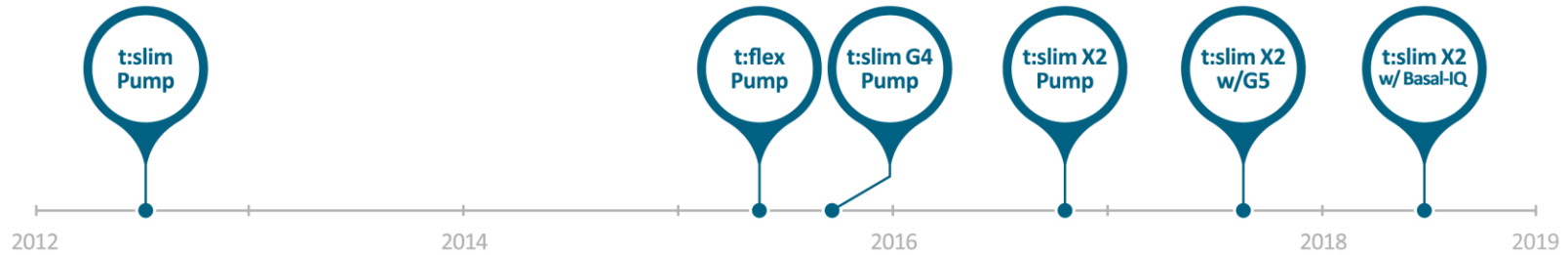
## *Technology For A Simply Better Life*

- More than 110,000 insulin pumps shipped worldwide in the past 4 years
- t:slim X2™ Insulin Pump: easy-to-use, software updateable
  - First pump designated by FDA as “Alternate Controller Enabled”
  - Basal-IQ technology™ launched domestically Q3 2018
- Scaling international launch began Q3 2018
- Robust product pipeline
  - t:slim X2™ with Control-IQ™ technology– under FDA review
  - t:sport - our next-generation hardware platform
  - Connected (mobile) health offerings
- Sales momentum
  - Updated 2019 sales guidance\*: \$350M - \$365M, 90% - 99% YOY growth
  - 2018 sales: \$183.9M
  - 2017 sales: \$107.6M



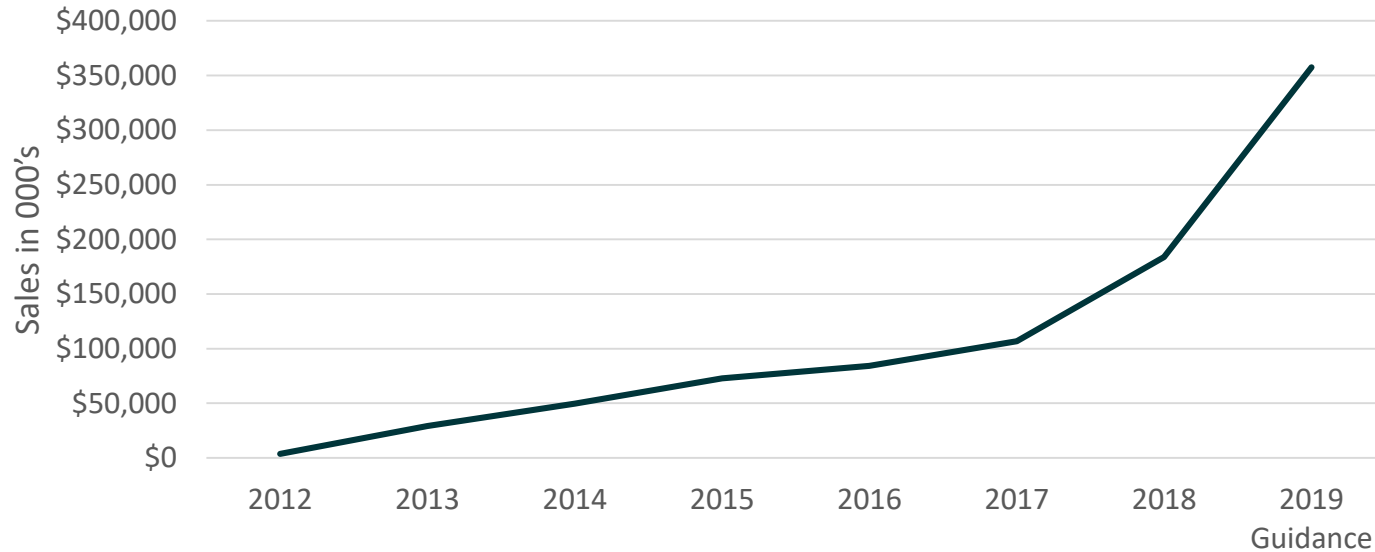
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6 Insulin pumps launched in the past 6 years.



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# Tandem's growth.



2019 Sales  
Guidance:  
\$350M - \$365M\*



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# Diabetes overview.

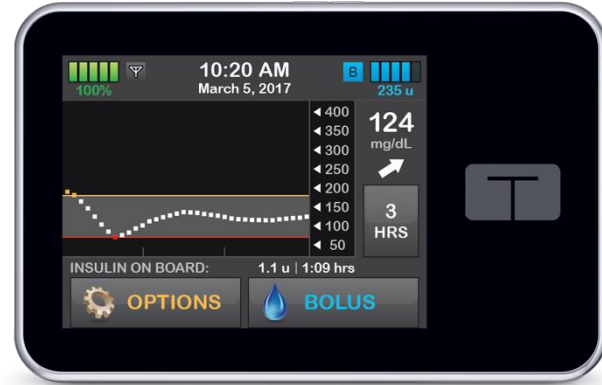
	Type 1	Type 2
Cause	Autoimmune <i>Body does not create insulin hormone</i>	Lifestyle Related <i>Insulin resistance where cells do not use insulin properly</i>
Onset	Sudden <i>Typically before age 40</i>	Progressive <i>Typically appears late in life</i>
Prevention	None	Diet and exercise
Therapy	Insulin	Oral medication, insulin



# Insulin replacement therapy.



Multiple Daily Injection  
“MDI”

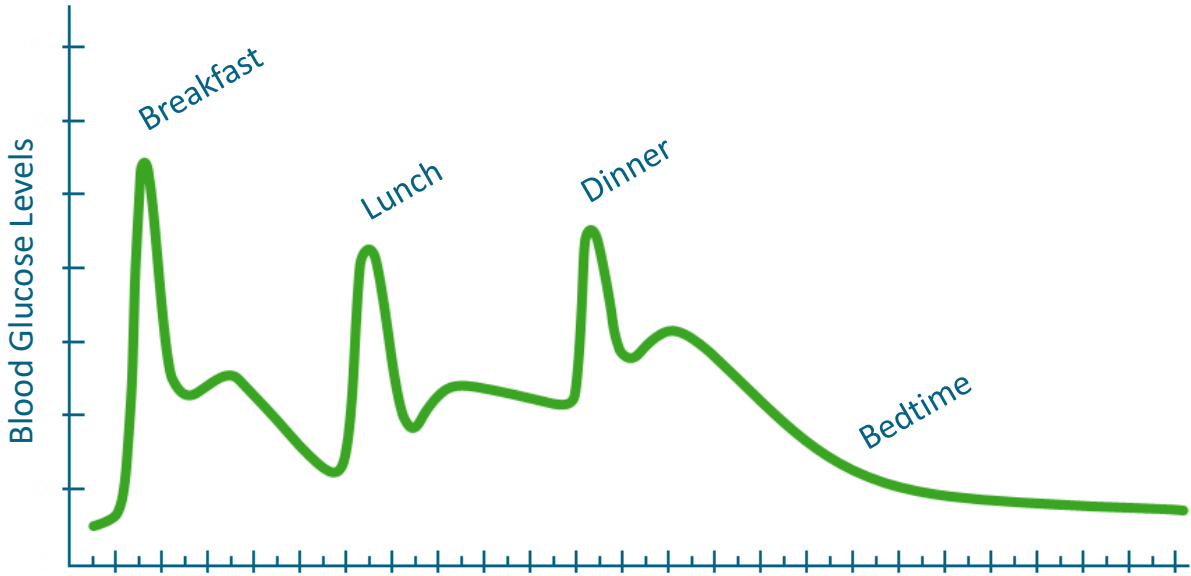


Continuous Subcutaneous Insulin Infusion  
“CSII”



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# Pump therapy is optimal.



*Basal and Bolus Insulin Release Like The Pancreas*

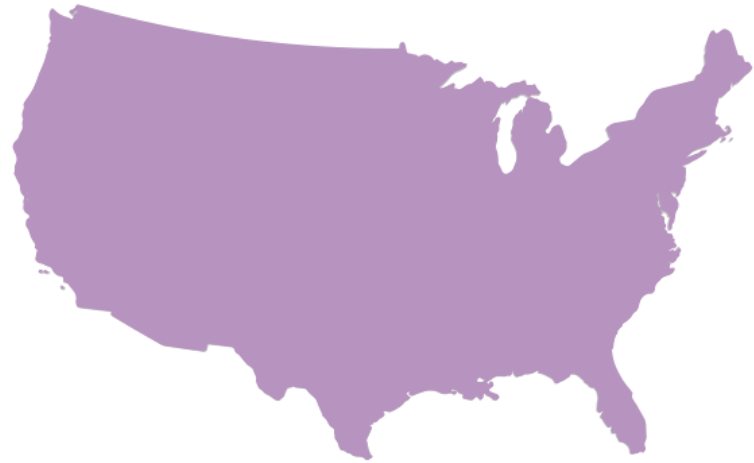


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Approximately 1.7 million people live with type 1 diabetes in the United States.

Approximately 1.6 million people who live with type 2 diabetes are candidates for pump therapy.



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Goal: Grow the U.S. pump market from less than 30% penetration to more than 50%.



\*Internal estimate as of September 2018.

Apx. 42.5 million people OUS with type 1 diabetes, ~3 million of which are in our long-term target markets.

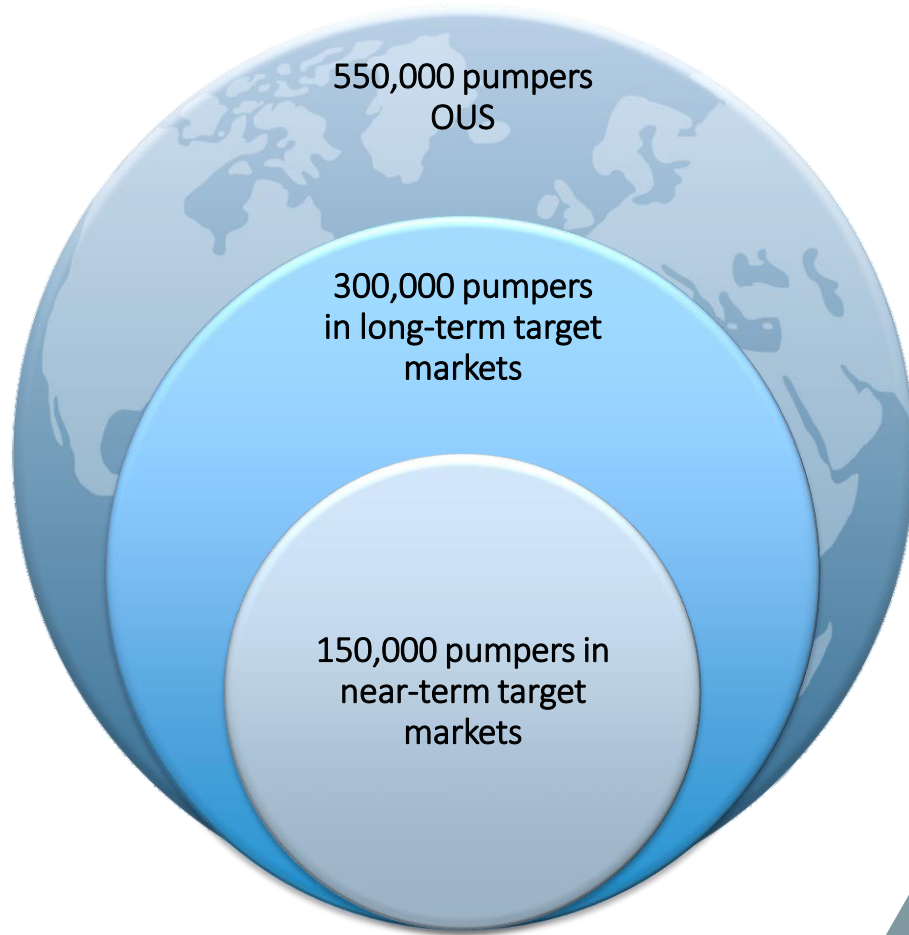


Source: International Diabetes Federation, 2017



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# Our international pump capture opportunity.



# The pump that gets updated, not outdated.



Touchscreen



Up to 38% smaller than other pumps<sup>1</sup>



Dexcom CGM

t:slim X2™  
Insulin Pump



Remote Update Capability



Rechargeable Battery



Ease of use



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1) 38% smaller than MiniMed 630G and 670G and at least 28% smaller than MiniMed 530G, Animas Vibe and Omnipod System.

# Our customers.

90% have type 1.

Wide age distribution.

Equal mix of women and men.

~50% previously used multiple daily injection;

~50% converted from a different pump.



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SLIDE 14

# Smallest pump, big unique features.



**38%**  
Smaller Pump



**22%**  
Larger Screen



**13%**  
Lighter Pump

	t:slim X2	Medtronic 670G
Touchscreen?	YES	NO
Smallest CGM –enabled pump?	YES	NO
Updateable?	YES	NO
Bluetooth® wireless technology?	YES	NO
Rechargeable battery?	YES	NO



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# Dexcom Technology benefits our patients' ecosystem.



	Dexcom G6® CGM	Medtronic Guardian™ CGM
<b>Adult MARD*</b>	9.0%	10.6% <i>(Based on 2 calibrations/day)</i>
<b>Finger Sticks/Day</b>	0	5 – 9
<b>Calibration</b>	0	4 calibrations/day recommended 2 calibrations/day required
<b>Glucose Data Sharing</b>	SHARE feature allows up to five followers to monitor a user's glucose	
		None

\* Mean Absolute Relative Difference



s and product user guides.



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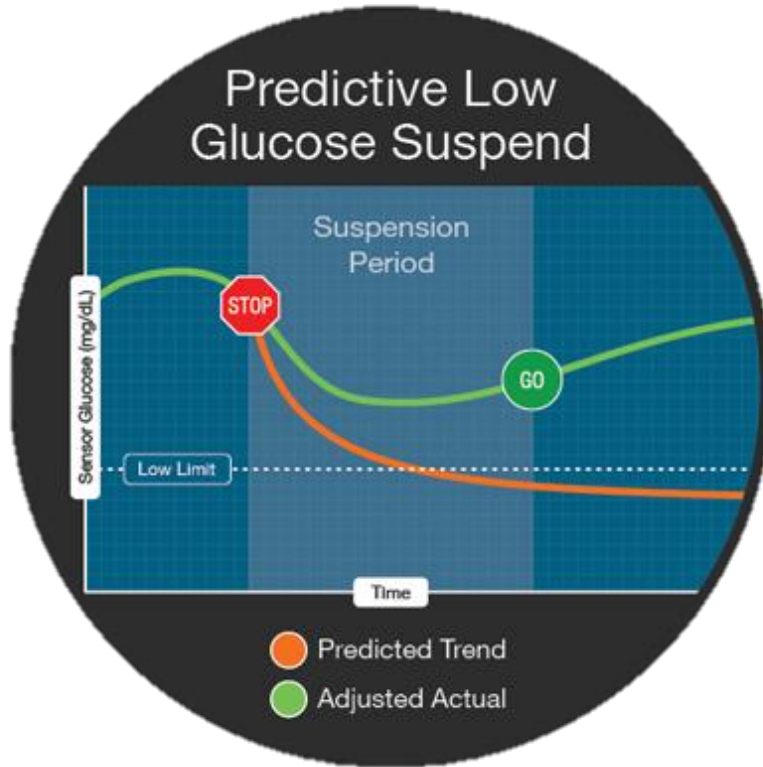


Designed for use with or without advanced features.



**ON**  **DON'T USE CGM? NO PROBLEM!**  **OFF**

# Basal-IQ™ Technology.



t:slim X2™  
Insulin Pump



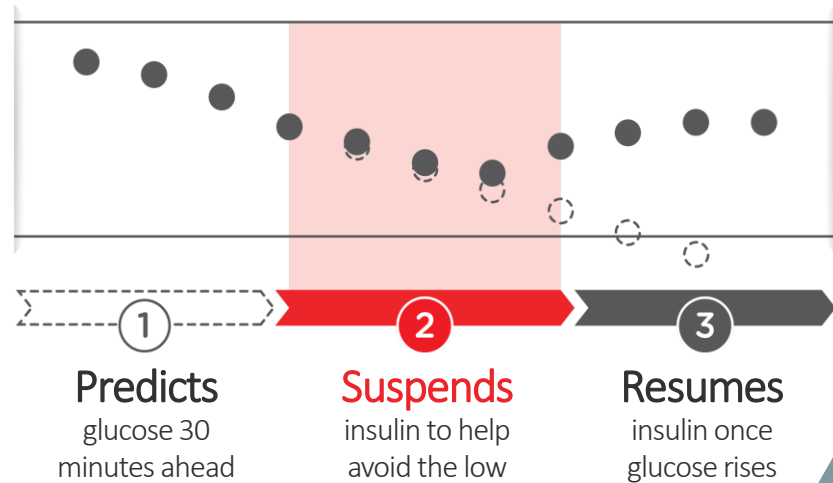
Graph is for illustrative purposes only, and does not reflect individual results.



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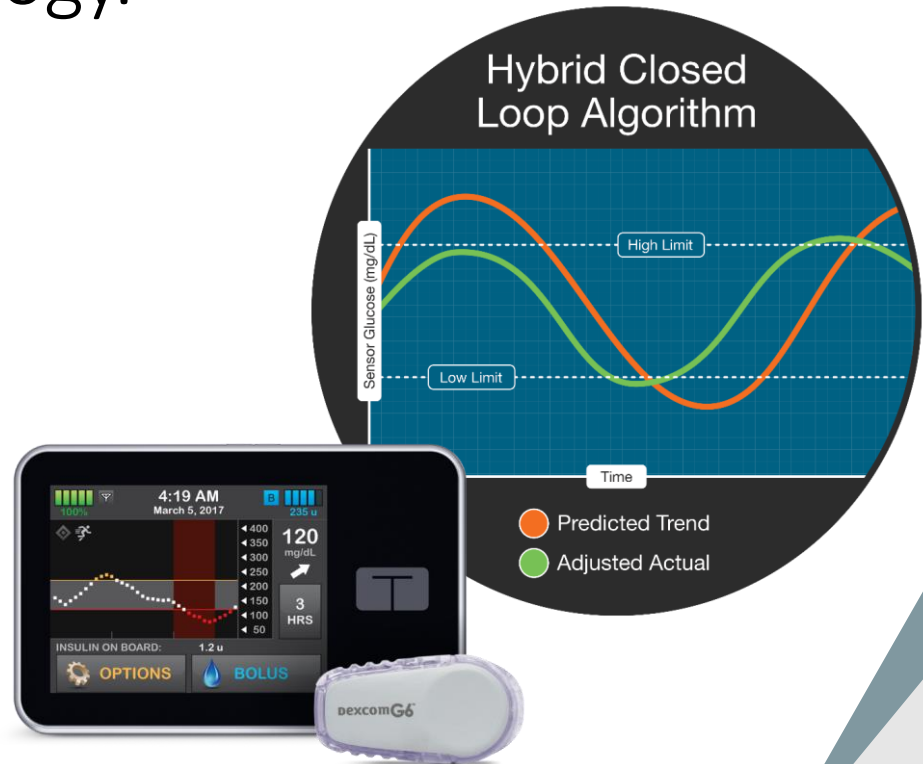
# How It Works.

Helping to reduce the frequency and duration of low-glucose events by predicting glucose levels 30 minutes ahead and suspending insulin if they are expected to drop below 80 mg/dL or if a CGM reading falls below 70 mg/dL. Insulin delivery resumes once glucose begins to rise.



# Control-IQ™ Technology.<sup>1</sup>

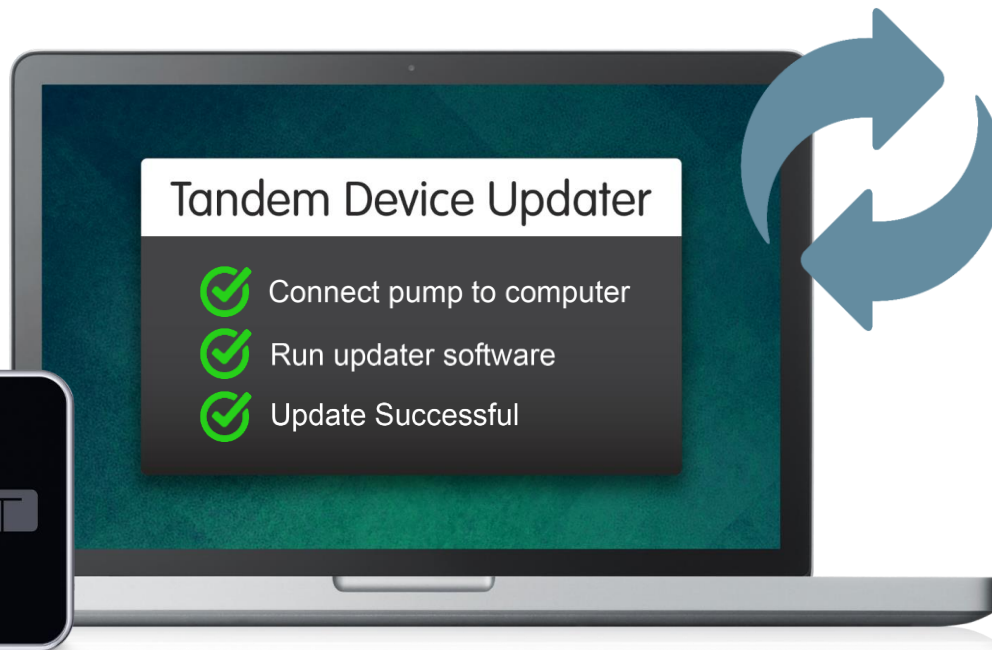
- t:slim X2 with TypeZero's hybrid closed loop algorithm; utilizes Dexcom's G6 CGM data
- Increases or decreases basal insulin to minimize hyper/hypoglycemia and improve time-in-range, and delivers automated correction boluses
- Launch goal: Q4 2019, subject to FDA approval
  - t:slim X2 was first pump to receive FDA's ACE (alternate controller enabled) designation in Feb 2019; a key step in the regulatory process for Control-IQ technology
  - Regulatory submission filed July 2019



1. Investigational Device, not approved for sale.

Note: The graphics presented on this page are for illustrative purposes only, and do not reflect individual results

# Bridging today's hardware with tomorrow's software.



\*Additional feature updates are not currently available for the t:slim X2 pump with Basal-IQ technology and are subject to future FDA approvals. A prescription and additional training may be required to access certain future software updates. Offer only available to customers who reside in the United States, who are in warranty at the time they update their pump and who purchased a t:slim X2 insulin pump on or before December 31, 2020. Tandem may discontinue select software and features over time at its discretion. This is a limited time offer and Tandem reserves the right to discontinue this program at its discretion.

# t:sport™ Pump— our next-gen hardware platform.<sup>1</sup>

Apx. 50% of t:slim X2's size.

200 unit cartridge.

Automated insulin delivery algorithm.

Uses a short infusion set.

Controlled via a separate device or mobile app.

Preserves current reimbursement model.



1. Investigational Device, not approved for sale.

Note: The graphics presented on this page are for illustrative purposes only, and do not reflect individual results

# t:connect™

## Diabetes Management Application



1) dQ&A USA Patient Connections Surveys, 2013-2017

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# t:connect™ Mobile

## A Foundation for Remote Control *(In development)*

Wireless pump uploads.  
Health app integration.  
Personalization.  
Biometric authentication.

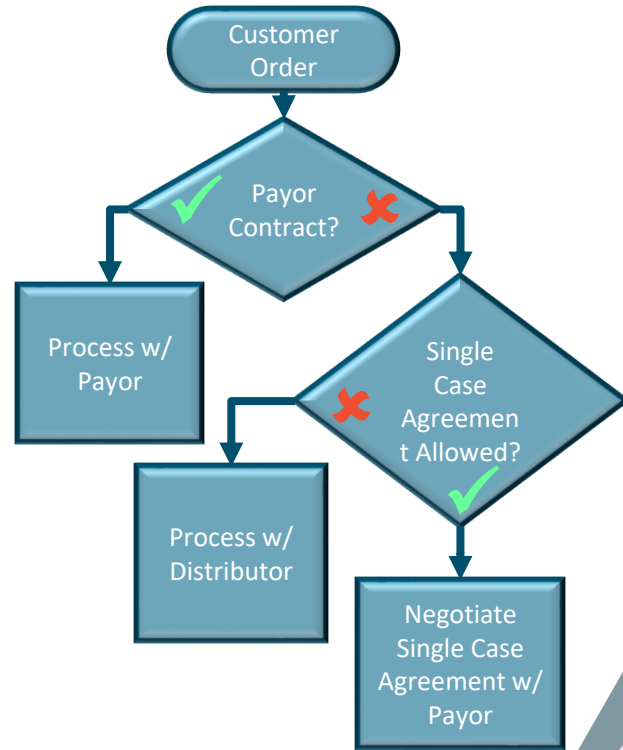


Secondary pump display.  
Diet, sleep & exercise  
integration.  
Decision support.



# Insulin pump business model in the U.S.

- Highly seasonal business
  - Sales are typically back-end loaded (Q1 lowest percent of sales, Q4 highest percent of sales)
  - Highly influenced by timing of when people typically meet their insurance deductibles
- DTC sales model (commercial payors and patient co-insurance)
- Billed using existing HCPC codes with longstanding defined allowable rates
- Utilize direct contracts with commercial payors or distributor arrangements
  - Network of distributors used for approximately 75% of sales
  - Distributors pricing adjusted for a logistics margin





Solid  
long-term  
growth  
trajectory

Product pipeline.

Renewals.

International.



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Reimbursement differs by product but total amount realized per patient is approximately the same in a four-year reimbursement cycle.

	Domestic	OUS
% Distributor	75%	85% - 90%
Pump 1 reimbursed every 4 years	\$4K	\$2K - \$3K
Supplies 120 cartridges and infusion sets used per patient per year	\$4K	\$5K
<b>Total realized per patient at projected near-term distributor mix</b>	<b>\$8K</b>	<b>\$7K - \$8K</b>



Leverage  
Manufacturing  
Overhead

## Manufacturing Facility Capacity

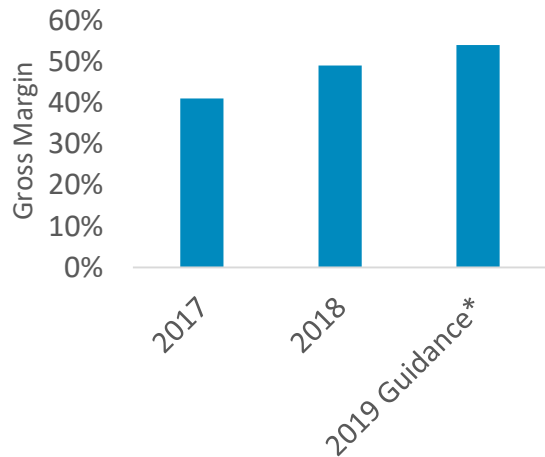


Equipment Lines	2	4
Annual Unit Capacity	110K	14M
Installed Base Equivalent	N/A	117K
<i>Additional Equipment On Order</i>	<i>N/A</i>	<i>3 lines, 15M annual unit capacity</i>



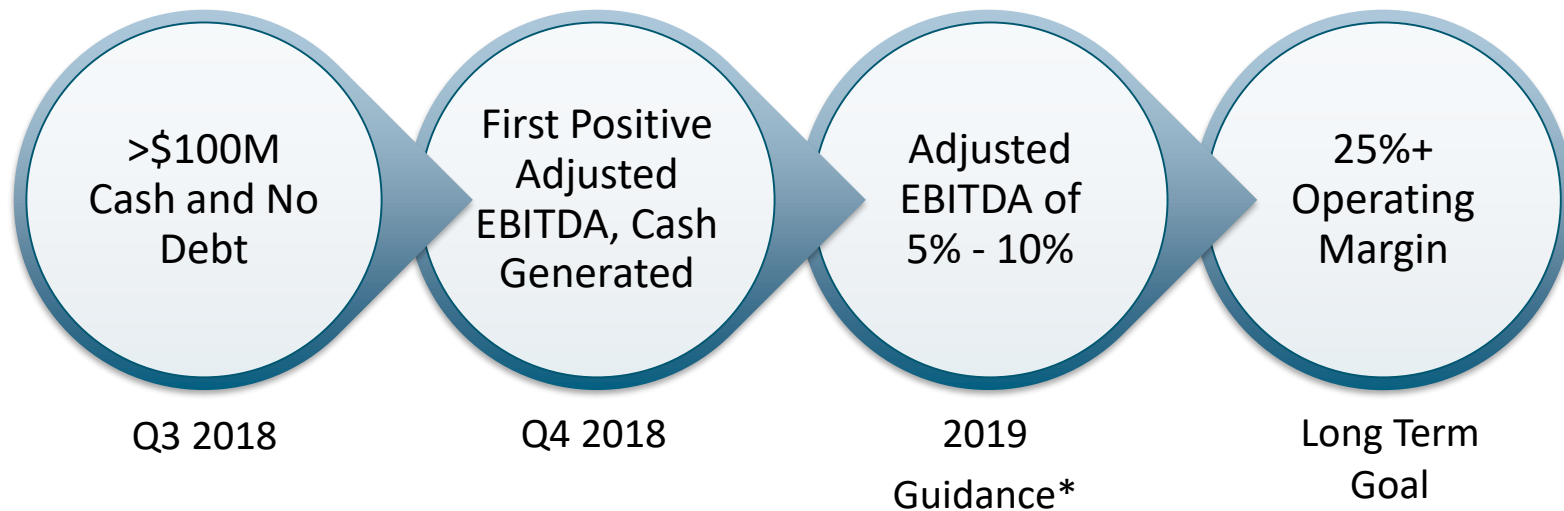
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## Expand Gross Margin



- Historical progress driven by volume, efficiency & reliability
- Longer-term gross margin goal of at least 60%\*
  - Driven by reimbursement & new products, offset by international

# Key Financial Milestones & Goals.



EBITDA is a non-GAAP financial measure 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. This definition of Adjusted EBITDA may differ from similar measures used by other companies, even when similar terms are used to identify such measures. Adjusted EBITDA is a key measure used by the Company to evaluate operating performance, generate future operating plans and make strategic decisions for the allocation of capital. The Company presents Adjusted EBITDA to provide information that may assist investors in understanding its financial results. However, Adjusted EBITDA is not intended to be a substitute for net loss.

\* Guidance as of August 1, 2019



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