

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 17, 2023

Tandem Diabetes Care, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)
11075 Roselle Street
San Diego California
(Address of principal executive offices)

001-36189
(Commission
File Number)

20-4327508
(I.R.S. Employer
Identification No.)
92121
(Zip Code)

Registrant's telephone number, including area code: (858) 366-6900

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.001 per share	TNDM	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On February 22, 2023, we issued a press release reporting our financial results for the quarter and year ended December 31, 2022. This press release has been furnished as Exhibit 99.1 to this report and is incorporated herein by this reference.

The information under this Item 2.02 and Exhibit 99.1 hereto is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 22, 2023, the Company issued a press release announcing that Rebecca Robertson will succeed Kim D. Blickenstaff as Chair of the Board of Directors (the “Board”), effective March 1, 2023. Mr. Blickenstaff will continue as a member of the Board.

This press release has been furnished as Exhibit 99.2 to this report and is incorporated herein by this reference. This press release is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such filing.

Appointment of Chair of the Board

On February 22, 2023, the following appointments were approved by the Board, effective March 1, 2023:

- Mr. Blickenstaff will transition from the role of Chair of the Board to a member of the Board, where he has served as one of the Company’s directors since September 2007. Mr. Blickenstaff served as Chair since March 2020, and Executive Chairman from March 2019 - March 2020. Mr. Blickenstaff was the Company’s President and Chief Executive Officer from September 2007 to February 2019,
- Ms. Robertson will transition to the role of Chair. Ms. Robertson has served as a member of the Board since January 2019.

Ms. Robertson, age 62, has extensive experience helping medical device companies scale in her roles as an engineer, entrepreneur, corporate executive and board member. She is a founder and General Partner at Versant Ventures where she has specialized in investing in the areas of medical devices and diagnostics since 1999. In addition, through Longridge Business Advisors, she has provided business advisory services and board services since April 2017. Prior to Versant, she served as Senior Vice President at Chiron Diagnostics, a division of Chiron Corporation, where she had responsibility for the critical care business unit in addition to leading the division’s business development efforts. Before joining Chiron, Ms. Robertson was a co-founder and Vice President at Egis, a consumer products company, and held senior management positions in operations and finance at Lifescan, a Johnson & Johnson Company. Ms. Robertson holds a BS in Chemical Engineering from Cornell University.

- Mr. Allen will transition from the role of Lead Independent Director to a member of the Board. Mr. Allen served as Lead Independent Director since March 2019, and before that time served as Chair since January 2016. He has served as a member of the Board since July 2007. Ms. Robertson is an independent director and therefore the Board has decided to no longer designate a separate Lead Independent Director.

No Arrangements or Understandings

There are no arrangements or understandings under which Messrs. Allen and Blickenstaff, and Ms. Robertson were appointed to their respective positions set forth above.

Family Relationships

There are no family relationships between each of Messrs. Allen and Blickenstaff, and Ms. Robertson and the directors or executive officers of the Company.

No Related Party Transactions

Except as described or referenced herein, none of Messrs. Allen and Blickenstaff, or Ms. Robertson have entered into any transactions (i) with the Company, (ii) with any of the Company's directors or executive officers, (iii) with any security holder who is known to the Company to own of record or beneficially more than five percent (5.0%) of any class of the Company's voting securities, or (iv) with any member of the immediate family of any of the foregoing persons in amounts greater than \$120,000, nor are any such transactions contemplated.

(e) Compensatory Arrangements of Board of Directors and Certain Officers

On February 17, 2023, the Compensation Committee approved the compensatory arrangements for the Company's executive officers as described below following their annual review of benchmark data provided by the Company's independent compensation consultant. In addition, on February 21, 2023, the Board of Directors approved the compensatory arrangements for the Company's non-employee directors, based on the recommendation of the Compensation Committee.

2023 Compensation for Board of Directors

Cash Compensation

No changes were made regarding the annual cash retainers for service on the Company's Board of Directors in 2023 compared to 2022. These annual retainer amounts are pro-rated and paid on a quarterly basis, and are depicted below.

Position	Annual Cash Retainer
Member Retainers	
Board	\$ 53,000
Audit Committee	\$ 10,000
Compensation Committee	\$ 9,000
Nominating & Corporate Governance Committee	\$ 6,300
Cybersecurity and Data Privacy Subcommittee	\$ 5,000
Incremental Retainers	
Board Chair	\$ 50,000
Lead Independent Director	\$ 25,000
Audit Committee Chair	\$ 13,000
Compensation Committee Chair	\$ 10,000
Nominating & Corporate Governance Committee Chair	\$ 10,000

2023 Base Salary for Named Executive Officers

For fiscal year 2023, no changes will be made to the base salary compensation compared to the 2022 base salary compensation for each of John F. Sheridan, the Company's President and Chief Executive Officer, David B. Berger, the Company's Executive Vice President and Chief Operating Officer; Elizabeth A. Gasser, the Company's Executive Vice President and Chief Strategy Officer, Brian B. Hansen, the Company's Executive Vice President and Chief Commercial Officer; Susan M. Morrison, Executive Vice President and Chief Administrative Officer; and Leigh A. Vosseller, the Company's Executive Vice President and Chief Financial Officer. The base salary amounts received for fiscal year 2022 and to be received for fiscal year 2023 by Mr. Sheridan, Mr. Berger, Ms. Gasser, Mr. Hansen, Ms. Morrison and Ms. Vosseller are set forth opposite their names in the table below:

Name	Base Salary
John F. Sheridan	\$ 710,700
David B. Berger	\$ 437,091
Elizabeth A. Gasser	\$ 437,091
Brian B. Hansen	\$ 437,091
Susan M. Morrison	\$ 437,091
Leigh A. Vosseller	\$ 437,091

2023 Short Term Incentive Cash Bonus Plan for Named Executive Officers

On February 17, 2023, the Compensation Committee approved the adoption of a cash incentive bonus plan that will be used to calculate the cash bonuses that may become payable to the Company's executive officers and other senior management personnel with respect to fiscal year 2023 (the "**2023 Cash Bonus Plan**"). The 2023 Cash Bonus Plan is designed with our "Pay for Performance" philosophy to align the interests of plan participants with the Company's business goals and strategies, and to further the objectives of the Company's executive compensation program. As discussed below, the 2023 Cash Bonus Plan is intended to reward plan participants for their individual contributions to the Company's achievement of pre-established Company objectives.

Target Cash Bonus Amount

The target cash bonus amount for each plan participant is set as a percentage of the participant's base salary as determined by the Board. The 2023 base salary, target percentage and resulting target cash bonus amount for each named executive officer is set forth in the table below:

Name	2023 Base Salary	Target Percentage	Target Cash Bonus
John F. Sheridan	\$ 710,700	100%	\$ 710,700
David B. Berger	\$ 437,091	60%	\$ 262,255
Elizabeth A. Gasser	\$ 437,091	60%	\$ 262,255
Brian B. Hansen	\$ 437,091	60%	\$ 262,255
Susan M. Morrison	\$ 437,091	60%	\$ 262,255
Leigh A. Vosseller	\$ 437,091	60%	\$ 262,255

Company Performance Objectives

Cash bonuses may be earned under the 2023 Cash Bonus Plan based on the achievement by the Company of specified financial performance objectives, a product development milestone, and a customer satisfaction-related objective. The percentage of the target cash bonus for each named executive officer that is subject to the financial performance objectives, product development milestone and customer satisfaction-related objective, respectively, is set forth in the table below:

2023 Cash Bonus Plan Component	Percentage of Target Bonus
Financial Performance Objectives	80%
Product Development Milestone	10%
Customer Satisfaction-Related Objective	10%
TOTAL	100%

Bonus payments under the 2023 Cash Bonus Plan, if any, will be made at the discretion of the Compensation Committee. Each of the three components of the 2023 Cash Bonus Plan may be earned independent of one another. If the Company does not achieve any portion of the Cash Bonus Plan, no payouts will be made unless the Compensation Committee, in its sole discretion, determines that there are other factors that merit consideration in the determination of bonus awards, which may be determined on an individual basis.

Company Financial Performance Objectives

The portion of the cash bonuses that relates to the Company financial performance objectives may be earned based on the Company's actual non-GAAP revenue for fiscal year 2023 as compared to a pre-established 2023 non-GAAP revenue target (the "**Revenue Target**"). Subject to the foregoing, the Company financial performance objective portion of the cash bonuses may be earned under the 2023 Cash Bonus Plan as follows:

- A minimum percentage growth rate over the Company's actual 2022 revenue, which places the Company's revenue for 2023 at 90% of the Revenue Target (the "**Minimum Revenue Target**"), must be achieved for 50% bonus to be earned under the financial performance objectives portion of the 2023 Cash Bonus Plan.
- If the Company's actual revenues are between the Minimum Revenue Target and the Revenue Target, the goal achievement for the financial performance objectives will be calculated proportionately on a straight-line basis from 50% to 100%.
- If the Company's actual revenues meet or exceed the Revenue Target, up to 200% of the bonus may be earned upon achievement of 110% or greater of the Revenue Target (the "**Outperformance Revenue Target**"). The outperformance goal achievement will be calculated proportionately on a straight-line basis from 100% at the Revenue Target up to 200% at the Outperformance Revenue Target. In the event of this achievement, the Company must also achieve at least a minimum adjusted Earnings before Interest, Taxes, Depreciation and Amortization (and further excluding non-cash stock based compensation expense and any accrual for the payment under the 2023 Cash Bonus Plan) ("**EBITDA**") margin percentage (the "**Minimum Operating Percentage Target**").

Company Product Development Milestone

The portion of the cash bonuses that relates to the Company product development milestone generally requires the Company to launch new products. An individual product development milestone must be achieved within a required time period for the applicable portion of the 2023 Cash Bonus Plan to be achieved. Number of new product launches serve as both a minimum threshold for achieving 50% payout and an outperformance threshold for achieving up to 200% payout under this portion of the 2023 Cash Bonus Plan. Overall goal achievement is subject to the Compensation Committee's final discretion, and determination of the Company's product development milestone will be based on the level of achievement by the Company during fiscal year 2023.

Customer Satisfaction-Related Objective

The portion of the cash bonuses that relates to the Company customer satisfaction-related objective generally requires the Company to achieve a minimum annual metric related to customer support and services. Defined metrics serve as both a minimum threshold for achieving 50% payout and an outperformance threshold for achieving up to 200% payout under this portion of the 2023 Cash Bonus Plan. Overall goal achievement is subject to the Compensation Committee's final discretion, and determination of the Company's customer satisfaction-related objective will be based on the level of achievement by the Company during fiscal year 2023.

The foregoing summary of the terms of the 2023 Cash Bonus Plan does not purport to be complete and is qualified in its entirety by the terms of the 2023 Cash Bonus Plan, which the Company will file as an exhibit to its Form 10-Q for the fiscal quarter ended March 31, 2023.

2022 Cash Bonus for Named Executive Officers

On February 17, 2023, the Compensation Committee approved the payout of a cash incentive bonus with respect to the fiscal year ending December 31, 2022 that totaled 50.8% of their previously disclosed 2022 Cash Bonus Plan targets for Mr. Sheridan, Mr. Berger, Ms. Gasser, Mr. Hansen, Ms. Morrison and Ms. Vosseller. The payout amounts were calculated based on 2022 salaries paid and pursuant to the previously-disclosed 2022 Cash Bonus Plan.

The amounts awarded to Mr. Sheridan, Mr. Berger, Ms. Gasser, Mr. Hansen, Ms. Morrison and Ms. Vosseller are set forth opposite their names in the table below:

Name		2022 Cash Bonus
John F. Sheridan	\$	359,418
David B. Berger	\$	132,628
Elizabeth A. Gasser	\$	132,628
Brian B. Hansen	\$	132,628
Susan M. Morrison	\$	132,628
Leigh A. Vosseller	\$	132,628

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Number	Description
99.1	Press release of Tandem Diabetes Care, Inc. dated February 22, 2023.
99.2	Press release of Tandem Diabetes Care, Inc. relating to the succession plan for the board of directors, dated February 22, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

Tandem Diabetes Care, Inc.

By: /s/ Shannon M. Hansen
Shannon M. Hansen

Senior Vice President, General Counsel, Corporate Secretary
& Chief Compliance Officer

Date: February 22, 2023



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FOR IMMEDIATE RELEASE

**Tandem Diabetes Care Announces Fourth Quarter 2022 Financial Results
and Full Year 2023 Financial Guidance**

San Diego, February 22, 2023 - Tandem Diabetes Care, Inc. (NASDAQ: TNDM), a global insulin delivery and diabetes technology company, today reported its financial results for the quarter and year ended December 31, 2022 and provided its financial guidance for the year ending December 31, 2023.

2022 Financial Highlights

In comparing the year ended December 31, 2022 to the same period of 2021:

- Worldwide installed base increased 29 percent to approximately 420,000 customers.
- Worldwide GAAP sales increased 14 percent to \$801.2 million; worldwide non-GAAP sales increased 15 percent to \$804.8 million.
 - GAAP sales in the United States increased 12 percent; non-GAAP sales increased 13 percent.
 - Renewal pump shipments in the U.S. increased approximately 60 percent.
 - Sales outside the U.S. increased 19 percent.
- \$616.9 million in cash, cash equivalents & short-term investments as of December 31, 2022.

Recent Strategic Highlights

- Expanded worldwide insulin pump market with approximately half of new U.S. customers adopting t:slim X2 from using multiple daily injection.
- Exited 2022 with record growth rate in renewal pump shipments of 75 percent in the fourth quarter.
- Achieved the milestone of having approximately 500,000 patient years of data in our t:connect platform for users of the t:slim X2 in the United States.
- Acquired AMF Medical SA, developer of the ergonomic, rechargeable Sigi™ Patch Pump that features use of pre-filled insulin cartridges.
- Received Great Place to Work Certification™, a prestigious award based entirely on results from in-depth employee surveys around their experience working at the Company.

“In 2022, we continued to expand the worldwide insulin pump market, bringing the benefits of our t:slim X2 technology to more people living with diabetes,” said John Sheridan, president and chief executive officer. “In the year ahead, we are focused on driving growth by promoting our best-in-class Control-IQ technology, with future acceleration to come from delivering multiple new product innovations.”

Fourth Quarter and Year End 2022 Sales Results Compared to 2021

In September 2022, the Company began offering the Tandem Choice Program (Tandem Choice) to eligible t:slim X2 customers to provide a pathway to ownership of its newest hardware platform when available. As a result of this program, and as previously announced, the Company is now providing select financial results on both a GAAP and non-GAAP basis. Additional information, including the accounting treatment of this program, can be found under the heading “Reconciliation of GAAP versus Non-GAAP Financial Results” in this press release.

<i>\$ in millions</i>	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2022	2022	2021	2022	2022	2021
	GAAP	Non-GAAP	GAAP	GAAP	Non-GAAP	GAAP
Pump Shipments						
United States	23,684	N/A	25,712	83,554	N/A	83,317
Outside United States	11,939	N/A	11,873	44,785	N/A	44,995
Total Worldwide	35,623	N/A	37,585	128,339	N/A	128,312
Sales						
United States	\$ 165.8	\$ 168.7	\$ 160.9	\$ 588.8	\$ 592.3	\$ 524.9
Outside United States	54.7	54.7	49.1	212.4	212.4	177.9
Total Worldwide	\$ 220.5	\$ 223.4	\$ 210.0	\$ 801.2	\$ 804.7	\$ 702.8

Fourth Quarter 2022 Additional Financial Results Compared to Fourth Quarter 2021

- **Gross profit:** GAAP gross profit increased to \$115.5 million, compared to \$113.7 million. GAAP gross margin was 52 percent, compared to 54 percent.

Non-GAAP gross profit⁽¹⁾ increased to \$118.5 million. Non-GAAP gross margin⁽¹⁾ was 53 percent.

- **Operating income (loss):** GAAP operating loss totaled \$17.8 million, or negative 8 percent of sales, compared to operating income of \$12.7 million, or 6 percent of sales.

Non-GAAP operating loss⁽¹⁾ totaled \$2.4 million, or negative 1 percent of sales.

Adjusted EBITDA⁽¹⁾ was \$25.7 million, or 11 percent of sales, compared to \$33.4 million, or 16 percent of sales.

- **Net income (loss):** GAAP net loss⁽¹⁾ was \$15.9 million, compared to net income of \$10.8 million.

Non-GAAP net loss⁽¹⁾ was \$0.5 million.

The fourth quarter 2022 non-GAAP⁽¹⁾ additional financial results exclude the \$3.0 million impact associated with the Tandem Choice program, as well as \$12.4 million for certain facility consolidation costs and \$28.1 million non-cash depreciation and stock-based compensation charges.

Full Year 2022 Additional Financial Results Compared to Full Year 2021

- **Gross profit:** GAAP gross profit increased to \$413.0 million, compared to \$376.2 million. GAAP gross margin was 52 percent, compared to 54 percent.

Non-GAAP gross profit⁽¹⁾ increased to \$416.5 million. Non-GAAP gross margin⁽¹⁾ was 52 percent.

- **Operating income (loss):** GAAP operating loss totaled \$92.8 million, or negative 12 percent of sales, compared to operating income of \$22.7 million, or 3 percent of sales.

Non-GAAP operating loss⁽¹⁾ totaled \$45.8 million, or negative 6 percent of sales.

Adjusted EBITDA⁽¹⁾ was \$53.4 million, or 7 percent of sales, compared to \$97.3 million, or 14 percent of sales.

- **Net income (loss):** GAAP net loss⁽¹⁾ was \$94.6 million, compared to net income of \$15.6 million.

Non-GAAP net loss⁽¹⁾ was \$47.6 million.

The full year 2022 non-GAAP⁽¹⁾ additional financial results exclude the \$3.5 million impact associated with the Tandem Choice program, as well as \$12.4 million for certain facility consolidation costs, \$31.0 million for certain Capillary Biomedical, Inc. acquisition costs and \$99.2 million non-cash depreciation and stock-based compensation charges.

See tables for additional financial information.

2023 Financial Guidance

For the year ending December 31, 2023, the Company is providing financial guidance as follows:

- Non-GAAP sales⁽¹⁾ are estimated to be in the range of \$885 million to \$900 million, which represents an annual sales growth of 10 percent to 12 percent compared to 2022.
 - Sales inside the United States of approximately \$650 million to \$660 million.
 - Sales outside the United States of approximately \$235 million to \$240 million.
- Non-GAAP gross margin⁽¹⁾ is estimated to be approximately 52 percent.
- Adjusted EBITDA margin⁽¹⁾ is estimated to be approximately 5 percent to 6 percent of sales.
 - Includes approximately 3 percent from the impact of operating costs associated with the acquisitions of Capillary Biomedical and AMF Medical.
- Non-cash charges included in cost of goods sold and operating expenses are estimated to be approximately \$115 million. This includes:
 - Approximately \$95 million non-cash, stock-based compensation expense.
 - Approximately \$20 million depreciation and amortization expense.

⁽¹⁾ A reconciliation of non-GAAP financial measures to their closest GAAP equivalent and additional information can be found in Table E and under the heading “Reconciliation of GAAP versus Non-GAAP Financial Results.”

Non-GAAP Financial Measures

Certain non-GAAP financial measures are presented in this press release to provide information that may assist investors in understanding the Company's financial results and assessing its prospects for future performance. The Company believes these non-GAAP financial measures are important operating performance indicators because they exclude items that are unrelated to, and may not be indicative of, the Company's core operating results. These non-GAAP financial measures, as calculated, 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. To the extent the Company utilizes such non-GAAP financial measures in the future, they will be calculated using a consistent method from period to period. A reconciliation of each of the GAAP financial measures to the most directly comparable non-GAAP financial measures has been provided in Table E "Reconciliation of GAAP versus Non-GAAP Financial Results" attached to this press release.

In particular, the accounting treatment for Tandem Choice has a high degree of complexity. In September 2022 when the program was launched, the Company began deferring a portion of sales for each eligible t:slim X2 pump shipped in the United States. Such deferrals will be recognized on a customer-by-customer basis following the commercial launch of the Company's new hardware platform. The timing of recognition will be based on either a) an affirmative election to participate in Tandem Choice or b) expiration of the right to participate. Notably:

- Offering the program does not impact the economics associated with how or when the initial pump sale is reimbursed.
- Customer eligibility is automatic and no election is necessary to participate in Tandem Choice at the time of a t:slim X2 purchase. An affirmative election is only required when the new hardware platform is commercially available, at which time any customer fees will be received and recognized as a sale.
- The expiration date of Tandem Choice is December 31, 2024.

Consistent with SEC regulations, the Company has not provided a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures in reliance on the "unreasonable efforts" exception set forth in the applicable regulations, because there is substantial uncertainty associated with predicting any future adjustments that may be made to the Company's GAAP financial measures in calculating the non-GAAP financial measures.

Conference Call

The Company will hold a conference call and simultaneous webcast today at 4:30pm Eastern Time (1:30pm Pacific Time). The link to the webcast will be available by accessing the Events & Presentations tab in the Investor Center of the Tandem Diabetes Care website at <http://investor.tandemdiabetes.com>, and will be archived for 30 days. To access the call by phone, please use this link (<https://register.vevent.com/register/B1676b1bca7fca4eeaa60be7e9c39f206b>) and you will be provided with dial-in details, including a personal pin.

About Tandem Diabetes Care, Inc.

Tandem Diabetes Care, Inc., a global insulin delivery and diabetes technology company headquartered in San Diego, California, creates new possibilities for people living with diabetes, their loved ones, and healthcare providers through a positively different experience. The Company's human-centered approach to design, development, and support delivers innovative products and services for people who use insulin. Tandem manufactures and sells the t:slim X2 insulin pump with Control-IQ technology. For more information, visit tandemdiabetes.com.

Tandem Diabetes Care is a registered trademark and t:slim X2 and Control-IQ are trademarks of Tandem Diabetes Care, Inc.

Follow Tandem Diabetes Care on Twitter @tandemdiabetes; use #t:slimX2 and \$TNDM.

Follow Tandem Diabetes Care on Facebook at www.facebook.com/TandemDiabetes.

Follow Tandem Diabetes Care on LinkedIn at <https://www.linkedin.com/company/tandemdiabetes>.

Forward-Looking Statements

This press release contains “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, that concern matters that involve risks and uncertainties that could cause actual results to differ materially from those anticipated or projected in the forward-looking statements. These forward-looking statements include statements regarding, among other things, the Company’s projected financial results. The Company’s actual results may differ materially from those indicated in these forward-looking statements due to numerous risks and uncertainties. For instance, the Company’s ability to achieve projected financial results will be impacted by market acceptance of the Company’s existing products and products under development by physicians and people with diabetes; the Company’s ability to establish and sustain operations to support international sales, including expansion into additional geographies; changes in reimbursement rates or insurance coverage for the Company’s products; the Company’s ability to meet increasing operational and infrastructure requirements from higher customer interest and a larger base of existing customers; the Company’s ability to complete the development and launch of new products when anticipated; the potential that newer products, or other technological breakthroughs for the monitoring, treatment or prevention of diabetes, may render the Company’s products obsolete or less desirable; the depth and duration of the COVID-19 pandemic, and the global response thereto; reliance on third-party relationships, such as outsourcing and supplier arrangements; global economic conditions; and other risks identified in the Company’s most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, and other documents that the Company files with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Tandem undertakes no obligation to update or review any forward-looking statement in this press release because of new information, future events or other factors.

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TANDEM DIABETES CARE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

Table A
(in thousands)

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 616,901	\$ 623,811
Accounts receivable, net	114,717	110,725
Inventories	111,117	68,551
Other current assets	7,241	8,433
Total current assets	849,976	811,520
Property and equipment, net	68,552	50,386
Operating lease right-of-use assets	110,626	27,503
Other long-term assets	23,631	15,728
Total assets	\$ 1,052,785	\$ 905,137
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable, accrued expenses and employee-related liabilities	\$ 104,007	\$ 89,007
Operating lease liabilities	13,121	9,279
Deferred revenue	18,837	10,182
Other current liabilities	29,325	23,388
Total current liabilities	165,290	131,856
Convertible senior notes, net - long-term	283,232	281,467
Operating lease liabilities - long-term	123,524	23,922
Deferred revenue - long-term	16,874	16,940
Other long-term liabilities	23,918	17,840
Total liabilities	612,838	472,025
Total stockholders' equity	439,947	433,112
Total liabilities and stockholders' equity	\$ 1,052,785	\$ 905,137

TANDEM DIABETES CARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Table B
(in thousands, except per share data)

	(Unaudited) Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Sales	\$ 220,502	\$ 209,996	\$ 801,217	\$ 702,799
Cost of sales	104,979	96,267	388,231	326,584
Gross profit	115,523	113,729	412,986	376,215
Operating expenses:				
Selling, general and administrative	97,692	71,498	335,681	261,508
Research and development	35,585	29,493	139,114	92,054
Acquired in-process research and development expenses	23	—	31,039	—
Total operating expenses	133,300	100,991	505,834	353,562
Operating income (loss)	(17,777)	12,738	(92,848)	22,653
Total other income (expense), net	1,664	(1,593)	(4)	(6,752)
Income (loss) before income taxes	(16,113)	11,145	(92,852)	15,901
Income tax expense (benefit)	(261)	337	1,742	335
Net income (loss)	\$ (15,852)	\$ 10,808	\$ (94,594)	\$ 15,566
Net income (loss) per share - basic	\$ (0.25)	\$ 0.17	\$ (1.47)	\$ 0.25
Net income (loss) per share - diluted	\$ (0.25)	\$ 0.16	\$ (1.47)	\$ 0.24
Weighted average shares used to compute basic net income (loss) per share	64,384	63,650	64,146	63,000
Weighted average shares used to compute diluted net income (loss) per share	64,384	65,927	64,146	64,349

TANDEM DIABETES CARE, INC.
SALES BY GEOGRAPHY
Table C⁽¹⁾

<i>(\$'s in thousands)</i>	(Unaudited)					
	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2022	2021	% Change	2022	2021	% Change
United States:						
Pump	\$ 92,614	\$ 98,174	(6)%	\$ 329,061	\$ 319,898	3%
Infusion sets	53,088	43,136	23%	181,578	140,387	29%
Cartridges	22,685	19,239	18%	80,187	63,375	27%
Other	344	333	3%	1,488	1,247	19%
Deferral for Tandem Choice	(2,950)	—	—%	(3,549)	—	—%
Total GAAP Sales in the United States	\$ 165,781	\$ 160,882	3%	\$ 588,765	\$ 524,907	12%
Adjustment for Tandem Choice	2,950	—	—%	3,549	—	—%
Total Non-GAAP Sales in the United States	\$ 168,731	\$ 160,882	5%	\$ 592,314	\$ 524,907	13%
Outside the United States:						
Pump	\$ 27,347	\$ 26,158	5%	\$ 102,846	\$ 96,458	7%
Infusion sets	19,654	15,989	23%	76,912	57,063	35%
Cartridges	7,434	6,631	12%	31,973	23,509	36%
Other	286	336	(15)%	721	862	(16)%
Total Sales Outside the United States	\$ 54,721	\$ 49,114	11%	\$ 212,452	\$ 177,892	19%
Total GAAP Worldwide Sales	\$ 220,502	\$ 209,996	5%	\$ 801,217	\$ 702,799	14%
Adjustment for Tandem Choice	2,950	—	—%	3,549	—	—%
Total Non-GAAP Worldwide Sales	\$ 223,452	\$ 209,996	6%	\$ 804,766	\$ 702,799	15%

⁽¹⁾ A reconciliation of non-GAAP financial measures to their closest GAAP equivalent and additional information can be found in Table E and under the heading "Reconciliation of GAAP versus Non-GAAP Financial Results."

TANDEM DIABETES CARE, INC.
PUMP SHIPMENTS
Table D

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Pumps Shipped:						
United States	23,684	25,712	(8)%	83,554	83,317	—%
Outside the United States	11,939	11,873	1%	44,785	44,995	—%
Total Pumps Shipped	35,623	37,585	(5)%	128,339	128,312	—%

TANDEM DIABETES CARE, INC.
Reconciliation of GAAP versus Non-GAAP Financial Results (Unaudited)

Table E

(\$'s in thousands)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
GAAP sales	\$ 220,502	\$ 209,996	\$ 801,217	\$ 702,799
Adjustments for Tandem Choice ⁽¹⁾	2,950	—	3,549	—
Non-GAAP sales	\$ 223,452	\$ 209,996	\$ 804,766	\$ 702,799
GAAP gross profit	\$ 115,522	\$ 113,729	\$ 412,986	\$ 376,215
Adjustments for Tandem Choice ⁽¹⁾	2,950	—	3,549	—
Non-GAAP gross profit	\$ 118,472	\$ 113,729	\$ 416,535	\$ 376,215
Non-GAAP gross margin ⁽⁴⁾	53%	54%	52%	54%
GAAP operating income (loss)	\$ (17,778)	\$ 12,738	\$ (92,848)	\$ 22,653
Acquired in-process research and development ⁽²⁾	23	—	31,039	—
Non-recurring facility consolidation costs ⁽³⁾	12,420	—	12,420	—
Adjustments for Tandem Choice ⁽¹⁾	2,950	—	3,549	—
Non-GAAP operating income (loss)	\$ (2,385)	\$ 12,738	\$ (45,840)	\$ 22,653
Non-GAAP operating margin ⁽⁴⁾	(1)%	6%	(6)%	3%
GAAP net income (loss)	\$ (15,853)	\$ 10,808	\$ (94,594)	\$ 15,566
Income tax expense (benefit)	(261)	337	1,742	335
Interest income and other, net	(3,199)	47	(6,057)	(674)
Interest expense	1,579	1,514	6,208	6,040
Depreciation and amortization	3,641	3,520	14,330	13,845
EBITDA	\$ (14,093)	\$ 16,226	\$ (78,371)	\$ 35,112
Change in fair value of common stock warrants	(44)	32	(147)	1,386
Stock-based compensation expense	24,441	17,099	84,918	60,752
Acquired in-process research and development ⁽²⁾	23	—	31,039	—
Non-recurring facility consolidation costs ⁽³⁾	12,420	—	12,420	—
Adjustments for Tandem Choice ⁽¹⁾	2,950	—	3,549	—
Adjusted EBITDA	\$ 25,697	\$ 33,357	\$ 53,408	\$ 97,250
Adjusted EBITDA Margin ⁽⁴⁾	12 %	16 %	7 %	14 %
GAAP net income (loss)	\$ (15,853)	\$ 10,808	\$ (94,594)	\$ 15,566
Acquired in-process research and development ⁽²⁾	23	—	31,039	—
Non-recurring facility consolidation costs ⁽³⁾	12,420	—	12,420	—
Adjustments for Tandem Choice ⁽¹⁾	2,950	—	3,549	—
Non-GAAP net income (loss)	\$ (460)	\$ 10,808	\$ (47,586)	\$ 15,566

(1) The accounting treatment for Tandem Choice has a high degree of complexity. Additional information can be found under the heading “Non-GAAP Financial Measures.”

(2) The Company recorded a \$31.0 million charge representing the value of acquired in-process research and development assets with no alternative future use, and acquisition related expenses.

(3) The Company recorded \$12.4 million of facility consolidation costs primarily related to our office space in Boise, Idaho.

(4) Non-GAAP margins including non-GAAP gross margin, non-GAAP operating margin, and adjusted EBITDA margin are calculated using non-GAAP sales.



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FOR IMMEDIATE RELEASE

Tandem Diabetes Care Appoints New Chair of Board of Directors

San Diego, February 22, 2023 – Tandem Diabetes Care, Inc. (NASDAQ: TNDM), a leading insulin delivery and diabetes technology company, today announced the appointment of Rebecca Robertson as Chair of its Board of Directors. Ms. Robertson, who joined Tandem’s Board as an independent director in January 2019, succeeds Kim Blickenstaff, who will continue as a member of the Board.

“We’re deeply grateful to Kim for his instrumental contributions to Tandem since 2007, serving first as our CEO then as Chair for the past 4 years,” said John Sheridan, President and Chief Executive Officer. “His strategic vision and mission-driven focus has helped to build and shape Tandem from a venture-backed start-up to a worldwide leader in diabetes care.”

“Beckie has added tremendous value to our Board, bringing patient-centric vision and experience with a range of technologies and business models,” said Kim Blickenstaff. “She was a natural choice for this position at an exciting juncture in our evolution, and I am confident that with her leadership, we will continue expanding our global reach and delivering positively different innovation for the diabetes community.”

“I am honored to be named Chair and am committed to maximizing the opportunities we have at Tandem,” said Ms. Robertson. “Tandem continues to deliver life-changing solutions to people around the world and has a compelling pipeline of products in development that offer near and long-term growth potential. I believe our technology can change the face of therapy for people with diabetes and I’m excited to be part of what comes next.”

Ms. Robertson has an impressive track record of helping medical device companies scale in her roles as an engineer, entrepreneur, corporate executive and board member. She is a founder and General Partner at Versant Ventures where she has specialized in investing in the areas of medical devices and diagnostics since 1999. In addition, through Longridge Business Advisors, she has provided business advisory services and board services since April 2017. Prior to Versant, she served as Senior Vice President at Chiron Diagnostics, a division of Chiron Corporation, where she had responsibility for the critical care business unit in addition to leading the division’s business development efforts. Prior to joining Chiron, Ms. Robertson was a co-founder and Vice President at Egis, a consumer products company, and held senior management positions in operations and finance at Lifescan, a Johnson & Johnson Company. Ms. Robertson holds a BS in Chemical Engineering from Cornell University.

About Tandem Diabetes Care, Inc.

Tandem Diabetes Care, Inc., a global insulin delivery and diabetes technology company based in San Diego, California, creates new possibilities for people living with diabetes, their loved ones, and healthcare providers through a positively different experience. The Company’s human-centered approach to design, development, and support delivers innovative products and services for people who use insulin. Tandem manufactures and sells the t:slim X2 insulin pump with Control-IQ technology. For more information, visit tandemdiabetes.com.

Tandem Diabetes Care and Control-IQ are trademarks registered in the U.S. and/or other countries and t:slim X2 is a trademark of Tandem Diabetes Care, Inc.

Follow Tandem Diabetes Care on Twitter [@tandemdiabetes](https://twitter.com/tandemdiabetes); use #t:slimX2 and \$TNDM.

Follow Tandem Diabetes Care on Facebook at www.facebook.com/TandemDiabetes.

Follow Tandem Diabetes Care on LinkedIn at <https://www.linkedin.com/company/tandemdiabetes>.

Forward-Looking Statements

This press release contains “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, that concern matters that involve risks and uncertainties that could cause actual results to differ materially from those anticipated or projected in the forward-looking statements. These forward-looking statements include statements regarding, among other things, the Company’s future growth. The Company’s actual results may differ materially from those indicated in these forward-looking statements due to numerous risks and uncertainties. For instance, the Company’s ability to achieve projected financial results will be impacted by market acceptance of the Company’s existing products and products under development by physicians and people with diabetes; the Company’s ability to establish and sustain operations to support international sales, including expansion into additional geographies; changes in reimbursement rates or insurance coverage for the Company’s products; the Company’s ability to meet increasing operational and infrastructure requirements from higher customer interest and a larger base of existing customers; the Company’s ability to complete the development and launch of new products when anticipated; the potential that newer products, or other technological breakthroughs for the monitoring, treatment or prevention of diabetes, may render the Company’s products obsolete or less desirable; the depth and duration of the COVID-19 pandemic, and the global response thereto; reliance on third-party relationships, such as outsourcing and supplier arrangements; global economic conditions; and other risks identified in the Company’s most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, and other documents that the Company files with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Tandem undertakes no obligation to update or review any forward-looking statement in this press release because of new information, future events or other factors.

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