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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **May 6, 2024**

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**TACTILE SYSTEMS TECHNOLOGY, INC.**

(Exact name of registrant as specified in its charter)

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|--|---|--|
| <b>Delaware</b><br>(State or other jurisdiction of<br>incorporation) | <b>001-37799</b><br>(Commission<br>File Number) | <b>41-1801204</b><br>(I.R.S. Employer<br>Identification No.) |
|--|---|--|

**3701 Wayzata Blvd, Suite 300, Minneapolis, MN 55416**  
(Address of principal executive offices) (Zip Code)

**(612) 355-5100**  
(Registrant's telephone number, including area code)

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:**

| Title of each class                          | Trading Symbol(s) | Name of each exchange on which<br>registered |
|--|-------------------|--|
| Common Stock, Par Value \$0.001 Per<br>Share | TCMD              | The Nasdaq Stock Market LLC                  |

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.

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**Item 2.02. Results of Operations and Financial Condition.**

On May 6, 2024, Tactile Systems Technology, Inc. (“we,” “us,” and “our”) issued a press release disclosing our results of operations and financial condition for our most recently completed fiscal quarter. A copy of the press release is attached hereto as Exhibit 99.1.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in that filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

**EXHIBIT INDEX**

| <b>Exhibit<br/>No.</b> | <b>Description</b>  |
|------------------------|---|
| 99.1                   | <a href="#">Press Release dated May 6, 2024 (Earnings Release)</a>          |
| 104                    | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

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## 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.

Date: May 6, 2024

TACTILE SYSTEMS TECHNOLOGY, INC.

By: */s/ Elaine M. Birkemeyer*

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Elaine M. Birkemeyer  
Chief Financial Officer

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## Tactile Systems Technology, Inc. Reports First Quarter 2024 Financial Results

### *Reaffirms Full Year 2024 Outlook*

MINNEAPOLIS, MN, May 6, 2024 – Tactile Systems Technology, Inc. (“Tactile Medical”; the “Company”) (Nasdaq: TCMD), a medical technology company providing therapies for people with chronic disorders, today reported financial results for the first quarter ended March 31, 2024.

#### **First Quarter 2024 Summary:**

- Total revenue increased 4% year-over-year to \$61.1 million
  - Lymphedema product revenue increased 5% year-over-year
  - Airway clearance product revenue decreased 4% year-over-year
- Net loss of \$2.2 million versus \$1.9 million in Q1 2023
- Adjusted EBITDA of \$1.0 million versus \$0.5 million in Q1 2023

#### **Recent Business Highlights:**

- Completed enrollment of 235 patients in a multi-center, randomized clinical trial evaluating Flexitouch Plus for the treatment of head and neck lymphedema patients
- *Journal of Vascular Surgery* published largest ever peer-reviewed clinical trial investigating Flexitouch use among lymphedema patients, revealing improvements in quality of life, limb girth, and cellulitis events
- Announced upcoming retirement of Dan Reuvers and appointment of Sheri Dodd as President and CEO, effective July 1, 2024

“We were pleased with our overall first quarter performance. Our lymphedema growth was in line with our expectations for the quarter, while sales of AffloVest were slightly ahead of expectations, reflecting broad-based growth among most of our DME partners,” said Dan Reuvers, President and Chief Executive Officer of Tactile Medical. “We were also pleased to demonstrate continued increases in profitability and cash-generation.”

Mr. Reuvers continued, “As we execute on our plans for 2024, we remain focused on driving improved operating efficiencies while advancing key tech-related investments, positioning us for sustained growth this year and beyond.”

#### **First Quarter 2024 Financial Results**

Total revenue in the first quarter of 2024 increased \$2.2 million, or 4%, to \$61.1 million, compared to \$58.8 million in the first quarter of 2023. The increase in total revenue was attributable to an increase of \$2.6 million, or 5%, in sales and rentals of the lymphedema product line, partially offset by a decrease of \$0.3 million, or 4%, in sales of the airway clearance product line in the quarter ended March 31, 2024, compared to the first quarter of 2023.

Gross profit in the first quarter of 2024 increased \$2.0 million, or 5%, to \$43.4 million, compared to \$41.5 million in the first quarter of 2023. Gross margin was 71.1% of revenue, compared to 70.5% of

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revenue in the first quarter of 2023. Non-GAAP gross margin was 71.6% of revenue, compared to 71.0% of revenue in the first quarter of 2023.

Operating expenses in the first quarter of 2024 increased \$1.1 million, or 2%, to \$46.4 million, compared to \$45.3 million in the first quarter of 2023.

Operating loss was \$3.0 million in the first quarter of 2024, compared to \$3.8 million in the first quarter of 2023. Non-GAAP operating loss in the first quarter of 2024 was \$1.7 million, compared to \$2.2 million in the first quarter of 2023.

Other income was \$0.2 million in the first quarter of 2024, compared to other expense of \$1.0 million in the first quarter of 2023.

Income tax benefit was \$0.6 million in the first quarter of 2024, compared to \$2.9 million in the first quarter of 2023.

Net loss in the first quarter of 2024 was \$2.2 million, or (\$0.09) per diluted share, compared to \$1.9 million, or (\$0.09) per diluted share, in the first quarter of 2023. Non-GAAP net loss in the first quarter of 2023 was \$1.3 million, compared to \$0.7 million in the first quarter of 2023.

Weighted average shares used to compute diluted net loss per share were 23.7 million and 21.3 million for the first quarters of 2024 and 2023, respectively.

Adjusted EBITDA was \$1.0 million in the first quarter of 2024, compared to \$0.5 million in the first quarter of 2023.

### **Balance Sheet Summary**

As of March 31, 2024, the Company had \$60.7 million in cash and cash equivalents and \$28.5 million of outstanding borrowings under its credit agreement, compared to \$61.0 million in cash and cash equivalents and \$29.3 million of outstanding borrowings under its credit agreement as of December 31, 2023.

### **2024 Financial Outlook**

The Company continues to expect full year 2024 total revenue in the range of \$300 million to \$305 million, representing growth of approximately 9% to 11% year-over-year, compared to total revenue of \$274.4 million in 2023.

### **Conference Call**

Management will host a conference call with a question-and-answer session at 5:00 p.m. Eastern Time on May 6, 2024, to discuss the results of the quarter. Those who would like to participate may dial 877-407-3088 (201-389-0927 for international callers) and provide access code 13745955. A live webcast of the call will also be provided on the investor relations section of the Company's website at [investors.tactilemedical.com](http://investors.tactilemedical.com).

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For those unable to participate, a replay of the call will be available for two weeks at 877-660-6853 (201-612-7415 for international callers); access code 13745955. The webcast will be archived at [investors.tactilemedical.com](http://investors.tactilemedical.com).

### **About Tactile Systems Technology, Inc. (DBA Tactile Medical)**

Tactile Medical is a leader in developing and marketing at-home therapies for people suffering from underserved, chronic conditions including lymphedema, lipedema, chronic venous insufficiency and chronic pulmonary disease by helping them live better and care for themselves at home. Tactile Medical collaborates with clinicians to expand clinical evidence, raise awareness, increase access to care, reduce overall healthcare costs and improve the quality of life for tens of thousands of patients each year.

### **Legal Notice Regarding Forward-Looking Statements**

This release contains forward-looking statements. Forward-looking statements are generally identifiable by the use of words like “may,” “will,” “should,” “could,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “continue,” “confident,” “outlook,” “guidance,” “project,” “goals,” “look forward,” “poised,” “designed,” “plan,” “return,” “focused,” “prospects” or “remain” or the negative of these words or other variations on these words or comparable terminology. The reader is cautioned not to put undue reliance on these forward-looking statements, as these statements are subject to numerous factors and uncertainties outside of the Company’s control that can make such statements untrue, including, but not limited to, the Company’s ability to obtain reimbursement from third-party payers for its products; the impacts of inflation, rising interest rates or a recession; the adequacy of the Company’s liquidity to pursue its business objectives; adverse economic conditions or intense competition; price increases for supplies and components; wage and component price inflation; loss of a key supplier; entry of new competitors and products; compliance with and changes in federal, state and local government regulation; loss or retirement of key executives, including transition matters related to the Company’s upcoming Chief Executive Officer change; technological obsolescence of the Company’s products; technical problems with the Company’s research and products; the Company’s ability to expand its business through strategic acquisitions; the Company’s ability to integrate acquisitions and related businesses; the effects of current and future U.S. and foreign trade policy and tariff actions; or the inability to carry out research, development and commercialization plans. In addition, other factors that could cause actual results to differ materially are discussed in the Company’s filings with the SEC. Investors and security holders are urged to read these documents free of charge on the SEC’s website at <http://www.sec.gov>. The Company undertakes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.

### **Use of Non-GAAP Financial Measures**

This press release includes the non-GAAP financial measures of Adjusted EBITDA, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating income (loss), and non-GAAP net income (loss), which differ from financial measures calculated in accordance with U.S. generally accepted accounting principles (“GAAP”).

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Adjusted EBITDA in this release represents net income or loss, plus interest expense, net, or less interest income, net, less income tax benefit or plus income tax expense, plus depreciation and amortization, plus stock-based compensation expense, plus or minus the change in fair value of earn-out and plus executive transition costs. Non-GAAP gross profit in this release represents gross profit plus non-cash intangible amortization expense. Non-GAAP gross margin in this release represents non-GAAP gross profit divided by revenue. Non-GAAP operating income (loss) in this release represents operating income (loss) adjusted for non-cash intangible amortization expense, change in fair value of earn-out and executive transition expenses. Non-GAAP net income (loss) represents net income (loss) adjusted for non-cash intangible amortization expense, change in fair value of earn-out and executive transition expenses, and adjusted for the income tax effect on reconciling items. Reconciliations of these non-GAAP financial measures to their most directly comparable GAAP measures are included in this press release.

These non-GAAP financial measures are presented because the Company believes they are useful indicators of its operating performance. Management uses these measures principally as measures of the Company's operating performance and for planning purposes, including the preparation of the Company's annual operating plan and financial projections. The Company believes these measures are useful to investors as supplemental information and because they are frequently used by analysts, investors and other interested parties to evaluate companies in its industry. The Company also believes these non-GAAP financial measures are useful to its management and investors as a measure of comparative operating performance from period to period. In addition, Adjusted EBITDA is used as a performance metric in the Company's compensation program.

The non-GAAP financial measures presented in this release should not be considered as an alternative to, or superior to, their respective GAAP financial measures, as measures of financial performance or cash flows from operations as a measure of liquidity, or any other performance measure derived in accordance with GAAP, and they should not be construed to imply that the Company's future results will be unaffected by unusual or non-recurring items. In addition, Adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not reflect certain cash requirements such as tax payments, debt service requirements, capital expenditures and certain other cash costs that may recur in the future. Adjusted EBITDA contains certain other limitations, including the failure to reflect our cash expenditures, cash requirements for working capital needs and cash costs to replace assets being depreciated and amortized. In evaluating non-GAAP financial measures, you should be aware that in the future the Company may incur expenses that are the same as or similar to some of the adjustments in this presentation. The Company's presentation of non-GAAP financial measures should not be construed to imply that its future results will be unaffected by any such adjustments. Management compensates for these limitations by primarily relying on the Company's GAAP results in addition to using non-GAAP financial measures on a supplemental basis. The Company's definition of these non-GAAP financial measures is not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation.

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**Tactile Systems Technology, Inc.**  
**Condensed Consolidated Balance Sheets**  
(Unaudited)

| (In thousands, except share and per share data)   | March 31,<br>2024 | December 31,<br>2023 |
|---|-------------------|----------------------|
| <b>Assets</b>   |                   |                      |
| <b>Current assets</b>   |                   |                      |
| Cash and cash equivalents   | \$ 60,706         | \$ 61,033            |
| Accounts receivable   | 40,491            | 43,173               |
| Net investment in leases  | 14,324            | 14,195               |
| Inventories   | 20,844            | 22,527               |
| Prepaid expenses and other current assets   | 4,908             | 4,366                |
| Total current assets  | 141,273           | 145,294              |
| <b>Non-current assets</b>   |                   |                      |
| Property and equipment, net   | 6,217             | 6,195                |
| Right of use operating lease assets   | 18,480            | 19,128               |
| Intangible assets, net  | 45,795            | 46,724               |
| Goodwill  | 31,063            | 31,063               |
| Accounts receivable, non-current  | 6,953             | 10,936               |
| Deferred income taxes   | 19,294            | 19,378               |
| Other non-current assets  | 2,965             | 2,720                |
| Total non-current assets  | 130,767           | 136,144              |
| <b>Total assets</b>   | \$ 272,040        | \$ 281,438           |
| <b>Liabilities and Stockholders' Equity</b>   |                   |                      |
| <b>Current liabilities</b>  |                   |                      |
| Accounts payable  | \$ 5,488          | \$ 6,659             |
| Note payable  | 2,956             | 2,956                |
| Accrued payroll and related taxes   | 11,023            | 16,789               |
| Accrued expenses  | 6,866             | 5,904                |
| Income taxes payable  | 725               | 1,467                |
| Operating lease liabilities   | 2,740             | 2,807                |
| Other current liabilities   | 3,335             | 4,475                |
| Total current liabilities   | 33,133            | 41,057               |
| <b>Non-current liabilities</b>  |                   |                      |
| Note payable, non-current   | 25,437            | 26,176               |
| Accrued warranty reserve, non-current   | 1,645             | 1,681                |
| Income taxes payable, non-current   | 495               | 446                  |
| Operating lease liabilities, non-current  | 17,857            | 18,436               |
| Total non-current liabilities   | 45,434            | 46,739               |
| <b>Total liabilities</b>  | 78,567            | 87,796               |
| <b>Stockholders' equity:</b>  |                   |                      |
| Preferred stock, \$0.001 par value, 50,000,000 shares authorized; none issued and outstanding as of March 31, 2024 and December 31, 2023  | —                 | —                    |
| Common stock, \$0.001 par value, 300,000,000 shares authorized; 23,761,897 shares issued and outstanding as of March 31, 2024; 23,600,584 shares issued and outstanding as of December 31, 2023 | 24                | 24                   |
| Additional paid-in capital  | 176,764           | 174,724              |
| Retained earnings   | 16,685            | 18,894               |
| <b>Total stockholders' equity</b>   | 193,473           | 193,642              |
| <b>Total liabilities and stockholders' equity</b>   | \$ 272,040        | \$ 281,438           |

**Tactile Systems Technology, Inc.**  
**Condensed Consolidated Statements of Operations**  
(Unaudited)

| (In thousands, except share and per share data)                          | Three Months Ended |            |
|--|--------------------|------------|
|  | March 31,          |            |
|  | 2024               | 2023       |
| <b>Revenue</b>   |                    |            |
| Sales revenue  | \$ 53,307          | \$ 52,791  |
| Rental revenue   | 7,781              | 6,055      |
| Total revenue  | 61,088             | 58,846     |
| <b>Cost of revenue</b>   |                    |            |
| Cost of sales revenue  | 14,944             | 14,642     |
| Cost of rental revenue   | 2,715              | 2,736      |
| Total cost of revenue  | 17,659             | 17,378     |
| <b>Gross profit</b>  |                    |            |
| Gross profit - sales revenue   | 38,363             | 38,149     |
| Gross profit - rental revenue  | 5,066              | 3,319      |
| Gross profit   | 43,429             | 41,468     |
| <b>Operating expenses</b>  |                    |            |
| Sales and marketing  | 27,357             | 26,302     |
| Research and development   | 2,143              | 2,233      |
| Reimbursement, general and administrative                                | 16,261             | 15,434     |
| Intangible asset amortization and earn-out                               | 632                | 1,305      |
| Total operating expenses   | 46,393             | 45,274     |
| <b>Loss from operations</b>  |                    |            |
|  | (2,964)            | (3,806)    |
| Other expense  | 155                | (993)      |
| <b>Loss before income taxes</b>  |                    |            |
|  | (2,809)            | (4,799)    |
| Income tax benefit   | (600)              | (2,913)    |
| <b>Net loss</b>  |                    |            |
|  | \$ (2,209)         | \$ (1,886) |
| Net loss per common share  |                    |            |
| Basic  | \$ (0.09)          | \$ (0.09)  |
| Diluted  | \$ (0.09)          | \$ (0.09)  |
| Weighted-average common shares used to compute net loss per common share |                    |            |
| Basic  | 23,665,829         | 21,283,752 |
| Diluted  | 23,665,829         | 21,283,752 |

**Tactile Systems Technology, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)

| (In thousands)  | <b>Three Months Ended March 31,</b> |             |
|---|-------------------------------------|-------------|
|   | <b>2024</b>                         | <b>2023</b> |
| <b>Cash flows from operating activities</b>   |                                     |             |
| Net loss  | \$ (2,209)                          | \$ (1,886)  |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: |                                     |             |
| Depreciation and amortization   | 1,634                               | 1,629       |
| Deferred income taxes   | 84                                  | —           |
| Stock-based compensation expense  | 2,039                               | 2,023       |
| Loss on disposal of property and equipment and intangibles                                | —                                   | 3           |
| Change in fair value of earn-out liability  | —                                   | 660         |
| Changes in assets and liabilities, net of acquisition:                                    |                                     |             |
| Accounts receivable   | 2,682                               | 3,806       |
| Net investment in leases  | (129)                               | 2,349       |
| Inventories   | 1,683                               | 3,110       |
| Income taxes  | (693)                               | (2,919)     |
| Prepaid expenses and other assets   | (787)                               | (1,056)     |
| Right of use operating lease assets   | 2                                   | 71          |
| Accounts receivable, non-current  | 3,983                               | 3,078       |
| Accounts payable  | (1,396)                             | (403)       |
| Accrued payroll and related taxes   | (5,766)                             | (5,636)     |
| Accrued expenses and other liabilities  | (203)                               | (5,331)     |
| Net cash provided by (used in) operating activities                                       | 924                                 | (502)       |
| <b>Cash flows from investing activities</b>   |                                     |             |
| Purchases of property and equipment   | (482)                               | (241)       |
| Intangible assets expenditures  | (20)                                | (50)        |
| Net cash used in investing activities   | (502)                               | (291)       |
| <b>Cash flows from financing activities</b>   |                                     |             |
| Payments on note payable  | (750)                               | (750)       |
| Proceeds from exercise of common stock options  | 1                                   | —           |
| Proceeds from issuance of common stock at market  | —                                   | 34,625      |
| Net cash (used in) provided by financing activities                                       | (749)                               | 33,875      |
| <b>Net (decrease) increase in cash and cash equivalents</b>                               |                                     |             |
|   | (327)                               | 33,082      |
| Cash and cash equivalents – beginning of period   | 61,033                              | 21,929      |
| Cash and cash equivalents – end of period   | \$ 60,706                           | \$ 55,011   |
| <b>Supplemental cash flow disclosure</b>  |                                     |             |
| Cash paid for interest  | \$ 583                              | \$ 927      |
| Cash paid for taxes   | \$ 54                               | \$ 6        |
| Capital expenditures incurred but not yet paid  | \$ 225                              | \$ 10       |

The following table summarizes revenue by product line for the three months ended March 31, 2024 and 2023:

| (In thousands)                     | Three Months Ended<br>March 31, |           |
|------------------------------------|---------------------------------|-----------|
|                                    | 2024                            | 2023      |
| <b>Revenue</b>                     |                                 |           |
| Lymphedema products                | \$ 52,313                       | \$ 49,752 |
| Airway clearance products          | 8,775                           | 9,094     |
| Total                              | \$ 61,088                       | \$ 58,846 |
| <b>Percentage of total revenue</b> |                                 |           |
| Lymphedema products                | 86%                             | 85%       |
| Airway clearance products          | 14%                             | 15%       |
| Total                              | 100%                            | 100%      |

The following table contains a reconciliation of GAAP gross profit and margin to non-GAAP gross profit and margin:

**Tactile Systems Technology, Inc.**  
**Reconciliation of Gross Profit and Margin to Non-GAAP Gross Profit and Margin**  
(Unaudited)

| (Dollars in thousands)                   | Three Months Ended<br>March 31, |           |
|--|---------------------------------|-----------|
|  | 2024                            | 2023      |
| Gross profit, as reported                | \$ 43,429                       | \$ 41,468 |
| Gross margin, as reported                | 71.1 %                          | 70.5 %    |
| Reconciling items:                       |                                 |           |
| Non-cash intangible amortization expense | \$ 316                          | \$ 314    |
| Non-GAAP gross profit                    | \$ 43,745                       | \$ 41,782 |
| Non-GAAP gross margin                    | 71.6 %                          | 71.0 %    |

The following table contains a reconciliation of GAAP operating loss to non-GAAP operating loss:

**Tactile Systems Technology, Inc.**  
**Reconciliation of GAAP Operating Loss to Non-GAAP Operating Loss**  
(Unaudited)

| (Dollars in thousands)  | Three Months Ended<br>March 31, |                   |
|---|---------------------------------|-------------------|
|   | 2024                            | 2023              |
| GAAP operating loss   | \$ (2,964)                      | \$ (3,806)        |
| <b>Reconciling items:</b>   |                                 |                   |
| Non-cash intangible amortization expense impacting gross profit       | \$ 316                          | \$ 314            |
| Non-cash intangible amortization expense impacting operating expenses | 633                             | 645               |
| Change in fair value of earn-out                                      | —                               | 660               |
| Executive transition expenses   | 315                             | —                 |
| Non-GAAP operating loss:  | <u>\$ (1,700)</u>               | <u>\$ (2,187)</u> |

The following table contains a reconciliation of GAAP net loss to non-GAAP net loss:

**Tactile Systems Technology, Inc.**  
**Reconciliation of GAAP Net Loss to Non-GAAP Net Loss**  
(Unaudited)

| (Dollars in thousands)  | Three Months Ended<br>March 31, |                 |
|---|---------------------------------|-----------------|
|   | 2024                            | 2023            |
| GAAP net loss   | \$ (2,209)                      | \$ (1,886)      |
| <b>Reconciling items:</b>   |                                 |                 |
| Non-cash intangible amortization expense impacting gross profit       | \$ 316                          | \$ 314          |
| Non-cash intangible amortization expense impacting operating expenses | 633                             | 645             |
| Change in fair value of earn-out                                      | —                               | 660             |
| Executive transition expenses   | 315                             | —               |
| Income tax expense on reconciling items*                              | (316)                           | (405)           |
| Non-GAAP net loss   | <u>\$ (1,261)</u>               | <u>\$ (672)</u> |

\* The effect of income tax on the reconciling items is estimated using the Company's effective statutory tax rate.

The following table contains a reconciliation of net loss to Adjusted EBITDA for the three months ended March 31, 2024 and 2023, as well as the dollar and percentage change between the comparable periods:

**Tactile Systems Technology, Inc.**  
**Reconciliation of Net Loss to Non-GAAP Adjusted EBITDA**  
(Unaudited)

| (Dollars in thousands)           | Three Months Ended<br>March 31, |            | Increase<br>(Decrease) |        |
|----------------------------------|---------------------------------|------------|------------------------|--------|
|                                  | 2024                            | 2023       | \$                     | %      |
| <b>Net loss</b>                  | \$ (2,209)                      | \$ (1,886) | \$ (323)               | 17 %   |
| Interest expense, net            | (146)                           | 993        | (1,139)                | (115)% |
| Income tax (benefit) expense     | (600)                           | (2,913)    | 2,313                  | (79)%  |
| Depreciation and amortization    | 1,634                           | 1,629      | 5                      | 0 %    |
| Stock-based compensation         | 2,039                           | 2,023      | 16                     | 1 %    |
| Change in fair value of earn-out | —                               | 660        | (660)                  | (100)% |
| Executive transition costs       | 315                             | —          | 315                    | — %    |
| <b>Adjusted EBITDA</b>           | \$ 1,033                        | \$ 506     | \$ 527                 | 104 %  |

**Investor Inquiries:**

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Gilmartin Group

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