dexcom

2025 annual report

The Dexcom G7 Continuous Glucose Monitoring (CGM) System. Smart devices sold separately.

TO OUR STAKEHOLDERS

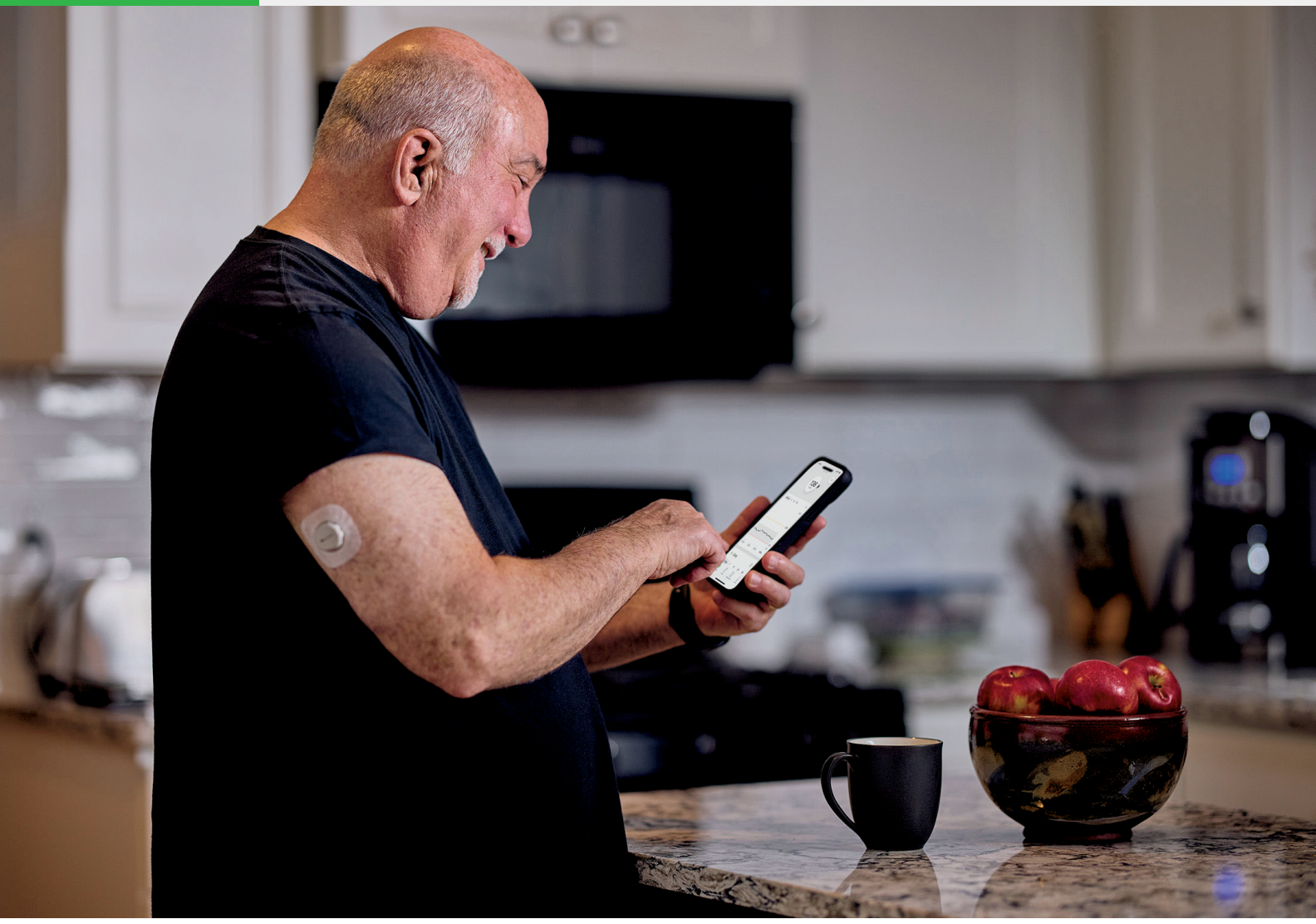
In 2025, Dexcom advanced its mission to empower people to take control of health with new product launches, expanded global scale, and broader access to our CGM technology. Some key highlights from the year included our launch of Dexcom G7 15 Day in the United States (U.S.), significant new reimbursement wins, strengthened connectivity across our ecosystem, and new customer-focused software features. Our financial performance demonstrated continued momentum, delivering strong revenue growth and operating margin expansion. These outcomes reflect the continued execution of our strategy as we work to help millions of more people around the globe.

Our progress in 2025 demonstrates our commitment to our mission. In 2025 we:

- Grew our active customer base by **more than 20%**. 2025 closed with approximately 3.5 million users globally (excluding Stelo).
- Announced broader coverage in the U.S. with the 3 largest PBMs now covering Dexcom CGM for anyone with diabetes.
- Expanded access to Dexcom G7 in Canada under the Ontario Drug Benefit (ODB) Program.
- Received FDA clearance for Dexcom Smart Basal.
- Launched Dexcom G7 15 Day CGM system in the U.S.
- Progressed Ireland manufacturing facility in preparation for late 2026 production.

Together, these achievements reflect the dedication of our team as we broaden access to Dexcom CGM, advance meaningful innovation, and build the scale required to support long term, sustainable growth.

This annual Shareholder Letter contains forward-looking statements. These references are preliminary, may be subject to future adjustment and should be read in conjunction with the "Risk Factors" enclosed in this Annual Report on Form 10-K filed with the Securities and Exchange Commission.



EXPANDING ACCESS TO DEXCOM CGM

In 2025, we continued to advance global access to Dexcom CGM. In the U.S., we achieved a significant milestone by establishing coverage for all people with diabetes with the national formularies of the three largest pharmacy benefit managers. This marked an important step as we work to build coverage for the 25 million people in the United States with type 2 diabetes who are not on insulin.

Internationally, we advanced access for Dexcom G7 across key Canadian markets. In Ontario, the inclusion of Dexcom G7 under the Ontario Drug Benefit program extended access for all people with diabetes using insulin, and in Québec, we established expanded coverage for people with type 2 diabetes on intensive insulin therapy. Together, these milestones reflect our continued focus on expanding access through evidence generation and advocacy efforts, while laying the groundwork to serve a much broader global population over time.

2025 FINANCIAL PERFORMANCE

Dexcom's financial performance in 2025 reflects a focus on growth, efficiency, and scale. The company generated **$4.662 billion** in revenue, representing an increase of nearly **$630 million** and **16%** growth year over year, driven by continued customer base expansion, broader coverage, and growing adoption of Dexcom CGM globally. As our opportunity continues to expand, we remain focused on balancing growth with operational efficiency. In 2025, this focus helped us deliver operating margin expansion of **approximately 200 basis points** and manufacturing scale improvements. Entering 2026, we are well positioned to continue to execute on our strategic priorities, including advancing global scale, innovation, and amplifying customer health outcomes as we drive global growth.

2025 FINANCIAL HIGHLIGHTS

16%
Total revenue growth versus the prior year to $4.662 billion

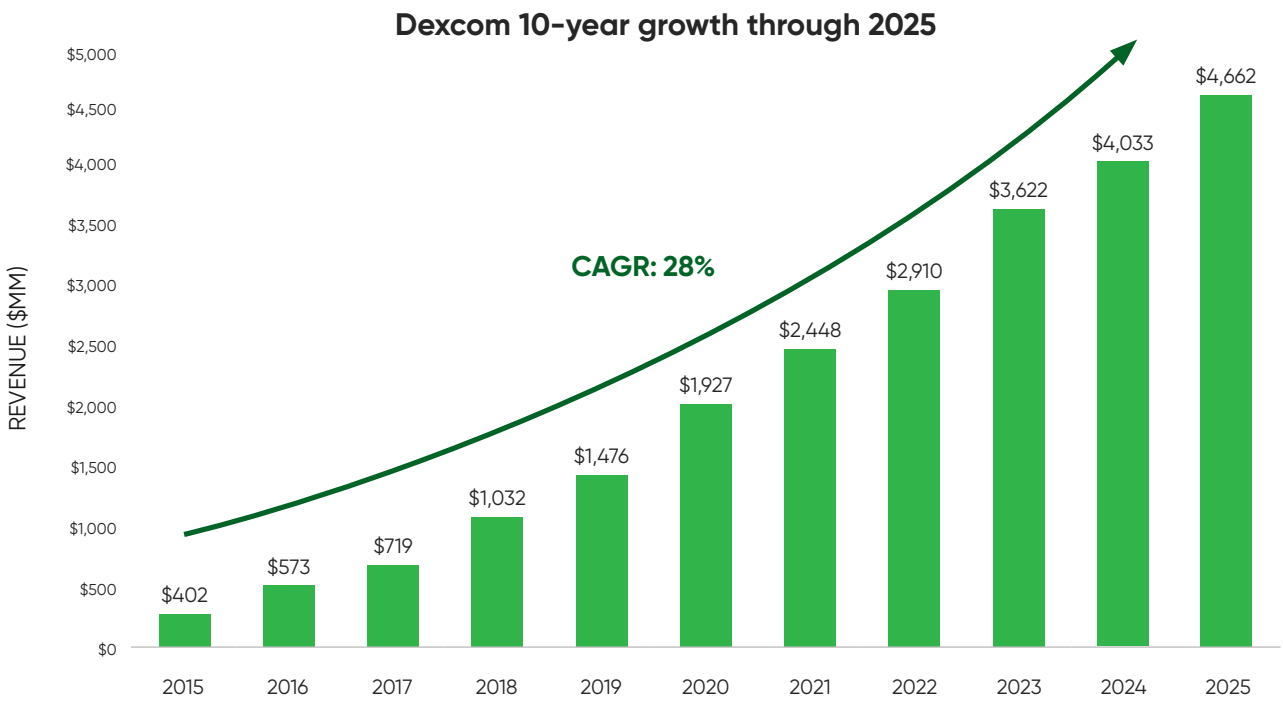
15%
U.S. revenue growth

16%
International revenue growth

Over
300
Basis points of operating expense leverage while investing in organic growth

$500M
Shares repurchased

Maintained balance sheet flexibility, ending 2025 with nearly
$2B in cash, cash equivalents, and marketable securities



PROGRESSING OUR HARDWARE AND SOFTWARE CAPABILITIES

In 2025, we further advanced our hardware and software capabilities to better meet the needs of a broader and more diverse customer population. This included innovation that extends sensor wear time, enhances customer decision support, and simplifies the user experience.

A key hardware milestone during the year was the U.S. launch of the Dexcom G7 15 Day CGM system. This highly anticipated product extends our G7 wear time out to 15 days, which results in fewer sensor changes for our customers and includes a new algorithm that delivers our best sensor accuracy to date.

In software, we received FDA clearance for Dexcom Smart Basal. Dexcom Smart Basal is designed to help customers and healthcare providers navigate the basal insulin titration process. This personalized dosing module has the potential to accelerate the time needed to reach optimal dose and simplify workflows for clinicians.

We also continued to advance our Stelo platform with complementary digital capabilities, including AI-powered food logging. This new feature is designed to simplify meal-related data capture and provide more intuitive, real world context around glucose patterns. Together, these innovations strengthen our ecosystem, enhance engagement, and position Dexcom to lead at the intersection of hardware, software, and data-driven care.

2026 AND BEYOND

As we enter 2026, we are aligned around three priorities that guide our strategy and investment decisions. First, we will be the premier glucose sensing solution for all. This means that we will continue to advance the performance and reliability of our sensing platform to better serve our customers. Second, we will set the standard for customer experience. To support this ambition, we are investing in simpler, more connected experiences across hardware and software. Third, we will expand our international market share. In the coming years, we will continue to scale outside the U.S. by pairing access expansion with clinical advocacy and broader manufacturing capacity. With these pillars, Dexcom enters 2026 positioned to deliver on our mission with broader access, a relentless focus on customer experience, and growing scale.

We want to thank our shareholders, without whom our ability to grow and bring CGM systems to our approximately **3.5 million** global customers would not be possible. On behalf of our employees and our customers, I want to personally thank you for the trust that you have placed in our team. We look forward to providing you updates as we progress throughout 2026 and beyond.

Jake Leach
President and Chief Executive Officer

Forward-Looking Statements

This summary report and Dexcom's Annual Report on Form 10-K (Annual Report) include statements relating to Dexcom's business plans, objectives, and expected operating results that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties that may cause actual results to differ materially. See Dexcom's filings with the Securities and Exchange Commission, including its most recent Annual Report or quarterly report on Form 10-Q, for a discussion of important risk factors that could cause actual events or results to differ materially.

Officers

Jake Leach
President and Chief Executive Officer

Donald Abbey
Executive Vice President, Global Business Services, Regulatory, Medical and Clinical Affairs

Michael Brown
Executive Vice President, Chief Legal Officer

Zef Cisneros
Executive Vice President, Operations and Quality

Jon Coleman
Executive Vice President, Chief Commercial Officer

Matthew Dolan
Executive Vice President, Strategy and Corporate Development

Girish Naganathan
Executive Vice President, Chief Technology Officer

Sadie Stern
Executive Vice President, Chief Human Resources Officer

Jereme Sylvain
Executive Vice President, Chief Financial Officer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 000-51222

DEXCOM, INC.

(Exact name of registrant as specified in its charter)

Delaware	**33-0857544**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6340 Sequence Drive, San Diego, CA	**92121**
(Address of principal executive offices)	(Zip Code)

(858) 200-0200

(Registrant's telephone number, including area code)

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.001 Par Value Per Share	DXCM	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $34.2 billion based on the closing sales price of $87.29 per share as reported on the Nasdaq Global Select Market on that date. Shares held by persons who may be deemed affiliates have been excluded. This determination of affiliate status with respect to the foregoing calculation is not a determination for other purposes.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	**Outstanding at February 5, 2026**
Common stock, $0.001 par value per share	384,864,842

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to its 2026 Annual Meeting of Stockholders (the "Proxy Statement") are incorporated by reference in Part III, Items 10 through 14 of this Annual Report on Form 10-K, as specified in the responses to those item numbers, which proxy statement will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K.

DexCom, Inc.
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except for historical financial information contained herein, the matters discussed in this Annual Report on Form 10-K may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. Such statements include declarations regarding our operations, financial condition and prospects, and business strategies, and are based on management's intent, beliefs, expectations, and assumptions as of the date of this report. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks, uncertainties and other factors, some of which are beyond our control. Actual results could differ materially from those indicated or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to: (i) that the information is of a preliminary nature and may be subject to further adjustment; (ii) those risks and uncertainties identified under "Risk Factors"; and (iii) the other risks detailed from time-to-time in our other reports and registration statements filed with the Securities and Exchange Commission, or the SEC. Except as required by law, we undertake no obligation to revise or update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained this industry, business, market, and other data from reports, research surveys, studies, and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data, and similar sources.

Available Information

The mailing address of our headquarters is 6340 Sequence Drive, San Diego, California, 92121, and our telephone number at that location is (858) 200-0200. Our website address is located at www.dexcom.com and our investor relations website is located at investors.dexcom.com. We file electronically with the SEC our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. We make available on our website, free of charge, copies of these reports and other information as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The reports are also available at www.sec.gov.

We announce material information to the public about us, our products, and other matters through a variety of means, including filings with the SEC, press releases, public conference calls, presentations, webcasts, and our investor relations website in order to achieve broad, non-exclusionary distribution of information to the public and to comply with our disclosure obligations under Regulation FD. We also routinely post important information for investors on our website noted above, and we may use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations portion of our website noted above. Also available on our website are printable versions of our Audit Committee charter, Compensation Committee charter, Nominating and Governance Committee charter, Technology Committee charter, Corporate Governance Principles for the Board of Directors, and Code of Conduct and Business Ethics. Stockholders may request copies of these documents by mail or telephone, at the address or phone number provided above. Except as expressly set forth in this Annual Report on Form 10-K, the contents of our website and/or our investor relations website are not incorporated by reference into, or otherwise to be regarded as part of, this Annual Report on Form 10-K or in any other report or document we file with the SEC, and any references to our website and/or our investor relations website are intended to be inactive textual references only.

The information disclosed by the foregoing channels could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above and review the information disclosed through such channels.

Summary of Risk Factors

The below summary of risk factors provides an overview of many of the risks we are exposed to in the normal course of our business activities. As a result, the below summary risks do not contain all of the information that may be important to you, and you should read the summary risks together with the more detailed discussion of risks set forth following this section under the heading "Risk Factors," as well as elsewhere in this Annual Report on Form 10-K. Additional risks, beyond those summarized below or discussed elsewhere in this Annual Report on Form 10-K, may apply to our activities or operations as currently conducted or as we may conduct them in the future or in the markets in which we operate or may in the future operate. Consistent with the foregoing, we are exposed to a variety of risks, including risks associated with the following:

- If we experience decreasing prices for our products and we are unable to reduce our expenses, including the per unit cost of producing our products, there may be a material adverse effect on our business, results of operations, financial condition and cash flows.
- Although many third-party payors have adopted some form of coverage policy for continuous glucose monitoring devices, our products do not always have such coverage, including simple broad-based contractual coverage with third-party payors, and we frequently experience administrative challenges in obtaining coverage or reimbursement for our products. If we are unable to obtain adequately broad coverage or reimbursement for our products or any future products from third-party payors, our revenue may be negatively impacted.
- The research and development efforts we undertake independently, and in some instances in connection with our collaborations with third parties, may not result in the development of commercially viable products, the generation of significant future revenues or adequate profitability.
- Our products may not achieve or maintain market acceptance.
- If we, our suppliers, or our distributors fail to comply with ongoing regulatory requirements, including responding to the FDA warning letter, or if we have unanticipated problems with our products, the products could be subject to restrictions or withdrawal from the market.
- If our manufacturing capabilities are insufficient to produce an adequate supply of product at appropriate quality levels, our growth could be limited and our business could be harmed.
- Manufacturing difficulties and/or any disruption at our facilities may adversely affect our manufacturing operations and related product sales, and increase our expenses.
- We depend upon third-party suppliers and outsource to other parties, making us vulnerable to supply disruptions, suboptimal quality, non-compliance and/or price fluctuations, which could harm our business.
- If we are unable to establish and maintain adequate sales, marketing and distribution capabilities and/or enter into and maintain arrangements with third parties to sell, market and distribute our products, we may have difficulty achieving market awareness and selling our products in the future.
- We operate in a highly competitive market and face competition from large, well-established companies with significant resources, and, as a result, we may not be able to compete effectively.
- We are subject to a variety of risks due to our international operations that could adversely affect our business, our operations or profitability and operating results.
- We are subject to complex and evolving U.S. and foreign laws and regulations and other requirements regarding privacy, data protection, security, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.
- Cybersecurity risks and cyber incidents could result in the compromise of confidential data or critical data systems and give rise to potential harm to customers, remediation and other expenses, expose us to liability under HIPAA, consumer protection laws, or other common law theories, subject us to litigation and federal and state governmental inquiries, damage our reputation, and otherwise be disruptive to our business and operations.
- We conduct business in a heavily regulated industry and if we fail to comply with applicable laws and government regulations, we could become subject to penalties, be excluded from participation in government programs, and/or be required to make significant changes to our operations.
- Managed care trends and consolidation in the health care industry could have an adverse effect on our revenues and results of operations.

- If we are unable to successfully complete the pre-clinical studies or clinical trials necessary to support additional PMA, de novo, or 510(k) applications or supplements, we may be unable to commercialize our CGM systems under development, which could impair our business, financial condition and operating results.
- Health care policy changes, including U.S. health care reform legislation, may have a material adverse effect on our business.
- We are subject to claims of infringement or misappropriation of the intellectual property rights of others, which could prohibit us from shipping affected products, require us to obtain licenses from third parties or to develop non-infringing alternatives, and subject us to substantial monetary damages and injunctive relief. We may also be subject to other claims or suits.
- Our inability to adequately protect our intellectual property could allow our competitors and others to produce products based on our technology, which could substantially impair our ability to compete.
- We face the risk of product liability claims and may be subject to damages, fines, penalties and injunctions, among other things.
- We could become the subject of governmental investigations, claims and litigation.
- We have incurred significant losses in the past and may incur losses in the future.
- Our stock price is highly volatile and investing in our stock involves a high degree of risk, which could result in substantial losses for investors.
- We have indebtedness in the form of convertible senior notes, which could adversely affect our financial health and our ability to respond to changes in our business.
- Sustainability (including environmental, social and governance) regulations, policies and provisions could expose us to numerous risks.

PART I

ITEM 1 - BUSINESS

Overview

We are a medical device company primarily focused on the design, development and commercialization of continuous glucose monitoring, or CGM, systems for the management of diabetes and metabolic health by patients, caregivers, and clinicians around the world.

We received approval from the Food and Drug Administration, or FDA, and commercialized our first product in 2006. We launched our latest generation systems, the Dexcom G7 Continuous Glucose Monitoring System, or G7, in 2023, and the Dexcom G7 15 Day Continuous Glucose Monitoring System, or G7 15 Day, in late 2025. In August 2024, we launched Stelo, our biosensor designed for adults with prediabetes and Type 2 diabetes who do not use insulin, as the first over-the-counter glucose biosensor in the U.S.

Unless the context requires otherwise, the terms “we,” “us,” “our,” the “company,” or “Dexcom” refer to DexCom, Inc. and its subsidiaries.

Products

Dexcom G7 and G7 15 Day

In March 2022, we obtained Conformité Européenne Marking, or CE Mark, approval for G7. In December 2022, we obtained marketing authorization from the FDA for the G7 via the 510(k) review process. The G7 is an integrated continuous glucose monitoring system, or iCGM, and is classified as a Class II device by the FDA, and is subject to special controls for iCGMs that outline requirements for assuring CGM accuracy, reliability and clinical relevance, and which also outlines the type of studies and data required to demonstrate acceptable CGM performance. The glucose value algorithm, ability to communicate with approved display and mobile devices, and compatibility with Dexcom Clarity, our cloud-based reporting software, are all substantially equivalent in technical performance and capability to the prior generation Dexcom G6 Continuous Glucose Monitoring Integrated System, or G6. The G7 is cleared in the United States for all people with diabetes ages two years and older, giving more people than ever access to a powerfully simple diabetes management solution.

In April 2025, we obtained marketing authorization from the FDA for the G7 15 Day via the 510(k) review process for people over the age of 18 with diabetes in the United States. Like the G7, the G7 15 Day is an iCGM classified as a Class II device by the FDA, and is subject to iCGM special controls. The G7 15 Day extends the wear period to 15.5 days and is generally consistent with our prior generation CGM systems in its technical capabilities and its indications.

In the United States, the G7 is covered by Medicare and Medicaid in the majority of states and by commercial insurers, subject to satisfaction of certain eligibility and coverage criteria for individuals with both Type 1 and Type 2 diabetes. G7 15 Day will also be covered for Medicare beneficiaries and has met the category requirements for therapeutic CGM systems set forth by the U.S. Centers for Medicare & Medicaid Services, or CMS. With an overall Mean Absolute Relative Difference, or MARD, of 8.0%, as well as 94.2% of values within 20% of their comparator, the G7 15 Day is the most accurate CGM cleared by the FDA and is clinically proven to lower A1C (a blood test that provides information about average levels of blood glucose, over the prior three months), reduce hyper- and hypoglycemia, and increase time in range.

The G7 and G7 15 Day carry forward important features of prior generation Dexcom CGM systems:

- **Finger stick elimination.** No finger sticks are needed for calibration or diabetes treatment decisions, consistent with the instructions for use, unless symptoms do not match readings.
- **Continuous glucose readings.** Automatically sends glucose readings to a Dexcom receiver or compatible display device every five minutes.
- **Mobile app and sharing.** Compatibility with mobile device applications allows for sharing glucose information with up to 10 other people for added support and care coordination.
- **Designed to integrate with the world’s largest connected CGM ecosystem** (including insulin pumps and smart insulin pens, Apple Watch, Garmin and other digital health apps).
- **Customizable alarms and alerts.** Personalized alert schedule immediately warns the user of pending dangerous high and low blood sugar levels.
- **Easy sensor application.** Complete redesign of the sensor applicator allows for one-touch, simple self-insertion.

- **Medication blocking.** New feature allows for more accurate glucose readings without interference from common medications taken at typical indication doses, such as acetaminophen.
- **Predictive low alert.** Alert feature intended to predict hypoglycemia before it hits to help avoid dangerous low blood sugar events.
- **Extended 15.5 day disposable sensor and 10-day disposable sensor, for the G7 15 Day and G7, respectively.**

The G7 and G7 15 Day also have a number of new or improved features compared to our prior generation devices:

- **An even more discreet and low profile.** A redesigned transmitter makes for an all-in-one wearable, combining our sensor and transmitter that is 60% smaller than the G6, making it even more comfortable and easier to wear under clothing.
- **Faster warm up.** 30-minute sensor warm up for the G7, fastest of any CGM on the market, and 60-minute sensor warm up for the G7 15 Day.
- **Expanded time to replace sensors.** 12-hour grace period to replace finished sensors for a more seamless transition between sessions.
- **New mobile app.** Redesigned and simplified mobile app with Dexcom Clarity integration.
- **Improved alert settings for enhanced discretion at the user's option**.
- **Redesigned receiver.** The optional receiver is smaller, with a more vibrant, easier to read display.
- **New indications for use.** For the G7, indicated in the United States for wear on the back of the upper arm for ages 2 years and older or the upper buttocks for ages 2-6 years old.
- **Less waste.** Smaller plastic components and packaging, resulting in less waste than the G6.

Other than the foregoing, the G7 and the G7 15 Day are generally consistent with our prior generation CGM systems in its technical capabilities and its indications. Since the G7 and G7 15 Day are classified by the FDA as a Class II device, special controls and modifications of, or revisions to, the device may be made under the 510(k) process.

Dexcom G6

In March 2018, we obtained marketing authorization from the FDA for the G6 via the *de novo* process. The G6 was the first type of CGM system permitted by the FDA to be used as part of an integrated system with other compatible medical devices and electronic interfaces, which may include automated insulin delivery systems, insulin pumps, blood glucose meters or other electronic devices used for diabetes management.

In June 2018, we received CE Mark approval for the G6, which allows us to market the system in the European Union and the countries in Asia and Latin America that recognize the CE Mark, as well as New Zealand, though certain countries may require compliance with certain local administrative requirements and/or additional marketing authorizations (for example, the inclusion of medical devices on the Australian Register of Therapeutic Goods in Australia).

We anticipate transitioning our G6 customers to our G7 and G7 15 Day sensor systems by the end of 2026.

Dexcom ONE+

In November 2023, we obtained CE Mark approval for our Dexcom ONE+ CGM system, or Dexcom ONE+, which we have launched in several countries in Europe. Dexcom ONE+ carries many of the same features as the G7, and is indicated for persons, including pregnant women, ages 2 years and older. Like our other CGM systems, Dexcom ONE+ is designed to replace finger stick blood glucose testing for diabetes treatment decisions. Our previous generation Dexcom ONE CGM system, with similar features as G6, is anticipated to be phased out by the end of 2026.

Stelo

In August 2024, we launched Stelo, our biosensor designed for adults with prediabetes and Type 2 diabetes who do not use insulin, as the first over-the-counter glucose biosensor in the U.S. By virtue of not requiring a prescription, Stelo expands access to CGM beyond people with diabetes to include those seeking to optimize metabolic health to more effectively and conveniently manage their glucose levels.

Dexcom Share and Dexcom Follow

The Dexcom Share remote monitoring system, offered for use with any current Dexcom system, uses an app on the patient's compatible iPhone, iPod touch, iPad or Android mobile device to securely and wirelessly transmit glucose

information to the cloud and then to apps on the mobile devices of up to ten designated recipients, or "followers," who can remotely monitor a patient's glucose information and receive alert notifications anywhere they have a wireless connection via the Dexcom Follow app. A patient's glucose data can also be displayed on a patient's or follower's wearable device, such as the Apple Watch and Wear OS by Google devices, when used in conjunction with the patient's or follower's compatible iPhone or Android mobile device.

Data and Insulin Delivery Collaborations

We have entered into multiple collaboration agreements that leverage our technology platform to integrate our CGM products with insulin delivery systems. The general purpose of these development and commercial relationships is to integrate our technology into the insulin pump or pen product offerings of the respective partner, enabling the partner's insulin delivery device to receive and display glucose readings from our transmitter and, in some cases, use the glucose readings for semi-automated insulin delivery. We have existing insulin delivery partnerships, and we are also working with other companies that are pursuing varying strategies surrounding semi-automated insulin delivery and data analytics to improve outcomes and ease-of-use in diabetes management.

We have also entered into collaborations with several organizations that are currently using, or are developing, programs for the treatment of Type 2 diabetes that utilize our current CGM systems. These collaborations align with the strategy to seek broader access to our CGM systems for people with Type 2 diabetes, including those who are not treated with intensive insulin therapy.

Market Opportunity

Diabetes

Diabetes is a chronic, life-threatening disease for which there is no known cure and which has other significant adverse consequences for human health throughout the world. The disease is caused by the body's inability to produce or effectively utilize the hormone insulin. This inability prevents the body from adequately regulating blood glucose levels. Glucose, the primary source of energy for cells, must be maintained at certain concentrations in the blood in order to permit optimal cell function and health. Normally, the pancreas provides control of blood glucose levels by secreting the hormone insulin to decrease blood glucose levels when concentrations are too high. In people with diabetes, the body does not produce sufficient levels of insulin, or fails to utilize insulin effectively, causing blood glucose levels to rise above normal. This condition is called hyperglycemia and often results in acute complications as well as chronic long-term complications such as heart disease, limb amputations, loss of kidney function and blindness. When blood glucose levels are high, people with diabetes often administer insulin in an effort to decrease blood glucose levels. Unfortunately, insulin administration can drive blood glucose levels below the normal range, resulting in hypoglycemia. In cases of severe hypoglycemia, people with diabetes risk acute complications, such as loss of consciousness or death. Due to the drastic nature of acute complications associated with hypoglycemia, many people with diabetes are reluctant to reduce blood glucose levels. Consequently, these individuals often remain in a hyperglycemic state, increasing their odds of developing long-term chronic complications. Diabetes is typically classified into two major groups: Type 1 and Type 2.

The International Diabetes Federation, or IDF, estimates that in 2024, 589 million adults (aged 20-79) around the world had diabetes. IDF estimates that by 2050, the worldwide incidence of people suffering from diabetes will reach 853 million. According to the Centers for Disease Control and Prevention, or CDC, in its National Diabetes Statistics Report, 2024, or the 2024 CDC Report, crude estimates for the prevalence of diabetes in the United States as of 2021 include 38.4 million people with diabetes, of which 29.7 million people have diagnosed diabetes.

This growing diabetes prevalence and its associated health outcomes also result in sobering economic burdens for global health systems. According to the American Diabetes Association, or ADA, one in every four healthcare dollars was spent on treating people with diabetes in 2022, and the direct medical costs and indirect expenditures attributable to diabetes in the United States were an estimated $413 billion, an inflation-adjusted increase of approximately 35% since 2012.

Type 1 Diabetes

According to the 2024 CDC Report, as of 2021 there were an estimated 2.0 million adults and youth with diagnosed Type 1 diabetes in the United States. Type 1 diabetes is an autoimmune disorder that usually develops during childhood and is characterized by an absence of insulin, resulting from destruction of the insulin producing cells of the pancreas. Individuals with Type 1 diabetes must rely on frequent insulin injections in order to regulate and maintain blood glucose levels.

Type 2 Diabetes

Type 2 diabetes is a metabolic disorder which results when the body is unable to produce sufficient amounts of insulin or becomes insulin resistant. Depending on the severity of Type 2 diabetes, individuals may require diet and nutrition management, exercise, oral medications or insulin injections to regulate blood glucose levels. We estimate that greater than 6 million people with Type 2 diabetes in the United States must use insulin to manage their diabetes.

Importance of Glucose Monitoring

Blood glucose levels can be affected by many factors, including the carbohydrate and fat content of meals, exercise, stress, illness or impending illness, hormonal releases, variability in insulin absorption and changes in the effects of insulin in the body. Given the many factors that affect blood glucose levels, maintaining glucose within a normal range is difficult, resulting in frequent and unpredictable excursions above or below normal blood glucose levels. People with diabetes administer insulin or ingest carbohydrates throughout the day in order to maintain blood glucose levels within normal ranges. People with diabetes frequently overcorrect and fluctuate between hyperglycemic and hypoglycemic states, often multiple times during the same day. As a result, many people with diabetes are routinely outside the normal blood glucose range. Failure to maintain blood glucose levels within the normal range leads to numerous and significant health risks. These risks include eye disease, nerve disease, kidney disease, cardiovascular disease and potentially hypoglycemic events.

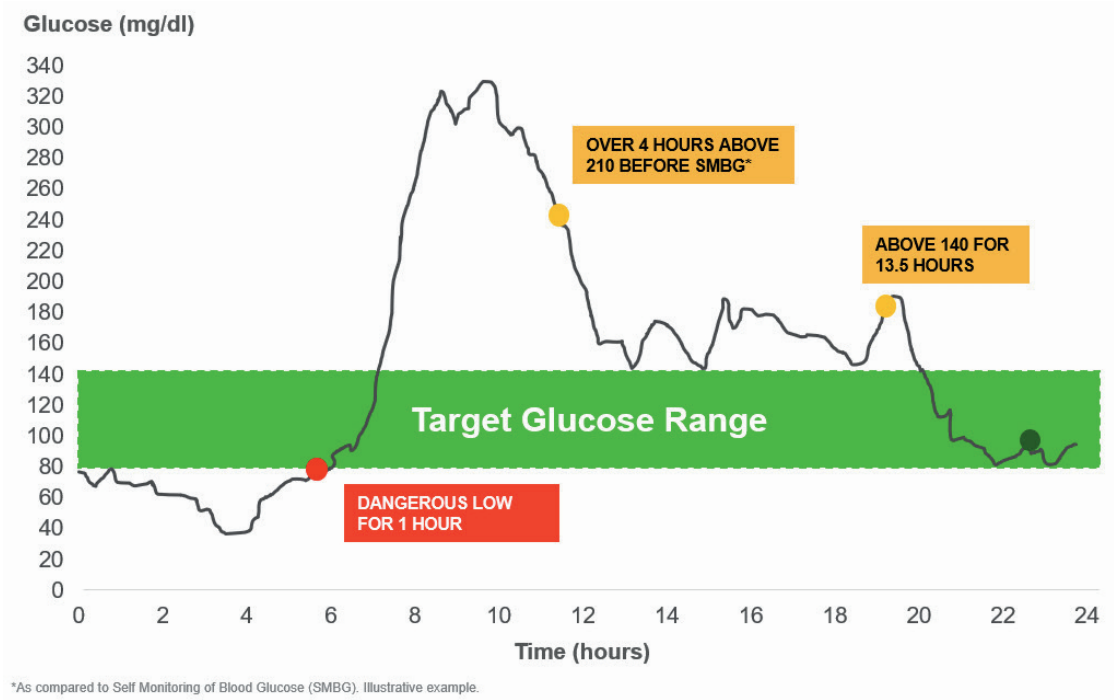
Limitations of Existing Glucose Monitoring Products

Single-point finger stick devices are the most prevalent devices for glucose monitoring. These devices require taking a blood sample with a finger stick, placing a drop of blood on a test strip and inserting the strip into a glucose meter that yields a single point in time blood glucose measurement. We believe that these devices suffer from several limitations, including:

- **Limited Information.** Even if people with diabetes test several times each day, each measurement represents a single blood glucose value at a single point in time. Given the many factors that can affect blood glucose levels, excursions above and below the normal range often occur between these discrete measurement points in time. Without the ability to determine whether their blood glucose level is rising, falling or holding constant, and the rate at which their blood glucose level is changing, the individual's ability to effectively manage and maintain blood glucose levels within normal ranges is severely limited. Further, people with diabetes cannot test themselves during sleep, when the risk of hypoglycemia is significantly increased.

  The illustrative graph below shows the limited information provided by four single-point measurements during a single day using a traditional single-point finger stick device, compared to the data provided by our continuous sensor. The continuous data indicates that, even with four finger sticks in one day, the patient's blood glucose levels were above the target range of 80-140 milligrams per deciliter ("mg/dl") for a period of 13.5 hours.

Single Day Continuous Data



- **Inconvenience.** The process of measuring blood glucose levels with single-point finger stick devices can cause significant disruption in the daily activities of people with diabetes and their families. People with diabetes using single-point finger stick devices must stop whatever they are doing several times per day, self-inflict a painful prick and draw blood to measure blood glucose levels. To do so, people with diabetes must always carry a fully supplied kit that may include a spring-loaded needle, or lancet, disposable test strips, cleansing wipes and the meter, and then safely dispose of the used supplies. This process is inconvenient and may cause uneasiness in social situations.
- **Difficulty of Use.** To obtain a sample with single-point finger stick devices, people with diabetes generally prick one of their fingertips or, occasionally, a forearm with a lancet. They then squeeze the area to produce the blood sample and another prick may be required if a sufficient volume of blood is not obtained the first time. The blood sample is then placed on a disposable test strip that is inserted into a blood glucose meter. This task can be difficult for individuals with decreased tactile sensation and visual acuity, which are common complications of diabetes.
- **Pain.** Although the fingertips are rich in blood flow and provide a good site to obtain a blood sample, they are also densely populated with highly sensitive nerve endings. This makes the lancing and subsequent manipulation of the finger to draw blood painful. The pain and discomfort are compounded by the fact that fingers offer limited surface area, so tests are often performed on areas that are sore from prior tests. People with diabetes may also suffer pain when the finger prick site is disturbed during regular activities.

The Dexcom Approach

We believe continuous glucose monitoring has the potential to enable more people with diabetes to achieve and sustain tight glycemic control with minimal disruption to their daily lives.

The landmark 1993 Diabetes Control and Complications Trial, or DCCT, demonstrated that improving blood glucose control lowers the risk of developing diabetes-related complications by up to 50%. The study also demonstrated that people with Type 1 diabetes achieved sustained benefits with intensive management.

Various clinical studies and real-world evidence also demonstrate the benefits of continuous glucose monitoring in the management of Type 1 diabetes and insulin-requiring Type-2 diabetes, when compared to regimens relying on self-monitoring of blood glucose. Results of several early clinical trials established that CGM usage was associated with improved glycemic outcomes.

Real-time alerts and multi-device integration further differentiate CGM-based and self-monitoring of blood glucose, or SMBG, based diabetes regimens. Alerts triggered by existing or impending abnormal glucose values are associated with less exposure to hypo- and hyperglycemia in large real-world data sets, and multi-device integration

allows some CGM systems to communicate with automated insulin delivery systems. One such automated insulin delivery system that uses the G6 was studied in a large clinical trial that associated its use with numerous quality-of-life and glycemic benefits.

Our current target market consists primarily of people with Type 1 and Type 2 diabetes who utilize insulin therapy as well as certain non-insulin using people with diabetes that struggle with hypoglycemia. We also believe that our CGM systems are beginning to have a positive impact on the broader Type 2 population that does not utilize insulin or have hypoglycemia risk, a group that we estimate to be greater than 25 million people in the United States alone. We are extending our commercial efforts for this population through several channels, including through strategic partnerships. In the future, we plan to expand our product offering to people who are pregnant and cleared/approved indications to address people with pre-diabetes, people who are obese, and people in the hospital setting. Although the majority of our revenue has been generated in the United States, we have expanded our operations to include additional markets in North America, Africa, Asia Pacific, Europe, Latin America and the Middle East.

Our current CGM systems offer the following potential advantages to people with diabetes:

- **Potential for Improved Outcomes.** Randomized clinical trials and peer reviewed published data have demonstrated that patients with diabetes who used CGMs to help manage their disease experienced significant improvements in glucose control, including when compared to patients relying solely on single-point finger stick measurements (i.e., less time in hypoglycemia and hyperglycemia) and reductions in A1C levels when compared to baseline.
- **Access to Real-Time Values, Trend Information and Alerts.** People with diabetes can view their current glucose value, along with a graphical display of the historical trend information on our receiver or alternate display device. Without continuous monitoring, the individual is often unaware if his or her glucose is rising, declining or remaining constant. Access to continuous real-time glucose measurements provides people with diabetes information that may aid in attaining better glucose control. Additionally, our current CGM systems alert people with diabetes when their glucose levels approach inappropriately high or low levels so that they may intervene.
- **Intuitive User Interface.** We have developed a user interface that we believe is intuitive and easy to use. Our current CGM system receivers are compact with an easy-to-read color display, simple navigation tools, audible alerts and graphical display of trend information. Similar benefits are available via the interfaces we have made available on compatible mobile devices. These devices can serve as substitutes for our receivers or alternate display units in certain geographies.
- **Convenience and Comfort.** Our current CGM systems provide people with diabetes with the benefits of continuous monitoring, without having to perform finger stick tests for every measurement. Additionally, the disposable sensor that is inserted under the skin is a very thin wire, minimizing potential discomfort associated with inserting or wearing the disposable sensor. The external portion of the sensor, attached to the transmitter, is small, has a low profile and is designed to be easily worn under clothing. The wireless receiver is the size of a small smart phone and can be carried discreetly in a pocket or purse. We believe that convenience is an important factor in achieving widespread adoption of a CGM system.
- **Connectivity to Wearables and Others.** Patients can monitor their glucose levels and trends on compatible wearable devices, such as Apple Watch and Wear OS by Google devices, when used with a compatible mobile device. Also, our Share and Follow remote monitoring systems enable users of our current CGM systems to have their sensor glucose information remotely monitored by their family, friends or other designated recipient, or follower, by wirelessly transmitting data from the user's smart phone to the cloud and then to the follower's mobile device. Several followers can remotely monitor a patient's glucose information and receive secondary alert notifications from almost anywhere with an Internet connection via each follower's mobile device.

Our Strategy

Our objective is to remain a leading provider of glucose biosensors and related products to enable people with diabetes and those seeking to optimize metabolic health to more effectively and conveniently manage their glucose levels. We are also developing and commercializing products that integrate our CGM technologies into the insulin delivery systems or data platforms of our respective partners. In addition, we continue to pursue development partnerships with other insulin delivery companies, including automated insulin delivery systems, as well as other players in the disease management sector. We are focusing on the following business strategies as we pursue these objectives:

- Establishing and maintaining our technology platform as the leading approach to CGM and leveraging our development expertise to rapidly bring products to market, including for expanded indications.
- Supporting use of our ambulatory products through a direct sales and marketing effort, as well as key distribution arrangements.
- Supporting innovation through technology integration partnerships.
- Seeking broad coverage policies and reimbursement for our products from private third-party payors and national health systems.
- Providing cloud-based data repository platform that enables people with diabetes to aggregate and analyze data from numerous diabetes devices and share the data with their healthcare providers and other individuals involved in their diabetes management and care.
- Pursuing expansion of use of our products to other patient care settings and patient demographics, including use for people with Type 2 diabetes who are not on intensive insulin therapy, population health, patient monitoring including in the hospital setting, and people who are pregnant.
- Providing a high level of customer support, service and education.
- Pursuing the highest safety and quality levels for our products.

Our Technology Platform

We believe we have a broad technology platform that will support the development of multiple products for continuous glucose monitoring.

Sensor Technology

The key enabling technologies for our sensors include biomaterials, membrane systems, electrochemistry and low power microelectronics. Our membrane technology consists of multiple polymer layers configured to selectively allow the appropriate mix of glucose and oxygen to travel through the membrane and react with a glucose specific enzyme to create an extremely low electrical signal, measured in pico-amperes. This electrical signal is then translated into glucose values. We believe that the capability to measure very low levels of an electrical signal and to accurately translate those measurements into glucose values is also a unique and distinguishing feature of our technology. We have also developed technology to allow sensitive electronics to be packaged in a small, fully contained, lightweight sealed unit that minimizes inconvenience and discomfort for the user.

Receiver and Transmitter Technology

Our current CGM systems wirelessly transmit information from the transmitter to our receiver or to a compatible mobile device. We have developed technology for reliable transmission and reception and have consistently demonstrated a high rate of successful transmissions from transmitter to receiver or compatible mobile device in our clinical trials. Our receiver or the mobile device, via our apps, then displays both real-time and trended glucose values, and provides alerts and alarms. We have used our extensive database of continuous glucose data to create and refine software, algorithms and other technology for the display of data to customers.

Compatible Mobile Devices

With our G7 and G7 15 Day systems, the functionalities of our proprietary receiver can be obtained through the use of a compatible mobile device, such as an iOS or Android device, and our mobile applications, depending on the patient's geographic location. A receiver may be required as the primary display device or a backup to the mobile device in some jurisdictions, including the United States.

Dexcom Real-Time API

In July 2021, we received FDA marketing clearance for an iCGM system incorporating our Real-Time Application Programming Interfaces (API), which is an added software component that expands connectivity and interoperability of the Dexcom CGM digital ecosystem, enabling communication of iCGM data to client software intended to receive data through the cloud. Dexcom Real-Time API enables authorized third-party software developers to integrate real-time CGM data into their digital health apps and devices for specific and permitted use cases including non-medical device application, medical device data analysis, iCGM secondary display alarm, active patient monitoring, and treatment decisions. Real-Time API is not permitted for use in environments not currently cleared for the Dexcom CGM System (e.g., hospital inpatient care), and is not intended to be used by automated insulin delivery systems.

Products in Development

We have gained our technology expertise by developing implants designed to withstand the rigors of functioning within the human body for extended periods of time, and designed to address other considerations such as device sealing, miniaturization, durability and sensor geometry.

We are leveraging this technology platform with the goal of enhancing the capabilities of our current products (including obtaining expanded indications for use) and to develop additional CGM products. We plan to develop future generations of technologies that are focused on improved performance and convenience and that will enable intelligent insulin administration. Over the longer term, we plan to continue to develop and improve networked platforms with open architecture, connectivity and transmitters capable of communicating with other devices. We intend to expand our efforts to accumulate CGM patient data and metrics and apply predictive modeling and machine learning to generate interactive CGM insights that can inform patient behavior.

We continue to pursue and support development partnerships with insulin pump companies and companies or institutions developing insulin delivery systems, including automated insulin delivery systems. With the introduction of Stelo, we are also pursuing and supporting development partnerships with consumer technology product companies that seek to provide metabolic health insights to their customers.

We are also exploring how to extend our offerings to other opportunities, including for people with pre-diabetes, people who are obese, people who are pregnant, and people in the hospital setting. Eventually, we may apply our technological expertise to products beyond glucose monitoring.

Commercial Operations

We have built a direct sales organization in North America and certain international markets to call on health care professionals, such as endocrinologists, physicians and diabetes educators, who can educate patients about continuous glucose monitoring. We believe that focusing efforts on these participants is important given the instrumental role they each play in the decision-making process for diabetes therapy, and to ensure that health care professionals and patients are knowledgeable about our products and their functionality. We focus on delivering this important information to participants to drive adoption of our current CGM systems. In addition, our direct sales efforts include the use of e-commerce resources in certain international markets where we have not built a sales force.

To complement our direct sales efforts, we have entered into distribution arrangements in North America and several international markets that allow distributors to sell our products. We expect to continue investing in our field sales force and believe our direct, highly specialized and focused sales organization and our domestic and international distribution agreements are sufficient for us to support our sales efforts for at least the next twelve months.

We use a variety of marketing tools to drive adoption, ensure continued use and establish brand loyalty for our CGM systems by:

- creating awareness of the benefits of continuous glucose monitoring and the advantages of our technology with endocrinologists, physicians, diabetes educators, people with diabetes and those seeking to optimize metabolic health;
- providing strong and simple educational and training programs to healthcare providers and people with diabetes to ensure easy, safe and effective use of our systems; and
- maintaining a readily accessible telephone and web-based technical and customer support infrastructure, which includes clinicians, diabetes educators and reimbursement specialists, to help referring physicians, diabetes educators, people with diabetes and those seeking to optimize metabolic health as necessary.

Direct-to-consumer (DTC) marketing is one of our key initiatives to increase awareness of our CGM systems and drive new leads for people with diabetes and those seeking to optimize metabolic health to our website. In jurisdictions where DTC marketing is permitted, we currently focus on reaching people with Type 1 and people with Type 2 diabetes who use insulin. We advertise on television, in print, digital and video media, CRM, offer sponsorships, host or participate in diabetes related events, conduct public relations and maintain a brand ambassador program.

We typically experience seasonality, with lower sales in the first quarter of each year compared to the immediately preceding fourth quarter. This seasonal sales pattern relates to U.S. annual insurance deductible resets and unfunded flexible spending accounts.

Competition

The market for glucose monitoring devices is intensely competitive, subject to rapid change and significantly affected by new product introductions and other market activities of industry participants. In selling our current CGM systems, we compete directly with the Diabetes Care division of Abbott Laboratories; Medtronic plc's Diabetes Group (which implemented a spinoff of its diabetes business into a separate company called MiniMed); Roche Diabetes Care, a division of Roche Diagnostics; privately-held LifeScan, Inc.; Ascensia Diabetes Care; and other smaller market entrants, each of which manufactures and markets products for the single-point finger stick device market. Collectively with us, these companies currently account for the majority of the worldwide sales of self-monitored glucose testing systems.

Several companies are developing or commercializing products for continuous or periodic monitoring of glucose levels in the interstitial fluid under the skin that compete directly with our products. We have competed with Abbott and their Libre family of CGM products for many years. Medtronic (MiniMed) markets and sells a standalone glucose monitoring product called Guardian Connect, both internationally and in the United States, and a disposable CGM system called Simplera in the U.S. and international markets.

Medtronic (MiniMed) and other third parties have developed or are developing, insulin pumps integrated with CGM systems that provide, among other things, the ability to suspend insulin administration while the user's glucose levels are low and to automate basal or bolus insulin dosing. Likewise, Abbott Diabetes Care has received FDA clearance to integrate certain versions of their Libre sensors into automated insulin delivery systems and is pursuing such integrations with third-party insulin delivery devices.

We are also aware of companies outside the traditional medical device sector that are attempting to develop competitive products and services, including for the general health and wellness, or population health space. Some of the companies developing or marketing competing devices are large and well-known publicly traded companies. Such competitors may benefit from guidance issued on January 6, 2026 by the FDA's Center for Devices and Radiological Health that effectively broadens the range of products that may be considered "general wellness devices," including wearables that provide readings around bodily functions and vital signs such as heart rate, blood pressure, and blood glucose.

We believe that the principal competitive factors in our market include:

- safe, reliable and high-quality performance of products;
- cost of products and eligibility for reimbursement;
- comfort and ease of use of products;
- effective sales, marketing and distribution networks;
- brand awareness and strong acceptance by healthcare professionals, people with diabetes and those seeking to optimize metabolic health;
- customer service and support and comprehensive education for people with diabetes, diabetes care providers and those seeking to optimize metabolic health;
- speed of product innovation and time to market;
- regulatory expertise; and
- technological leadership and superiority.

For additional information on competition, please see our Risk Factor entitled "*We operate in a highly competitive market and face competition from large, well-established companies with significant resources, and, as a result, we may not be able to compete effectively.*"

Manufacturing

We primarily manufacture our products at our manufacturing facilities in Mesa, Arizona and Penang, Malaysia. We are currently building out a new manufacturing facility in Athenry, Ireland. We anticipate that the new facility in Ireland will add substantial manufacturing capacity.

There are technical challenges to increasing manufacturing capacity, including finding or enhancing new manufacturing facilities capable of meeting regulatory requirements, government licensure of manufacturing facilities, equipment design and automation, material procurement, problems with production yields, and quality control and assurance. For example, in March 2025, we received an FDA warning letter following inspections of our facilities in San Diego, California, and Mesa, Arizona relating to observed non-conformities in manufacturing

processes and our quality management system. See the section of the Risk Factors entitled "*Risks Related to Manufacturing, Commercial Operations and Commercialization*" and "*If we or our suppliers or distributors fail to comply with ongoing regulatory requirements, including responding to the FDA warning letter, or if we have unanticipated problems with our products, the products could be subject to restrictions or withdrawal from the market.*"

Additionally, the production of our CGM systems must occur in a highly controlled and clean environment to minimize particles and other yield-limiting and quality-limiting contaminants. Developing and maintaining commercial-scale manufacturing facilities has and will continue to require the investment of substantial additional funds and the hiring and retention of additional management, quality assurance, quality control and technical personnel who have the necessary manufacturing experience.

We manufacture our current CGM systems with certain components supplied by outside vendors and other components that we manufacture internally. Key components that we manufacture internally include our wire-based sensors. The remaining components and assemblies are purchased from outside vendors. We then assemble, test, package and ship the finished systems, which may include a reusable transmitter, a receiver and disposable sensors.

We purchase certain components and materials used in manufacturing from single sources due to quality considerations, costs or constraints resulting from regulatory or other requirements. As of December 31, 2025, those single sources include but are not limited to suppliers of application-specific integrated circuits used in our transmitters, seals used for the applicator and certain polymers used to synthesize polymeric membranes for our sensors. For additional information, please see our Risk Factor entitled "*We depend upon third-party suppliers and outsource to other parties, making us vulnerable to supply disruptions, suboptimal quality, non-compliance and/or price fluctuations, which could harm our business.*"

Third-Party Coverage and Reimbursement

As a medical device company, coverage and reimbursement from Medicare, Medicaid or other governmental healthcare programs or systems and private third-party healthcare payors is an important element of our success. Medicare covers the CGM system, which includes both the receiver device and the supplies necessary for the use of the device, under the Durable Medical Equipment, or DME, benefit category. Previously, Medicare coverage for CGM was only available to Medicare patients who take at least three doses of insulin a day, limiting CGM reimbursement for Medicare beneficiaries with intensive Type 1 and 2 diabetes. The Local Coverage Determination, or LCD, that CMS released in April 2023 extended Medicare CGM coverage to all patients using insulin. Further, the LCD also allows coverage for patients not taking insulin if the patient has a history of problematic hypoglycemia.

In late 2025, CMS extended the Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) competitive bidding program to include our CGMs and receivers beginning with contracting in 2027, and payment changes effective January 1, 2028. Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items. CMS anticipates that ten (10) contracts will be awarded for CGMs. However, while the competitive bidding program previously used competitive bidding areas, or CBAs, for contract awards, CMS determined that for CGMs and certain other DME, a Remote Item Delivery, or RID, CBA was more appropriate. It remains to be seen whether CGMs will be covered under a single, nationwide RID CBA or whether regional RID CBAs will be established. In any event, the bid process is expected to result in lower Medicare reimbursement for CGM systems, particularly because CMS is changing the pricing under the RID CBA by setting a single payment amount for covered items at the 75th percentile of the winning bids, rather than using the maximum winning bid. Further, CMS has reclassified CGMs and insulin infusion pumps to items that require frequent and substantial servicing and will phase in monthly rental payments for these items. CMS will bundle the rental amount for the receiver device with payment for the supplies and accessories in the new payment amount. Beneficiaries who own their CGMs or insulin infusion pumps may either continue to use them until replacement is necessary or immediately switch to a rental item. The bid limit will be monthly fee schedule amounts for the supplies plus the average purchase fee schedule amounts for the CGM receiver device divided by 60 (intended to capture the 5-year useful life of the device). As a result, we expect that Medicare reimbursement for our CGM systems will decrease beginning in 2028. CMS is required by law to recompete these contracts at least once every three years and to roll out the competitive bidding process nationally or adjust prices in non-competitive bidding areas to match competitive bidding prices. The implementation of the competitive bidding program may result in reduced Medicare payment for CGMs in both competitive bidding areas and non-competitive bidding areas.

We also have coverage under certain international markets and Medicaid coverage in approximately 48 states as of December 31, 2025.

As of December 31, 2025, the eight largest private third-party payors in the United States, in terms of the number of covered lives, have issued coverage policies for the category of CGM devices. In addition, we have negotiated contracted rates with all of those third-party payors for the purchase of our current CGM systems by their members. We have personnel with reimbursement expertise to assist customers in obtaining reimbursement from private third-party payors. We also maintain a field-based reimbursement team charged with calling on third-party private payors to obtain coverage decisions and contracts. We have continued our efforts to create and liberalize coverage policies with third-party payors, including obtaining reimbursement for our products under pharmacy benefits and for more people with diabetes.

For additional information on third-party reimbursement, please see our see Risk Factors in the section entitled "*Risks Related to Pricing and Reimbursement*."

Intellectual Property

Protection of our intellectual property is a strategic priority for our business. We rely on a combination of patents, copyrights, trademarks, trade names, trade secrets, nondisclosure agreements and other measures to establish and protect our proprietary rights.

Our patent portfolio includes numerous issued and pending patent applications in the U.S. and other parts of the world, which, in the aggregate, we believe to be of material importance in the operation of our business. U.S. patents, as well as most foreign patents, are generally effective for 20 years from the date the earliest application was filed. In some cases, the patent term may be extended. Our issued patents as of December 31, 2025 are set to expire over a range of years, from 2026 with respect to some of our earlier patents, to 2044, subject to any extensions. We also have various registered U.S. trademarks, registered European Community trademarks, and many other trademark registrations and pending trademark applications around other parts of the world. In addition, we have entered into exclusive and non-exclusive licenses in the ordinary course of business relating to a wide array of technologies or other intellectual property rights or assets.

Our patents and patent applications seek to protect aspects of our core membrane and sensor technologies and our product concepts for continuous glucose monitoring. We believe that our patent position provides us with sufficient rights to protect our current and proposed commercial products. However, our patent applications may not result in issued patents, and any patents that have been issued or might be issued may not protect our intellectual property rights. Furthermore, we operate in an industry characterized by extensive patent litigation, and our patents may not be upheld if challenged. Any patents issued to us may be challenged by third parties as being invalid or unenforceable, and patent litigation may result in significant damage awards and injunctions that could prevent the manufacture and sale of affected products or result in significant royalty payments in order to continue selling the products. Third parties may also independently develop similar or competing technology that avoids our patents. The steps we have taken may not prevent the misappropriation of our intellectual property, particularly in international countries where the laws may not protect our proprietary rights as fully as in the United States. We also face risks associated with intellectual property infringement.

We also rely on trade secrets, technical know-how and continuing innovation to develop and maintain our competitive position. We seek to protect our proprietary information and other intellectual property by generally requiring our employees, consultants, contractors, suppliers, outside scientific collaborators and other advisors to execute non-disclosure and assignment of invention agreements on commencement of their employment or engagement. Agreements with our employees also forbid them from bringing the proprietary rights of third parties to us. We also generally require confidentiality or material transfer agreements from third parties that receive our confidential data or materials. We cannot guarantee that employees and third parties will abide by the confidentiality or assignment terms of these agreements. Despite measures taken to protect our intellectual property, unauthorized parties might copy aspects of our products or obtain and use information that we regard as proprietary.

Sustainability

We believe that taking into account the interests of our various stakeholders – including patients, caregivers, those seeking to optimize metabolic health, employees, investors, and our communities – enables us to operate in a sustainable manner, supports the success of our business and drives long-term value. We do this by holding true to our core values: Listen, Think Big, Be Dependable, and Serve with Integrity.

Our Board of Directors has delegated responsibility to our Nominating and Governance Committee for the oversight of sustainability matters. Periodically, the Nominating and Governance Committee oversees and reviews our sustainability policies and programs, oversees and reviews our participation and visibility as a global corporate citizen, and assesses the management of and Dexcom's performance on sustainability-related impacts, risks, and opportunities, including climate, affecting Dexcom's business. Additionally, the Corporate Sustainability Steering Committee, consisting of members of senior management from Legal, Finance, Human Resources, Commercial and Operations, is responsible for establishing programs, policies and practices relating to sustainability matters, under the auspice of the Nominating and Governance Committee.

Our Sustainability Report is available at https://investors.dexcom.com/governance/governance-documents/, which is provided for reference only and is not incorporated by reference into this Annual Report on Form 10-K.

Government Regulation

The medical devices that we manufacture are subject to regulation by numerous regulatory bodies, including the FDA and comparable international regulatory agencies. These agencies require manufacturers of medical devices to comply with applicable laws and regulations governing the development, testing, manufacturing, labeling, marketing and distribution of medical devices. Devices are generally subject to varying levels of regulatory control, the most comprehensive of which requires that a clinical evaluation program be conducted before a device receives approval for commercial distribution. In addition, healthcare regulatory bodies in the United States and around the world impose a range of requirements related to the payment for medical devices and the procedures in which they are used, including laws intended to prevent fraud, waste, and abuse of healthcare dollars.

U.S. Laws and Regulations

At the U.S. federal level, our products are medical devices subject to extensive and ongoing regulation by the FDA. The U.S. Federal Food, Drug and Cosmetic Act, referred to as the FDCA, and the FDA's implementing regulations govern product design and development, pre-clinical and clinical testing, pre-market clearance, authorization or approval, establishment registration and product listing, product manufacturing, product quality, product labeling, product storage, advertising and promotion, product sales, distribution, recalls and field actions, servicing and post-market clinical surveillance, complaint handling, and adverse event reporting. A number of U.S. states also impose licensing and compliance regimes on companies that manufacture or distribute prescription devices in the state.

In addition, the delivery of our devices in the U.S market is subject to regulation by various U.S. Department of Health and Human Services divisions including CMS, the DHHS Office of the Inspector General, or OIG, the Department of Veterans Affairs, and comparable state agencies responsible for reimbursement and regulation of payment for health care items and services. U.S. laws and regulations are imposed primarily in connection with the Medicare, Medicaid, and TRICARE programs, as well as the government's interest in regulating the quality and cost of health care.

FDA Regulation

Unless an exemption applies, each medical device we wish to commercially distribute in the United States will require either prior 510(k) clearance, prior *de novo* down-classification and a related grant of marketing authorization, or prior approval from the FDA through the premarket approval, or PMA process. The FDA classifies medical devices into one of three classes stratified by risk. Devices requiring fewer controls because they are deemed to pose lower risk are placed in Class I or II. Class I devices are subject to general controls such as labeling, and may be subject to the 501(k) pre-market notification process, and also may require adherence to the FDA's manufacturing requirements, which are contained in the Quality System Regulation, or QSR, which is in the process of being superseded by the new Quality Management System Regulation, or QMSR, becoming effective February 2, 2026. The QMSR amends the quality regulations to align more closely with international consensus standards for quality management systems for medical devices used by other regulatory authorities around the world. Class II devices are typically subject to the requirement stated above and additionally may be subject to special controls such as performance standards, post-market surveillance, FDA guidelines, or particularized labeling, as well as general controls. Some Class I and most Class II devices are exempted by regulation from the pre-market notification (i.e., 510(k) clearance) requirement, and/or the requirement of compliance with substantially all of the QSR, which as stated above is being superseded by the new QMSR. As an example, the mobile applications that comprise the Share System were classified by the FDA as Class II exempt. With the mobile applications classified as Class II exempt, we must comply with certain general and special controls required by the FDA but we do not need prior FDA review to commercialize changes to the mobile applications. Some devices are placed in Class III, which requires approval of a PMA application and may require human clinical trials, if they are deemed by the FDA to pose the greatest risk, such as life-sustaining, life-supporting or certain implantable devices,

or to be “not substantially equivalent” either to a previously 510(k) cleared device or to a “preamendment” Class III device in commercial distribution before May 28, 1976 for which PMA applications have not been required.

If a previously unclassified new medical device does not qualify for the 510(k) pre-market notification process because there is no predicate device as to which it may be found to be substantially equivalent as required by the 501(k) notification process that can be identified, the device is automatically classified into Class III. Under FDA law, the *de novo* classification procedure allows a manufacturer whose novel device is automatically classified into Class III to request down-classification of its medical device into Class I or Class II on the basis that the device presents low or moderate risk, rather than requiring the submission and approval of a PMA. If the FDA agrees with the down-classification, the *de novo* applicant will then receive authorization to market the device, and a classification regulation will be established for the device type. The device can then be used as a predicate device for future 510(k) submissions by the manufacturer or a competitor.

A PMA application must be supported by valid scientific evidence, which typically requires extensive data, including technical, pre-clinical, clinical, manufacturing and labeling data, to demonstrate to the FDA’s satisfaction the safety and efficacy of the device. A PMA application also must include a complete description of the device and its components, a detailed description of the methods, facilities and controls used to manufacture the device, and proposed labeling.

In addition to our CGM devices, we have a Class I data management service which we market to clinics. This service helps healthcare providers and patients see, understand and use blood glucose meter data to diagnose and manage diabetes. The service also allows researchers to control the transfer of data from certain diabetes devices to research tools and databases according to their own research workflows.

The infrastructure of the data management service is considered “medical device data systems,” or MDDS. MDDS are hardware or software products that transfer, store, convert formats, and display medical device data. An MDDS does not modify the data or modify the display of the data, and it does not by itself control the functions or parameters of any other medical device. MDDS are not intended to be used for active patient monitoring. The 21st Century Cures Act excluded certain software functions from the definition of “device”, thus products meeting the definition of MDDS (which previously might have been regulated as Class I, 510(k)-exempt devices) are no longer considered devices and thus are not subject to FDA regulatory requirements.

Additional functions of, or intended uses for, our software platform may require us to obtain marketing authorization from the FDA.

After a device is authorized for marketing and placed in commercial distribution, numerous regulatory requirements apply. These include:

- establishment registration and device listing;
- QSR, to be superseded by the new QMSR as described above, which requires manufacturers to follow design, testing, control, storage, supplier/contractor selection, complaint handling, documentation and other quality assurance procedures;
- labeling regulations, which prohibit the promotion of products for unapproved or off-label uses or indications and impose other restrictions on labeling, advertising and promotion;
- medical device reporting regulations, which require that manufacturers report to the FDA if a device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur;
- voluntary and mandatory device recalls to address problems when a device is defective and/or could be a risk to health; and
- corrections and removal reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health.

Also, the FDA may require us to conduct post-market surveillance studies or order us to establish and maintain a system for tracking our products through the chain of distribution to the patient level. The FDA and the Food and Drug Branch of the California Department of Health Services and other applicable government regulatory agencies enforce regulatory requirements by conducting periodic, unannounced inspections and market surveillance. Inspections may include the manufacturing facilities of our subcontractors.

Failure to comply with applicable regulatory requirements, including those applicable to the conduct of our clinical trials, can result in enforcement action by the FDA, which may lead to any of the following sanctions:

- warning letters or untitled letters that require corrective action;
- fines and civil penalties;
- unanticipated expenditures;
- delays in approving or refusal to approve our future continuous glucose monitoring systems or other products;
- FDA refusal to issue certificates to foreign governments needed to export our products for sale in other countries;
- suspension or withdrawal of FDA approval;
- product recall or seizure;
- interruption of production;
- operating restrictions;
- injunctions; and
- criminal prosecution.

We and our contract manufacturers, specification developers, and some suppliers of components or device accessories, are also required to manufacture our products in compliance with current Good Manufacturing Practice requirements set forth in the QSR, to be superseded by the new QMSR as described above. The QSR requires, and in its place the new QMSR will require, a quality system for the design, manufacture, packaging, labeling, storage, installation and servicing of marketed devices, and includes extensive requirements with respect to quality management and organization, device design, buildings, equipment, purchase and handling of components or services, production and process controls, packaging and labeling controls, device evaluation, distribution, installation, complaint handling, servicing, and record keeping. The FDA evaluates compliance with the QSR, and in its place will require compliance with the new QMSR, through periodic unannounced inspections that may include the manufacturing facilities of our subcontractors. If the FDA believes we or any of our contract manufacturers or regulated suppliers are not in compliance with these requirements, it can shut down our manufacturing operations, require recall of our products, refuse to approve new marketing applications, institute legal proceedings to detain or seize products, enjoin future violations, or assess civil and criminal penalties against us or our officers or other employees. Any such action by the FDA would have a material adverse effect on our business. We may be unable to comply with all applicable FDA regulations.

In March 2025, we received an FDA warning letter following inspections of our facilities in San Diego, California, and Mesa, Arizona. In the warning letter, the FDA cited deficiencies in the response letters sent by us to the FDA following the Form 483, List of Investigational Observations that was delivered to us in connection with the inspection of our San Diego, California facility that occurred from October 2024 through November 2024, and the inspection of our Mesa, Arizona facility that occurred in June 2024. The warning letter describes observed non-conformities in manufacturing processes and our quality management system. We take the matters identified in the warning letter seriously and have submitted responses to the Form 483 and to the FDA warning letter. While the warning letter does not restrict our ability to produce, market, manufacture or distribute products, require recall of any products, nor restrict our ability to seek FDA 510(k) clearance of new products, we may fail to satisfy these regulatory requirements to the FDA's satisfaction, and any failure to do so could result in the foregoing occurring. See the risk factor entitled "*If we or our suppliers or distributors fail to comply with ongoing regulatory requirements, including responding to the FDA warning letter, or if we have unanticipated problems with our products, the products could be subject to restrictions or withdrawal from the market*."

U.S. Fraud and Abuse Laws and Other Compliance Requirements

The healthcare industry is subject to various U.S. federal and state laws pertaining to healthcare fraud and abuse. Violations of these laws are punishable by criminal and civil sanctions, including, in some instances, exclusion from participation in U.S. federal and state healthcare programs, including Medicare and Medicaid.

Anti-kickback Laws. The federal Anti-Kickback Statute prohibits persons from knowingly and willfully soliciting, receiving, offering or providing remuneration directly or indirectly to induce either (i) the referral of an individual, or (ii) purchasing, ordering, recommending, or arranging for the purchase or order of a good or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid. The definition of "remuneration" has been broadly interpreted to include anything of value, including such items as gifts, discounts, the furnishing of supplies or equipment, credit arrangements, payments to consultants, waiver of

payments, and providing anything at less than its fair market value. Given the breadth of this prohibition, Congress has issued a number of exceptions and has granted authority to the OIG to issue safe harbor regulations, each of which set forth certain provisions which, if satisfied in their entirety, will exempt an arrangement from being found to violate the federal Anti-Kickback Statute. The failure of a transaction or arrangement to fit precisely within one or more exceptions or safe harbors is not per se illegal; rather, each arrangement is subject to a facts and circumstances analysis to determine whether the requisite improper intent exists. Therefore, conduct and business arrangements that do not fully satisfy each applicable exception or safe harbor element may result in increased scrutiny by government enforcement authorities or invite litigation by private citizens under federal whistleblower laws. Violation of the Anti-Kickback Statute is a felony and conviction could result in the assessment of fines of up to $100,000 per violation or imprisonment for up to 10 years or both.

Federal Civil False Claims Act. The federal Civil False Claims Act prohibits, among other things, knowingly presenting, or causing to be presented a false claim or the knowing use of false statements or records to obtain payment from the federal government. When an entity is determined to have violated the False Claims Act, it may be subject to repayment of three times the actual damages sustained by the government, plus significant mandatory civil penalties for each separate false claim. Suits filed under the False Claims Act can be brought by any individual on behalf of the government and such individuals (known as “relators” or, more commonly, as “whistleblowers”) may share in any amounts paid by the entity to the government in fines or settlement. These whistleblower-initiated False Claims Act cases are commonly referred to as “qui tam” actions. False Claims Act cases may also be initiated by the U.S. Department of Justice or any of its local U.S. Attorneys’ Offices. In addition, certain states have enacted laws modeled after the federal False Claims Act. Qui tam actions have increased significantly in recent years, causing greater numbers of healthcare companies to have to defend a false claim action, even before the validity of the claim is established and even if the government decides not to intervene in the lawsuit. Healthcare companies may decide to agree to large settlements with the government and/or whistleblowers to avoid the cost, distraction and negative publicity associated with litigation. Federal enforcement agencies also have shown increased interest in pharmaceutical and medical device companies’ product promotion, health care professional engagements, and patient assistance programs, including reimbursement and co-pay support services, and a number of investigations into these programs have resulted in significant civil and criminal settlements. In addition, the Affordable Care Act amended federal law to provide that the government may assert that a claim for items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act. Criminal prosecution is also possible under the Criminal False Claims Act for knowingly making or presenting a false or fictitious or fraudulent claim to the federal government.

Federal Physician Self-Referral Law. The Federal Physician Self-Referral Law, also referred to as the Stark Law, prohibits a physician (or an immediate family member of a physician) who has a financial relationship with an entity from referring patients to that entity for certain designated health services, including durable medical equipment such as the CGM receiver and supplies, payable by Medicare, unless an exception applies. The Stark Law also prohibits such an entity from presenting or causing to be presented a claim to the Medicare program for such designated health services provided pursuant to a prohibited referral, and provides that certain collections related to any such claims must be refunded in a timely manner. Exceptions to the Stark Law include, among other things, exceptions for certain financial relationships, including both ownership and compensation arrangements. The Stark Law is a strict liability statute, therefore, to the extent that the statute is implicated and an exception does not apply, the statute is violated. Violations of the Stark Law must be reported and payment for improper referrals returned to Medicare in order to avoid potential liability under the federal False Claims Act for avoiding a known obligation to return identified overpayments. In the fall of 2020, we transitioned our Medicare business to distributors and we no longer bill Medicare directly for DME and related supplies. In doing so, we have limited our exposure under the Stark Law. In addition to the Stark Law, many states have implemented similar physician self-referral prohibitions that may extend to Medicaid, third party payors, and/or self-pay patients, and may be applicable to our relationships with physicians and other health care providers.

Civil Monetary Penalties Law. The Civil Monetary Penalties Law, or CMPL, authorizes the imposition of substantial civil money penalties against an entity that engages in certain prohibited activities including but not limited to violations of the Stark Law or Anti-Kickback Statute, knowing submission of a false or fraudulent claim, employment of an individual excluded from participation in federal health care programs, and the provision or offer of anything of value to a Medicare or Medicaid beneficiary that the transferring party knows or should know is likely to influence the beneficiary’s selection of a particular provider or supplier from which to receive items or services for which payment may be made in whole or part by a federal health care program, commonly known as the Beneficiary Inducement CMP. Remuneration is defined under the CMPL as any transfer of items or services for free or for less than fair market value. There are certain exceptions to the definition of remuneration for offerings that meet the Financial Need, Preventative Care, or Promoting Access to Care exceptions. Sanctions for violations of the CMPL

include civil monetary penalties and administrative penalties up to and including exclusion from participation in federal health care programs. We are not a “provider, practitioner or supplier” to which the Beneficiary Inducement CMP applies as we do not directly bill Medicare; therefore, our liability under the Beneficiary Inducement CMP is materially reduced.

Violations of the Stark Law, the Anti-Kickback Statute, the Civil Monetary Penalties Law and/or the federal False Claims Act can also form the basis for exclusion from participation in federal and state healthcare programs.

State Analogs of Federal Fraud and Abuse Laws. Many U.S. states have their own laws intended to protect against fraud and abuse in the health care industry and more broadly. In some cases, these laws prohibit or regulate additional conduct beyond that covered under federal law. Penalties for violating these laws can range from fines to criminal sanctions.

Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Health Insurance Portability and Accountability Act of 1996, as amended by the American Recovery and Reinvestment Act of 2009, and implementing regulations, collectively HIPAA, created two federal crimes: healthcare fraud and false statements relating to healthcare matters. The healthcare fraud statute prohibits knowingly and willfully executing a scheme to defraud any healthcare benefit program, including private payors. A violation of this statute is a felony and may result in fines, imprisonment or exclusion from government sponsored programs, or integrity oversight and reporting obligations to resolve allegations of non-compliance. The false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services.

HIPAA and Other U.S. Privacy Laws and Regulations. Numerous federal and state laws, rules and regulations govern the collection, dissemination, use, privacy, security and confidentiality of personal information. HIPAA, in addition to the criminal powers above, extensively regulates the use and disclosure of individually identifiable health information, through the Privacy, Security, and Breach Notification Rules. HIPAA requires covered entities, including health plans and most health care providers, to implement administrative, physical and technical safeguards to protect the privacy and security of covered information (known as “protected health information”) and sets limits and conditions on the uses and disclosures that may be made of such protected health information. HIPAA’s Security Rule and certain provisions of the HIPAA Privacy Rule and Breach Notification Rule apply to business associates of covered entities (i.e., entities that provide services to covered entities that may require access and use of protected health information on behalf of covered entities), and business associates are subject to direct liability for violation of these rules. In addition, a covered entity may be subject to criminal and civil penalties as a result of a business associate violating HIPAA, if the business associate is found to be an agent of the covered entity. Covered entities must report breaches of unsecured protected health information to affected individuals without unreasonable delay and notification must also be made to the U.S. Department of Health & Human Services, Office for Civil Rights (OCR) and, in certain situations involving large breaches, to the media. The OCR enforces the HIPAA Rules and performs compliance audits and investigations. In addition to enforcement by OCR, HIPAA authorizes state attorneys general to bring civil actions seeking either injunction or damages in response to HIPAA violations that impact state residents.

On December 1, 2022, OCR issued a bulletin on the requirements under HIPAA for online tracking technologies (e.g., cookies, pixels) to protect the privacy and security of health information. This bulletin outlined OCR’s position on the use of online tracking technology vendors, when certain information received by such vendors constitutes protected health information under HIPAA, and accordingly, when business associate agreements must be executed between covered entities, like us, and such vendors. We are a covered entity under HIPAA because we are a health care provider that engages in certain electronic standard transactions. In certain circumstances, we may also be a business associate of another covered entity or of another business associate. We have assessed our responsibilities under the bulletin and undertaken a number of initiatives to support our compliance with HIPAA and other requirements relating to online tracking technologies, including updates to our cookie banners and preference center. These steps are in addition to measures we had taken previously and we continue to evaluate our compliance with applicable laws and adjust our practices to address developments in the field over time. The HIPAA Rules impose and will continue to impose significant costs on us in order to comply with these standards.

There are numerous other laws, regulations and legislative and regulatory initiatives at the federal and state levels addressing privacy and security of personal information. We also remain subject to federal and state privacy-related laws that may be more restrictive or contain different requirements than the privacy regulations issued under HIPAA. These laws vary and could impose additional penalties. For example, the Federal Trade Commission, or FTC, uses its consumer protection authority to initiate enforcement actions against companies relating to their use and disclosure of personally identifiable information. Specifically, FTC has asserted authority and issued enforcement actions in response to actual or perceived unfair or deceptive practices by a company in the handling of consumer

information. The FTC has also pursued enforcement actions against companies for violations of its Health Breach Notification Rule and the Children's Online Privacy Protection Act. Our use of personal information is also subject to our published privacy policies and notices.

Further, nearly half of the U.S. states have enacted legislation that creates new data privacy and security obligations for certain entities. These laws include, for example, the California Consumer Privacy Act, or CCPA, which came into effect January 1, 2020 and was amended and expanded by the California Privacy Rights Act, or CPRA, which came into effect on January 1, 2023, and similar state laws. Several other states are proposing to enact, their own comprehensive privacy laws. Among other things, these state-specific laws create new data privacy obligations for covered companies and provide new privacy rights to state residents, including the right to opt out of certain disclosures of their information. In addition, some states have adopted legislation focused on protections pertaining to consumer health data that is not subject to HIPAA, as evidenced by passage of the Washington My Health My Data Act and similar laws passed, for example, in Connecticut and Nevada. The CCPA also created a private right of action with statutory damages for certain data breaches, thereby potentially increasing risks associated with a data breach, and other laws, such as the Telephone Consumer Privacy Act and the Washington My Health My Data Act, also have private rights of action for violations. The state laws are not uniform and we must evaluate to what extent the laws apply to our operations. The effects of state data protection laws are significant and have required us to modify our data processing practices. The laws may also cause us to incur substantial costs and expenses to ensure ongoing compliance, particularly given our base of operations in California. Various U.S. state laws and regulations may also require us to notify affected individuals and state agencies in the event of a data breach involving individually identifiable information.

In addition to the laws discussed above, we may see more stringent state and federal privacy legislation passed, as the increased cyber-attacks during recent international conflicts have once again put a spotlight on data privacy and security in the U.S. and other jurisdictions. We cannot predict where new legislation might arise, the scope of such legislation, or the potential impact to our business and operations.

FCPA and Other Anti-Bribery and Anti-Corruption Laws. The U.S. Foreign Corrupt Practices Act, or FCPA, prohibits U.S. corporations and their representatives from offering, promising, authorizing or making payments to any foreign government official, government staff member, political party or political candidate in an attempt to obtain or retain business abroad. The scope of the FCPA would include interactions with certain healthcare professionals in many countries, either directly or through our contracted distributors. On February 10, 2025, the Trump Administration issued an executive order, "Pausing Foreign Corrupt Practices Act Enforcement to Further American Economic and National Security", pausing FCPA enforcement for a period of 180 days while new guidelines were developed that prioritized American economic competitiveness and efficiency of government resources; however, on June 9, 2025, the Deputy Attorney General issued a memorandum pursuant to the executive order's directive, titled "Guidelines for Investigations and Enforcement of the Foreign Corrupt Practices Act (FCPA)", which detailed the administration's new FCPA guidelines for current and future investigations and enforcement priorities. Then on August 11, 2025, the DOJ unsealed its first FCPA indictment since the pause in FCPA enforcement. The indictment described conduct similar to matters previously pursued under the FCPA prior to the executive pause order; however, certain elements of the conduct and the allegations aligned with the policy goals expressed in the updated guidelines. Therefore, the FCPA remains applicable to our operations and we continue to expend resources to ensure that our activities comply. Our present and future business has been and will continue to be subject to various other U.S. and foreign laws, rules and/or regulations.

Physician Payment Sunshine Act. Pursuant to the Patient Protection and Affordable Care Act that was signed into law in March 2010, the federal government enacted the Physician Payment Sunshine Act. As a manufacturer of U.S. FDA-regulated devices reimbursable by federal healthcare programs, we are subject to this law, which requires us to track and annually report certain direct or indirect payments and other transfers of value we make to certain U.S.-licensed health care practitioners and U.S. teaching hospitals. We are also required to report certain ownership or investment interests held by physicians and their immediate family members. In 2018, the law was amended to require tracking and reporting of payments and transfers of value provided to health care practitioners besides physicians, including physician assistants, nurse practitioners, and other mid-level practitioners. These expanded reporting requirements took effect in 2022 for payments and transfers of value made to these additional practitioner-types in 2021. These repayments are published, with annual updates released on June 30 each year, and available on CMS' Open Payments website. While there are exceptions to this transparency reporting, the rules are highly technical and require close monitoring and analysis to ensure continued compliance. Initial penalties under the Sunshine Act were civil fines that ranged from $1,000 to $100,000 per violation (adjusted annually) with a $1 million cap (adjusted annually). However, due to annual adjustments, the annual penalty cap for 2025 was $1,443,275. Depending on the circumstances, reported payments also have the potential to draw scrutiny to our relationships with health care practitioners and academic medical institutions, which may have implications under the Anti-

Kickback Statute and other healthcare laws. CMS has the right to audit reporting entities for compliance. CMS began its first audits in fiscal year 2023.

In addition, certain states also have laws and regulations related to payments and other transfers of value provided to healthcare professionals and entities. Similar to the federal law, certain states have adopted marketing and/or transparency laws relevant to device manufacturers, some of which are broader in scope. Certain states also mandate that device manufacturers implement compliance programs. Other states impose restrictions on device manufacturer marketing practices and require tracking and reporting of gifts, compensation, and other remuneration to healthcare professionals and entities. The need to build and maintain a robust compliance program with different compliance and/or reporting requirements increases the possibility that a company may violate one or more of the requirements, resulting in fines and penalties. We continue to expend resources to ensure our continued compliance with these transparency reporting laws.

International Regulation

International sales of medical devices are subject to international government regulations, which may vary substantially from country to country. The time required to obtain approval in an international country may be longer or shorter than that required for FDA approval, and the requirements may differ. There is a trend towards harmonization of quality system standards among the European Union, United States, Canada and various other industrialized countries.

The regulatory framework governing medical devices is largely harmonized within the European Economic Area, or EEA, which includes the 27 member states of the European Union, or EU, plus Norway, Iceland, and Liechtenstein. Other countries, such as Switzerland, have voluntarily adopted laws and regulations that mirror those of the EU/EEA with respect to medical devices. In the EU/EEA, Regulation (EU) 2017/745, or MDR, regulates the design, manufacture, clinical evaluation, labeling, placing on the market, and adverse event reporting for medical devices. The MDR was approved in 2017, replacing Council Directives 90/385/EEC and 93/42/EEC, and became applicable in the EU/EEA on May 26, 2021, changing several aspects of the existing regulatory framework. The MDR initially provided for a three-year transitional period, which was subsequently extended in 2023. As a result, medical devices certified under the former Council Directives 90/385/EEC or 93/42/EEC must now comply with the MDR by May 26, 2026, December 31, 2027, or December 31, 2028, depending on their risk classification.

To be placed on the EU/EEA market, all medical devices must undergo a conformity assessment and bear the CE Mark, indicating that the device conforms to the essential requirements of the MDR. As a general rule, demonstration of conformity of medical devices must be based on clinical data supporting the safety and performance of the products. Specifically, a manufacturer must demonstrate that the device achieves its intended performance during normal conditions of use, that the known and foreseeable risks, and any adverse events, are minimized and acceptable when weighed against the benefits of its intended performance, and that any claims made about the performance and safety of the device are supported by suitable evidence. The method of assessing conformity varies depending on the class of the product. For low-risk medical devices (Class I with no measuring function and which are not sterile), the manufacturer can perform a self-assessment. For all other devices (Class IIa, IIb, and III), the conformity assessment requires the intervention of a Notified Body, i.e. an independent third-party organization designated by the competent authority of an EU/EEA member state. Depending on the applicable conformity assessment route, the Notified Body assesses and audits the manufacturer's technical documentation and quality management system, covering the manufacture, design, and final inspection of the devices. Upon successful completion of the conformity assessment procedure, the Notified Body issues the CE Certificate of Conformity, which entitles the manufacturer to affix the CE Mark.

On December 16, 2025, the European Commission, or EC, published a proposal to revise the MDR. The proposal introduces several measures that would have a significant impact on the medical device industry, including:

- Amendments to classification rules, which may result in a lower risk classification for certain products, including medical device software. These changes could also reduce the number of AI-enabled medical devices classified as "high-risk" under the EU AI Act (Regulation (EU) 2024/1689);
- Clarification of the interplay with the AI Act, providing that most requirements applicable to high-risk AI systems under the AI Act would not apply to AI-based medical devices, in order to avoid regulatory overlaps;
- Extension of CE Certificate validity, by removing the current five-year maximum validity period for CE Certificates of Conformity issued by Notified Bodies.

The proposal will now undergo the ordinary legislative procedure and be examined by the European Parliament and the Council, which may introduce amendments to the text proposed by the EC.

Outside of the EU/EEA, regulatory approval needs to be sought on a country-by-country basis in order for us to market our products. Other countries have adopted medical device regulatory regimes, such as the Classification Rules for Medical Devices published by the Hong Kong Department of Health, the Health Sciences Authority of Singapore regulation of medical devices under the Health Products Act, and Health Canada's risk classification system for invasive devices, among others. Each country may have its own processes and requirements for medical device licensing, approval, and regulation, therefore requiring us to seek regulatory approvals on a country-by-country basis.

Outside the United States a range of anti-bribery and anti-corruption laws, as well and some industry-specific laws and codes of conduct, apply to the medical device industry and interactions with government officials and entities and healthcare professionals. Laws include the UK Bribery Act of 2010. Further, the EU member countries have emphasized a greater focus on healthcare fraud and abuse and have indicated greater attention to the industry by the European Anti-Fraud Office. MedTech Europe, the medical device industry association, also introduced the Code of Ethical Business Practices, which came into effect on January 1, 2017 and was updated with effect from January 1, 2023. Countries in Asia have also become more active in their enforcement of anti-bribery laws and with respect to procurement and supply chain fraud.

In the EU, increasingly stringent data protection and privacy rules that have and will continue to have substantial impact on the use of patient data across the healthcare industry became effective in May 2018. The EU General Data Protection Regulation, or GDPR, applies across the EU and European Economic Area and includes, among other things, a requirement for prompt notice of data breaches to data subjects and supervisory authorities in certain circumstances and significant fines for non-compliance. The GDPR fine framework can be up to 20 million euros, or up to 4% of the company's total global turnover of the preceding fiscal year, whichever is higher. The GDPR also requires companies processing personal data of individuals residing in the EU and European Economic Area to comply with EU privacy and data protection rules in certain circumstances, even if the company itself does not have a physical presence in the EU or European Economic Area. Noncompliance could result in the imposition of fines, penalties, or orders to stop noncompliant activities. Due to the strong consumer protection aspects of the GDPR, companies subject to its purview are allocating substantial legal costs to the development and maintenance of necessary policies and procedures and overall compliance efforts. We expect continued costs associated with maintaining compliance with GDPR into the future. For example, on July 16, 2020, the Court of Justice of the EU issued a judgment in Case C-311/18 that declared the EU-U.S. Privacy Shield Framework invalid (Data Protection Commissioner v Facebook Ireland Ltd and Maximillian Schrems, also knowns as "Schrems II"). In the absence of the new adequacy decision, this judgment still results in additional compliance obligations for companies that rely on mechanisms other than the Privacy Shield, like standard contractual clauses and appropriate supplementary measures to ensure a valid basis for the transfer of personal data outside of Europe. Though a new adequacy decision (the EU-U.S. Data Privacy Framework) has been adopted, it may also be subject to challenges similar to those faced by the Privacy Shield. In view of this and other developments, data transfer risk remains a potential issue that requires regular monitoring. We expect continued costs associated with maintaining compliance with the GDPR into the future, and these requirements, as interpreted by EU data protection authorities, could negatively impact our business, financial condition and results of operations.

Certain governments around the world are also adopting laws and regulations pertaining to mandatory corporate sustainability reporting. For example, the EU has adopted the Corporate Sustainability Reporting Directive that will require us to disclose certain social, governance and environmental information and data.

In the EU, several recently adopted or proposed legislative initiatives may affect our business. In addition to the proposed revision of the MDR, these include the AI Act (Regulation (EU) 2024/1689), the Data Act (Regulation (EU) 2023/2854), the Health Data Space Regulation (Regulation (EU) 2025/327), the Regulation on Health Technology Assessment (Regulation (EU) 2021/2282), the Battery Regulation (Regulation (EU) 2023/1542), and the Network and Information Security Directive (NIS 2) (Directive (EU) 2022/2555), among others. Moreover, the EU is currently discussing the Digital Omnibus Package, which comprises a series of technical amendments to a wide body of EU digital legislation. In particular, the Digital Omnibus Package consists of two legislative proposals:

- A first proposal introducing amendments to several pieces of legislation, including Regulation (EU) 2016/679 (GDPR), the ePrivacy Directive (Directive 2002/58/EC), the NIS2 Directive and other instruments relating to cybersecurity (DORA, CER, eIDAS), and the Data Act; and
- A second proposal aimed at amending the AI Act to support its smooth and effective application and to ensure its consistent implementation across the EU.

Environmental Regulation

Our research and development and clinical processes involve the handling of potentially harmful biological materials as well as hazardous materials. We are subject to federal, state and local laws and regulations governing the use, handling, storage and disposal of hazardous and biological materials and we incur expenses relating to compliance with these laws and regulations. If violations of environmental, health and safety laws occur, we could be held liable for damages, penalties and costs of remedial actions. These expenses or this liability could have a significant negative impact on our financial condition. We may violate environmental, health and safety laws in the future as a result of human error, equipment failure or other causes. Environmental laws could become more stringent over time, imposing greater compliance costs and increasing risks and penalties associated with violations. We are subject to potentially conflicting and changing regulatory agendas of political, business and environmental groups. Changes to or restrictions on permitting requirements or processes, hazardous or biological material storage or handling might require an unplanned capital investment or relocation. Failure to comply with new or existing laws or regulations could harm our business, financial condition and results of operations.

Advisory Boards and Consultants

We have relied upon the advice of experts in the development and commercialization of our products. Since 2005, we have used experts in various disciplines on a consulting basis as needed to solve problems or accelerate development pathways. We may continue to engage advisors from the academic, consultancy, governmental or other areas to assist us as necessary. Relationships between manufacturers and physicians, including in consultancy and advisory board roles, is subject to scrutiny under the federal Anti-Kickback Statute and its state law equivalents. Due to this scrutiny, we incur legal and consulting fees to ensure our relationships with physicians and other health care providers meet regulatory requirements, including that compensation paid to such physicians is within fair market value.

Human Capital

We aim to foster an inclusive and engaging culture that values each person's unique skill set and to continue to attract – and retain – top talent throughout the organization. 2025 represented a year of continued growth across Dexcom; our employee population grew both by number and global footprint. Our consistent support of hybrid work provides access to a broader talent pool. As of December 31, 2025, we have approximately 11,100 employees around the globe, including 11,000 full-time employees.

Country	Female	Male	Grand Total	Ethnically Diverse (US Only)*
United States	2,400	2,900	5,300	3,100
International	3,000	2,800	5,800	N/A
Grand Total**	5,400	5,700	11,100	3,100

*All diversity data is self-reported. We capture ethnic diversity data in the United States only, comprised of the following categories: Black or African American, Hispanic or Latino, Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, Two or More Races.

**Includes full-time and part-time employees.

The human capital measures and objectives that we focus on include equity and inclusion; communications and engagement; health, safety and wellness; total rewards and pay equity; and talent growth and development.

Equity and Inclusion

Our journey to create a more equitable and inclusive workplace continues. As Dexcom continues to grow and scale, we believe our initiatives have been critical not only for company culture but also for the growing diversity of patients our products will benefit across the globe.

Our human resources team, Employee Resource Group sponsors (ERGs), and senior leaders work together to advance the broader equity strategy across the organization. We are proud to support our ERGs; their employee-led activities and initiatives foster a sense of belonging throughout all our global locations. We integrate equity and inclusion into talent conversations, especially at senior levels, making our processes fairer for all Dexcom employees.

Communications and Engagement

Through strategic communications, we continue to strengthen the connection between our leaders and our business goals, as well as the behaviors needed to drive a positive employee experience. We also believe by listening to our employees, we can create a dynamic workplace that will foster productivity while promoting work-life balance and connection across the organization. We have continued to seek out “the voice of the employee” through life cycle surveys. Each year, we offer an engagement survey titled “We’re Listening.” Employee engagement scores consistently remained high based on a six-factor index. Notably, a strong majority of employees indicated they are proud to work for Dexcom and see a clear link between their work and the Dexcom mission.

Health, Safety and Wellness

We are deeply committed to the safety, health and wellness of our employees. The Dexcom Environmental, Health, Safety & Sustainability team develops global safety practices and procedures, trains employees, and monitors compliance. Through these efforts, along with leadership commitment and investment of resources in support of workplace safety initiatives, our total US injury rate has consistently tracked below industry averages.

We also provide comprehensive health and well-being programs that support our employees and their families. For example, Inspire, our global wellness program, and our global mental health and employee assistance programs are designed to help employees and their family members develop and achieve their physical, emotional, and financial well-being goals.

Our goal to support our employees’ needs remains constant. We continued to provide vaccination clinics for employees and their families, and continued support of remote and hybrid work for employees whose roles allow for it.

Total Rewards and Pay Equity

Our total rewards package includes market competitive pay, comprehensive and competitive global benefits and retirement offerings, paid time off and family leave, tuition reimbursement and on-site services. To foster a stronger sense of ownership and align the interests of employees with shareholders, we offer an Employee Stock Purchase Plan, and restricted stock units are provided to eligible employees under our broad-based stock incentive programs.

In 2025, we continued our proactive year-end global market adjustment process intended to ensure we maintain pay equity between active employees and potential new external hires. Through this process, employees who meet predefined criteria may be eligible for an additional adjustment in base salary if they have fallen below Dexcom’s determined minimum. We believe by continuing to ensure equitable pay between existing and new hires, we will be better positioned to retain valued employees.

Additionally, we continue to proactively review both gender and ethnicity pay equity for our global employees in the same or similar roles. The goal of these reviews is to identify and close any gaps in average pay, after accounting for legitimate business factors that may explain differences, such as performance, time in role, and tenure with the company. We have incorporated the findings into our compensation assessment cycles, and we recognize the need to regularly review pay equity to maintain our pay equity goals. With the implementation of our global market adjustment process, we conduct the gender and ethnicity review annually.

Talent Growth and Development

We continue to invest in new learning systems and programming to support employee development. To support the personal and professional growth of our workforce, we have built an extensive library of development offerings to empower employees at all levels to advance their skill sets and knowledge base. Because there is no one-size-fits-all approach to career development, we continue to evolve our curriculum to meet the needs of our diverse workforce.

Additional details regarding our human capital and other matters can be found in our Sustainability Report. Although not incorporated by reference into this Annual Report on Form 10-K, our Sustainability Report can be accessed on our investors website at investors.dexcom.com, by clicking “Governance Documents & Sustainability”.

ITEM 1A - RISK FACTORS

Our short and long-term success is subject to numerous risks and uncertainties, many of which involve factors that are difficult to predict or beyond our control. Before making a decision to invest in, hold or sell our common stock, stockholders and potential stockholders should carefully consider the risks and uncertainties described below, in addition to the other information contained in or incorporated by reference into this Annual Report on Form 10-K, as well as the other information we file with the SEC, including our subsequent reports on Forms 10-Q and 8-K. If any of the following risks are realized, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that case, the value of our common stock could decline and stockholders may lose all or part of their investment. Furthermore, additional risks and uncertainties of which we are currently unaware, or which we currently consider to be immaterial, could have a material adverse effect on our business, financial condition or results of operations. Refer to our disclaimer regarding forward-looking statements at the beginning of this Annual Report on Form 10-K.

Risks Related to Our Business and Operations

Risks Related to Pricing and Reimbursement

If we experience decreasing prices for our products and we are unable to reduce our expenses, including the per unit cost of producing our products, there may be a material adverse effect on our business, results of operations, financial condition and cash flows.

We have experienced, and anticipate that we will continue to experience, decreasing prices for our products due to future reimbursement changes under Medicare and pricing pressure from managed care organizations and other third-party payors.

In the United States and other countries, government and private sector access to health care products continues to be a subject of focus, and efforts to reduce health care costs are being made by third-party payors. Most of our customers rely on third-party payors, including government programs and private health insurance plans, to cover the cost of the G6, G7, G-7 15 Day, Dexcom One, and Dexcom ONE+. We expect that these continuing cost reduction and containment measures could result in lower prices for these products and lower reimbursement rates, as well as could lead to patients being unable to obtain approval for coverage or payment from these third-party payors resulting in costs being shifted to patients for these products. Additionally, we may experience pricing pressure if our products are increasingly subject to competitive bidding processes, which include substantial costs and managerial time to prepare bids and proposals for contracts that may not be awarded to us or may be split among competitors. For example, in June 2025, the Centers for Medicare & Medicaid Services published a proposed rule that would subject continuous glucose monitors to the competitive bidding process, which could negatively impact our reimbursement and result in price decreases. In late 2025, CMS extended the DMEPOS competitive bidding program to include our CGMs and receivers, with contracting beginning in 2027 and payment changes taking effect in 2028. Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in CBAs. CMS anticipates that ten (10) contracts will be awarded for CGMs. However, while the competitive bidding program previously used CBAs for contract awards, CMS determined that for CGMs and certain other DME, a RID CBA was more appropriate. It remains to be seen whether CGMs will be covered under a single, nationwide RID CBA or whether regional RID CBAs will be established. In any event, the bid process is expected to result in lower Medicare reimbursement for CGM systems, particularly because CMS is changing the pricing under the RID CBA by setting a single payment amount for covered items at the 75th percentile of the winning bids, rather than using the maximum winning bid. Further, CMS has reclassified CGMs and insulin infusion pumps to items that require frequent and substantial servicing and will phase in monthly rental payments for these items. CMS will bundle the rental amount for the receiver device with payment for the supplies and accessories in the new payment amount. The bid limit will be monthly fee schedule amounts for the supplies plus the average purchase fee schedule amounts for the CGM receiver device divided by 60 (intended to capture the 5-year useful life of the device.) As a result, we expect that Medicare reimbursement for our CGM systems will decrease beginning in 2028. CMS is required by law to recompete these contracts at least once every three years and to roll out the competitive bidding process nationally or adjust prices in non-competitive bidding areas to match competitive bidding prices. The implementation of the competitive bidding program is expected to result in reduced Medicare payment for CGMs in both competitive bidding areas and non-competitive bidding areas. Additionally, the new bidding system will contain a “country of origin” question to obtain information on where products are manufactured; however, it is unclear how CMS intends to use this information. Given that we maintain offshore manufacturing facilities, country of origin reporting could have an impact on our business. Competitive bidding could negatively impact our reimbursement and result in price decreases. To the extent these

cost containment efforts are not offset by greater patient access to our products, our revenue may be reduced and our business may be harmed.

On July 4, 2025, President Trump signed the budget reconciliation bill (entitled "One Big Beautiful Bill Act", or the Bill) to meet spending targets aimed at funding the Administration's domestic priorities that includes significant changes to the Medicaid program. Congressional Budget Office, or CBO, preliminary estimates show that the Medicaid provisions would reduce Medicaid spending by $1 trillion and will increase the number of people without health insurance by at least 11.8 million by 2034. Some key proposed changes to the Medicaid Program include, but are not limited to: work requirements; cost sharing of up to $35 per service on expansion adults who exceed the official poverty threshold; stricter eligibility requirements for non-U.S. citizens; requirements for states to conduct eligibility redeterminations at least every six months for Medicaid expansion adults; and prohibitions on states from establishing any new provider taxes or from increasing the rates of existing taxes, among other changes. Decreased federal funding and stricter eligibility requirements may result in more restrictive Medicaid programs at the state level and fewer individuals eligible for coverage, which could have an adverse impact on the number of individuals who seek to use our products and services.

Despite the ACA going into effect over a decade ago, there have been numerous legal and Congressional challenges to the law's provisions and the effect of certain provisions have made compliance costly. For instance, changes to the ACA included in the Bill, including shortening enrollment periods and eliminating automatic reenrollment, could reduce ACA enrollment. We expect material changes in health policy, enforcement initiatives, and coverage and reimbursement for health care items and services from the Trump Administration and Congress. As such, our costs to monitor these changes and respond to new requirements will increase.

In addition to decreased pricing, we may be unable to reduce our expenses, including the cost of sourcing materials, logistics and the cost to manufacture our products. If the prices for our products decrease and/or if we are unable to offset the effects of general inflation on our operating costs through increases in the prices for our products, our business, results of operations, financial condition and cash flows will be adversely affected.

Although many third-party payors have adopted some form of coverage policy for continuous glucose monitoring devices, our products do not always have such coverage, including simple broad-based contractual coverage with third-party payors, and we frequently experience administrative challenges in obtaining coverage or reimbursement for our products. If we are unable to obtain adequately broad coverage or reimbursement for our products or any future products from third-party payors, our revenue may be negatively impacted.

As a medical device company, reimbursement from government and/or commercial third-party healthcare payors, including Medicare and Medicaid, is an important element of our success. CMS provides coverage for "Therapeutic Continuous Glucose Monitors" as durable medical equipment eligible for coverage under Medicare Part B. Coverage criteria for therapeutic CGMs is determined by CMS under national coverage determinations as well as by local Medicare Administrative Contractors under local coverage determinations. Therefore, Medicare reimbursement for our CGM devices is subject to various coverage conditions and often requires a patient-specific coverage analysis. Medicare does not cover any items or services that are not "reasonable and necessary." In order to be covered under the DME benefit, one component of the CGM system must meet the criteria for a durable medical device. To date, the receiver satisfied these criteria. To the extent that a receiver is not used by a Medicare beneficiary or CMS otherwise determines that the items and supplies ordered are not medically necessary, Medicare may not cover that CGM system or any associated supplies.

We face a number of regulatory and commercial hurdles relating to wide-scale sales where a government or commercial third-party payor provides reimbursement, including sales to Medicare beneficiaries. If we are unable to successfully address these hurdles, reimbursement of our products may be limited to a smaller subset of people with diabetes covered by Medicare or to those people with diabetes covered by other third-party payors that have adopted policies for CGM devices allowing for coverage of these devices if certain conditions are met. Adverse coverage or reimbursement decisions relating to our products, or rescission or limitation of favorable determinations, by CMS, its Medicare Administrative Contractors, other state, federal or international payors, and/or third-party commercial payors could significantly reduce reimbursement, which could have an impact on the acceptance of, and demand for, our products and the prices that our customers are willing to pay for them.

As of December 31, 2025, the eight largest private third-party payors in the United States, in terms of the number of covered lives, have issued coverage policies for the category of CGM devices. In addition, we have negotiated contracted rates with all of those third-party payors for the purchase of the G6 and G7 systems by their members. Nevertheless, coverage and reimbursement-related barriers remain. Among other things, people with diabetes without insurance that covers our products bear the entire financial cost of using our products. In addition, in the

United States, existing single-point finger stick devices used by people with diabetes are generally reimbursable for all or part of the product cost by Medicare or other third-party payors, which may be perceived as more advantageous for consumers. Further, while many third-party payors have adopted some form of coverage policy on CGM devices, in a sizeable percentage of cases, under durable medical equipment benefits, those coverage policies frequently are restrictive and require significant medical documentation and other requirements in order to obtain reimbursement, and as a result, we have difficulty improving the efficiency of our customer service group. Moreover, it is not uncommon for governmental, including federal and/or state, agencies and their contractors to conduct periodic routine billing and compliance reviews that may entail extensive documentation requests, cooperation with which may require significant time and resources, and may result in identification of overpayments that may need to be refunded. The commercial success of our products in both domestic and international markets will substantially depend on whether timely and comprehensive third-party reimbursement is widely available for individuals that use them.

CMS has adopted coverage guidelines for CGMs, which could have a favorable impact on us. Previously, Medicare coverage for CGM was only available to Medicare patients who take at least three doses of insulin a day, limiting CGM reimbursement for Medicare beneficiaries with intensive Type 1 and 2 diabetes. The Local Coverage Determination, or LCD, that CMS released in April 2023 extends Medicare CGM coverage to patients who use any insulin. Further, the LCD also allows coverage for patients not taking insulin if the patient has a history of problematic hypoglycemia.

Nevertheless, third-party payors are increasingly attempting to contain healthcare costs by limiting both coverage and the level of reimbursement of new and existing medical devices, and, as a result, they may be restrictive, or they may not cover or provide adequate payment for our products. In order to obtain additional reimbursement arrangements, including under pharmacy benefits, we may have to agree to a net sales price lower than the net sales price we might charge in other sales channels. Our revenue may be limited by the continuing efforts of government and third-party payors to contain or reduce the costs of healthcare through various increasingly sophisticated means, such as leveraging increased competition, increasing eligibility requirements such as second opinions and other documentation, purchasing in a bundle, or redesigning benefits. In December 2021, CMS published a final rule expanding the classification of DME under Medicare Parts B & C to include adjunctive CGMs (i.e., CGMs that do not replace standard blood glucose monitors for treatment decisions) and related supplies. This final rule expanded coverage of CGMs to include competing devices, which may continue to have a negative impact on our sales as a result of increased market competition.

In addition, the change in presidential administration in 2025 has caused and may continue to cause shifts in health policy priorities, including potential impacts on Medicare coverage and reimbursement. As discussed above, the Bill included significant changes to federal Medicaid funding and ACA enrollment requirements, all of which are expected to result in decreased Medicaid reimbursement and loss of coverage for individuals under Medicaid and ACA plans. We are unable to predict what effect the current or any future healthcare reform will have on our business, or the effect these matters will have on our customers. Our dependence on the commercial success of our current CGM systems makes us particularly susceptible to any cost containment or reduction efforts. Accordingly, unless government and other third-party payors provide adequate coverage and reimbursement for our current CGM systems or any future products we may develop, people without coverage who have diabetes may not use our products. Furthermore, payors are increasingly basing reimbursement rates on factors such as prior approvals and the effectiveness of the product, clinical outcomes associated with the product, and any factors that negatively impact the effectiveness or clinical outcomes (or cause a perception of any such negative impact), such as the results of a clinical trial, a product defect, or a product recall, which could negatively impact the reimbursement rate. Also, the trends toward managed healthcare in the United States, which we expect to continue, and legislative efforts intended to reduce the cost of government insurance programs could significantly influence the purchase of healthcare services and products and may result in lower prices for our products or the exclusion of our products from reimbursement programs.

In many international markets, pricing and profitability of medical devices are subject to government control. We are susceptible to changes in government-mandated coverage requirements and other controls which could impact access to and affordability of our products. In the United States, federal and state proposals for similar controls may continue and/or increase. As we continue to expand internationally, these government controls will have an increasing effect on our business and results of operations.

Any of the above factors may have a material adverse effect on our ability to increase or maintain our revenue or otherwise have a material adverse impact on our business, financial condition, and results of operations.

Risks Related to Product Development

The research and development efforts we undertake independently, and in some instances in connection with our collaborations with third parties, may not result in the development of commercially viable products, the generation of significant future revenues or adequate profitability.

In order to address the anticipated needs of our customers, pursue new markets for our existing products and any new products, and to remain competitive, we focus our research and development efforts and strategic third-party collaboration activities on the enhancement of our current CGM products, the development of next-generation products and the development of novel technologies and services.

The development of new products, or novel technologies and services and the enhancement of our current CGM products (including seeking and potentially obtaining new indications for use), is difficult, expensive and time-consuming and requires significant investment in research and development, intellectual property protection, clinical trials, regulatory approvals and in obtaining third party reimbursement. The results of our product development and commercialization efforts may be affected by a range of factors, including our ability to anticipate customer needs, innovate and develop new products (whether independently or with our partners), determine a feasible or timely regulatory pathway or approach, and launch those products cost effectively into multiple markets and geographies. If we are unable to successfully anticipate customer needs, innovate, develop new products and successfully launch them, we may not be able to generate significant future revenues or profits from these efforts. Failing to timely launch our new products and any enhancements to our existing products may cause them to become obsolete and materially and adversely affect our business and financial position.

The development and commercial launch timelines for our products depend a great deal on our ability to achieve clinical endpoints and satisfy regulatory requirements and to overcome technology challenges, and may be delayed due to scheduling issues with patients and investigators, requests from institutional review boards, or inquiries from regulators about our independent and collaborative product development activities, product performance and manufacturing supply constraints, among other factors. In addition, support of these clinical trials requires significant resources from employees involved in the production of our products, including research and development, manufacturing, quality assurance, and clinical and regulatory personnel. Even if our development and clinical trial efforts appear successful to us and our regulatory submission appears satisfactory to us, the FDA or comparable international regulator may disagree and may decide not to grant marketing authorization for the products or may require additional product testing or clinical trials or other data to be developed and submitted before approving the products, which would result in product launch delays and additional expense. Even if a product receives marketing authorization from the FDA or comparable international regulator, it may not be accepted in the marketplace by health care professionals, people with diabetes and those seeking to optimize metabolic health.

In the ordinary course of business, we enter into collaborative arrangements with third parties to expand into new markets, including with insulin device manufacturers to integrate our CGM technology into the third parties' insulin delivery systems. We have also entered into collaborations with several organizations that are currently using, or are developing, programs for the treatment of Type 2 diabetes that utilize our current CGM systems. As a result of these relationships, our operating results depend, to some extent, on the ability of our partners to successfully commercialize their insulin delivery systems or monitoring products. Any factors that may limit our partners' ability to achieve widespread adoption of their systems, including competitive pressures, technological breakthroughs for the treatment or prevention of diabetes, adverse regulatory or legal actions relating to insulin pump products, or changes in reimbursement rates or policies of third-party payors relating to insulin pumps or similar products, could have an adverse impact on our operating results.

Many of the companies that we collaborate with are also competitors or potential competitors who may decide to terminate our collaborative arrangement. In the event of such a termination, we may be required to devote additional resources to product development and commercialization, we may need to cancel some development programs and we may face increased competition. Additionally, collaborations may not result in the development of products that achieve commercial success and could be terminated prior to developing any products. Former collaborators may use the experience and insights they develop in the course of their collaborations with us to initiate or accelerate their development of products that compete with our products, which may create competitive disadvantages for us. Accordingly, we cannot provide assurance that any of our collaborations will result in the successful development of a commercially viable product or result in significant additional future revenues.

Our products may not achieve or maintain market acceptance.

We expect that sales of our CGM systems will account for substantially all of our product revenue for the foreseeable future. If and when we receive FDA or other regulators' marketing authorization for, and begin

commercialization of, our next-generation CGM systems, we expect most patients will migrate onto those systems. In the periods leading up to the launch of new or upgraded versions of our CGM systems, however, our customers' anticipation of the release of those products may cause them to cancel, change or delay current period purchases of our current products, which could have a material adverse effect on our business, financial condition and results of operations.

Notwithstanding our prior experience in marketing and selling our products, we might be unable to successfully expand the commercialization of our existing products or begin commercialization of our next-generation CGM systems on a wide-scale for a number of reasons, including the following:

- our G6 and G7 systems prompt the user to replace the sensor no later than the tenth day, and our G7 15 Day prompts the user to replace the sensor no later than the fifteenth day, which might make it expensive for users;
- widespread market acceptance of our products by health care professionals, people with diabetes and those seeking to optimize metabolic health will largely depend on our ability to demonstrate their relative safety, effectiveness, reliability, cost-effectiveness and ease of use;
- the limited size of our sales force;
- we may not have sufficient financial or other resources to adequately expand the commercialization efforts for our products;
- expanded coverage opportunities for our competitors' CGM devices and supplies, including coverage for adjunctive CGMs, increasing competition in the marketplace;
- loss or reduction of insurance coverage for individuals, resulting in higher cost obligations for users with respect to their purchase of our products;
- our FDA and other regulatory authority marketing application submissions and reviews may be delayed, or cleared or approved with limited product indications and labeling;
- we may not be able to manufacture our products in commercial quantities commensurate with demand or at an acceptable cost;
- the uncertainties associated with establishing and qualifying new manufacturing facilities;
- people with diabetes may need to incur the costs of single-point finger stick devices, in addition to our systems;
- the relative immaturity of the CGM market internationally, and limited international reimbursement of CGM systems by third-party payors and government healthcare providers outside the United States;
- the introduction and market acceptance of competing products and technologies, which may have a lower cost or price, allow for a convenience improvement and/or allow for improved accuracy and reliability;
- the introduction and market acceptance of new drug therapies for the treatment and management of diabetes and related conditions, including obesity;
- greater name or brand recognition and more established medical product distribution channels by some of our competitors;
- our inability to obtain sufficient quantities of supplies timely and at appropriate quality levels from our single- or sole-source and other key suppliers;
- our inability to manufacture products that perform in accordance with expectations of consumers; and
- rapid technological change may make our technology and our products obsolete.

In addition to the risks outlined above, our CGMs are more invasive than many other self-monitored glucose testing systems, including single-point finger stick devices, and people with diabetes and those seeking to optimize metabolic health may be unwilling to insert a sensor in their body, especially for those with diabetes if their current diabetes management involves no more than two finger sticks per day. Moreover, people with diabetes and those seeking to optimize metabolic health may not perceive the benefits of CGM and people with diabetes may be unwilling to change their current treatment regimens. Health care professionals may not recommend or prescribe our products unless and until (i) there is more long-term clinical evidence to convince them to alter their existing treatment methods, (ii) there are additional recommendations from prominent physicians that our products are effective in monitoring glucose levels, (iii) reimbursement or insurance coverage is more widely available, and (iv) patient out of pocket cost decreases. In addition, market acceptance of our products internationally by health care professionals and people with diabetes and those seeking to optimize metabolic health will largely depend on our ability to demonstrate their relative safety, effectiveness, reliability, cost-effectiveness and ease of use. If we are

unable to do so, we may not be able to generate product revenue from our international sales efforts. We cannot predict when, if ever, healthcare professionals, including physicians, and people with diabetes and those seeking to optimize metabolic health may adopt more widespread use of CGM systems, including our systems. We are also aware of the increasing use of GLP-1 products for the treatment of obesity and Type 2 diabetes. While we believe that GLP-1s are a companion product and used in conjunction with our CGM systems, these treatments could potentially compete with our CGM systems and reduce sales of our products.

We are also aware of companies outside the traditional medical device sector that are attempting to develop competitive products and services, including for the general health and wellness, or population health space. Some of the companies developing or marketing competing devices are large and well-known publicly traded companies. Such competitors may benefit from guidance issued on January 6, 2026 by the FDA's Center for Devices and Radiological Health that effectively broadens the range of products that may be considered "general wellness devices," including wearables that provide readings around bodily functions and vital signs such as heart rate, blood pressure, and blood glucose.

If our CGM systems do not achieve and maintain an adequate level of acceptance by people with diabetes, those seeking to optimize metabolic health, healthcare professionals, including physicians, and third-party payors, our future revenue may be reduced and our business may be harmed.

Risks Related to Manufacturing, Commercial Operations and Commercialization

If we or our suppliers or distributors fail to comply with ongoing regulatory requirements, including responding to the FDA warning letter, or if we have unanticipated problems with our products, the products could be subject to restrictions or withdrawal from the market.

Any products for which we obtain marketing approval, clearance or authorization (and the activities related to its production, distribution, and promotion, sale, and marketing) are subject to continual review and periodic inspections by the FDA and other regulatory bodies, which may include inspection of our manufacturing processes, complaint handling and adverse event reporting, post-approval clinical data and promotional activities for such product. The FDA's medical device reporting regulations require that we report to the FDA any incident in which our product may have caused or contributed to a death or serious injury, or in which our product malfunctioned and, if the malfunction were to recur, it would likely cause or contribute to a death or serious injury.

If the FDA determines that there is a reasonable probability that a device intended for human use would cause serious, adverse health consequences or death, the agency may issue a cease distribution and notification order and a mandatory recall order. We may also decide to recall a product voluntarily if we find a material deficiency, including unacceptable risks to health, manufacturing defects, design errors, component failures, labeling defects, or other issues. Recalls of our products could divert the attention of our management and have an adverse effect on our reputation, financial condition, and operating results.

We and certain of our suppliers are also required to comply with the FDA's Quality System Regulation, or QSR, which as stated above is being superseded by the new QSMR, and other regulations which cover the methods and documentation of the design, testing, production, control, selection and oversight of suppliers or contractors, quality assurance, labeling, packaging, storage, complaint handling, shipping and servicing of our products. The FDA may enforce the QSR and in the future the QMSR through announced (through prior notification) or unannounced inspections, such as the inspections described below.

Compliance with ongoing regulatory requirements can be complex, expensive and time-consuming. Failure by us or one of our suppliers or distributors to comply with statutes and regulations administered by the FDA, competent authorities and other regulatory bodies, or failure to take adequate response to any observations, including the warning letter described below, could result in, among other things, any of the following actions:

- warning letters or untitled letters that require corrective action;
- delays in approving, or refusal to approve, our CGM systems;
- fines and civil or criminal penalties;
- unanticipated expenditures;
- FDA refusal to issue certificates to international governments needed to export our products for sale in other countries;
- suspension or withdrawal of clearance or approval by the FDA or other regulatory bodies;
- product recall or seizure;
- administrative detention;

- interruption, partial suspension, or complete shutdown of production;
- interruption of the supply of components from our key component suppliers;
- operating restrictions;
- court consent decrees;
- FDA orders to repair, replace, or refund the cost of devices;
- injunctions; and
- criminal prosecution.

From time to time, the FDA conducts inspections of our facilities and may issue Form 483 findings related to our operations and may issue warning letters or take other administrative or enforcement actions asserting noncompliance with FDA laws and regulations. In March 2025, we received an FDA warning letter following inspections of our facilities in San Diego, California, and Mesa, Arizona. In the warning letter, the FDA cited deficiencies in the response letters sent by us to the FDA following the Form 483, List of Investigational Observations that was delivered to us in connection with the inspection of our San Diego, California facility that occurred from October 2024 through November 2024, and the inspection of our Mesa, Arizona facility that occurred in June 2024. The warning letter describes observed non-conformities in manufacturing processes and our quality management system. We take the matters identified in the warning letter seriously and have submitted responses to the Form 483 and to the FDA warning letter. While the warning letter does not restrict our ability to produce, market, manufacture or distribute products, require recall of any products, nor restrict our ability to seek FDA 510(k) clearance of new products, we may fail to satisfy these regulatory requirements to the FDA's satisfaction, and any failure to do so could result in the foregoing occurring.

While we intend to undertake certain corrective actions and provide regular updates to the FDA in order to meet the requirements set forth by FDA in the warning letter, we cannot give any assurances that the FDA will be satisfied with our response or as to the date we expect to resolve the matters included in the FDA warning letter. Until the issues cited in the warning letter are resolved to the FDA's satisfaction, additional legal or regulatory action may be taken without further notice, including as described above.

The potential effect of the warning letter and these other events can in some cases be difficult to quantify and could harm our reputation and cause our product sales and profitability to suffer. In addition, we believe events that could be classified as reportable events pursuant to FDA medical device reporting regulations are generally underreported by physicians and users, and any underlying problems could be of a larger magnitude than suggested by the number or types of FDA medical device reports filed by us. Furthermore, our key component suppliers may not currently be or may not continue to be in compliance with applicable regulatory requirements.

If we obtain regulatory approval to market and sell a product, the FDA or a foreign regulatory authority may still impose significant restrictions on the indicated uses or how the product may be marketed, or may contain requirements for costly post-marketing testing or surveillance to monitor the safety or effectiveness of the product. Later discovery of previously unknown problems with our products, including software bugs, unanticipated adverse events or adverse events of unanticipated severity or frequency, manufacturing problems, or failure to comply with regulatory requirements such as the QSR which as stated above is being superseded by the new QSMR, FDA medical device reporting, or other post-market requirements may result in restrictions on such products or manufacturing processes, withdrawal of the products from the market, voluntary or mandatory recalls (through corrections or removals), fines, suspension of regulatory approvals, product seizures, injunctions, the imposition of civil or criminal penalties, or criminal prosecution. In addition, our distributors have rights to create marketing materials for their sales of our products, and may not adhere to contractual, legal or regulatory limitations that are imposed on their marketing efforts.

Notably, the new bidding system for Medicare competitive bidding will contain a "country of origin" question to obtain information about where products are manufactured. It is unclear how CMS intends to use this information and what impact this could have, if any, on our offshore manufacturing activities.

If our manufacturing capabilities are insufficient to produce an adequate supply of product at appropriate quality levels, our growth could be limited and our business could be harmed.

Our existing manufacturing facilities are designed to manufacture current and next-generation CGM systems, but may not be scaled quickly enough to permit us to manufacture one or more of our CGM systems in quantities sufficient to meet market demand. In the past, we have had difficulty scaling our manufacturing operations to provide a sufficient supply of product to support market demand and our commercialization efforts. From time to time, we have also experienced periods of backorder where we have had insufficient supply of our product and, at times, have had to limit the efforts of our sales force to introduce our products to new customers.

We have experienced manufacturing and inventory challenges for G7 in the past that resulted in disruptions in our ability to supply certain markets, including in the U.S. and other countries. If we fail to produce a sufficient amount of our products, our ability to supply our markets will be compromised and health care providers and people with diabetes' decisions to use our products may be negatively impacted. This could lead to loss of sales of and revenues from our products, could potentially decrease our market share, and/or our business, financial condition, results of operations and growth prospects could be materially adversely affected.

Moreover, we may not adequately predict the market demand for our products, which may lead us to produce our products in the quantities we anticipate will be necessary to meet actual market demand. We will need to adequately predict the market demand for our products and increase our manufacturing capacity by a significant factor over the current level to meet or exceed the anticipated market demand by product. In addition, we may have to modify our manufacturing design, reliability and process for next-generation products that may hereafter be approved, cleared or otherwise authorized by the applicable regulatory body and commercialized.

In 2023, we completed the initial phase of construction of our new facility in Malaysia and commenced commercial manufacturing. We are also building a new facility in Ireland to scale up manufacturing capacity. There are technical challenges to increasing manufacturing capacity, including equipment design, automation, validation and installation, contractor issues and delays, licensing and permitting delays or rejections, materials procurement, manufacturing site expansion, problems with production yields and quality control and assurance. Continuing to develop commercial-scale manufacturing facilities will require the investment of substantial additional funds and the hiring and retention of additional management, quality assurance, quality control and technical personnel who have the necessary manufacturing experience. Delays in the launch of next-generation products may result in unanticipated continuing increases in demand for current-generation products (to substitute for the unavailability of the next-generation products) which, if not adequately prepared for, may result in deficits in our ability to produce adequate amounts of the prior-generation products to meet demand at appropriate prices.

Our ability to scale manufacturing capacity is subject to numerous risks and uncertainties, and may lead to variability in product quality or reliability, increased construction timelines, as well as resources required to design, install and maintain manufacturing equipment, among others, all of which can lead to unexpected delays in manufacturing output. In addition, any changes to our manufacturing processes may trigger the need for submissions or notifications to, and in some cases advance approval from, the FDA or other regulatory authorities because of the potential impact of changes on our previously cleared, approved and/or authorized devices. Our facilities are subject to inspections by the FDA and corresponding state and international agencies on an ongoing basis, and we must comply with Good Manufacturing Practices and the FDA Quality System Regulation, as well as certain state and local requirements. We may be unable to adequately maintain, develop and expand our manufacturing process and operations or maintain compliance with FDA and state and international agency requirements.

If we are unable to manufacture a sufficient supply of our current products or any future products for which we may receive approval or clearance, maintain control over expenses or otherwise adapt to anticipated growth, or if we underestimate growth, we may not have the capability to satisfy market demand or our contractual obligations, and our business will suffer.

Manufacturing difficulties and/or any disruption at our facilities may adversely affect our manufacturing operations and related product sales, and increase our expenses.

Our products require multiple manufacturing processes and steps. Problems with these manufacturing processes, which may not be detectable by us in a timely manner, could lead to product defects or manufacturing failures, resulting in lot failures, product recalls, product liability claims and/or insufficient inventory, any of which could negatively impact our sales.

In addition, our products are manufactured at certain facilities, with limited alternate facilities. If an event occurs at one of our facilities that results in damage to, restrictions on the use of, or closure of, one or more of such facilities, or if our distributions from those facilities are limited or restricted in any way, we may be unable to manufacture the relevant products at the previous levels or at all. Because of the time required to approve, lease, and build out a manufacturing facility, an alternate facility and/or a third-party may not be available on a timely basis to replace production capacity in the event manufacturing capacity is lost.

Additionally, the majority of our manufacturing operations are conducted at facilities located in Mesa, Arizona, and Malaysia and limited manufacturing operations in San Diego, California. We take precautions to safeguard our facilities, which include manufacturing protocols, insurance, health and safety protocols, and off-site storage of data. However, a natural or man-made disaster, such as fire, flood, earthquake, act of terrorism, cyber-attack or other disruptive event, such as a public health emergency, could cause substantial delays in our operations, damage,

destroy or limit our manufacturing equipment, inventory, or records and cause us to incur additional expenses. Earthquakes are of particular significance since our headquarters and limited manufacturing facilities in California are located in an earthquake-prone area. Wildfires are also increasingly common in southern California and present risk to our headquarters and limited manufacturing operations in San Diego, California. Our Arizona facility may confront water supply issues resulting from the ongoing drought in the Western United States and our Malaysia facility may confront issues related to its construction on a reclaimed wetland and the political stability of the Malaysia government. In the event our existing manufacturing facilities or equipment are affected by man-made or natural disasters, we may be unable to manufacture products for sale or meet customer demands or sales projections. If our manufacturing operations were curtailed or ceased, it would seriously harm our business. The insurance we maintain against fires, floods, earthquakes and other natural disasters and similar events may not be adequate to cover our losses in any particular case.

If we experience manufacturing difficulties or disruptions, it could result in insufficient inventory, increased costs, immediate shortages in product or component supply, and decreased sales, any of which may harm our business.

We depend upon third-party suppliers and outsource to other parties, making us vulnerable to supply disruptions, suboptimal quality, non-compliance and/or price fluctuations, which could harm our business.

We manufacture the majority of our products and procure important third-party services, such as sterilization services, at numerous facilities worldwide. We purchase many of the components, materials and services needed to manufacture these products from numerous suppliers in various countries. We have generally been able to obtain adequate supplies of such materials, components and services. However, we also rely on single and/or sole sources for certain components and materials used in manufacturing, such as for the application-specific integrated circuit that is incorporated into the transmitter and certain polymers used to synthesize the polymeric biointerface membranes for our products. In some cases, our agreements with these and other suppliers can be terminated by either party upon short notice. Our contract manufacturers may also rely on single- or sole-source suppliers to manufacture some of the components used in our products.

Although we work with our suppliers to try to ensure continuity of supply while maintaining quality, timeliness and reliability, the supply of these components, materials and services has in some cases been, and may continue to be impacted, interrupted or insufficient. Our manufacturers and suppliers may also encounter problems during manufacturing for a variety of reasons. They may fail to follow specific protocols and procedures, fail to comply with applicable regulations, or be the subject of FDA or other regulatory authority audits or inspections that result in allegations of non-compliance (for example, resulting in Form 483 Observations, Warning Letters, or other FDA enforcement actions). Our manufacturers and suppliers may also experience or be impacted by equipment malfunction, environmental factors, cyber-attacks and public health emergencies, any of which could delay or impede their ability to meet our demand.

Further, if our sole- or single-source suppliers shift their manufacturing and assembly sites to other locations, depending on the circumstances and nature of the item supplied, in addition to quality system activities such as verification and validation, there could be a need for FDA or international regulator notifications or submissions, and the new locations could be subject to regulatory inspections. If there are regulatory delays or impediments impacting our suppliers or us for any reason, we may not be able to quickly establish additional or replacement suppliers, particularly for our single-source components, in part because of the custom nature of various parts we design. Any interruption or delay in the supply of components or materials, or our inability to obtain components or materials from alternate sources at acceptable prices in a timely manner, could impair our ability to meet the demand of our customers and cause them to cancel orders or switch to competitive products.

Our reliance on these outside manufacturers and suppliers also subjects us to other risks that could harm our business, including:

- we may experience a reduction or interruption in supply, and may not be able to obtain adequate supply in a timely manner or on commercially reasonable terms from additional or replacement sources;
- our products are technologically complex and it is difficult to develop alternative supply sources;
- we are not a major customer of many of our suppliers, and these suppliers may therefore give other customers' needs higher priority than ours;
- our suppliers may make errors in manufacturing components that could negatively affect the quality, effectiveness or safety of our products or cause delays in shipment of our products;
- we may have difficulty locating and qualifying alternative suppliers for our single-source supplies;
- switching components may require product redesign and submission to the FDA or international regulator of new applications (such as new 510(k) submissions or PMA supplements) which could significantly

delay production;

- our suppliers manufacture products for a range of customers, and fluctuations in demand for the products these suppliers manufacture for others may affect their ability to deliver components to us in a timely manner or at the current pricing;
- our suppliers may discontinue the production of components that are critical to our products; and
- our suppliers may encounter financial and/or other hardships unrelated to our demand for components, including those related to changes in global economic conditions and/or disease outbreaks, which could inhibit their ability to fulfill our orders and meet our requirements.

We also outsource certain services to other parties, including inside sales, certain transaction processing, accounting, information technology, manufacturing, and other areas. Outsourcing of services to third parties could expose us to suboptimal quality of service delivery or deliverables and potentially result in repercussions such as missed deadlines or other timeliness issues, erroneous data, supply disruptions, non-compliance (including with applicable legal or regulatory requirements and industry standards) and/or reputational harm, with potential negative effects on our results.

We also require the suppliers, service providers and business partners of components or services for our products and related services to comply with law and certain of our policies regarding sourcing practices, but we do not control them or their practices. If any supplier, service provider or business partner violates laws or implements unethical practices, there could be disruptions to our supply chain, cancellation of our orders, or a termination of the relationship with the partner or damage to our reputation, and the FDA or other regulators could seek to hold us responsible for such violations.

If we are unable to establish and maintain adequate sales, marketing and distribution capabilities and/or enter into and maintain arrangements with third parties to sell, market and distribute our products, we may have difficulty achieving market awareness and selling our products in the future.

We must continue to develop and grow our sales and marketing organization and/or enter into partnerships or other arrangements to market and sell our products and/or collaborate with third parties, including distributors and others, to market and sell our products to maintain the commercial success of our current products and to achieve commercial success for any of our future products. In 2024, we launched Stelo in the United States and are expanding distribution capabilities for its sales. If we are unable to establish and maintain adequate sales, marketing and distribution capabilities, independently or with others, for our products, our future revenue may be reduced and our business may be harmed.

Developing and managing a direct sales organization is a difficult, expensive and time-consuming process. To continue to develop our sales and marketing organization to successfully achieve market awareness and sell our products, we must:

- recruit and retain adequate numbers of effective and experienced sales and marketing personnel;
- effectively train our sales and marketing personnel in the benefits and risks of our products;
- establish and maintain successful sales, marketing, training and education programs that educate health care professionals, including endocrinologists, physicians and diabetes educators, so they can appropriately inform their patients about our products;
- manage geographically dispersed sales and marketing operations; and
- effectively train our sales and marketing personnel on the applicable advertising and promotion, and fraud and abuse laws that govern interactions with healthcare professionals and institutions as well as current and prospective patients and customers and maintain active oversight and auditing measures to ensure continued compliance.

We currently employ sales and marketing personnel for the direct sale and marketing of certain of our products in North America, Asia Pacific, Europe and the Middle East. Our direct sales and marketing team calls on healthcare providers and people with diabetes throughout the applicable country, to the extent permissible, to raise awareness and initiate sales of our products. Our sales and marketing organization competes with the experienced, larger and well-funded marketing and sales operations of our competitors. We may not be able to successfully manage our dispersed sales force or increase our product sales at acceptable rates.

We have also entered into distribution arrangements to leverage existing distributors (including wholesalers) already engaged in the distribution of drugs, devices and/or products in the diabetes marketplace. Some of our U.S distributors are focused on accessing underrepresented regions and or third-party payors that contract exclusively with distributors in the United States, while some of our international distributors call directly on healthcare providers

and patients to market and sell our products. Because of the competition for their services, we may be unable to partner with or retain additional qualified distributors. Further, we may not be able to enter into agreements with distributors on commercially reasonable terms, if at all. Our distributors might not have the resources to continue to support our recent rapid growth.

Certain of our distribution agreements generated 10% or more of our total revenue during the twelve months ended December 31, 2025. We cannot guarantee that these relationships will continue or that we will be able to maintain this volume of sales from these relationships in the future. A substantial decrease or loss of these sales could have a material adverse effect on our financial results and operating performance.

We have also entered into arrangements with pharmacy organizations in various countries to dispense our products directly to patients. Because of the competition for their services, we may be unable to enter into new partnerships or otherwise expand our pharmacy network on commercially reasonable terms, if at all. In addition, we cannot guarantee that our existing pharmacy relationships will continue, or that we will be able to maintain or increase sales volume from these relationships in the future.

To the extent that we enter into additional arrangements with third parties to perform sales, marketing, distribution and billing services, our product margins could be lower than if we directly marketed and sold our products. To the extent that we enter into co-promotion or other marketing and sales arrangements with other companies, any revenue received will depend on the skills and efforts of others, and we cannot predict whether these efforts will be successful.

If we do not adequately predict market demand or otherwise optimize and operate our distribution channel successfully, it could result in excess or insufficient inventory or fulfillment capacity, increased costs, immediate shortages in product or component supply, or harm our business in other ways.

We operate in a highly competitive market and face competition from large, well-established companies with significant resources, and, as a result, we may not be able to compete effectively.

The market for glucose monitoring devices is intensely competitive, subject to rapid change and significantly affected by new product introductions and other market activities of industry participants, including enhanced software capabilities, and related data and IT platforms. Our products are based on our proprietary technology, but a number of companies and medical researchers are pursuing new technologies for the monitoring of glucose levels. FDA or other regulatory approval of a commercially viable continuous glucose monitor or sensor produced by one of our competitors could significantly reduce market acceptance of our systems. In addition, certain development efforts throughout the diabetes industry, including that of the National Institutes of Health and other supporters of diabetes research are continually seeking ways to prevent, cure or improve treatment of diabetes. Therefore, our products may be rendered obsolete by technological breakthroughs in diabetes monitoring, treatment, prevention or cure.

In selling our G6, G7, G7 15 Day, Dexcom One and Dexcom ONE+, we compete directly with the Diabetes Care division of Abbott Laboratories; Medtronic (MiniMed); Roche Diabetes Care, a division of Roche Diagnostics; privately-held LifeScan, Inc.; Ascensia Diabetes Care; and other smaller market entrants, each of which manufactures and markets products for the single-point finger stick device market. In selling Stelo, we compete directly with the Diabetes Care division of Abbott Laboratories. Collectively with us, these companies currently account for the majority of the worldwide sales of self-monitored glucose testing systems. We are also aware of emerging competitors primarily located in China.

Our competitors manufacturing adjunctive CGMs have also recognized expanded Medicare coverage of their CGM devices and supplies following CMS' December 2021 final rule expanding the classification of DME under Medicare Parts B & C to include adjunctive CGMs. These devices now directly compete with our CGM products in the Medicare market.

Several companies are developing and/or commercializing products for continuous or periodic monitoring of glucose levels in the interstitial fluid under the skin that compete directly with our products. We have competed with Abbott for several years and their Libre family of CGM products. Medtronic (MiniMed) markets and sells a standalone glucose monitoring product called Guardian Connect, both internationally and in the United States, and a disposable CGM system called Simplera in the U.S. and international markets.

Medtronic (MiniMed) and other third parties have developed or are developing insulin pumps integrated with CGM systems that provide, among other things, the ability to suspend insulin administration while the user's glucose levels are low and to automate basal and bolus insulin dosing. Likewise, Abbott Diabetes Care has received FDA clearance to integrate certain versions of their Libre sensors into automated insulin delivery systems and is pursuing such integrations with third-party insulin delivery devices.

We are also aware of companies outside the traditional medical device sector that are attempting to develop competitive products and services, including for general health and wellness, or population health. Such competitors may benefit from guidance issued on January 6, 2026 by the FDA's Center for Devices and Radiological Health that effectively broadens the range of products that may be considered "general wellness devices," including wearables that provide readings around bodily functions and vital signs such as heart rate, blood pressure, and blood glucose. We are also aware of the increasing use of GLP-1 products for the treatment of obesity and Type 2 diabetes. While we believe that GLP-1s are a companion product and used in conjunction with our CGM systems, these treatments could potentially compete with our CGM systems and reduce sales of our products.

Some of the companies developing or marketing competing devices are large and well-known publicly traded companies, and these companies may possess competitive advantages over us, including:

- greater name recognition;
- established relations with healthcare professionals, customers and third-party payors;
- established distribution networks;
- additional lines of products, and the ability to bundle products to offer higher discounts or incentives to gain a competitive advantage;
- greater experience in conducting research and development, manufacturing, clinical trials, obtaining regulatory approval for products and marketing approved products;
- duration of sensor life;
- the ability to integrate multiple products to provide additional features beyond CGM systems; and
- greater financial and human resources for product development, manufacturing, sales and marketing, and patent litigation.

As a result, we may not be able to compete effectively against these companies or their products, which may adversely impact our business.

We are subject to risks associated with public health issues, including pandemics, which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks associated with public health issues, such as the previous COVID-19 pandemic, and other events beyond our control. Public health issues and crises may adversely impact our operations, supply chain and logistics network if the locations where we operate, manufacture or distribute our products; where our raw materials or products are sourced, manufactured or distributed; or where our third-party distributors, suppliers and other service providers operate, are disrupted, temporarily closed or experience worker shortages for a sustained period of time. In addition, public health issues and crises may adversely impact our customers and/or their businesses due to lockdowns, labor shortages, lost access to private health insurance plans or modified spending priorities, all of which could cause a decline in demand for our products. These disruptions could also cause economic slowdowns or increased economic uncertainty. Any of the forgoing could adversely affect our business, financial condition and results of operations.

Risks Related to our International Operations

We are subject to a variety of risks due to our international operations that could adversely affect our business, our operations or profitability and operating results.

Our operations in countries outside the United States, which accounted for approximately 28% of our revenue for the twelve months ended December 31, 2025, are accompanied by certain financial and other risks. In addition to our offices with manufacturing and administrative and operations in countries throughout the world, we intend to continue to pursue growth opportunities in sales outside the United States, especially in Asia and Europe. Additionally, we may increase our use of administrative and support functions from locations outside the United States. These business activities could expose us to greater risks associated with our sales and operations.

As we pursue opportunities outside the United States, we may become more exposed to these risks and our ability to scale our operations effectively may be affected. For example, in 2023, we completed the initial phase of construction of our new facility in Malaysia and commenced commercial manufacturing. We also are building a new manufacturing facility in Ireland. Our international expansion efforts, including our new manufacturing facilities in Malaysia and facility under construction in Ireland, may not be successful and we may experience difficulties in scaling these functions from locations outside the United States and may not experience the expected cost efficiencies.

Our profitability and international operations are, and will continue to be, subject to a number of risks and potential costs, including:

- local product preferences and product requirements;
- longer-term receivables than are typical in the United States;
- fluctuations in foreign currency exchange rates;
- less intellectual property protection in some countries outside the United States than exists in the United States;
- trade protection measures and import and export licensing requirements;
- workforce instability;
- fluctuations in trade policy and tariff regulations, including potential higher tariffs on imported goods and materials and renegotiation of free trade agreements and potential retaliatory tariffs imposed by foreign countries against U.S. goods; and
- political and economic instability.

Moreover, the tax laws in which we and our subsidiaries do business could change on a prospective or retroactive basis, and any such changes could adversely affect our business and financial condition. We have a significant presence in the EU, as well as significant sales in the EU, such that any changes in tax laws in the EU could impact our business. The overall impact of such legislation in EU member states is uncertain, and our business and financial condition could be adversely affected by any laws impacting our tax rate.

While it is impossible for us to predict whether these and other proposals will be implemented, or how they will ultimately impact us, they may materially impact our results of operations if, for example, our profits earned abroad are subject to U.S. income tax, or we are otherwise disallowed deductions as a result of these profits.

Changes in foreign currency exchange rates may reduce the reported value of our foreign currency denominated revenues, expenses, and cash flows. We cannot predict changes in currency exchange rates, the impact of exchange rate changes, nor the degree to which we will be able to manage the impact of currency exchange rate changes.

Following a 2016 referendum of voters in the United Kingdom, or the U.K., to exit from the EU, or the E.U., the U.K. left the E.U. on January 31, 2020, which began a transition period that ended on December 31, 2020. In December 2020, the U.K. and E.U. agreed on a trade and cooperation agreement that was ratified by the parties in May 2021. The agreement sets out certain procedures for approval and recognition of medical products in each jurisdiction. Any delay in obtaining, or an inability to obtain, any marketing approvals, as a result of the trade and cooperation agreement or otherwise, could prevent us from marketing our CGM systems in the U.K. and/or the EU and restrict our ability to generate revenue and achieve and sustain profitability. Under the trade and cooperation agreement, U.K. service suppliers no longer benefit from automatic access to the entire EU single market, U.K. goods no longer benefit from the free movement of goods and there is no longer the free movement of people between the U.K. and the EU Depending on the application of the terms of the trade and cooperation agreement, we could face new regulatory costs and challenges which could have a material adverse effect on our business, results of operations, or financial condition.

Laws and regulations governing the export of our products could adversely impact our business.

The U.S. Department of the Treasury's Office of Foreign Assets Control, and the Bureau of Industry and Security at the U.S. Department of Commerce, administer certain laws and regulations that restrict U.S. persons and, in some instances, non-U.S. persons, in conducting activities, and transacting business with or making investments in certain countries, governments, entities and individuals subject to U.S. economic sanctions. Due to our international operations, we are subject to such laws and regulations, which are complex, restrict our business dealings with certain countries and individuals, and are constantly changing. Further restrictions may be enacted, amended, enforced or interpreted in a manner that materially impacts our operations.

Violations of these regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts and revocations or restrictions of licenses, as well as criminal fines and imprisonment. We have established procedures designed to assist with our compliance with such laws and regulations. However, we have only limited experience dealing with these laws and regulations and we cannot guarantee that our procedures will effectively prevent us from violating these regulations in every transaction in which we may engage. Any such violation could adversely affect our reputation, business, financial condition and results of operations.

The failure to comply with U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws in non-U.S. jurisdictions could materially adversely affect our business and result in civil and/or criminal sanctions.

The U.S. Foreign Corrupt Practices Act, the UK Bribery Act and similar worldwide anti-bribery laws in non-U.S. jurisdictions generally prohibit companies and their intermediaries from making improper payments to non-U.S. government officials and, in some instances, other persons for the purpose of obtaining or retaining business. Because of the predominance of government-sponsored healthcare systems around the world, most of our customer relationships outside of the United States are with governmental entities and are therefore potentially subject to such anti-bribery laws. Global enforcement of anti-corruption laws has increased substantially in recent years, with more frequent voluntary self-disclosures by companies, aggressive investigations and enforcement proceedings by U.S. and international governmental agencies, and assessment of significant fines and penalties against companies and individuals. Our international operations create the risk of unauthorized payments or offers of payments by one of our employees, consultants, sales agents, or distributors, because these parties are not always subject to our direct oversight and control. It is our policy to implement safeguards to educate our employees and agents on these legal requirements and discourage improper practices. However, our existing safeguards and any future improvements may prove to be less than effective, and our employees, consultants, sales agents, or distributors may engage in conduct for which we might be held responsible. In addition, the government agencies may seek to hold us liable for successor liability for anti-corruption law violations committed by any companies in which we invest or that we acquire. Any alleged or actual violations of these regulations may subject us to government scrutiny, severe criminal or civil sanctions and other liabilities, including exclusion from government contracting, and could disrupt our business, and result in a material adverse effect on our business, financial condition, and results of operations.

Current uncertainty in global economic and political conditions makes it particularly difficult to predict product demand and other related matters and makes it more likely that our actual results could differ materially from expectations.

Our operations and performance depend on worldwide economic and political conditions. These conditions have been adversely impacted by continued global economic uncertainty, political instability and military hostilities in multiple geographies, concerns over continued sovereign debt, potential recessions, a potential U.S. federal government shutdown, monetary and financial uncertainties in Europe and other international jurisdictions, and global health pandemics. These include potential reductions in the overall stability and suitability of the Euro as a single currency, given the economic and political challenges facing individual Eurozone countries. These conditions have made and may continue to make it difficult for our customers and potential customers to afford our products, and could cause our customers to stop using our products or to use them less frequently. If that were to occur, our revenue may decrease and our performance may be negatively impacted. In addition, the pressure on consumers to absorb more of their own health care costs has resulted in some cases in higher deductibles and limits on durable medical equipment, which may cause seasonality in purchasing patterns. Furthermore, during economic uncertainty, our customers have had job losses and may continue to have issues gaining timely access to sufficient health insurance or credit, which could result in their unwillingness to purchase products or impair their ability to make timely payments to us. In addition, a recession, depression or other sustained adverse market event could materially and adversely affect our access to capital on favorable terms or at all, our business and the value of our common stock.

We cannot predict the reoccurrence of any economic slowdown or the strength or sustainability of the economic recovery, worldwide, in the United States, or in our industry. These and other economic factors could have a material adverse effect on our business, financial condition and results of operations.

Failure to obtain any required regulatory authorization in international jurisdictions will prevent us from marketing our products abroad.

We conduct limited commercial and marketing efforts in certain international markets in the Asia-Pacific, North America and Europe, Middle East and Africa regions, with respect to our CGM systems and may seek to market our products in other regions in the future. Outside the United States, we can market a product only if we receive a marketing authorization and, in some cases, pricing approval, from the appropriate regulatory authorities. The marketing authorization procedures vary among countries and can involve additional testing, and the time required to obtain any required authorization or approval may differ from that required to obtain FDA marketing authorization(s). International regulatory authorization or approval processes may include all of the risks associated with obtaining FDA marketing authorization(s) in addition to other risks. We may not obtain international regulatory authorizations or approvals on a timely basis, if at all. Obtaining a marketing authorization from the FDA does not ensure authorization or approval by regulatory authorities in other countries will follow, and authorization or approval

by one international regulatory authority does not ensure authorization or approval by regulatory authorities in other international jurisdictions or by the FDA. In addition, in order to obtain the authorization to market our products in certain international jurisdictions, in some cases we may need to obtain a Certificate to Foreign Government from the FDA. The FDA may refuse to issue a Certificate to Foreign Government if significant compliance-related concerns are identified. As a result, there are a range of factors that could preclude or impede our ability to file for regulatory approvals or marketing authorizations or to receive necessary approvals or authorizations to commercialize our products in any market outside the United States on a timely basis, or at all.

Risks Related to Privacy and Security

We are subject to complex and evolving U.S. and international laws and regulations and other requirements regarding privacy, data protection, security, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

We are subject to a number of international, federal and state laws and regulations protecting the use, disclosure, and confidentiality of certain patient and consumer health and personal information, including patient records, and restricting the use and disclosure of that protected information, including state breach notification laws. Some of these laws include the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, the EU's General Data Protection Regulation, or GDPR, the UK Data Protection Act and the UK GDPR, the California Consumer Privacy Act as amended, or CCPA, and the Washington My Health My Data Act, among others. Various U.S. state laws and regulations may also require us to notify affected individuals and state regulators in the event of a data breach involving personal information. Penalties for failure to adequately protect personal information, notify as required, or provide timely notice vary by jurisdiction. In the United States, most state data breach notification laws consider violations to be unfair or deceptive trade practices and give the relevant state attorneys general ("AGs") the authority to levy fines or bring enforcement actions. Such AG investigations—which are often time-consuming, expensive, and burdensome—could lead to a resolution agreement, whereby certain obligations are performed and reports are made to the AG for a period of time, and/or civil penalties. Class action lawsuits against companies which experience a data breach involving personal information are also common. Additionally, the SEC and many jurisdictions have enacted or may enact laws and regulations requiring companies to disclose or otherwise provide notifications regarding data security breaches. For example, the SEC has adopted cybersecurity risk management and disclosure rules, which require the disclosure of information pertaining to cybersecurity incidents and cybersecurity risk management, strategy, and governance.

As our customer base grows to include U.S. federal government agencies, we may also need comply with Federal Risk and Authorization Management Program and Cybersecurity Maturity Model Certification requirements. These frameworks, in addition to similar laws being enacted by other states and other jurisdictions, impose stringent cybersecurity standards and potentially significant non-compliance penalties, and involve the expenditure of significant resources and time and effort to comply. As these laws and regulations continue to develop in the United States and internationally, we may be required to expend significant time and resources in order to update existing processes or implement additional mechanisms as necessary to ensure compliance with such laws.

In addition, international data protection, privacy, and other laws and regulations can be more restrictive than those in the United States. For example, data localization laws in some countries generally mandate that certain types of data collected in a particular country be stored and/or processed within that country. We may be subject to inquiries, investigations and audits in Europe and around the world, particularly in the areas of consumer and data protection, which will arise in the ordinary course of business and may increase in frequency as we continue to grow and expand our operations. Legislators and regulators may make legal and regulatory changes, or interpret and apply existing laws, in ways that make our products less useful to our customers, require us to incur substantial costs, expose us to unanticipated civil or criminal liability, or cause us to change our business practices. These changes or increased costs could negatively impact our business and results of operations in material ways.

In the ordinary course of our business, we collect and store sensitive data, such as our proprietary business information and that of our clients, contractors, vendors and others as well as personally identifiable information of our customers, potential customers, vendors and others, which data may include sensitive information, in our data centers and on our networks. Our employees, contractor and vendors may also have access to and may use personal health information in the ordinary course of our business. The secure processing, maintenance and transmission of this information is critical to our operations. Despite our security measures and business controls, our information technology and infrastructure may be vulnerable to attacks by hackers (including nation states or

state-sponsored organizations), viruses, malware, breaches due to employee, contractor or vendor error, or malfeasance or other disruptions or subject to the inadvertent or intentional unauthorized release of information. Any such occurrence could compromise our networks and the information stored thereon could be accessed, publicly disclosed, lost or stolen. Any such access, acquisition, disclosure or other loss of information could result in legal claims or proceedings, and liability under laws that protect the privacy of personal information, including regulatory penalties, disrupt our operations and the services we provide to our clients or damage our reputation, any of which could adversely affect our profitability, revenue and competitive position.

As we grow and expand our administrative, customer, or IT support services, we also utilize the services of personnel and contractors located outside of the United States to perform certain functions. While we make every effort to review our applicable contracts and other payor requirements, a local, state, or federal government agency or one of our customers may find the use of offshore resources to be a violation of a legal or contractual requirement, which could result in termination of the contractual relationship, penalties, or changes in our business operations that could adversely affect our business, financial condition, and results of operations. Additionally, while we have implemented industry standard security measures for offshore access to protected health information and other personal information, unauthorized access or disclosure of such information by offshore personnel could result in legal claims or proceedings, and liability under laws that protect the privacy of personal information and may incur regulatory penalties, disrupt our operations and the services we provide to our clients, damage to our reputation, or result in the termination of contractual relationships, penalties or the loss of coverage, any of which could adversely affect our profitability, revenue and competitive position.

Security breaches and other disruptions that compromise our information and expose us to liability could cause our business and reputation to suffer and could subject us to substantial liabilities.

The HIPAA Security Rule requires covered entities, including Dexcom, and business associates to implement administrative, physical, and technical safeguards to protect the integrity, confidentiality and availability of protected health information that is electronically created, received, maintained or transmitted. Covered entities are also required to report any unauthorized use or disclosure of protected health information that meets the definition of a breach under the Breach Notification Rule, to affected individuals, OCR and, depending on the number of affected individuals, the media for the affected market. In addition, HIPAA requires that business associates report breaches to their covered entity customers.

Violations of HIPAA may result in criminal and civil penalties. The OCR enforces the regulations and performs compliance audits. In addition to enforcement by OCR, HITECH further authorizes state Attorneys General to bring civil actions in response to violations of HIPAA that threaten the privacy of state residents. We have adopted breach notification policies and procedures designed to comply with the applicable requirements set forth in HIPAA. We follow and maintain a HIPAA compliance plan, which we believe complies with the HIPAA privacy and security regulations, but there can be no assurance that OCR or other regulators will agree. The HIPAA Rules have and will continue to impose significant costs on us in order to comply with these standards.

HIPAA establishes a federal “floor” with respect to privacy, security, and breach notification requirements and does not supersede any state laws insofar as they are broader or more stringent than HIPAA. Numerous state and certain other federal laws protect the confidentiality of health information and other personal information, including but not limited to state medical privacy laws, state laws protecting personal information, state data breach notification laws, state genetic privacy laws, human subjects research laws and federal and state consumer protection laws. These additional federal and state privacy and security-related laws may be more restrictive than HIPAA and could impose additional penalties. For example, the Federal Trade Commission uses its consumer protection authority under Section 5 of the Federal Trade Act to initiate enforcement actions in response to alleged privacy violations and data breaches, including in the healthcare sector.

Additional data protection laws exist at the state level as well. California enacted the CCPA, which came into effect January 1, 2020, was amended and expanded by the California Privacy Rights Act (the “CPRA”), which came into effect January 1, 2023. The CCPA, among other things, creates data privacy obligations for covered companies and provide privacy rights to California residents, including the right to opt out of certain disclosures of their information. The CCPA also creates a private right of action with statutory damages for certain data breaches, thereby potentially increasing risks associated with a data breach. In addition, other states have enacted, or may enact, similar legislation. The effects of the CCPA and other state privacy laws are significant and have required us to modify our data processing practices, and may cause us to incur substantial costs and expenses to comply, particularly given our base of operations in California. There are also a number of other legislative proposals worldwide, including in the United States at both the federal and state level, that could impose additional and potentially conflicting obligations in areas affecting our business. We expect to incur additional costs to ensure that our data privacy and security policies, procedures, and activities comply with applicable and evolving legal requirements.

We are also subject to laws and regulations in international countries covering data privacy and other protection of health and employee information that may be more onerous than corresponding U.S. laws, including in particular the laws of Europe.

For instance, in the EU, increasingly stringent data protection and privacy rules that have and will continue to have substantial impact on the use of patient data across the healthcare industry became effective in May 2018. The GDPR applies across the EU and European Economic Area and includes, among other things, a requirement for prompt notice of data breaches to data subjects and supervisory authorities in certain circumstances and significant fines for non-compliance. Fines under GDPR can be up to 20 million euros, or up to 4% of the company's total global turnover of the preceding fiscal year, whichever is higher. The GDPR also requires companies processing personal data of individuals residing in the EU and European Economic Area to comply with EU privacy and data protection rules in certain circumstances, even if the company itself does not have a physical presence in the EU. Noncompliance could result in the imposition of fines, penalties, or orders to stop noncompliant activities. Due to the strong consumer protection aspects of the GDPR, companies subject to its purview are allocating substantial legal costs to the development and maintenance of necessary policies and procedures and overall compliance efforts. Data transfer risk remains a potential issue as certain Data Protection Authorities continue to raise concerns about the transfer of data to the United States. Though a new framework to permit cross-border transfers - the EU-US Data Privacy Framework - came into effect in 2023, it may be challenged as well. We expect continued costs associated with maintaining compliance with GDPR into the future, and these provisions as interpreted by EU agencies and authorities could negatively impact our business, financial condition and results of operations.

In addition to the laws discussed above, we may see more stringent state and federal privacy legislation in the future. We cannot predict where new legislation might arise, the scope of such legislation, or the potential impact to our business and operations.

Cybersecurity risks and cyber incidents could result in the compromise of confidential data or critical data systems and give rise to potential harm to customers, remediation and other expenses, expose us to liability under HIPAA, consumer protection laws, or other common law theories, subject us to litigation and federal and state governmental inquiries, damage our reputation, and otherwise be disruptive to our business and operations.

There are numerous and evolving risks to our cybersecurity and privacy from cyber threat actors. These cyber threat actors, whether internal of external to Dexcom, are becoming more frequent, sophisticated and coordinated in their attempts to access data, including, without limitation, malicious software; data privacy breaches by employees, insiders or others with authorized access; cyber or phishing-attacks; ransomware; attempts to gain unauthorized access to our data and systems; vendor breaches or supply chain attacks; and other electronic security breaches. In the ordinary course of business, we collect and store sensitive information on our network, including intellectual property, proprietary business information and personally identifiable information of individuals, such as our customers and employees. The secure maintenance of this information and technology is critical to our business operations. We have implemented and deploy multiple layers of security measures to protect the confidentiality, integrity and availability of this data and the systems and devices that store and transmit such data. We utilize security technologies, and our defenses are monitored and routinely tested internally and by external parties. Despite these efforts, threats from malicious persons and groups, new vulnerabilities and advanced new attacks against information systems create risk of cybersecurity incidents. These incidents can include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may not immediately produce signs of intrusion, we may be unable to anticipate these incidents or techniques, timely discover them, or implement adequate preventative measures.

Additionally, in response to the onset of the COVID-19 pandemic, we modified our business practices and initially implemented telework policies for certain categories of "non-essential" employees to the extent possible. We have since adopted a hybrid workplace model for our employees. Our hybrid workplace allows us to work together globally to bring our life-changing products to as many people as possible. This means we have some employees who work primarily onsite, some who work primarily offsite, and others who flex in and out of the office based on the needs of the business and the individual. We recognized the need for flexibility in our physical workplace during the COVID-19 pandemic, but also noted the potential benefits of a hybrid workplace to expand and retain our talent pool and reduce our real estate needs. The hybrid workplace does, however, introduce additional operational risk, including increased cybersecurity risk. These cyber risks include, among other risks, increased phishing, malware, and other cybersecurity attacks, vulnerability to, or disruptions of, our information technology infrastructure and systems to support remote operations, increased risk of unauthorized access, use or dissemination of confidential

information, limited ability to restore the systems in the event of a systems failure or interruption, greater risk of a security breach resulting in destruction, alteration or misuse of valuable information, including proprietary business information and personally identifiable information of individuals, all of which could expose us to risks of data or financial loss, litigation and liability.

These threats can come from a variety of sources, including criminal hackers, state-sponsored intrusions, industrial espionage and malfeasance by employees, contractors, or other insiders. Cyber threats may be generic, or they may be custom-crafted against our information systems or particular personnel. Over the past several years, cyberattacks have become more prevalent and much harder to detect and defend against. These threat actors may be able to penetrate our security measures, breach our information technology systems, misappropriate or compromise confidential and proprietary information of our company and our customers, cause system disruptions and shutdowns, or introduce ransomware, malware, or vulnerabilities into our products, systems, and networks or those of our customers and partners. Our network and storage applications, as well as those of our contractors, may be vulnerable to cyber-attack, malicious intrusion, malfeasance, loss of data privacy or other significant disruption and may be subject to unauthorized access by hackers, employees, consultants or other service providers. In addition, products, hardware, software or applications we develop, or which we procure from third parties, may contain defects in design or manufacture, security flaws, or other problems that could unexpectedly compromise information security or the operation of our products. Our third-party vendors may experience security incidents of varying severity, including but not limited to increased ransomware attacks, network intrusions, and unauthorized data exfiltration. Targeted cyber-attacks or those that may result from a security incident directed at a third-party vendor could compromise our services and internal systems, resulting in interruptions, delays, or cessation of service that could disrupt business operations for us and our customers. Our proactive measures and remediation efforts may not be successful or timely. Unauthorized parties may also attempt to gain access to our systems or facilities through fraud, trickery or other forms of deceiving our employees, contractors and temporary staff.

Moreover, we are subject to various operational, compliance, and reputational risks associated with our adoption and utilization of AI technologies, including inaccurate or unpredictable outputs, such as errors or hallucinations, that may impair decision-making, disrupt operations, or expose sensitive information. Integrating AI into our systems may also expand our cybersecurity attack surface, increasing exposure to data breaches, loss of intellectual property, or inadvertent disclosure of confidential data. Although we have taken steps intended to mitigate risks related to our use of AI, there can be no assurance that our use of AI will yield the anticipated benefits or that we will be able to effectively mitigate the associated risks. Externally, the rapid adoption of AI by competitors and malicious actors heightens risks as threat actors leverage AI to execute more sophisticated cyberattacks and social-engineering campaigns, while competitor use of AI may accelerate innovation cycles and intensify competitive pressures. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

While we maintain cybersecurity insurance coverage there is no guarantee that it will be sufficient to cover the financial, legal, business, or reputational losses that may result from an interruption or breach of our systems. Our cybersecurity insurance includes coverage for a breach event covering expenses for notification, credit monitoring, investigation, crisis management, public relations and legal advice. Our cybersecurity insurance also provides coverage in relation to regulatory action defense including oversight, investigations and disclosure obligations as well as fines and penalties, potential payment card industry fines and penalties and costs related to cyber extortion; however, damages and claims arising from such incidents may not be covered and/or may exceed the amount of any coverage and do not cover the time and effort we incur investigating and responding to any incidents, which may be significant.

We are and may continue to be subject to cybersecurity incidents that bypass our security measures. Such incidents may impact the integrity, availability or privacy of personal health information or other data subject to privacy laws or disrupt our information systems, devices or business, including our ability to deliver services to our customers. As a result, cybersecurity, physical security and the continued development and enhancement of our controls, processes and practices designed to protect our enterprise, information systems and data from attack, damage or unauthorized access remain a priority for us. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any cybersecurity vulnerabilities. The occurrence of any of these events could result in:

- harm to customers;
- business interruptions and delays;
- the loss, misappropriation, corruption or unauthorized access of data, confidential information or intellectual property;

- litigation, including potential class action litigation, and potential liability under privacy, security and consumer protection laws or other applicable laws;
- reputational damage;
- significant remediation costs, including liability for stolen customer or employee information, repairing system damage, or providing benefit to affected customers or employees;
- increase to insurance premiums; and
- international, federal and state governmental inquiries, violations or sanctions, any of which could have a material, adverse effect on our financial position and results of operations.

Failure to protect our information technology infrastructure against cyberattacks, network security breaches, service interruptions, or data corruption could significantly disrupt our operations and adversely affect our business and operating results.

We rely on information technology and telephone networks and systems, including the Internet, to process and transmit sensitive electronic information and to manage or support a variety of business processes and activities, including sales, billing, customer service, procurement and supply chain, manufacturing, and distribution. We use enterprise information technology systems to record, process, and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal, and tax requirements. System failures or outages, including any potential disruptions due to significantly increased global demand on certain cloud-based systems, or failures to adequately scale our data platforms and architectures support patient care could compromise our ability to perform these functions in a timely manner, which could harm our ability to conduct business or delay our financial reporting. Such failures could materially adversely affect our operating results and financial condition. Our information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to computer viruses, denial-of-service attacks, phishing attacks, ransomware or other malware, attacks by computer hackers (including nation states or state-sponsored organizations), failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, telecommunication failures, user errors, natural disasters, terrorist attacks, the outbreak of wars or other armed conflicts, or catastrophic events. Although we have developed systems and processes that are designed to protect customer information and prevent data loss and other security breaches, including systems and processes designed to reduce the impact of a security breach at a third-party vendor, such measures cannot provide absolute security. In addition, certain countries have implemented or may implement legislative and technological actions that either do or can effectively regulate access to the internet, including the ability of internet service providers to limit access to specific websites or content. Other countries have attempted or are attempting to change or limit the legal protections available to businesses that depend on the internet for the delivery of their services. If our systems are breached or suffer severe damage, disruption or shutdown and we are unable to effectively resolve the issues in a timely manner, our business and operating results may significantly suffer and we may be subject to litigation, government enforcement actions and other actions for which we could face financial liability and other adverse consequences which may include:

- additional government oversight of our operations;
- loss of existing customers;
- difficulty in attracting new customers;
- problems in determining product cost estimates and establishing appropriate pricing;
- difficulty in preventing, detecting, and controlling fraud;
- disputes with customers, physicians, and other health care professionals;
- increases in operating expenses, incurrence of expenses, including notification and remediation costs;
- regulatory fines or penalties;
- individual actions or class actions for damages;
- loss of revenues (including through loss of coverage or reimbursement);
- product development delays;
- disruption of key business operations; and
- diversion of attention of management and key information technology resources.

Cyberattacks aimed at accessing our devices, products, and services, or related devices, products, and services, and modifying or using them in a way inconsistent with our FDA clearances and approvals could create risks to users.

Medical devices are increasingly connected to the internet, hospital networks, and other medical devices to provide features that improve healthcare and increase the ability of healthcare providers to treat patients and patients to manage their conditions. For example, we are pursuing collaborations to enable the connectivity and interoperability of our current and next-generation sensors and transmitters with third-party patient monitoring products, which may in turn be connected with the internet, hospital networks and in some cases, other medical devices. These same features may also increase cybersecurity risks and the risks of unauthorized access and use by third parties. As such, a cyberattack which intrudes, disrupts, or corrupts our devices, products, and services, or related devices, products, and services could impact the quality-of-care patients receive or the confidentiality of patient information. Additionally, modifying or using any such devices, products, or services in a way inconsistent with our FDA clearances and approvals, which may create risks to users and potential exposure to the company.

Risks Related to Non-Compliance with Laws, Regulations and Contractual Requirements and Healthcare Industry Shifts

We conduct business in a heavily regulated industry and if we fail to comply with applicable laws and government regulations, we could become subject to penalties, be excluded from participation in government programs, and/or be required to make significant changes to our operations.

The healthcare industry generally, and our business specifically, is subject to extensive international, federal, state and local laws and regulations, including those relating to:

- authorizations necessary for the clinical investigation and commercial marketing of products;
- the pricing of our products and services;
- the distribution of our products and services;
- the dispensing of our products;
- billing for or causing the submission of claims for our products and services;
- financial relationships with physicians and other referral sources;
- inducements and courtesies given to physicians and other health care providers and patients;
- labeling, advertising and promoting products;
- the characteristics and quality of our products and services;
- communications with payors and physicians and other healthcare stakeholders;
- confidentiality, maintenance and security issues associated with medical records and individually identifiable health and other personal information;
- medical device adverse event reporting;
- prohibitions on kickbacks, including the Anti-Kickback Statute and related laws and/or regulations;
- any scheme to defraud any healthcare benefit program;
- physician and other healthcare professional payment disclosure requirements;
- use and disclosure of personal health information;
- privacy of health information and personal information;
- data protection and data localization;
- mobile communications;
- patient access and non-discrimination;
- patient consent;
- false claims; and
- licensure.

These laws and regulations are extremely complex and, in many cases, still evolving. If our operations are found to violate any of the international, federal, state or local laws and regulations which govern our activities, we may be subject to litigation, government enforcement actions, and applicable penalties associated with the violation, potentially including civil and criminal penalties, damages, fines, exclusion from participation in certain payor programs or curtailment of our operations. Compliance obligations under these various laws are oftentimes detailed

and onerous, further contributing to the risk that we could be found to be out of compliance with particular requirements. The risk of being found in violation of these laws and regulations is further increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, particularly with respect to new and emerging technologies and remote delivery of services, and their provisions are open to a variety of interpretations.

The FDA, CMS, OIG, OCR, FTC, Department of Justice, states' attorneys general and other governmental authorities actively enforce the laws and regulations discussed above. In the United States, medical device manufacturers have been the target of numerous government prosecutions and investigations alleging violations of law, including claims asserting impermissible off-label promotion of medical devices, payments intended to influence the referral of federal or state healthcare business, and submission of false claims for government reimbursement. While we make every effort to comply with applicable laws, we cannot rule out the possibility that the government or other third parties could interpret these laws differently and challenge our practices under one or more of these laws. This likelihood of allegations of non-compliance is increased by the fact that under certain federal and state laws applicable to our business, individuals may bring an action on behalf of the government alleging violations of such laws, and potentially be awarded a share of any damages or penalties ultimately awarded to the applicable government body.

The FDA and the FTC share oversight of medical device promotion. The FDA has broad authority over device marketing (including assessment and oversight of safety and effectiveness) and over FDA-approved "promotional labeling," while the FTC has authority over "advertising" for most medical devices (i.e., non-"restricted" devices, such as ours).

Any action against us alleging a violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's time and attention from the operation of our business, and have a material effect on our business.

As part of our commitment to technological advancement, we have incorporated and will continue to explore and implement AI-enabled functions into our products and services. We continue to explore how best to leverage and harness the efficiency and innovation of AI-enabled and AI-empowered technology. In our deployment of AI, we strive to continually assess its performance and continue to make improvements. AI laws and regulations have proliferated in the U.S. and globally in recent years, including in 2024. In 2024, there were 60 AI-related regulations at the U.S. federal and state levels, up from just one in 2016. In 2024 alone, the total number of AI-related regulations in the U.S. grew by 140%. On January 10, 2025, HHS released its AI Strategic Plan which largely focuses on promoting trustworthy AI through the FAVES framework (Fair, Appropriate, Valid, Effective, Safe). Among other adopted requirements, the EU AI Act went into effect on August 1, 2024, which sets requirements for developers (providers) and deployers of AI systems based on a risk approach and extends its reach to those developers of AI outside of the EU where the AI product or output is used in the EU. AI regulation is continually evolving at the federal, state and international level and will continue to require financial and resource investment by us to ensure that AI tools are safe and effective, operate in a non-discriminatory manner, and comply with applicable legal and regulatory requirements.

In addition, the laws and regulations impacting or affecting our business may change significantly in the future, which may adversely affect our business. A review of our business by courts or regulatory authorities may result in a determination that could adversely affect our operations. Also, the regulatory environment applicable to our business may change in a way that restricts or adversely impacts our operations.

Quality problems could lead to recalls or safety alerts, reputational harm, and could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Quality is very important to us and our customers due to the serious and costly consequences of product failure, and our business exposes us to potential product liability risks that are inherent in the design, manufacture, and marketing of medical devices. Since the first commercial launch of our products in 2006, we have had periodic field failures related to our products and associated services, including reports of sensor errors, sensor failures, broken sensors, receiver malfunctions, audible alarms and alert failures, as well as server and transmitter failures. To comply with the FDA's medical device reporting requirements, for example, we have filed reports of applicable field failures. Although we believe we have taken and are taking appropriate action aimed at reducing and/or eliminating field failures, we may have other product failures in the future. Product or component failures, manufacturing nonconformances, design defects, off-label use, or inadequate disclosure of product-related risks or product-related information with respect to our products, if they were to occur, could result in an unsafe condition or injury to, or death of, a patient. These problems could lead to recalls, corrections or removals of, or issuance of a safety alert relating to, our products, and could result in product liability claims and lawsuits.

Additionally, the production of our products must occur in a highly controlled and clean environment to minimize particles and other yield- and quality-limiting contaminants. Weaknesses in process control or minute impurities in materials may cause a substantial percentage of defective products. If we are not able to maintain stringent quality controls, or if contamination problems arise, our clinical development and commercialization efforts could be delayed, which would harm our business and our results of operations.

If we fail to meet any applicable product quality standards and our products are the subject of recalls or safety alerts, our reputation could be damaged, we could lose customers, our reputation could be harmed and our revenue and results of operations could decline.

Potential long-term complications from our current or future products or other CGM systems under development may not be revealed by our clinical experience to date.

Based on our experience, complications from use of our products may include sensor errors, sensor failures, broken or detached sensor wires, or skin irritation under the adhesive dressing of the sensor. Inflammation or redness, swelling, minor infection, and minor bleeding at the sensor insertion site are also possible risks with an individual's use of our products. However, if unanticipated long-term side-effects result from the use of our products or other glucose monitoring systems we have under development, we could be subject to liability and the adoption of our systems may become more limited. With respect to our G6 systems, our clinical trials have been limited to ten days of continuous use. It is possible that the data from our clinical studies and trials may not be indicative of long-term patient outcomes. We cannot assure you that repeated, long-term use would not result in unanticipated adverse effects, potentially even after the sensor is removed.

We may never receive approval, marketing authorization or clearance from the U.S. FDA and other governmental agencies to market additional CGM systems, expanded indications for use of current and future generation CGM systems, future software platforms, or any other products under development.

In March 2018, via the *de novo* process, the FDA classified the G6 and substantially equivalent devices of this generic type (i.e., "integrated continuous glucose monitoring systems" or "iCGMs") into Class II, meaning that going forward products of this generic type may utilize the 510(k) pathway. Since then we have received 510(k) clearances for modifications to the G6 and approval for G7 and G7 15 Day. In 2024, the FDA cleared Stelo as an over-the-counter biosensor designed for adults with prediabetes and Type 2 diabetes who do not use insulin.

Any subsequent modifications of our cleared products that could significantly affect their safety or effectiveness (for example, a significant change in design or manufacture), or that would constitute a major change in its intended use, will require us to obtain a new 510(k) clearance or could require a new *de novo* submission or a PMA. The FDA requires each manufacturer to make this determination initially, but the FDA may review any such decision and may disagree with a manufacturer's determination. If the FDA disagrees with a manufacturer's determination, the FDA may require the manufacturer to cease marketing and/or recall the modified device until appropriate clearance or approval is obtained. Under these circumstances, the FDA may also subject a manufacturer to significant regulatory fines or other penalties.

If future product candidates are not deemed by the FDA to meet the criteria for submission under the 510(k) pathway, or for down-classification under the *de novo* process or otherwise, we would need to pursue a PMA. The PMA process requires us to prove the safety and effectiveness of our systems to the FDA's satisfaction. This process can be expensive, prolonged and uncertain, requires detailed and comprehensive scientific and human clinical data, and may never result in the FDA granting a PMA. The FDA's *de novo* classification of our G6 system under the generic name "integrated continuous glucose monitoring system," makes it a predicate device for future 510(k) submissions. Complying with this classification requires ongoing compliance with the general controls required by the federal Food Drug and Cosmetic Act and the special controls specified by the FDA's G6 order as a Class II device. Any future system or expanded indications for use of current generation systems will require approval of the applicable regulatory authorities. In addition, we intend to seek either 510(k) clearances or PMA approvals for certain changes and modifications to our existing software platform, but cannot predict when, if ever, those changes and modifications will be approved.

The FDA can refuse to grant a 510(k) clearance or a *de novo* request for marketing authorization, or delay, limit or deny approval of a PMA application or supplement for many reasons, including:

- the system may not be deemed by the FDA to be substantially equivalent to appropriate predicate devices under the 510(k) pathway;

- the system may not satisfy the FDA's safety or effectiveness requirements;
- the data from pre-clinical studies and clinical trials may be insufficient to support clearance or approval;
- the manufacturing process or facilities used may not meet applicable requirements; and
- changes in FDA approval policies or adoption of new regulations may require additional data.

Even if approved or cleared by the FDA or international regulatory agencies, future generations of our CGM systems, expanded indications for use of current and future generation CGM systems, our software platforms or any other CGM system under development, may not be cleared or approved for the indications that are necessary or desirable for successful commercialization. We may not obtain the necessary regulatory approvals or clearances to market these CGM systems in the United States or outside of the United States. Any delay in, or failure to receive or maintain, clearance or approval for our products could prevent us from generating revenue from these products. The uncertain timing of regulatory approvals for future generations of our products could subject our current inventory to excess or obsolescence charges, which could have an adverse effect on our business, financial condition and operating results.

Our failure to comply with laws, regulations and contract requirements relating to reimbursement of health care goods and services may subject us to penalties and adversely impact our reputation, business, financial condition and cash flows.

We are subject to laws, regulations and contractual requirements regulating the provision of, and reimbursement for, health care goods and services in our capacity as a medical device manufacturer. The laws and regulations of health care goods and services that apply to us, including those described above, are subject to evolving interpretations and enforcement discretion. We have in place a compliance program, through which we seek to reduce common industry risks of noncompliance with U.S. federal and state and applicable international laws in areas such as sales contracts, marketing materials, referral source relationships, programmatic offerings, and billing practices (among others), monitor for compliance, and address non-compliance if identified. If a governmental authority were to conclude that we are not in compliance with applicable laws and regulations, we and our officers, directors and employees could be subject to criminal and civil penalties, as well as administrative sanctions such as exclusion from participation in federal healthcare programs, including but not limited to Medicare and Medicaid. Any failure to comply with laws, regulations or contractual requirements relating to reimbursement and health care goods and services could adversely affect our reputation, business, financial condition and cash flows.

Our products are purchased principally by individual patients, who may be eligible for insurance coverage of their devices from various third-party payors, such as governmental programs (*e.g.*, Medicare, Medicaid, TRICARE, other federal and state health benefit plans, and comparable non-U.S. programs), private insurance plans, and managed care plans. The ability of our customers to obtain appropriate reimbursement for products and services from third-party payors is critical because it affects which products customers purchase and the prices they are willing to pay. As a result, our products are subject to regulation regarding quality and cost by the U.S. Department of Health & Human Services, including CMS, as well as comparable state and non-U.S. agencies responsible for reimbursement and regulation of health care goods and services. The principal U.S. federal laws relating to reimbursement include those that prohibit (i) the filing of false or improper claims for federal payment, known as the federal civil False Claims Act, (ii) unlawful inducements for the referral of items and services reimbursed by Federal health care programs, known as the federal Anti-Kickback Statute, and (iii) the Civil Monetary Penalties Law, including its prohibitions on Beneficiary Inducement. Many states have similar laws that apply to reimbursement by state Medicaid and other government-funded programs, as well as, in some cases, to all payors, including self-pay patients. Insurance companies can also bring a private cause of action claiming treble damages against a manufacturer for causing a false claim to be filed under the federal Racketeer Influenced and Corrupt Organizations Act, or RICO. Additionally, as a manufacturer of FDA-approved or -cleared devices reimbursable by federal healthcare programs, we are subject to the federal Physician Payments Sunshine Act, which requires us to annually report certain payments and other transfers of value we make to certain U.S.-licensed health care professionals and U.S. teaching hospitals, and under an expansion of the law to physician assistants, nurse practitioners, and other mid-level practitioners.

With respect to the federal Anti-Kickback Statute, Congress and the OIG have established a large number of statutory exceptions and regulatory safe harbors that protect financial relationships with our customers and referral sources. An arrangement that fits squarely into an exception or safe harbor will not be deemed to violate the Anti-Kickback Statute.

We train and educate employees and marketing representatives on the Anti-Kickback Statute and their obligations thereunder, and we endeavor to comply with the applicable safe harbors. However, some of our arrangements, like many other common and non-abusive arrangements, may implicate the Anti-Kickback Statute and are not covered

by a safe harbor, but nevertheless we do not believe them to present a significant risk to beneficiaries or federal healthcare programs and, as such, appear unlikely to invite government scrutiny or prosecution, warrant the imposition of sanctions, or be found to violate the statute. However, we cannot offer assurance that the government or a whistleblower would agree with our position that certain arrangements fall within a safe harbor, or that arrangements that do not squarely meet an exception or safe harbor will not be found to violate the Anti-Kickback Statute. Allegations of violations of the Anti-Kickback Statute can also trigger liability under the federal Civil Monetary Penalty Law and federal civil False Claims Act, thereby increasing the penalty structure for these violations.

During the period in which we directly billed Medicare, our financial relationships with referring physicians and their immediate family members were required to comply with the federal Physician Self-Referral law, commonly referred to as the Stark Law, by meeting an applicable exception. Unlike the Anti-Kickback Statute, failure to meet an exception under the Stark Law results in a violation of the Stark Law, even if such violation is unintentional. Violations of the Stark Law create overpayment liability under the federal civil False Claims Act and can also trigger separate penalties under the Civil Monetary Penalties Law. Knowing violations of the Stark Law carry increased civil monetary penalties and would likely be classified as the knowing submission of a false claim or knowingly making a false statement to the government, triggering liability under the federal civil False Claims Act. Certain Stark Law violations can also trigger exclusion from participation in federal healthcare programs. Historical violations of the Stark Law, if any, could continue to give rise to liability during the six year statute of limitations period.

Managed care trends and consolidation in the health care industry could have an adverse effect on our revenues and results of operations.

Private third-party payors and other managed care organizations, such as pharmacy benefit managers, continue to take action to manage utilization and control costs. Consolidation among managed care organizations has increased the negotiating power of managed care organizations and other private third-party payors. Private third-party payors, as well as governments, increasingly employ formularies to control costs by taking into account discounts in connection with decisions about formulary inclusion or favorable formulary placement. Failure to obtain or maintain timely adequate pricing or favorable formulary placement for our products, or failure to obtain such formulary placement at favorable pricing, could adversely impact revenue. Private third-party payors, including self-insured employers, often implement formularies with co-payment tiers to encourage utilization of certain products and have also been raising co-payments required from beneficiaries, particularly for higher-cost products. Private third-party payors also use additional measures such as value-based pricing/contracting to improve their cost-containment efforts. Private third-party payors also are increasingly imposing utilization management tools, such as requiring prior authorization or requiring the patient to first fail on a lower-cost product before permitting access to a higher-cost product.

Many health care industry companies, including health care systems, distributors, manufacturers, providers, and insurers, are also consolidating or vertically integrating, or have formed strategic alliances. As the health care industry consolidates, competition to provide goods and services to industry participants may become more intense. This consolidation will continue to create larger enterprises with greater negotiating power, which they can try to use to negotiate price concessions or reductions for medical devices and components produced by us.

As the U.S. payor market consolidates further and we face greater pricing pressure from private third-party payors, who will continue to drive more of their patients to use lower cost alternatives, we may lose customers, our revenues may decrease and our business, financial condition, results of operations and cash flows may suffer.

If we are unable to successfully complete the pre-clinical studies or clinical trials necessary to support additional PMA, de novo, or 510(k) applications or supplements, we may be unable to commercialize our CGM systems under development, which could impair our business, financial condition and operating results.

To support current and any future additional PMA, 510(k), *de novo* applications or supplements, we together with our partners, must successfully complete pre-clinical studies, bench-testing, and in some cases clinical trials that will demonstrate that the product is safe and effective. Product development, including pre-clinical studies and clinical trials, is a long, expensive and uncertain process and is subject to delays and failure at any stage. Furthermore, the data obtained from the studies and trials may be inadequate to support approval of an application and the FDA may request additional clinical data in support of those applications, which may result in significant additional clinical expenses and may delay product approvals. While we have in the past obtained, and may in the future obtain, an investigational device exemption, or IDE, prior to commencing clinical trials for our products, FDA approval of an IDE application permitting us to conduct testing does not mean that the FDA will consider the data gathered in the trial to be sufficient to support approval of a PMA, *de novo* or 510(k) application or supplement, even if the trial's intended safety and effectiveness endpoints are achieved.

Changes to the regulatory landscape may impact our ability to obtain marketing authorization for future product developments.

Development or changes to the FDA or international regulatory approval standards and processes, including both legal and policy changes, could also delay or prevent the approval of our products submitted for review. For example, medical device cybersecurity continues to be an area of focus for and evolving guidance from FDA.

Additionally, at the end of 2022, Congress passed the Food and Drug Omnibus Reform Act of 2022, or FDORA which (among other things), and similarly to the 2022 FDA Guidance, requires device sponsors to submit clinical trial diversity action plans outlining the goals for increasing representation of participants from racial and ethnic minority populations that have been underrepresented in clinical trials.

Any change in the laws or regulations that govern the clearance and approval processes relating to our current and future products could make it more difficult and costly to obtain clearance or approval for new products, or to produce, market and distribute existing products. The data contained in our submissions, including data drawn from our clinical trials, may not be sufficient to support clearance or approval of our products or additional or expanded indications. Medical device company stock prices have declined significantly in certain circumstances where companies have failed to meet expectations in regards to the timing of regulatory approval. If the FDA's response causes product approval delays, or is not favorable for any of our products, our stock price (and the market price of our senior convertible notes) could decline substantially. It is uncertain how these potential changes may impact our ability to gain clearance or approval from FDA for our products in the future.

The commencement or completion of any of our clinical trials may be delayed or halted, or be inadequate to support approval of FDA marketing applications or supplements, for numerous reasons, including, but not limited to, the following:

- the FDA or other regulatory authorities do not approve a clinical trial protocol or a clinical trial, or place a clinical trial on hold;
- patients do not enroll in clinical trials at the rate we expect;
- patients or study site personnel who do not comply with clinical trial protocols;
- patient follow-up does not occur at the rate we expect;
- patients experience adverse side effects;
- patients die during a clinical trial, even though their death may not be related to our products;
- institutional review boards and third-party clinical investigators may delay or reject our clinical trial protocol;
- third-party clinical investigators decline to participate in a trial or do not perform a trial on our anticipated schedule or consistent with the investigator agreements, clinical trial protocol, good clinical practices or other FDA or institutional review board requirements;
- we or third-party organizations do not perform data collection, monitoring or analysis in a timely or accurate manner or consistent with the clinical trial protocol or investigational or statistical plans;
- third-party clinical investigators have significant financial interests related to us or the study that the FDA deems to make the study results unreliable, or we or clinical investigators fail to disclose such interests;

- regulatory inspections of our clinical trials or manufacturing facilities may results in allegations or findings of noncompliance and, among other things, require us to undertake corrective action or suspend or terminate our clinical trials;
- changes in governmental regulations, policies or administrative actions applicable to our trial protocols;
- the interim or final results of the clinical trial are inconclusive or unfavorable as to safety or efficacy; and
- the FDA concludes that the results from our trial and/or trial design are inadequate to demonstrate safety and effectiveness of the product.

Further, health epidemics could limit or restrict our ability to initiate, conduct or continue our clinical trials. Delays and disruption in our clinical trials could result in delays for expanded FDA clearance or approval of our products.

The results of pre-clinical studies or other forms of early product testing do not necessarily predict future clinical trial results, and prior clinical trial results might not be repeated in subsequent clinical trials. Additionally, the FDA may disagree with our interpretation of the data from our pre-clinical studies, product testing, and clinical trials, or may find the clinical trial design, conduct or results inadequate to prove safety or effectiveness, and may require us to pursue the development of additional data, which could further delay the approval of our products. If we are unable to demonstrate the safety and effectiveness of our products in our clinical trials to the FDA's satisfaction, where clinical data are required, we will be unable to obtain regulatory approval to market our products in the United States. In addition, the data we collect from our current clinical trials, our pre-clinical studies and other clinical trials may not be sufficient to support FDA approval, even if our endpoints are met.

We may also conduct clinical studies to demonstrate the relative or comparative effectiveness of CGM systems for the treatment of diabetes. These types of studies, which often require substantial investment and effort, may not show adequate, or any, clinical benefit or value for the use of CGM systems.

We depend on clinical investigators and clinical sites to enroll patients in our clinical trials and other third parties to manage the trials and to perform related data collection and analysis, and, as a result, we may face costs and delays that are outside of our control.

We rely on clinical investigators and clinical sites to enroll patients in our clinical trials, and other third parties to manage the trial and to perform related data collection and analysis. However, we may not be able to control the amount and timing of resources that clinical sites may devote to our clinical trials. If these clinical investigators and clinical sites fail to enroll a sufficient number of patients in our clinical trials or fail to ensure compliance by patients with clinical protocols or fail to comply with regulatory requirements, we will be unable to complete these trials, which could prevent us from obtaining regulatory approvals for our products. Our agreements with clinical investigators and clinical sites for clinical testing place substantial responsibilities on these parties and, if these parties fail to perform as expected, our trials could be delayed or terminated. If these clinical investigators, clinical sites or other third parties do not carry out their contractual duties or obligations or fail to meet expected deadlines, or if the quality or accuracy of the clinical data they obtain is compromised due to their failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated, or the clinical data may be rejected by the FDA, and we may be unable to obtain regulatory approval for, or successfully commercialize, our products.

Health care policy changes, including U.S. health care reform legislation, may have a material adverse effect on our business.

In response to perceived increases in health care costs in recent years, there have been and continue to be proposals by the federal government, state governments, regulators, and third-party payors to control these costs and, more generally, to reform the U.S. health care system. Certain of these proposals could limit the prices we are able to charge for our products or the amounts of reimbursement available for our products and could limit the acceptance and availability of our products.

In November 2020, the OIG published a Special Fraud Alert addressing manufacturer Speaker Programs, signaling both a more narrow government view of AKS compliance with respect to such programs as well as the potential for increased enforcement in this space by government oversight agencies such as the OIG and DOJ. In March 2022, the Advanced Medical Technology Association, or AdvaMed, announced revisions to its Code of Ethics on Interactions with Health Care Professionals, or Code. The revised Code, effective June 2022, addressed concerns noted in the OIG's Special Fraud Alert, addressing things like virtual meetings, speaker programs and alcohol at events. The revised Code also addresses value-based care arrangements. We continue to assess industry responses to the Special Fraud Alert and have and may continue to make modifications to certain aspects of our speaker programs, which may have a detrimental impact on our ability to educate healthcare providers about our

products and to promote use of our products, and which may in turn lead to decreased product sales and negatively impact our business, financial condition and results of operations.

The ACA imposes certain stringent compliance, recordkeeping, and reporting requirements on companies in various sectors of the life sciences industry, and enhanced penalties for non-compliance. Despite the ACA going into effect over a decade ago, there have been numerous legal and Congressional challenges to the law's provisions and the effect of certain provisions have made compliance costly. With the presidential administration and as otherwise described in these Risk Factors, we expect material changes in health policy, enforcement initiatives, and coverage and reimbursement for health care items and services. As such, our costs to monitor these changes and respond to new requirements will increase.

We cannot predict what additional new legislation, agency priorities, and rulemaking may be on the horizon as the United States continue to reassess how it pays for healthcare. As a result, we cannot quantify or predict what impact any changes might have on our business and results of operations. However, any changes that lower reimbursement for our products could materially and adversely affect our business, financial condition and results of operations.

Other legal, regulatory and commercial policy influences are subjecting our industry to significant changes, and we cannot predict what new regulations or policies will emerge from U.S. federal or state governments, international governments, or third-party payors. Government and commercial payors may, in the future, consider healthcare policies and proposals intended to curb rising healthcare costs, including those that could significantly affect reimbursement for healthcare products such as our systems. These policies have included, and may in the future include: basing reimbursement policies and rates on clinical outcomes, the comparative effectiveness, and costs, of different treatment technologies and modalities; imposing price controls and taxes on medical device providers; and other measures. Future significant changes in the healthcare systems in the United States or elsewhere could also have a negative impact on the demand for our current and future products. These include changes that may reduce reimbursement rates for our products and changes that may be proposed or implemented by the current or future laws or regulations.

Risks Related to Intellectual Property Protection and Use

We may be subject to claims of infringement or misappropriation of the intellectual property rights of others, which could prohibit us from shipping affected products, require us to obtain licenses from third parties or to develop non-infringing alternatives, and subject us to substantial monetary damages and injunctive relief. We may also be subject to other claims or suits.

Third parties have asserted in the past, and may assert in the future, infringement or misappropriation claims against us with respect to our current or future products. We are aware of numerous patents issued to third parties that may relate to aspects of our business, including the design and manufacture of CGM sensors and membranes, as well as methods for continuous glucose monitoring. Whether a product infringes a patent involves complex legal and factual issues, the determination of which is often uncertain. Therefore, we cannot be certain that we have not infringed the intellectual property rights of such third parties or others. Our competitors may assert that our CGM systems or the methods we employ in the use of our systems are covered by U.S. or international patents held by them. We have in the past settled some such allegations and may need to do so again in the future. This risk is exacerbated by the fact that there are numerous issued patents and pending patent applications relating to self-monitored glucose testing systems in the medical technology field. Because patent applications may take years to issue, there may be applications now pending of which we are unaware that may later result in issued patents that our products infringe. There could also be existing patents of which we are unaware that one or more components of our system may inadvertently infringe. As the number of competitors in the market for CGM systems grows, the possibility of patent infringement by us or a patent infringement claim against us increases. If we are unable to successfully defend any such claims as they may arise or enter into or extend settlement and license agreements on acceptable terms or at all, our business operations may be harmed.

We have been involved in various patent infringement actions in the past and in 2024, we entered into a settlement and license agreement with Abbott to settle all pending patent infringement legal proceedings brought by Abbott against us. We granted Abbott and its affiliates, and Abbott and its affiliates granted us and our affiliates, a worldwide, royalty-free, non-exclusive, fully paid-up license to certain patents and patent applications relating to analyte sensing, including to all the patents asserted in the settled litigation. As part of the agreement, each party, on behalf of itself and its affiliates, also entered into a covenant not to sue until December 20, 2034, and agreed on behalf of themselves and their affiliates to refrain from challenging the patents and patent applications licensed

under the settlement agreement for periods of time which vary depending on the relevant patents or patent applications.

Any infringement or misappropriation claim could cause us to incur significant costs, place significant strain on our financial resources, divert management's attention from our business and harm our reputation. In addition, if the relevant patents are upheld as valid and enforceable and we are found to infringe such patents, we could be prohibited from selling any of our products that is found to infringe unless we could obtain licenses to use the technology covered by the patent or are able to design around the patent. We may be unable to obtain a license on terms acceptable to us, if at all, and we may not be able to redesign our products to avoid infringement. We may be unable to maintain or renew licenses on terms acceptable to us, if at all, and we may be prohibited from selling any of our products that required the technology covered by the relevant licensed patents. Even if we are able to redesign our products to avoid an infringement claim, we may not receive FDA or international regulatory approval for such changes in a timely manner or at all.

Any adverse determination in litigation or interference proceedings to which we are or may become a party relating to patents or other intellectual property rights could subject us to significant liabilities to third parties or require us to seek licenses from other third parties. If we are found to infringe third-party patents, a court could order us to pay damages to compensate the patent owner for the infringement, such as a reasonable royalty amount and/or profits lost by the patent owners, along with prejudgment and/or post-judgment interest. Furthermore, if we are found to willfully infringe third-party patents, we could, in addition to other penalties, be required to pay treble damages; and if the court finds the case to be exceptional, we may be required to pay attorneys' fees for the prevailing party. If we are found to infringe third-party copyrights or trademarks or misappropriate third-party trade secrets, based on the intellectual property at issue, a court could order us to pay statutory damages, actual damages, or profits, such as reasonable royalty or lost profits of the owners, unjust enrichment, disgorgement of profits, and/or a reasonable royalty, and the court could potentially award attorneys' fees or exemplary or enhanced damages. Although patent and intellectual property disputes in the medical device area have often been settled through licensing or similar arrangements, costs associated with such arrangements may be substantial and would likely include ongoing royalties. We may be unable to obtain necessary intellectual property licenses on satisfactory terms. If we do not obtain any such necessary licenses, we may not be able to redesign our products to avoid infringement and any redesign may not receive FDA approval or other requisite marketing authorization in a timely manner or at all. Adverse determinations in a judicial or administrative proceeding or failure to obtain necessary intellectual property licenses could prevent us from manufacturing and selling our products, which would have a significant adverse impact on our business. If litigation were to be initiated by intellectual property owners, there could significant legal fees and costs incurred in defending litigation (which may include filing administrative actions to attack the intellectual property) as well as a potential monetary settlement payment to the owners, even if the matter is resolved before going to trial. Moreover, the owners may take an overly aggressive approach and/or include multiple allegations in a single litigation.

In addition, from time to time, we are subject to various claims, complaints and legal actions arising out of the ordinary course of business, including commercial insurance, product liability or employment-related matters. Also, from time to time, we may bring claims or initiate lawsuits against various third parties with respect to matters arising out of the ordinary course of our business, including commercial and employment-related matters. There can be no assurance that existing or future legal proceedings arising in the ordinary course of business or otherwise will not have a material adverse effect on our business, financial condition or results of operations.

Our inability to adequately protect our intellectual property could allow our competitors and others to produce products based on our technology, which could substantially impair our ability to compete.

Our success and our ability to compete depend, in part, upon our ability to maintain the proprietary nature of our technologies. We rely on a combination of patent, copyright and trademark law, and trade secrets and nondisclosure agreements to protect our intellectual property. However, such methods may not be adequate to protect us or permit us to gain or maintain a competitive advantage. Our patent applications may not issue as patents in a form that will be advantageous to us, or at all. Our issued patents, and those that may issue in the future, may be challenged, invalidated or circumvented, which could limit our ability to stop competitors from marketing related products. In addition, there are numerous recent changes to the patent laws and proposed changes to the rules of the U.S. Patent and Trademark Office, which may have a significant impact on our ability to protect our technology and enforce our intellectual property rights.

To protect our proprietary rights, we may in the future need to assert claims of infringement against third parties. The outcome of litigation to enforce our intellectual property rights in patents, copyrights, trade secrets or trademarks is highly unpredictable, could result in substantial costs and diversion of resources, and could have a material adverse effect on our business, financial condition and results of operations regardless of the final outcome

of such litigation. In the event of an adverse judgment, a court could hold that some or all of our asserted intellectual property rights are not infringed, or are invalid or unenforceable, and could award attorney fees.

Despite our efforts to safeguard our unpatented and unregistered intellectual property rights, we may not succeed in doing so or the steps taken by us in this regard may not be adequate to detect or deter misappropriation of our technology or to prevent an unauthorized third-party from copying or otherwise obtaining and using our products, technology or other information that we regard as proprietary. In addition, third parties may be able to design around our patents. Furthermore, the laws of international countries may not protect our proprietary rights to the same extent as the laws of the United States.

Litigation Risks

We face the risk of product liability claims and may be subject to damages, fines, penalties and injunctions, among other things.

Our business exposes us to the risk of product liability claims that is inherent in the testing, manufacturing and marketing of medical devices, including those which may arise from the misuse (including system hacking or other unauthorized access by third parties to our systems) or malfunction of, or design flaws in, our products. This liability may vary based on the FDA classification associated with our devices. Notably, the classification of our G6, G7 and G7 15 Day systems as Class II medical devices is likely to weaken our ability to rely on federal preemption of state law claims that assert liability against us for harms arising from use of those systems. We may be subject to product liability claims if our products cause, or merely appear to have caused, an injury. Claims may be made by customers, healthcare providers or others selling our products. The risk of product liability claims may increase given that G6, G7 and G7 15 Day do not require confirmatory finger sticks when making treatment decisions or finger stick tests each day for calibration, although it does require finger stick tests when symptoms do not match readings and when readings are unavailable. The risk of claims may also increase if our products are subject to a product recall or seizure. As an example of the difficulty of complying with the regulatory requirements associated with the manufacture of our products, we issued notifications to our customers regarding the audible alarms and alerts associated with our receivers.

Although we have insurance at levels that we believe is appropriate, this insurance is subject to deductibles and coverage limitations. Our current product liability insurance may not continue to be available to us on acceptable terms, if at all, and, if available, the coverage may not be adequate to protect us against any future product liability claims. Further, if additional products are approved for marketing, we may seek additional insurance coverage. If we are unable to obtain insurance at an acceptable cost or on acceptable terms with adequate coverage or otherwise protect against potential product liability claims, we will be exposed to significant liabilities, which may harm our business. A product liability claim, recall or other claims with respect to uninsured liabilities or for amounts in excess of insured liabilities could result in significant costs and significant harm to our business.

We may be subject to claims against us even if the apparent injury is due to the actions of others or misuse of the device or a partner device. Our customers, either on their own or following the advice of their physicians, may use our products in a manner not described in the products' labeling and that differs from the manner in which it was used in clinical studies and approved by the FDA. For example, G6 and G7 are designed to be used by an individual continuously for up to 10 days, but the individual might be able to circumvent the safeguards designed into the systems and use the products for longer than 10 days. Off-label use of products by customers is common, and any such off-label use of our products could subject us to additional liability, or require design changes to limit this potential off-label use once discovered. In addition, other regulatory agencies may in the future approve similar diabetes treatment indications. We expect that such diabetes treatment indications could expose us to additional liability. These liabilities could prevent or interfere with our product commercialization efforts. Defending a suit, regardless of merit, could be costly, could divert management attention and might result in adverse publicity, which could result in the withdrawal of, or inability to recruit, clinical trial volunteers or result in reduced acceptance of our products in the market.

We could become the subject of governmental investigations, claims and litigation.

Healthcare companies are subject to numerous investigations and inquiries by various governmental agencies. Further, under the False Claims Act, private parties have the right to bring *qui tam*, or "whistleblower," suits against companies that submit false claims for payments to, or improperly retain overpayments from, the government. Some states have adopted similar state whistleblower and false claims provisions. Depending upon whether the underlying conduct alleged in such inquiries or investigations could be considered systemic, any resolution of any such investigations could have a material, adverse effect on our financial position and results of operations.

Governmental agencies and their agents, such as CMS Medicare Administrative Contractors and other CMS contractors, as well as the OIG, state Medicaid programs, and other state and federal agencies may conduct audits of our operations, relating to covered items and services including those furnished to beneficiaries, health care providers and distributors. Commercial and government-funded managed care payors may conduct similar post-payment audits. Depending on the nature of the conduct found in such audits and whether the underlying conduct could be considered systemic, the resolution of these audits could have a material adverse effect on our financial position and results of operations. Our compliance program includes internal audit and monitoring functions designed to identify potential issues and facilitate remediation as appropriate.

Any future investigations of our executives, our managers or us could result in significant liabilities or penalties to us, as well as adverse publicity. Even if we are found to have complied with applicable law, the investigation or litigation may pose a considerable expense and would divert management's attention, and have a potentially negative impact on the public's perception of us, all of which could negatively impact our financial position and results of operations. Further, should we be found out of compliance with any of these laws, regulations or programs, depending on the nature of the findings, our business, our financial position and our results of operations could be negatively impacted.

We may be subject to fines, penalties and injunctions if we are determined to be promoting the use of our products for unapproved or improper off-label uses or determined to have made claims that are untruthful or misleading or not adequately substantiated.

Our marketing, promotional and educational materials and practices are subject to FDCA, Federal Trade Commission Act, and other applicable laws and regulations, as may be amended from time to time. If the FDA, FTC or other regulatory body with competent jurisdiction over us, our activities or products takes the position that our marketing, promotional or other materials or activities constitute improper promotion or marketing of an unapproved or improper use, or that they contain untruthful, misleading, or inadequately substantiated statements or claims, such regulatory body could request that we modify our materials or practices, or subject us to regulatory enforcement actions, including the issuance, depending on the regulatory body and the nature of the alleged violation, of a warning letter, injunction, seizure, civil fine and criminal penalties. It is also possible that other federal, state or international enforcement authorities might take action if they consider promotional, marketing or other materials or activities to constitute improper promotion of an unapproved use, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement. Recent court decisions have impacted the FDA's enforcement activity regarding off-label promotion in light of First Amendment considerations; however, there are still significant risks in this area in part due to the potential False Claims Act exposure and the FDA's continued focus on ensuring devices are marketed in a manner consistent with their FDA-required labeling.

We are not actively promoting our G6, G7 or G7 15 Day systems for inpatient use, but if we supply them to such facilities in the future, this supply could present an increased risk of product liability claims and associated damages should an adverse event occur. Given that the G6, G7 and G7 15 Day systems have not yet been fully evaluated or tested (by us or by the FDA) to the extent that would be required in standard circumstances for product development and marketing authorization, there could be unknown or unanticipated risks presented by use in this environment.

In some instances in our advertising and promotion, we may make claims regarding our product as compared to competing products, which may subject us to heightened regulatory scrutiny, enforcement risk, and litigation risks.

The FDA applies a heightened level of scrutiny to comparative claims when applying its statutory standards for advertising and promotion, including with regard to its requirement that promotional labeling be truthful and not misleading. There is potential for differing interpretations of whether certain communications are consistent with a product's FDA-required labeling, and FDA will evaluate communications on a fact-specific basis.

In addition, making comparative claims may draw concerns from our competitors. Where a company makes a claim in advertising or promotion that its product is superior to the product of a competitor (or that the competitor's product is inferior), this creates a risk of a lawsuit by the competitor under federal and state false advertising or unfair and deceptive trade practices law, and possibly also state libel law. Such a suit may seek injunctive relief against further advertising, a court order directing corrective advertising, and compensatory and punitive damages where permitted by law.

Direct-to-consumer marketing and social media efforts may expose us to additional regulatory scrutiny.

Our efforts to promote our products via direct-to-consumer marketing and social media initiatives may subject us to additional scrutiny of our practices of effective communication of risk information, benefits or claims, under the oversight of the FDA, FTC, HHS-OCR, or others.

Other Risks Related to Our Business and Financial Condition

We have incurred significant losses in the past and may incur losses in the future.

We have incurred significant operating losses in the past. We have financed our operations primarily through private and public offerings of equity securities and debt and the sales of our products. We have devoted substantial resources to:

- research and development relating to our current and future products;
- sales and marketing and manufacturing expenses associated with the commercialization of our products; and
- expansion of our workforce.

We expect our research and development expenses to increase in connection with our clinical trials and other development activities related to our products, including our next-generation sensors, transmitters and receivers, as well as other collaborations. We also expect that our general and administrative expenses will continue to increase due, among other things, to the additional operational and regulatory burdens applicable to public healthcare and medical device companies. As a result, it is possible that we could incur operating losses in the future. These losses, among other things, may have an adverse effect on our stockholders' equity.

Our success will depend on our ability to attract and retain our personnel and manage our human capital, while controlling labor costs.

We depend to a significant degree on our senior management, especially Jake Leach, our President and Chief Executive Officer. Our success will depend on our ability to retain our senior management and to attract and retain qualified personnel in the future, including salespersons, scientists, clinicians, engineers and other highly skilled personnel. Competition for senior management personnel, as well as salespersons, scientists, clinicians and engineers, is intense and we may not be able to retain our personnel. The loss of the services of members of our senior management, scientists, clinicians or engineers could prevent the implementation and completion of our objectives, including the commercialization of our current products and the development and introduction of additional products. The loss of a member of our senior management or our professional staff would require the remaining executive officers to divert immediate and substantial attention to seeking a replacement.

Each of our officers may terminate their employment at any time without notice and without cause or good reason. Additionally, volatility or a lack of positive performance in our stock price may adversely affect our ability to retain key employees.

We expect to continue to expand our operations and grow our research and development, manufacturing, sales and marketing, product development and administrative operations. We expect this expansion to place a significant strain on our management and it will require hiring a significant number of qualified personnel. Accordingly, recruiting and retaining such personnel will be critical to our success. There is intense competition from other companies and research and academic institutions for qualified personnel in the areas of our activities. If we fail to identify, attract, retain and motivate these skilled personnel, we may be unable to continue our development and commercialization activities.

We may undertake reorganizations of our workforce, which may result in a temporary reduction in the number of employees in certain locations. We would undertake a reorganization to reduce operating expenses or achieve other business objectives, though we cannot guarantee any specific amount of long-term cost savings. Further, the turnover in our employee base could result in operational and administrative inefficiencies, which could adversely impact the results of our operations, stock price and customer relationships, and could make recruiting for future management and other positions more difficult.

We may conduct additional financings to continue the development or commercialization of our current or future products.

Our operations have consumed substantial amounts of cash since inception. We expect to continue to spend substantial amounts on commercialization of our products, including growth of our manufacturing capacity, on research and development, and conducting clinical trials for our future products. Although we raised substantial net

proceeds through the private sale of our convertible notes, we could require funds to continue the commercialization of our current products and to develop and commercialize future products or pursue other strategic initiatives. Additional financing may not be available on a timely basis on terms acceptable to us, or at all. Any additional financing may be dilutive to stockholders or may require us to grant a lender a security interest in our assets. The amount of funding we may need will depend on many factors, including:

- the revenue generated by sales of our products and other future products;
- the costs, timing and risks of delay of additional regulatory approvals;
- the expenses we incur in manufacturing, developing, selling and marketing our products;
- our ability to scale our manufacturing operations to meet demand for our current and any future products;
- the costs to produce our continuous glucose monitoring systems;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- the rate of progress and cost of our clinical trials and other development activities;
- the success of our research and development efforts;
- the emergence of competing or complementary technologies;
- the terms and timing of any current or collaborative, licensing and other similar arrangements;
- the cost of ongoing compliance with legal and regulatory requirements, and third-party payors' policies;
- the cost of obtaining and maintaining regulatory or payor clearance or approval for our current or future products including those integrated with other companies' products; and
- the acquisition of business, products and technologies, although we currently have no commitments or agreements relating to any of these types of transactions.

If adequate funds are not available, we may not be able to commercialize our products at the rate we desire and/or we may have to delay the development or commercialization of our products or license to third parties the rights to commercialize products or technologies that we would otherwise seek to commercialize. We also may have to reduce sales, marketing, customer support or other resources devoted to our products. Any of these factors could harm our business and financial condition.

Uncollectible uninsured and patient due accounts could adversely affect our results of operations.

The primary collection risks for our accounts receivable relate to the uninsured patient accounts and patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (exclusions, deductibles and copayments) remain outstanding. In addition, as a result of recent economic conditions, some customers have, and others may, lose access to their private health insurance plan if they lose their job. As most of our customers rely on third-party payors, including private health insurance plans, to cover the cost of our products, there has been, and may continue to be, a shift in financial responsibility to our customers for the amounts previously covered by their primary insurance carrier.

In the event that we are unsuccessful in collecting payments owed by patients, and/or experience increases in the amount, or deterioration in the collectability, of uninsured and patient due accounts receivable, this could adversely affect our cash flows and results of operations. We may also be adversely affected by the growth in patient responsibility accounts, as a result of increases in the adoption of plan structures, due to evolving health care policy and insurance landscapes that shift greater responsibility for care to individuals through greater exclusions, prior authorizations, and copayment and deductible amounts.

Changes in our business strategy or restructuring of our businesses may increase our costs or otherwise affect the profitability of our businesses or the value of our assets.

As changes in our business environment occur we have adjusted, and may further, adjust our business strategies to meet these changes and we may otherwise decide to further restructure our operations or particular businesses or assets. Our new organization and strategies may not produce the anticipated benefits, such as supporting our growth strategies and enhancing shareholder value. Our new organization and strategies could be less successful than our previous organizational structure and strategies. In addition, external events including changing technology, changing consumer patterns, acceptance of our products and changes in macroeconomic conditions may impair the value of our assets. When these changes or events occur, we may incur costs to change our business strategy and may need to write-down the value of assets. For example, current economic conditions, including relatively high interest rates, inflation and potential economic slowdowns, as well as our business decisions, may reduce the value of some of our assets. We also make investments in existing or new businesses,

including investments in the international expansion of our sales efforts and the build-out of our manufacturing facility in Malaysia and the construction of a new facility in Ireland. Additionally, we also invest in early to late-stage companies for strategic reasons and to support key business initiatives, and we may not realize a return on our equity investments. Many such companies generate net losses and the market for their products, services, or technologies may be slow to develop or never materialize. We are subject to risks associated with our equity investments including partial or complete loss of invested capital, and significant changes in the fair value of this portfolio could adversely impact our financial results. Some of these investments may have returns that are negative or low, the ultimate business prospects of the businesses related to these investments may be uncertain, and these risks may be exacerbated by current macroeconomic conditions. In any of these events, our costs may increase or returns on new investments may be lower than prior to the change in strategy or restructuring.

Risks Relating to Our Public Company Status, Tax Laws and Growth Through Acquisition

We may face risks associated with acquisitions of companies, products and technologies and our business could be harmed if we are unable to address these risks.

If we are presented with appropriate opportunities, we could acquire or make other investments in complementary companies, products or technologies. We may not realize the anticipated benefit of our acquisitions, or the realization of the anticipated benefits may require greater expenditures than anticipated by us. We will likely face risks, uncertainties and disruptions associated with the integration process, including difficulties in the integration of the operations and services of any acquired company, integration of acquired technology with our products, diversion of our management's attention from other business concerns, the potential loss of key employees or customers of the acquired businesses and impairment charges if future acquisitions are not as successful as we originally anticipated. If we fail to successfully integrate other companies, products or technologies that we acquire, our business could be harmed. Furthermore, we may have to incur debt or issue equity or equity-linked securities to pay for any future acquisitions or investments, the issuance of which could be dilutive to our existing stockholders. In addition, our operating results may suffer because of acquisition-related costs, amortization expenses or charges relating to acquired intangible assets.

Compliance with regulations relating to public company corporate governance matters and reporting may strain our resources and divert management's attention.

Many laws and regulations, notably those adopted in connection with the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, new SEC regulations and The Nasdaq Stock Market listing rules, impose obligations on public companies, such as ours, which have increased the scope, complexity and cost of corporate governance, reporting and disclosure practices. Compliance with these laws and regulations, including enhanced new disclosures, has required and will continue to require substantial management time and oversight and the incurrence of significant accounting and legal costs. Additionally, changes to existing accounting rules or standards, such as the potential requirement that U.S. registrants prepare financial statements in accordance with International Financial Reporting Standards, may adversely impact our reported financial results and business, and may require us to incur greater accounting fees. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to continue to invest resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected.

We could be subject to changes in our tax rates, new U.S. or international tax legislation or additional tax liabilities.

We are subject to taxes in the United States and numerous international jurisdictions, where a number of our subsidiaries are organized. The tax laws in the United States and in other countries in which we and our subsidiaries do business could change on a prospective or retroactive basis, and any such changes could adversely affect our business and financial condition. Further, due to economic and political conditions, tax rates in various jurisdictions may be subject to change. Our effective tax rates could be affected by numerous factors, including

changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, and changes in tax laws or their interpretation, both in and outside the United States.

There is growing pressure in many jurisdictions, including the United States, and from multinational organizations such as the OECD and the EU to amend existing international tax rules in order to render them more responsive to current global business practices. For example, the OECD has published a package of measures for reform of the international tax rules as a product of its BEPS initiative, which was endorsed by the G20 finance ministers. Many of the initiatives in the BEPS package require amendments to the domestic tax legislation of various jurisdictions. Separately, the EU is asserting that a number of country-specific favorable tax regimes and rulings in certain member states may violate, or have violated, EU law, and may require rebates of some or all of the associated tax benefits to be paid by benefited taxpayers in particular cases. In 2016, the EU adopted the "Anti-Tax Avoidance Directive," which requires EU member states to implement measures to prohibit tax avoidance practices. We have a significant presence in the EU, as well as significant sales in the EU, such that any changes in tax laws in the EU could impact our business. Our business and financial condition could be adversely affected by any laws impacting our tax rate.

In 2021, the OECD announced the OECD/G20 Inclusive Framework on BEPS which agreed to a two-pillar solution to address tax challenges arising from digitalization of the economy and released Pillar Two Model Rules defining the global minimum tax rules, which contemplate a 15% minimum tax rate. Pillar Two became effective for tax years beginning on January 1, 2024 in many jurisdictions and the Undertaxed Profits Rule took effect on January 1, 2025 in most adopting countries. These changes, when enacted by various countries in which we do business, may increase our taxes in these countries. Changes to these and other areas in relation to international tax reform, including future actions taken by international governments, could increase uncertainty and may adversely affect our tax rate and cash flow in future years.

Our tax returns and other tax matters also are subject to examination by the U.S. Internal Revenue Service and other tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. We cannot guarantee the outcome of these examinations. If our effective tax rates were to increase, particularly in the United States, or in other countries implementing legislation to reform existing tax legislation or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations which could subject our business to higher tax liability.

Our ability to use our net operating losses, or NOLs, to offset future taxable income may be subject to certain limitations which could subject our business to higher tax liability. We may be limited in the portion of NOL carryforwards that we can use in the future to offset taxable income for U.S. federal and state income tax purposes, and federal tax credits to offset federal tax liabilities. Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, and similar state law provisions, limit the use of NOLs and tax credits after a cumulative change in corporate ownership of more than 50% occurs within a three-year period. The statutes place a formula limit on how much NOLs and tax credits a corporation can use in a tax year after a change in ownership. Avoiding an ownership change is generally beyond our control. Although the ownership changes we experienced in the past have not prevented us from using all NOLs and tax credits accumulated before such ownership changes, we could experience another ownership change that might limit our use of NOLs and tax credits in the future. In addition, realization of deferred tax assets, including net operating loss carryforwards, depends upon our future earnings in applicable tax jurisdictions. If we have insufficient future taxable income in the applicable tax jurisdiction for any reason, including any future corporate reorganization or restructuring activities, we may be limited in our ability to utilize some or all of our net operating losses to offset such income and reduce our tax liability in that jurisdiction. We utilized the majority of our remaining NOLs by the end of 2021, with the exception of the NOLs limited by Section 382 of the Internal Revenue Code of 1986. See Note 7 "*Income Taxes*" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for additional information.

There is also a risk that due to regulatory changes or changes to federal or state law, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable either in whole or in part to offset future income tax liabilities. See Note 7 "*Income Taxes*" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for additional information.

Risks Related to Our Common Stock

Our stock price is highly volatile and investing in our stock involves a high degree of risk, which could result in substantial losses for investors.

Historically, the market price of our common stock, like the securities of many other medical products companies, fluctuates and could continue to be volatile in the future, especially as our business continues to grow and our business plan continues to evolve. From January 1, 2025 through December 31, 2025, the closing price of our common stock on the Nasdaq Global Select Market was as high as $90.75 per share and as low as $54.84 per share.

The market price of our common stock is influenced by many factors that are beyond our control, including the following:

- securities analyst coverage or lack of coverage of our common stock or changes in their estimates of our financial performance;
- actual or anticipated variations in financial condition and operating results;
- future sales of our common stock by our stockholders;
- investor perception of us and our industry;
- announcements by us or our competitors of significant agreements, acquisitions, or capital commitments or product launches or discontinuations;
- changes in market valuation or earnings of our competitors;
- material business or financial announcements regarding our partners;
- general economic conditions;
- regulatory actions;
- legislation and political conditions;
- global health pandemics, such as the COVID-19 pandemic;
- the consummation of, and anticipated benefits of, our share repurchase programs; and
- other events or factors, including the ongoing international conflicts, recessions, rising interest rates, inflation, local and national elections, international currency fluctuations, corruption, political instability and acts of war or terrorism.

Please also refer to the factors described elsewhere in this “Risk Factors” section. In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated and disproportionate to the operating performance of companies in our industry. These broad market and industry factors may materially reduce the market price of our common stock, regardless of our operating performance.

Securities class action litigation has often been brought against public companies that experience periods of volatility in the market prices of their securities. For example, we have pending securities class action litigation and derivative actions pending against us. Securities class action litigation could result in substantial costs and a diversion of our management’s attention and resources, which could seriously harm our business.

The issuance of shares by us in the future or sales of shares by our stockholders may cause the market price of our common stock to drop significantly, even if our business is performing well.

This issuance of shares by us in the future, including by conversion of our senior convertible notes in certain circumstances, or sales of shares by our stockholders may cause the market price of our common stock to decline, perhaps significantly, even if our business is performing well. The market price of our common stock could also decline if there is a perception that sales of our shares are likely to occur in the future. This might also make it more difficult for us to sell securities in the future at a time and at a price that we deem appropriate. Also, we may issue securities in connection with future financings and acquisitions, and those shares could dilute the holdings of other stockholders.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future and the terms of our credit agreement restrict our ability to declare or pay any dividends. As a result, stockholders (including holders of our senior convertible notes who receive shares of our

common stock, if any, upon conversion of their notes) may only receive a return on their investment in our common stock if the market price of our common stock increases.

Anti-takeover effects of our charter documents and Delaware law could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our common stock.

There are provisions in our certificate of incorporation and bylaws, as well as provisions in the Delaware General Corporation Law, that may discourage, delay or prevent a change of control that might otherwise be beneficial to stockholders. For example:

- our Board of Directors may, without stockholder approval, issue shares of preferred stock with special voting or economic rights;
- our stockholders do not have cumulative voting rights;
- a special meeting of stockholders may only be called by a majority of our Board of Directors, upon direction of the Chairman of our Board of Directors, our Chief Executive Officer, our President or our Lead Independent Director, or a majority of our Board of Directors;
- our stockholders may not take action by written consent; and
- we require advance notice for nominations for election to the Board of Directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Our bylaws provide that the federal district courts of the United States will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, or a Federal Forum Provision. Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Neither the exclusive forum provision nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court.

Notwithstanding the foregoing, our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions, including the Federal Forum Provision. The exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provisions contained in our restated certificate of incorporation or amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results, and financial condition.

Moreover, Section 203 of the Delaware General Corporation Law may discourage, delay, or prevent a change of control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15% or more of our common stock.

We cannot guarantee that the 2025 Share Repurchase Program will be fully consummated or that such program will enhance the long-term value of our share price.

In April 2025, our Board of Directors authorized and approved a share repurchase program of up to $750.0 million of our outstanding common stock, with a repurchase period ending no later than June 30, 2026, or the 2025 Share Repurchase Program. Repurchases of our common stock under the 2025 Share Repurchase Program may be made from time to time in the open market, in privately negotiated transactions or by other methods, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act, at our discretion, and in accordance with the limitations set forth in Rule 10b-18 promulgated under the Exchange Act and other applicable federal and state laws and regulations. The timing of any repurchases will depend on market conditions and will be made at our discretion. The 2025 Share Repurchase Program does not obligate us to repurchase any dollar amount or number of shares of our common stock, and the program may be extended, modified, suspended, or discontinued at any time.

The 2025 Share Repurchase Program could affect the price of our common stock and increase the volatility thereof. Price volatility may cause the average price at which we repurchase our common stock in a given period to exceed the stock's price at a given point in time. There can be no assurance that the timeframe for repurchases under our 2025 Share Repurchase Program or that any repurchases conducted thereunder will have a positive impact on our stock price or earnings per share. Important factors that could cause us to discontinue or decrease share repurchases under the 2025 Share Repurchase Program include, among others, unfavorable market conditions; the market price of our common stock; the nature of other investment or strategic opportunities presented to us from time to time; our ability to make appropriate, timely, and beneficial decisions as to when, how, and whether to repurchase shares under the 2025 Share Repurchase Program; and the availability of funds necessary to fulfill such repurchases. As of December 31, 2025, we have repurchased 7.7 million shares of our common stock for $500.0 million under the 2025 Share Repurchase Program.

Risks Related to Our Debt

Increasing our financial leverage could affect our operations and profitability.

In June 2023, we entered into the First Amendment to our Second Amended and Restated Credit Agreement, or the Amended Credit Agreement, with JPMorgan Chase and other syndicate lenders, which amended and restated the credit agreement, or the Credit Agreement, we had previously entered into in December 2018 and amended in May 2020 and October 2021, respectively. The Amended Credit Agreement is a five-year $200.0 million revolving credit facility, or the Credit Facility. As of December 31, 2025, we had no outstanding borrowings, $7.9 million in outstanding letters of credit, and a total available balance of $192.1 million under the Amended Credit Agreement.

Our leverage ratio may affect the availability to us of additional capital resources as well as our operations in several ways, including:

- the terms on which credit may be available to us could be less attractive, both in the economic terms of the credit and the legal covenants;
- the possible lack of availability of additional credit;
- the potential for higher levels of interest expense to service or maintain our outstanding debt;
- the possibility of additional borrowings in the future to repay our indebtedness when it comes due; and
- the possible diversion of capital resources from other uses.

The Amended Credit Agreement expires in 2026. While we believe we will have the ability to service our debt, extend the term of the credit agreement, and/or obtain additional resources in the future if and when needed, that will depend upon our results of operations and financial position at the time, the then-current state of the credit and financial markets, and other factors that may be beyond our control. Therefore, we cannot give assurances that sufficient credit will be available on terms that we consider attractive, or at all, if and when necessary or beneficial to us.

Failure to comply with covenants in the Amended Credit Agreement could result in our inability to borrow additional funds and adversely impact our business.

The Amended Credit Agreement imposes numerous financial and other restrictive covenants on our operations, including covenants relating to our general profitability and our liquidity. As of December 31, 2025, we were in compliance with the covenants imposed by the Amended Credit Agreement. If we violate these or any other covenants, any outstanding amounts under the Amended Credit Agreement could become due and payable prior to their stated maturity dates, each lender could proceed against any collateral in our operating accounts and our

ability to borrow funds in the future may be restricted or eliminated. These restrictions may also limit our ability to borrow additional funds and pursue other business opportunities or strategies that we would otherwise consider to be in our best interests.

We have indebtedness in the form of convertible senior notes, which could adversely affect our financial health and our ability to respond to changes in our business.

In May 2023, we completed an offering of approximately $1.25 billion aggregate principal amount of 0.375% unsecured senior convertible notes due 2028, or the Notes or the 2028 Notes, which offering we refer to as the Notes Offering. As a result of the Notes Offering, we incurred $1.25 billion principal amount of indebtedness, the principal amount of which we may be required to pay at maturity.

Holders of the Notes will have the right to require us to repurchase their notes upon the occurrence of a fundamental change (as defined in the indenture for the Notes) at a purchase price equal to 100% of the principal amount of the notes to be purchased, plus accrued and unpaid interest, if any. In addition, the indenture for the Notes provides that we are required to repay amounts due under the indenture in the event that there is an event of default for the Notes that results in the principal, premium, if any, and interest, if any, becoming due prior to the maturity date for the Notes. There can be no assurance that we will be able to repay this indebtedness when due, or that we will be able to refinance this indebtedness on acceptable terms or at all.

Our level of debt may:

- heighten our vulnerability to adverse general economic conditions and competitive pressures;
- require us to dedicate a larger portion of our cash flow from operations to interest payments, limiting the availability of cash for other purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and industry; and
- impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes.

We cannot be sure that our leverage will not materially and adversely affect our ability to finance our operations or capital needs or to engage in other business activities. In addition, we cannot be sure that additional financing will be available when required or, if available, will be on terms satisfactory to us. Further, even if we are able to obtain additional financing, we may be required to use such proceeds to repay a portion of our debt.

We may be unable to repurchase the Notes upon a fundamental change when required by the holders or repay prior to maturity any accelerated amounts due under the notes upon an event of default or redeem the Notes unless specified conditions are met under our Credit Facility, and our future debt may contain additional limitations on our ability to pay cash upon conversion, repurchase or repayment of the Notes.

Holders of the Notes will have the right to require us to repurchase their Notes upon the occurrence of a fundamental change at a purchase price equal to 100% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest, if any, to, but not including, the fundamental change purchase date. In addition, the indenture for the Notes provides that we are required to repay amounts due under the indenture in the event that there is an event of default for the Notes that results in the principal, premium, if any, and interest, if any, becoming due prior to the maturity date for the Notes. In addition, upon conversion of the Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than cash in lieu of any fractional share), we will be required to make cash payments in respect of the Notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to repurchase Notes surrendered upon a fundamental change or repay prior to maturity any accelerated amounts or pay cash for Notes being converted.

In addition, our ability to purchase the Notes or repay prior to maturity any accelerated amounts under the Notes upon an event of default or pay cash upon conversions of the Notes may be limited by law, by regulatory authority or by agreements governing our indebtedness outstanding at the time, including our Credit Facility. Under our Credit Facility, we are only permitted to use cash to purchase the Notes or repay prior to maturity any accelerated amounts under the Notes if we meet certain conditions that are defined under the Credit Agreement. We may not meet these conditions in the future. Our failure to repurchase Notes at a time when the repurchase is required by the indenture (whether upon a fundamental change or otherwise under each indenture) or pay cash payable on future conversions of the Notes as required by the indenture would constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our existing or future indebtedness, including our Credit Facility. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness, repurchase the Notes or make cash payments upon conversions thereof.

We may still incur substantially more debt or take other actions which would intensify the risks discussed above.

We may incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments, some of which may be secured debt. We are not restricted under the terms of the indenture governing the Notes from incurring additional debt, securing existing or future debt, recapitalizing our debt, or taking a number of other actions that are not limited by the terms of the indenture governing the convertible senior notes that could have the effect of diminishing our ability to make payments on the Notes when due.

The capped call transactions we entered into in connection with the pricing of the 2028 Notes may affect the value of our 2028 Notes and common stock.

In connection with the pricing of the 2028 Notes, we entered into capped call transactions, or the 2028 Capped Calls, relating to such 2028 Notes with the option counterparties. The 2028 Capped Calls relating to the 2028 Notes cover, subject to customary adjustments, the number of shares of our common stock that initially underlie the 2028 Notes. The 2028 Capped Calls are generally expected to reduce the potential dilution to stockholders upon any conversion of the 2028 Notes, and/or offset any cash payments that we are required to make in excess of the principal amount upon any conversion of the 2028 Notes, with such reduction and/or offset subject to a cap.

The option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock in secondary market transactions following the pricing of the 2028 Notes, as applicable, and prior to the maturity of the 2028 Notes (and are likely to do so during any observation period related to a conversion of such Notes or following any repurchase of such notes by us on any fundamental change repurchase date or otherwise). This activity could also cause or avoid an increase or a decrease in the market price of our 2028 Notes or common stock, which could affect a holder's ability to convert its 2028 Notes and, to the extent the activity occurs during any observation period related to a conversion of the 2028 Notes, it could affect the amount and value of the consideration that a holder will receive upon conversion of such 2028 Notes.

The potential effect, if any, of these transactions and activities on the market price of the 2028 Notes or our common stock will depend in part on market conditions and cannot be ascertained at this time. Any of these activities could adversely affect the value of 2028 Notes or our common stock (and as a result, the amount and value of the consideration that a holder would receive upon the conversion of any 2028 Notes) and, under certain circumstances, a holder's ability to convert its notes.

We are subject to counterparty risk with respect to the 2028 Capped Calls.

The option counterparties to the 2028 Capped Calls are financial institutions, and we will be subject to the risk that any or all of them may default under the 2028 Capped Calls. Our exposure to the credit risk of these counterparties is not secured by any collateral. Recent global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If a counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings, with a claim equal to our exposure at that time under our transactions with that option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the counterparties with respect to the 2028 Capped Calls.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Notes, depends on our future financial condition and operating performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to satisfy our obligations under the Notes, our existing indebtedness and any future indebtedness we may incur and to make necessary capital expenditures. We may not maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on (as well as any cash due upon conversion of) our debt, including the Notes.

If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, refinancing or obtaining additional equity capital on terms that may be onerous or highly dilutive. These alternative measures may not be successful and may not permit us to meet our scheduled debt servicing obligations. Further, we may need to refinance all or a portion of our debt on or before maturity, and our ability to refinance the Notes, existing indebtedness or future indebtedness

will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities on commercially reasonable terms or at all, which could result in a default on the Notes or our current and future indebtedness.

Our Amended Credit Agreement imposes restrictions on us that may adversely affect our ability to operate our business.

Our Amended Credit Agreement contains restrictive covenants relating to our capital raising activities and other financial and operational matters which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, our Amended Credit Agreement and the agreements governing the Notes each contain cross-default provisions whereby a default under one agreement would likely result in cross defaults under agreements covering other borrowings. For example, the occurrence of a default with respect to any indebtedness or any failure to repay debt when due in an amount in excess of $50.0 million that causes such indebtedness to become due prior to its scheduled maturity date would cause a cross-default under the indenture governing the Notes. In addition, the occurrence of a default with respect to any indebtedness or any failure to repay debt when due in an amount in excess of $25.0 million that causes such indebtedness to become due prior to its scheduled maturity date would cause a default under our Amended Credit Agreement. The occurrence of a default under any of these borrowing arrangements would permit the holders of the Notes or the lenders under our Amended Credit Agreement to declare all amounts outstanding under those borrowing arrangements to be immediately due and payable. If the Note holders or the trustee under the indenture governing the Notes or the lenders under our Amended Credit Agreement accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay those borrowings.

Conversion of the Notes will, to the extent we deliver shares upon conversion of such Notes, dilute the ownership interest of existing stockholders, including holders who had previously converted their Notes, or may otherwise depress our stock price.

The conversion of some or all of the Notes will dilute the ownership interests of existing stockholders to the extent we deliver shares upon conversion of any of the Notes. Any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the Notes may encourage short selling by market participants because the conversion of the Notes could be used to satisfy short positions, or anticipated conversion of the Notes into shares of our common stock could depress our stock price.

The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the Notes is triggered, holders of the Notes will be entitled to convert the Notes at any time during specified periods at their option. If one or more holders elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than cash in lieu of any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders of the Notes do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The accounting method for convertible debt securities that may be settled in cash, such as the Notes, may have a material effect on our reported financial results.

If the conditional conversion feature of the Notes is triggered, holders of the Notes will be entitled to convert the Notes at any time during specified periods at their option. If one or more holders elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than by paying cash in lieu of delivering any fractional share), we may settle all or a portion of our conversion obligation in cash, which could adversely affect our liquidity. In addition, the consideration received upon the unwind or termination of the capped call transactions may not completely offset, and may be substantially less than, any cash payments in excess of the principal amount of the Notes we are required to make upon conversion of the Notes. Even if holders do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The fundamental change repurchase feature of the Notes may delay or prevent an otherwise beneficial attempt to take over Dexcom.

The terms of the Notes require us to repurchase the Notes in the event of a fundamental change. A takeover of Dexcom would trigger an option of the holders of the Notes to require us to repurchase the Notes. In addition, if a make-whole fundamental change occurs prior to the maturity date of the Notes, we will in some cases be required to increase the conversion rate for a holder that elects to convert its Notes in connection with such make-whole fundamental change. Furthermore, each indenture for the Notes prohibits us from engaging in certain mergers or acquisitions unless, among other things, the surviving entity assumes our obligations under the notes. These and other provisions of each indenture may have the effect of delaying or preventing a takeover of Dexcom.

Risks Related to Environmental, Social and Governance Matters

Sustainability (including environmental, social and governance) regulations, policies and provisions could expose us to numerous risks.

Increasingly, regulators, customers, investors, employees and other stakeholders are focusing on sustainability matters relating to businesses, including climate change and greenhouse gas emissions, human and civil rights, and diversity, equity and inclusion. These changing rules, regulations and stakeholder expectations may differ and conflict, and have resulted in, and are likely to continue to result in, increased general and administrative expenses and increased management time and attention spent complying with or meeting such regulations and expectations. Collecting, measuring and reporting sustainability-related data and information is subject to evolving reporting standards, including state climate-related reporting requirements, the EU's environmental, social and governance-related disclosure requirements set forth in the Corporate Sustainability Reporting Directive, and similar proposals by other international regulatory bodies. We are also subject to reporting requirements in California covering disclosure of greenhouse gas emissions data, climate-related financial risks and opportunities, and details around emissions-related claims and carbon offsets, if applicable. If our sustainability-related data, information, processes or reporting are incomplete or inaccurate, it could result in adverse regulatory consequences and/or our reputation, business, financial performance and growth could be adversely affected.

Further, a number of governments are considering due diligence procedures to ensure strict compliance with environmental, labor, and government regulations. For example, the EU has proposed broad due diligence reporting requirements for all industries operating within Europe. In addition, a number of our upstream and downstream stakeholders in our value chain have adopted, or may adopt, procurement policies that include sustainability provisions that their business partners must comply with, or they may seek to include such provisions in their terms and conditions. An increasing number of participants in the medical device industry are also joining voluntary sustainability groups or organizations, such as the Responsible Business Alliance. These sustainability regulations, provisions and initiatives are subject to change, can be unpredictable and conflicting, and may be difficult, expensive and time consuming for us to comply with, given the complexity of our value chain and the outsourced manufacturing of certain components of our products. If we are unable to comply, or are unable to cause our upstream and downstream stakeholders to comply, with such regulations, policies or provisions, it may impact our ability to do business, or otherwise present barriers to entry, which could harm our reputation, revenue and results of operations.

Our business could be negatively impacted by evolving expectations and challenges relating to implementing sustainability (including environmental, social and governance) initiatives, setting sustainability-related goals, collecting sustainability-related data, and disclosing sustainability-related information.

We may communicate certain initiatives and may communicate goals regarding sustainability-related matters (including environmental, social and governance) in our SEC filings or in other public disclosures. These sustainability-related initiatives and goals could be difficult and expensive to implement, the technologies needed to implement them may not be cost effective and may not advance at a sufficient pace, and we could be criticized for the accuracy, adequacy or completeness of the disclosure. Further, statements about our sustainability-related initiatives and any sustainability-related goals, and progress against future sustainability-related goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change and audit in the future based on evolving standards, frameworks, and regulations. In addition, we could be criticized for the scope or nature of such initiatives or goals, or for any revisions to these goals. If our sustainability-related data, processes and reporting are incomplete or inaccurate, or if we fail to achieve progress with respect to any sustainability-related goals on a timely basis, or at

all, we could experience adverse regulatory consequences and/or our reputation, business, financial performance and growth could be adversely affected.

Climate change may have an adverse impact on our business.

While we seek to partner with organizations that mitigate their business risks associated with climate change, we recognize that there are inherent risks related to climate change wherever business is conducted. Ensuring business resiliency through mitigating climate-related risks in the communities where we conduct our business is a priority, whether for our offices or for our stakeholders. Our manufacturing sites in Ireland, Arizona and Malaysia and our global operations, including California and the Philippines, are vulnerable to climate change effects. For example, in California and Arizona, increasing intensity of droughts throughout the states and annual periods of wildfire danger increase the probability of planned and unplanned power outages in the communities where we work and live. While this danger has a low-assessed risk of disrupting normal business operations, it has the potential impact on employees' abilities to commute to work or to work from home and stay connected effectively. Climate-related events, including the increasing frequency of extreme weather events and their impact on the U.S., the Philippines, Malaysia, Ireland and other major regions' critical infrastructure, have the potential to disrupt our business, our third-party suppliers, and/or the business of our customers, and may cause us to experience higher attrition, losses, and additional costs to maintain or resume operations.

We may be liable for contamination or other harm caused by materials that we handle, and changes in environmental regulations could cause us to incur additional expense.

Our research and development and clinical processes involve the handling of potentially harmful biological materials as well as hazardous materials. We are subject to international and domestic (including federal, state and local) laws, rules and regulations governing the use, handling, storage and disposal of hazardous and biological materials and we incur expenses relating to compliance with these laws and regulations. If violations of environmental, health and safety laws occur, we could be held liable for damages, penalties and costs of remedial actions. These expenses or this liability could have a significant negative impact on our financial condition. We may violate environmental, health and safety laws in the future as a result of human error, equipment failure or other causes. Environmental laws could become more stringent over time, imposing greater compliance costs and increasing risks and penalties associated with violations. We are subject to potentially conflicting and changing regulatory agendas of political, business and environmental groups. Changes to or restrictions on permitting requirements or processes, hazardous or biological material storage or handling might require unplanned capital investment or relocation. Failure to comply with new or existing laws or regulations could harm our business, financial condition and results of operations.

General Risk Factors

Current uncertainty in domestic and global economic and political conditions makes it particularly difficult to predict product demand and other related matters and makes it more likely that our actual results could differ materially from expectations.

Our operations and performance depend on worldwide economic and political conditions. These conditions have been adversely impacted by continued global economic uncertainty, political instability and military hostilities in multiple geographies, monetary and financial uncertainties in Europe and other international countries, global health pandemics, rising interest rates, and domestic and global inflationary trends. These include potential reductions in the overall stability and suitability of the Euro as a single currency, given the economic and political challenges facing individual Eurozone countries. These conditions have made and may continue to make it difficult for our customers and potential customers to afford our products, and could cause our customers to stop using our products or to use them less frequently. If that were to occur, our revenue may decrease and our performance may be negatively impacted. We expect continued uncertainty and potential political disputes between countries, which could have adverse operation and economic impacts on our business.

In addition, the pressure on consumers to absorb more of their own health care costs has resulted in some cases in higher deductibles and limits on durable medical equipment, which may cause seasonality in purchasing patterns. Furthermore, during economic uncertainty, our customers have had job losses and may continue to have issues gaining timely access to sufficient health insurance or credit, which could result in their unwillingness to purchase products or impair their ability to make timely payments to us. A recession, depression or other sustained adverse market event could materially and adversely affect our business and the value of our common stock.

We cannot predict the reoccurrence of any economic slowdown or the strength or sustainability of the economic recovery, worldwide, in the United States, or in our industry. These and other economic factors could have a material adverse effect on our business, financial condition and results of operations.

We may be adversely affected by the effects of inflation.

Inflation has the potential to adversely affect our liquidity, business, financial condition and results of operations by increasing our overall cost structure. The existence of inflation in the economy has resulted in, and may continue to result in, higher interest rates and capital costs, supply shortages, increased costs of labor, components, manufacturing and shipping, as well as weakening exchange rates and other similar effects. As a result of inflation, we have experienced and may continue to experience cost increases. Although we may take measures to mitigate the effects of inflation, if these measures are not effective, our business, financial condition, results of operations and liquidity could be materially adversely affected. Even if such measures are effective, there could be a difference between the timing of when these beneficial actions impact our results of operations and when the cost of inflation is incurred.

If we are unable to successfully maintain effective internal control over financial reporting, investors may lose confidence in our reported financial information and our stock price and our business may be adversely impacted.

As a public company, we are required to maintain internal control over financial reporting and our management is required to evaluate the effectiveness of our internal control over financial reporting as of the end of each fiscal year. If we are not successful in maintaining effective internal control over financial reporting, there could be inaccuracies or omissions in the consolidated financial information we are required to file with the SEC. Additionally, even if there are no inaccuracies or omissions, we will be required to publicly disclose the conclusion of our management that our internal control over financial reporting or disclosure controls and procedures are not effective. These events could cause investors to lose confidence in our reported financial information, adversely impact our stock price, result in increased costs to remediate any deficiencies, attract regulatory scrutiny or lawsuits that could be costly to resolve and distract management's attention, limit our ability to access the capital markets or cause our stock to be delisted from The Nasdaq Stock Market or any other securities exchange on which it is then listed.

Changes in financial accounting standards or practices or existing taxation rules or practices may cause adverse unexpected revenue and/or expense fluctuations and affect our reported results of operations.

A change in accounting standards or practices or a change in existing taxation rules or practices can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective. New accounting pronouncements and taxation rules and varying interpretations of accounting pronouncements and taxation practice have occurred and may occur in the future. The method in which we market and sell our products may have an impact on the manner in which we recognize revenue. In addition, changes to existing rules or the questioning of current practices may adversely affect our reported financial results or the way we conduct our business. Additionally, changes to existing accounting rules or standards, such as the potential requirement that U.S. registrants prepare financial statements in accordance with International Financial Reporting Standards, may adversely impact our reported financial results and business, and may further require us to incur greater accounting fees.

If our financial performance fails to meet the expectations of investors and public market analysts, the market price of our common stock could decline.

Our revenues and operating results may fluctuate significantly from quarter to quarter. We believe that period-to-period comparisons of our operating results may not be meaningful and should not be relied on as an indication of our future performance. If quarterly revenues or operating results fall below the expectations of investors or public market analysts, the trading price of our common stock could decline substantially. In addition to the other risk factors set forth herein, factors that might cause quarterly fluctuations in our operating results include:

- our inability to manufacture an adequate supply of product at appropriate quality levels and acceptable costs;
- possible delays in our research and development programs or in the completion of any clinical trials;
- a lack of acceptance of our products in the marketplace by physicians and people with diabetes;
- the inability of customers to receive reimbursements from third-party payors;
- the purchasing patterns of our customers, including as a result of seasonality;
- failures to comply with regulatory requirements, which could lead to withdrawal of products from the market;

- our failure to continue the commercialization of any of our products;
- competition;
- inadequate financial and other resources; and
- global political and economic conditions, political instability and military hostilities.

ITEM 1B - UNRESOLVED STAFF COMMENTS

None.

ITEM 1C - CYBERSECURITY

Risk Management and Strategy

We have processes in place for assessing, identifying, and managing material risks from cybersecurity threats, which are integrated into our overall enterprise risk management processes. The processes for assessing, identifying and managing material risks from cybersecurity threats, including threats associated with our use of third-party service providers and those that leverage artificial intelligence, include identifying the relevant assets that could be affected, determining possible threat sources and threat events, assessing threats based on their potential likelihood and impact, and identifying controls that are in place or necessary to manage and/or mitigate such risks.

We have established cybersecurity and privacy programs to maintain the confidentiality, integrity, availability, and privacy of protected information and ensure compliance with relevant security/privacy regulations, contractual requirements, and industry-standard frameworks. Our cybersecurity program includes annual review and assessment by external, independent third parties, who certify and report on these programs. For example, our Information Security Management System (ISMS) is certified as being in conformity with ISO/IEC 27001 by PRI Certification. We maintain cybersecurity and privacy policies and procedures in accordance with industry-standard control frameworks and applicable regulations, laws, and standards. All corporate cybersecurity policies are reviewed and approved by senior leadership at least annually as part of our ISMS.

Our cybersecurity controls, which are the mechanisms in place to prevent, detect and mitigate threats in accordance with our policies and procedures, are based on the regulatory requirements to which we are subject and are monitored and tested both internally and externally by third parties at least annually. These controls include regular system updates and patches, employee training on cybersecurity and privacy requirements, incident reporting, and the use of encryption to secure sensitive information. In addition, we also regularly perform phishing tests of our employees and update our training plan at least annually. We maintain business continuity and disaster recovery capabilities to mitigate interruptions to critical information systems and/or the loss of data and services from the effects of natural or man-made disasters to Dexcom locations. We also provide annual privacy and security training for all employees. Our security training incorporates awareness of cyber threats (including but not limited to malware, ransomware and social engineering attacks), password hygiene, incident reporting process, as well as physical security best practices.

In the last three fiscal years, we have not experienced any material cybersecurity incidents and the expenses we have incurred from security incidents were immaterial. As a result, we do not believe that risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected us, our results of operations and financial condition. However, as discussed under “Risk Factors” in Part I, Item 1A of this Annual Report, cybersecurity threats pose multiple risks to us, including potentially to our results of operations and financial condition. See “Risk Factors — Risks Related to Privacy and Security.” As cybersecurity threats become more frequent, sophisticated and coordinated, it is reasonably likely that we will be required to expend greater resources as we pursue our strategy of continuously modifying and enhancing our protective measures while developing and commercializing products that incorporate our CGM technologies and integrate with the insulin delivery systems or data platforms of our partners. The technology integration and cloud-based depository platforms we continue to focus on can make us more vulnerable to cybersecurity threats, thereby making our pursuit of such strategies more costly.

Governance

Our Board of Directors, or the Board, is responsible for exercising oversight of management’s identification and management of, and planning for, risks from cybersecurity threats. While the full Board has overall responsibility for risk oversight, the Board has delegated oversight responsibility related to risks from cybersecurity threats to the Board’s Technology Committee. The Technology Committee reports to the Board as necessary with respect to its activities, including making such reports and recommendations to the Board and its other committees as necessary and appropriate and consistent with its purpose, described below.

The Technology Committee, comprised of independent Board members, is responsible for reviewing cybersecurity, privacy, data protection and other major technology risk exposures of the Company, the steps management has taken to monitor and control such exposures, and the Company's compliance with applicable cybersecurity and data privacy laws and industry standards. These reviews are provided at least annually. The Technology Committee receives management updates and reports, primarily through the Company's Cybersecurity and Privacy Committee, a multidisciplinary team responsible for the overall governance, decision-making, risk management, awareness and compliance for cybersecurity and privacy activities across the Company.

The Cybersecurity and Privacy Committee is co-chaired by our Information Security Officer (ISO), Product Security Officer (PSO), and Chief Privacy Officer (CPO), and its members include executive officers of the Company, including our Chief Technology Officer, Chief Financial Officer, Chief Information Officer, and Chief Legal Officer, as well as representatives from the finance, internal audit, quality, regulatory, and legal teams. Management's role in assessing and managing the material risks from cybersecurity threats is accomplished primarily through the committee.

Members of the Cybersecurity and Privacy Committee have broad ranges of expertise and experience in information technology and security. Our ISO, a co-chair of the committee, has over fifteen years of experience in the field of information security management, having previously led security operations and infrastructure and IT functions for a public university campus and a non-profit organization, and holds several licenses and certifications relating to information security, including a Certified Information Systems Security Manager (CISM) from the Information Systems Audit and Control Association (ISACA), a Certified Information Systems Security Professional (CISSP) from the International Information Security System Security Certification Consortium (ISC2) and several technical cybersecurity Global Information Assurance Certification (GIAC) from the SANS Institute. Our PSO, also a co-chair of the committee, has over twenty-five years of previous experience in cyber security architecture and cyber security management for a number of large Fortune 500 technology companies and holds several certifications including CISSP from the International Information Security System Security Certification Consortium, C-CISO from EC-Council, Numerous certifications from Microsoft, CISCO, Juniper, Checkpoint among others and has completed several advanced GIAC security classes from the SANS Institute.

Our ISO reports directly to our Senior Vice President, Chief Information Officer (CIO), who is a member of the committee. She has held this role at Dexcom since 2024 and is responsible for global information technology at Dexcom. Our CIO brings 30 years of diverse strategic and operational experience in IT management, data engineering, AI, digital, ecommerce, infrastructure modernization and supply chain. Prior to Dexcom, our CIO served as Senior Vice President, Chief Information Officer at Bausch + Lomb. Additionally, our CIO has held transformational roles at Johnson & Johnson, Bristol Myers Squibb, American Standard and Price Waterhouse Coopers. She holds a Bachelor of Science degree in Economics and Management Information Systems from the University of Delaware. Our Executive Vice President, Chief Technology Officer (CTO) is also a member of the committee. Our CTO has held this role since 2022 and has 25 years of experience spanning consumer electronics, data storage, IoT and broadband industries. From 2011 to 2022 he worked at Technicolor (now known as Vantiva), most recently serving as Chief Technology Officer and General Manager of the Broadband Business Division. In addition to an MBA, he holds a Master of Science in Mechanical Engineering and a Bachelor of Mechanical Engineering.

The prevention, detection, mitigation and remediation of cybersecurity incidents at Dexcom is accomplished pursuant to various policies, procedures and processes, including incident response plans and the cybersecurity and privacy programs and controls described above under "Risk Management and Strategy." These measures include escalation protocols through which the Cybersecurity and Privacy Committee is informed about cybersecurity and incidents by our ISO and PSO, who are informed through our business units. As described above, members of the Cybersecurity and Privacy Committee provide updates to the Technology Committee of the Board on a regular basis, and the full Board receives updates from the Technology Committee. In addition, there are protocols in place for immediate escalation in the event of any cybersecurity issues or developments that may require consideration between regularly scheduled Technology Committee or Board meetings.

ITEM 2 - PROPERTIES

We lease real property throughout the world to support our business, including manufacturing, research and development, sales, marketing and administration. We believe our facilities are suitable and adequate for our current and near-term needs, and that we will be able to locate additional facilities as needed. The following table sets forth the locations of our corporate headquarters and manufacturing facilities:

Location	Purpose
San Diego, California	Corporate headquarters, research and development, and manufacturing
Mesa, Arizona	Manufacturing
Penang, Malaysia	Manufacturing
Athenry, Ireland[(1)]	Manufacturing

[(1)] Our new manufacturing facility in Athenry, Ireland is under construction.

As of December 31, 2025, we had approximately 79,700 square feet of laboratory space and approximately 159,600 square feet of controlled environment rooms. See Note 5 "*Leases and Other Commitments*" to the consolidated financial statements in Part II, Item 8 of this Annual Report for more information.

ITEM 3 - LEGAL PROCEEDINGS

We are subject to various claims, complaints and legal actions that arise from time to time in the normal course of business, including commercial insurance, product liability, intellectual property and employment related matters. In addition, from time to time we may bring claims or initiate lawsuits against various third parties with respect to matters arising out of the ordinary course of our business, including commercial and employment related matters.

Securities Class Actions

Between August 21 and October 9, 2024, three substantially similar putative class action complaints were filed against us and certain of our executive officers in the United States District Court for the Southern District of California. On December 13, 2024, the court appointed lead plaintiff and consolidated the three actions (now captioned In re Dexcom, Inc. Class Action Securities Litigation, Lead Case No.: 24-cv-1485-RSH-VET). On January 27, 2025, lead plaintiff filed a consolidated complaint. The consolidated complaint alleges violations of the Exchange Act against us and certain of our current and former executive officers for allegedly making false and misleading statements between April 28, 2023 and July 25, 2024, with respect to our expected revenue for fiscal 2024 and ability to capitalize on our growth potential. On March 13, 2025, we filed a motion to dismiss the consolidated complaint. On May 14, 2025, the court granted the motion to dismiss with leave to amend. On May 28, 2025, lead plaintiff filed an amended consolidated complaint. On June 11, 2025, we filed a motion to dismiss the amended consolidated complaint. On September 9, 2025, the court granted in part and denied in part the motion to dismiss. On October 7, 2025, defendants answered the amended consolidated complaint. On October 10, 2025, defendants filed a motion for judgment on the pleadings as to the two surviving challenged statements. On January 7, 2026, the court granted defendants' motion for judgment on the pleadings with leave to amend. On February 6, 2026, lead plaintiff filed a second amended consolidated complaint. Defendants' deadline to respond to the second amended consolidated complaint is February 20, 2026.

On October 27, 2025, a putative class action complaint was filed against us and certain of our executive officers in the United States District Court for the Southern District of New York (captioned Prime v. Dexcom, Inc., et al, Case No.: 1:25-cv-08912). The complaint alleges violations of the Exchange Act against us and certain of our executive officers for allegedly making false and misleading statements between July 26, 2024 and September 17, 2025, with respect to the accuracy, reliability, and functionality of our G7 device, as well as our enhancements to and manufacturing of the device. A lead plaintiff has been appointed and must file an amended complaint no later than April 10, 2026. Our deadline to respond to the amended complaint is June 9, 2026.

Derivative Actions

Between September 13 and April 14, 2025, three putative stockholders filed derivative lawsuits against us and certain of our current and former executive officers and directors in the United States District Court for the Southern District of California. The derivative complaints allege factual allegations largely tracking allegations made in the In re Dexcom, Inc. Securities Class Action Litigation and seek, among other things, damages and restitution to be paid to the Company by the individual defendants, punitive damages, and attorney's fees and costs. These actions have been consolidated (captioned In Re: Dexcom, Inc. Stockholder Derivative Litigation, Lead Case No.: 24-cv-1645-RSH-VET), and are currently stayed pending a resolution of the anticipated motion to dismiss in the In re Dexcom, Inc. Securities Class Action Litigation.

On September 25, 2025, an additional derivative lawsuit was filed against us and certain of our current and former executive officers and directors in the Court of Chancery of the State of Delaware. The allegations largely track those made in the In re Dexcom, Inc. Securities Class Action Litigation and seek, among other things, damages and restitution to be paid to the Company by the individual defendants, punitive damages, and attorney's fees and costs. This action This action is currently stayed pending a resolution of the anticipated motion to dismiss in the In re Dexcom, Inc. Securities Class Action Litigation.

G6 and G7 Class Action Litigation

Between September 29, 2025, and January 8, 2026, various plaintiffs, purported users of G6 or G7 devices, filed six overlapping putative class action complaints against us. Four of the complaints originally were filed and are pending in the United States District Court for the Southern District of California (Levens, et al. v. Dexcom, Inc., No. 3:25-cv-02565-BJC-BLM; Estravit v. Dexcom, Inc., No. 3:25-cv-02845-BJC-BLM; and Dalora v. Dexcom, Inc., No. 3:25-cv-03210-BJC-BLM; *Dickinson, et al. v. Dexcom, Inc.* Dickinson, et al. v. Dexcom, Inc., No. 3:26-cv-00102-BJC-BLM); one of the complaints originally was filed in United States District Court for the Central District of California, and subsequently transferred to the United States District Court for the Southern District of California (Grisoli, et al. v. Dexcom, Inc., No. 3:25-cv-03488-BJC-BLM); and one of the complaints was filed and is pending in the Superior Court of Los Angeles County, California (Chatelain v. Dexcom, Inc., No. 25STCV30722). Plaintiffs in all six actions allege they overpaid for G6 and/or G7 devices or components that were worth less than the purchase price because, among other reasons, G6 and/or G7 devices or components they purchased allegedly were adulterated or misbranded under federal law; G6 and/or G7 devices or components they purchased allegedly failed to perform as advertised; and because we allegedly misled patients and providers about the safety, accuracy, efficacy, and reliability of G6 and/or G7 devices or components. Plaintiffs in each action assert various state law consumer protection, express and implied warranty, common law, and Magnuson-Moss Warranty Act claims, and seek, among other things, damages for economic losses, restitution, disgorgement, injunctive relief, and attorneys' fees and costs. Plaintiffs seek to represent nationwide classes and state-specific subclasses of individuals.

The five cases in the United States District Court for the Southern District of California have been deemed related cases and have been assigned to a single judge. On December 30, 2025, and January 5, 2026, plaintiffs filed motions to consolidate the four federal court cases, to appoint interim class counsel, and to establish a briefing schedule on competing motions to appoint interim class counsel. The Court has stayed all deadlines to respond to the complaints in four of the federal court actions (*Levens*, *Estravit*, *Dalora*, and *Grisoli*) pending the filing of a consolidated complaint. Our deadline to respond to the complaint in *Dickinson* currently is March 23, 2026.

In the putative class action pending in Los Angeles County Superior Court, our initial status conference is scheduled for February 23, 2026. The case is stayed until at least the February 23, 2026, status conference.

We intend to vigorously defend against such claims; however, we cannot be certain of the outcome of our ongoing proceedings and, if determined adversely to us, our business and financial condition may be adversely affected.

We do not believe we are party to any other currently pending legal proceedings, the outcome of which could have a material adverse effect on our business, financial condition, or results of operations. There can be no assurance that existing or future legal proceedings arising in the ordinary course of business or otherwise will not have a material adverse effect on our business, financial condition, or results of operations.

ITEM 4 - MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information for Common Stock

Our common stock is traded on the Nasdaq Global Select Market under the symbol "DXCM."

Stockholders

We had approximately 25 stockholders of record as of February 5, 2026. The number of beneficial owners of our common stock at that date was substantially greater than the number of record holders because a large portion of our common stock is held of record through brokerage firms in "street name."

Dividend Policy

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future.

Recent Sales of Unregistered Securities

All unregistered sales of equity securities have been previously disclosed in a Form 10-Q or a current report on Form 8-K for the fiscal year ended December 31, 2025.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In April 2025, our Board of Directors authorized and approved a share repurchase program of up to $750.0 million of our outstanding common stock, with a repurchase period ending no later than June 30, 2026 (the "2025 Share Repurchase Program").

See Note 8 "*Employee Benefit Plans and Stockholders' Equity*" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for additional information about our share repurchases during the year ended December 31, 2025.

The following table provides information about purchases by us of our shares of common stock during the three months ended December 31, 2025:

Period	Total number of shares purchased	Average price paid per share[1]	Total number of shares purchased as part of publicly announced program[2]	Maximum dollar value of shares that may yet be purchased under the program (in millions)[2]
10/01/2025 - 10/31/2025	875,652	$ 58.64	875,652	$ 511.4
11/01/2025 - 11/30/2025	4,388,845	$ 59.56	4,388,845	$ 250.0
12/01/2025 - 12/31/2025	—	$ —	—	$ 250.0

[1] Average price paid per share includes broker commissions.

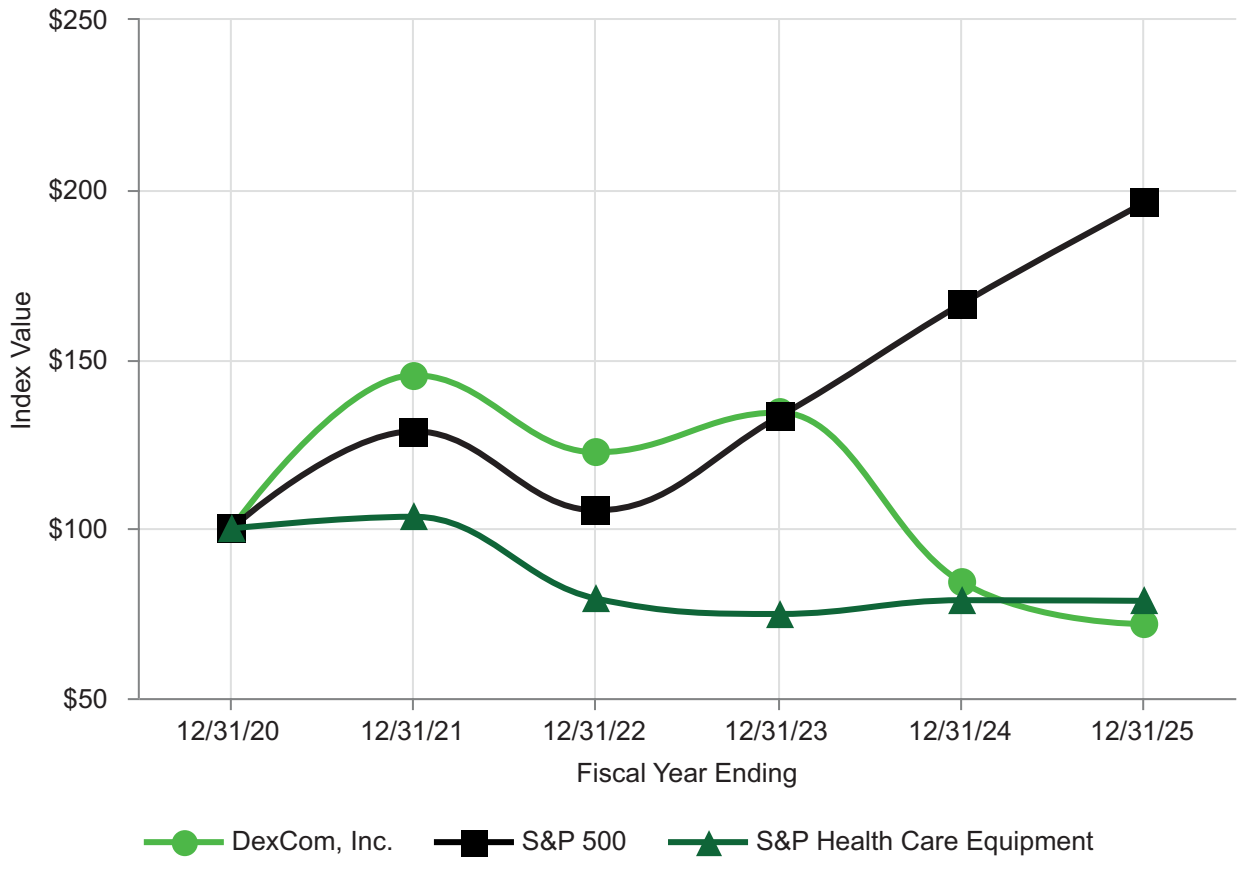
[2] On May 1, 2025, we announced that our Board of Directors authorized and approved a share repurchase program of up to $750.0 million of our outstanding common stock, with a repurchase period ending no later than June 30, 2026.

Company Stock Price Performance

The graph below compares the cumulative total stockholder return on our common stock with the cumulative total returns on the S&P Health Care Equipment Select Industry index and the S&P 500 index over the five-year period ended December 31, 2025. The graph assumes that $100 was invested in Dexcom common stock and in each of the other indices on December 31, 2020 and that all dividends were reinvested. The comparisons in the graph below are based on historical data and are not intended to forecast the possible future performance of Dexcom's common stock.

The graph below and related information shall not be deemed "soliciting material" or be deemed to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing, except to the extent that we specifically incorporate it by reference into such filing.

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN*
AMONG DEXCOM, INC., THE S&P 500, AND THE S&P HEALTH CARE EQUIPMENT



* $100 invested on December 31, 2020 in stock or index, including reinvestment of any dividends.

ITEM 6 - [RESERVED]

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This document, including the following Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements that are not purely historical regarding Dexcom's or its management's intentions, beliefs, expectations and strategies for the future. These forward-looking statements fall within the meaning of the federal securities laws that relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "expect," "plan," "anticipate," "believe," "estimate," "intend," "potential" or "continue" or the negative of these terms or other comparable terminology. Forward-looking statements are made as of the date of this report, deal with future events, are subject to various risks and uncertainties, and actual results could differ materially from those anticipated in those forward looking statements. The risks and uncertainties that could cause actual results to differ materially are more fully described under "Risk Factors" in Part I, Item 1A of this Annual Report, elsewhere in this Annual Report, and in our other reports filed with the SEC. We assume no obligation to update any of the forward-looking statements after the date of this report or to conform these forward-looking statements to actual results. You should read the following discussion and analysis together with our consolidated financial statements and related notes in Part II, Item 8 of this Annual Report.

Overview

Who We Are

We are a medical device company primarily focused on the design, development and commercialization of CGM systems for the management of diabetes and metabolic health by patients, caregivers, and clinicians around the world.

We received approval from the FDA and commercialized our first product in 2006. We launched our latest generation systems, the G7 in 2023, and the G7 15 Day in late 2025. In August 2024, we launched Stelo, our biosensor designed for adults with prediabetes and Type 2 diabetes who do not use insulin, as the first over-the-counter glucose biosensor in the U.S.

Unless the context requires otherwise, the terms "we," "us," "our," the "company," or "Dexcom" refer to DexCom, Inc. and its subsidiaries.

Global Presence

We have built a direct sales organization in North America and certain international markets to call on health care professionals, such as endocrinologists, physicians and diabetes educators, who can educate and influence patient adoption of continuous glucose monitoring. To complement our direct sales efforts, we have entered into distribution arrangements in North America and several international markets that allow distributors to sell our products.

Future Developments

Product Development: We plan to develop future generations of technologies that are focused on improved performance and convenience and that will enable intelligent insulin administration. Over the longer term, we plan to continue to develop and improve networked platforms with open architecture, connectivity and transmitters capable of communicating with other devices. We also intend to expand our efforts to accumulate CGM patient data and metrics and apply predictive modeling and machine learning to generate interactive CGM insights that can inform patient behavior.

Partnerships: We continue to support partnerships with insulin pump companies and companies or institutions developing insulin delivery systems, including automated insulin delivery systems. With the introduction of Stelo, we are also pursuing and supporting development partnerships with consumer technology product companies that seek to provide metabolic health insights to their customers.

New Opportunities: We are also exploring how to extend our offerings to other opportunities, including for people with pre-diabetes, people who are obese, people who are pregnant, and people in the hospital setting. Eventually, we may apply our technological expertise to products beyond glucose monitoring.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which we have prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements as well as the reported revenue and expenses during the reporting periods. On an ongoing basis, we evaluate our estimates and judgments. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in Note 1 "*Organization and Significant Accounting Policies*" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K, we believe that the following accounting estimates are most critical to a full understanding and evaluation of our reported financial results. Members of our senior management have discussed the development and selection of these critical accounting estimates and their disclosure in this Annual Report on Form 10-K with the Audit Committee of our Board of Directors.

Pharmacy Rebates

We estimate pharmacy rebates based on contractual arrangements, estimates of products sold subject to rebate, known events or trends, and channel inventory data. Pharmacy rebates are the most significant component of variable consideration estimates included in the calculation of the transaction price and most at risk for material adjustment because of the time delay between the recording of the pharmacy rebate and its ultimate settlement, an interval that generally ranges from 30 to 90 days, but can last up to one year. Due to this time lag, in any given period, our adjustments to reflect actual amounts can incorporate changes of estimates related to prior periods.

Historically, adjustments to these estimates to reflect actual results or updated expectations, have not been material to our overall business and generally have been less than 1% of revenue. An increase or decrease of 1% in our estimate of products sold subject to rebate during 2025, holding all other assumptions constant, would increase or decrease revenue by approximately $50.1 million.

Inventory Reserves

We assess the value of our inventory on a quarterly basis and write down inventories to the lower of their cost or net realizable value based on quality control data, obsolescence, or excess relative to our forecasted demand. Significant judgment is applied in evaluating quality control testing data, assessing whether non-conforming inventory can be remediated, reworked, or otherwise partially recovered, and in some cases, estimating our forecasted demand.

If actual market conditions are less favorable than our forecasts, or actual demand from our customers is lower than our estimates, we may be required to record additional inventory write-downs. Similarly, if remediation outcomes differ from our assumptions, additional adjustments may be necessary. Conversely, if actual conditions are more favorable than anticipated, inventory previously written down may be sold, resulting in lower cost of sales and higher income from operations than expected in that period. At December 31, 2025, a 1% change in the inventory reserve expense recognized during the year would not have resulted in a material change in inventory and cost of goods sold.

Income Taxes

We estimate our income taxes based on the various jurisdictions where we conduct business. Significant judgment is required in determining our worldwide income tax provision. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations and the potential for future adjustment of our uncertain tax positions by the Internal Revenue Service or other taxing jurisdictions. While we believe we have appropriate support for the positions taken on our tax returns, we regularly assess the potential outcomes of examinations by tax authorities in determining the adequacy of our provision for income taxes. We continually assess the likelihood and amount of potential adjustments and adjust the income tax provision, income taxes payable, and deferred taxes in the period in which the facts that give rise to a revision become known.

We use the asset and liability approach to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities as described in Note 1 "*Organization and Significant Accounting Policies—Income Taxes*" to the consolidated financial statements in Part II, Item 8 of this Annual Report. Significant judgment is required to evaluate the need for a valuation allowance against deferred tax assets. A valuation allowance is established when it is more likely than not that some or all of the deferred tax assets will not be realized. Realization of deferred tax assets is dependent upon future earnings in applicable tax jurisdictions. We maintain a valuation allowance on our California research and development tax credits, foreign tax credits and certain foreign intangible assets, as it is more likely than not that those deferred tax assets will not be realized.

We recognize and measure benefits for uncertain tax positions using a two-step approach as described in Note 1 "*Organization and Significant Accounting Policies—Income Taxes*" to the consolidated financial statements in Part II, Item 8 of this Annual Report. Significant judgment is required to evaluate uncertain tax positions and is based upon a number of factors, including changes in facts or circumstances, changes in tax law, correspondence with tax authorities during the course of audits and effective settlement of audit issues. Changes in the recognition or measurement of uncertain tax positions could result in material increases or decreases in our income tax expense in the period in which we make the change, which could have a material impact on our effective tax rate and operating results.

Loss Contingencies

We are subject to certain legal proceedings, as well as demands, claims and threatened litigation that arise in the normal course of our business. Significant judgment is required in the determination of the expected outcome (i.e., whether a potential loss is probable, reasonably possible, or remote), as well as in the determination of whether a potential exposure is reasonably estimable. We evaluate the nature of the claim, the stage of the proceedings, prior case outcomes, and input from legal counsel. We base our judgments on the best information available at the time and regularly reassess as new facts emerge.

Overview of Financial Results

The most important financial indicators that we use to assess our business are revenue, gross profit, operating income, net income, and operating cash flow.

Key Highlights for fiscal 2025 include the following:

Revenue	Gross Profit	Operating Income	Net Income	Operating Cash Flow
$4.66 billion	$2.80 billion	$911.8 million	$836.3 million	$1.44 billion
up 16% from 2024	up 15% from 2024	up 52.0% from 2024	up 45% from 2024	up 46% from 2024

We ended fiscal 2025 with cash, cash equivalents and short-term marketable securities totaling $2.00 billion.

Results of Operations

Financial Overview

For discussion related to the results of operations and changes in financial condition for fiscal 2024 compared to fiscal 2023 refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of our 2024 Annual Report on Form 10-K, which was filed with the SEC on February 18, 2025.

Twelve Months Ended December 31, 2025 Compared to Twelve Months Ended December 31, 2024

	Twelve Months Ended December 31,				2025 - 2024	
(In millions, except per share amounts)	2025	% of Revenue [1]	2024	% of Revenue [1]	$ Change	% Change
Revenue	$ 4,662.0	100.0 %	$ 4,033.0	100.0 %	$ 629.0	16 %
Cost of sales	1,860.1	39.9 %	1,594.8	39.5 %	265.3	17 %
Gross profit	2,801.9	60.1 %	2,438.2	60.5 %	363.7	15 %
Operating expenses:						
Research and development	599.1	13 %	552.4	14 %	46.7	8 %
Selling, general and administrative	1,291.0	28 %	1,285.8	32 %	5.2	— %
Total operating expenses	1,890.1	41 %	1,838.2	46 %	51.9	3 %
Operating income	911.8	20 %	600.0	15 %	311.8	52 %
Other income, net	176.6	4 %	109.0	3 %	67.6	62 %
Income before income taxes	1,088.4	23 %	709.0	18 %	379.4	54 %
Income tax expense	252.1	5 %	132.8	3 %	119.3	90 %
Net income	$ 836.3	18 %	$ 576.2	14 %	$ 260.1	45 %
Basic net income per share	$ 2.14	**	$ 1.46	**	$ 0.68	47 %
Diluted net income per share	$ 2.09	**	$ 1.42	**	$ 0.67	47 %

[1] The sum of the individual percentages may not equal the total due to rounding.

** Not meaningful

Revenue

We generate our revenue from the sale of disposable sensors and our reusable transmitter and receiver, collectively referred to as Reusable Hardware. We expect that the revenue we generate from the sales of our products will fluctuate from quarter to quarter. We typically experience seasonality, with lower sales in the first quarter of each year compared to the immediately preceding fourth quarter. This seasonal sales pattern relates to U.S. annual insurance deductible resets and unfunded flexible spending accounts.

Cost of sales

Cost of sales includes direct labor and materials costs related to each product sold or produced, including assembly, test labor and scrap, as well as factory overhead supporting our manufacturing operations. Factory overhead includes facilities, material procurement and control, manufacturing engineering, quality assurance, supervision and management. These costs are primarily salary, fringe benefits, share-based compensation, facility expense, supplies and purchased services. All of our manufacturing costs are included in cost of sales. In addition, amortization of certain licensing related intangibles are also included in cost of sales.

Research and development

Our research and development expenses primarily consist of engineering and research expenses related to our sensing technology, clinical trials, regulatory expenses, quality assurance programs, employee compensation, and business process outsourcers.

Selling, general and administrative

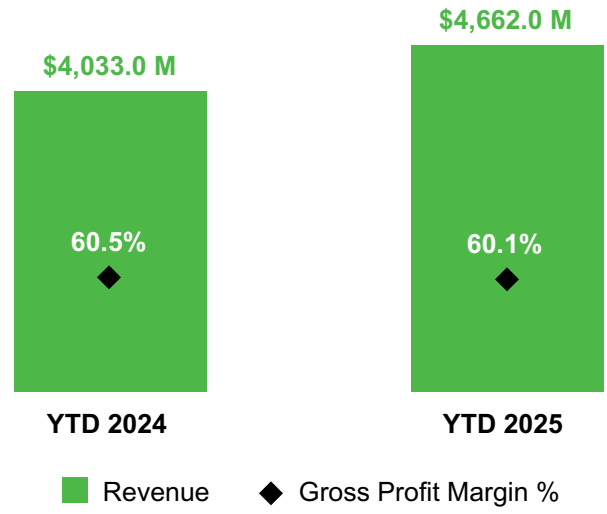
Our selling, general and administrative expenses primarily consist of employee compensation for our executive, financial, sales, marketing, information technology and administrative functions. Other significant expenses include commissions, marketing and advertising, IT software license costs, insurance, professional fees for our outside legal counsel and independent auditors, litigation expenses, patent application expenses and consulting expenses.

Other income, net

Other income, net consists primarily of interest and dividend income on our cash, cash equivalents and short-term marketable securities portfolio, foreign currency transaction gains and losses resulting from the effects of foreign currency fluctuations, realized and unrealized gains and losses on marketable and non-marketable equity investments, including changes in fair value, and interest expense related to our senior convertible notes.

Twelve Months Ended December 31, 2025 Compared to Twelve Months Ended December 31, 2024

Revenue and Gross Margin %



	Twelve Months Ended December 31,					
	2025			2024		
(In millions)	United States	International	Total	United States	International	Total
Distributor	$ 3,195.7	$ 763.3	$ 3,959.0	$ 2,824.4	$ 605.7	$ 3,430.1
Direct	139.2	563.8	703.0	65.4	537.5	602.9
Total revenue	$ 3,334.9	$ 1,327.1	$ 4,662.0	$ 2,889.8	$ 1,143.2	$ 4,033.0

Twelve Months Ended December 31, 2025 Compared to Twelve Months Ended December 31, 2024

Revenue

The revenue increase was primarily driven by increased sales volume of our disposable sensors due to the continued growth of our worldwide customer base. We added approximately 600,000 - 700,000 net customers, excluding Stelo customers, to our worldwide customer base in 2025. The increase was offset by pricing headwinds due to greater rebate eligibility and channel mix.

Cost of sales & Gross profit

Cost of sales and gross profit increased primarily due to an increase in sales volume driven by the addition of approximately 600,000 - 700,000 net customers, excluding Stelo customers, to our worldwide customer base in 2025.

The decrease in gross profit margin percentage in 2025 compared to 2024 was primarily driven by inefficiencies associated with ensuring supply availability, build configurations that lowered production yield, and total replacement costs.

	Twelve Months Ended December 31, 2025 Compared to Twelve Months Ended December 31, 2024
Research and development expense	Research and development expense increased primarily due to $37.3 million in higher compensation and related costs. We continue to believe that focused investments in research and development are critical to our future growth and competitive position in the marketplace, and to the development of new and updated products and services that are central to our core business strategy.
Selling, general and administrative expense	Selling, general and administrative expense increased primarily due to $83.7 million in higher compensation and related costs, $9.1 million in higher software and data costs, offset by $87.2 million in lower legal expense primarily related to a patent infringement lawsuit that was settled in December 2024.
Other income, net	Other income, net, increased primarily due to $79.5 million in higher net gains on equity investments and $8.7 million in higher net foreign currency gains, offset by $21.5 million in lower interest and dividend income on our cash, cash equivalents, and marketable securities portfolio. The decrease in interest income was primarily related to a change in market interest rates, as well as a decrease in the average invested balances compared to the same period in 2024.
Income tax expense	The income tax expense recorded for the twelve months ended December 31, 2025 was primarily attributable to income tax expense from normal, recurring operations increased by shortfalls recognized for share-based compensation for employees, net of nondeductible executive compensation, offset by the tax benefit related to the commencement of our Malaysia tax holiday. The income tax expense recorded for the twelve months ended December 31, 2024 was primarily attributable to income tax expense from normal, recurring operations, partially offset by excess tax benefits recognized for share-based compensation for employees, net of nondeductible executive compensation, the Verily milestone payment, the impacts of certain foreign tax return filings and generation of research and development tax credits. The increase in our effective tax rate for the twelve months ended December 31, 2025 compared to the same period in 2024 is primarily attributable to impacts of shortfalls on share-based compensation, a non-recurring benefit related to the Verily milestone payment during 2024, offset by the tax benefit related to the commencement of our Malaysia tax holiday.

Liquidity and Capital Resources

Overview, Capital Resources, and Capital Requirements

Our principal sources of liquidity are our existing cash, cash equivalents and marketable securities, cash generated from operations, proceeds from our senior convertible notes issuances, and access to our Credit Facility. Our primary uses of cash have been for research and development programs, selling and marketing activities, capital expenditures, acquisitions of businesses, and debt service costs.

We expect that cash provided by our operations may fluctuate in future periods as a result of a number of factors, including fluctuations in our operating results, working capital requirements and capital deployment decisions. We have historically invested our cash primarily in U.S. dollar-denominated, investment grade, highly liquid obligations of U.S. government agencies, commercial paper, corporate debt, and money market funds. Certain of these investments are subject to general credit, liquidity and other market risks. The general condition of the financial markets and the economy may increase those risks and may affect the value and liquidity of investments and restrict our ability to access the capital markets.

Our future capital requirements will depend on many factors, including but not limited to:

The evolution of the international expansion of our business and the revenue generated by sales of our approved products and any future products;	Our ability to efficiently scale our operations to meet demand for our current and any future products;	The success of our research and development efforts;
The expenses we incur in manufacturing, developing, selling and marketing our products;	The costs, timing and risks of delays of additional regulatory approvals;	The costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
The quality levels of our products and services;	The emergence of competing or complementary technological developments;	The terms and timing of any collaborative, licensing and other arrangements that we may establish; and
The third-party reimbursement of our products for our customers;	The rate of progress and cost of our clinical trials and other development activities;	The acquisition of businesses, products and technologies and our ability to integrate and manage any acquired businesses, products and technologies.

We expect that existing cash and short-term investments and cash flows from our future operations will generally be sufficient to fund our ongoing core business. As current borrowing sources become due, we may be required to access the capital markets for additional funding. As we assess inorganic growth strategies, we may need to supplement our internally generated cash flow with outside sources. In the event that we are required to access the debt market, we believe that we will be able to secure reasonable borrowing rates. As part of our liquidity strategy, we will continue to monitor our current level of earnings and cash flow generation as well as our ability to access the market in light of those earning levels.

A substantial portion of our operations are located in the United States, and the majority of our sales since inception have been made in U.S. dollars. As we continue to expand our manufacturing sites in Ireland and Malaysia, we will be subject to additional foreign exchange currency risk. See “*Foreign Currency Exchange Risk*” in Part II, Item 7A of this Annual Report on Form 10-K for more information.

Main Sources of Liquidity

Cash, cash equivalents and short-term marketable securities

Our cash, cash equivalents and short-term marketable securities totaled $2.00 billion as of December 31, 2025. None of those funds were restricted and $1.66 billion (approximately 83%) of those funds were located in the United States.

Cash flows from Operations

For the twelve months ended December 31, 2025, we had positive cash flows of $1.44 billion from operating activities. We anticipate that we will continue to generate positive cash flows from operations for the foreseeable future.

Senior Convertible Notes

We received net proceeds of $1.23 billion in May 2023 from the 2028 Notes offering. We used $289.9 million of the net proceeds from the offering of the 2028 Notes to purchase capped call transactions and repurchase shares of our common stock in May 2023. We intend to use the remainder of the net proceeds for general corporate purposes and capital expenditures, including working capital needs. We may also use the net proceeds to expand our current business through in-licensing or acquisitions of, or investments in, other businesses, products or technologies; however, we do not have any significant commitments with respect to any such acquisitions or investments at this time.

In connection with the 2028 Notes offering, we purchased the 2028 Capped Calls. See Note 4 "*Debt*" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for more information about our senior convertible notes and the 2028 Capped Calls.

Amended Credit Agreement

As of December 31, 2025, we had no outstanding borrowings, $7.9 million in outstanding letters of credit, and a total available balance of $192.1 million under the Amended Credit Agreement. We monitor counterparty risk associated with the institutional lenders that are providing the Credit Facility. We currently believe that the Credit Facility will be available to us should we choose to borrow under it. Revolving loans will be available for general corporate purposes, including working capital and capital expenditures. See Note 4 "*Debt*" to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for more information on the Amended Credit Agreement.

Short-term Liquidity Requirements

As of December 31, 2025, our short-term liquidity requirements primarily consist of regular operating costs, interest payments related to our 2028 Notes, capital expenditures for the development of our manufacturing facilities and office spaces, and short-term material cash requirements as described below. As of December 31, 2025, we had a working capital ratio of 1.88 and a quick ratio of 1.50, which indicates that our current assets are sufficient to cover our short-term liabilities. We expect to incur significant capital expenditures for the next year as we continue to invest in equipment and our manufacturing facilities.

We believe that our cash, cash equivalents, and marketable securities balances, projected cash contributions from our commercial operations, and borrowings under our Credit Facility will be sufficient to meet our anticipated seasonal working capital needs, all capital expenditure requirements, material cash requirements as described herein, and meet other liquidity requirements associated with our operations for at least the next 12 months. We may continue to use cash to repurchase shares of our common stock, including pursuant to the 2025 Share Repurchase Program, or for other strategic initiatives that strengthen our foundation for long-term growth.

Long-term Liquidity Requirements

Our long-term liquidity requirements primarily consist of interest and principal payments related to our 2028 Notes, capital expenditures for the development of our manufacturing facilities and office spaces, and long-term material cash requirements as described below. As of December 31, 2025, we had a debt-to-assets ratio of 0.20, which indicates that our total assets are sufficient to cover our debts. As demand grows for our products, we will continue to expand global operations to meet demand through investments in manufacturing and operations. We expect to meet our long-term liquidity requirements from our main sources of liquidity as described above to support our future operations, capital expenditures, acquisitions, and other liquidity requirements associated with our operations beyond the next 12 months.

As of December 31, 2025, we have outstanding senior convertible notes classified as long-term that will mature in May 2028. However, the outstanding principal of our senior convertible notes could be converted into cash and/or shares of our common stock prior to maturity once certain conditions are met. See Note 4 "*Debt—Senior Convertible Notes*" to the consolidated financial statements in Part II, Item 8 of this Annual Report for information on conversion rights prior to maturity.

Material Cash Requirements

From time to time in the ordinary course of business, we enter into a variety of purchase arrangements including but not limited to, purchase arrangements related to capital expenditures, components used in manufacturing, and research and development activities. See Note 5 "*Leases and Other Commitments—Purchase Commitments*" to the consolidated financial statements in Part II, Item 8 of this Annual Report for more information.

Our obligations under the 2028 Notes include both principal and interest payments. Prior to the maturity of the 2028 Notes in May 2028, they may be converted into cash and/or shares of our common stock if certain conditions are met. Any conversion prior to maturity may result in repayment of the principal amounts due under the Notes sooner than the scheduled repayment.

As market conditions warrant, we may, from time to time, repurchase our outstanding debt securities or shares of our common stock, including pursuant to the 2025 Share Repurchase Program, in the open market, in privately negotiated transactions, by exchange transaction or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity and other factors and may be commenced or suspended at any time. The amounts involved and total consideration paid may be material. See Note 8 "*Employee Benefit Plans and Stockholders' Equity—Share Repurchase Program and Treasury Shares*" to the consolidated financial statements in Part II, Item 8 of this Annual Report for more information about our 2025 Share Repurchase Program.

See Note 4 "*Debt*" to the consolidated financial statements in Part II, Item 8 of this Annual Report for more information about the terms of the Amended Credit Agreement, our senior convertible notes, and the 2028 Capped Calls.

We are party to various leasing arrangements, primarily for office, manufacturing and warehouse space that expire at various times through 2040, including any renewal options that we are reasonably certain to exercise. We also have land leases in Penang, Malaysia that expire in 2082 and Athenry, Ireland that expire in 3023 related to our international manufacturing facilities. We anticipate incurring significant expenditures related to the build-out of our manufacturing facilities and investment in equipment. See Note 5 "*Leases and Other Commitments—Leases*" to the consolidated financial statements in Part II, Item 8 of this Annual Report for more information about our leases.

Cash Flows

As of December 31, 2025, we had $2.00 billion in cash, cash equivalents and short-term marketable securities, which is a decrease of $580.7 million compared to $2.58 billion as of December 31, 2024. The decrease in cash, cash equivalents and short-term marketable securities was primarily due to the repayment of our unsecured senior convertible notes due 2025, or 2025 Notes, upon maturity in November 2025.

The following tables set forth a summary of our cash flows and the primary changes in cash flows for the periods shown. See the consolidated financial statements in Part II, Item 8 of this Annual Report for the complete consolidated statements of cash flows for these periods:

	Twelve Months Ended December 31,		
(In millions)	2025	2024	$ Change
Net cash provided by operating activities	$ 1,440.7	$ 989.5	$ 451.2
Net cash provided by (used in) investing activities	536.0	(207.5)	743.5
Net cash used in financing activities	(1,686.4)	(734.8)	(951.6)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	21.5	(7.4)	28.9
Increase in cash, cash equivalents and restricted cash	$ 311.8	$ 39.8	$ 272.0

Twelve Months Ended December 31, 2025 Compared to Twelve Months Ended December 31, 2024

Operating Cash Flows	$260.1 million increase in net income $196.5 million increase in net non-cash adjustments primarily due to adjustments to deferred income taxes, partially offset by gains on equity investments
Investing Cash Flows	$670.0 million increase in net proceeds from marketable securities due to the management of our liquidity $62.1 million decrease in purchases of non-marketable equity securities
Financing Cash Flows	$250.0 million decrease in cash used to repurchase our common stock $1.21 billion increase in cash used upon the maturity of our 2025 Notes

Recent Accounting Guidance

For a description of recently issued accounting pronouncements and the potential impact on our consolidated financial statements, if any, see Note 1 "*Organization and Significant Accounting Policies*" to the consolidated financial statements in Part II, Item 8 of this Annual Report.

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

The primary objective of our investment activities is to preserve our capital for the purpose of funding operations while at the same time maximizing the income we receive from our investments without significantly increasing risk. To achieve these objectives, our investment policy allows us to maintain a portfolio of cash equivalents and short-term investments in a variety of securities, including money market funds, U.S. Treasury debt and corporate debt securities. Due to the short-term nature of our investments, we believe that we have no material exposure to interest rate risk. We do not use derivative financial instruments for speculation or trading purposes or for activities other than risk management.

Market Price Sensitive Instruments

The 2028 Capped Calls are expected generally to reduce potential dilution to our common stock upon conversion of the 2028 Notes and/or offset any cash payments that we are required to make in excess of the principal amount of converted 2028 Notes, with such reduction and/or offset subject to a cap. See Note 4 "*Debt*" to the consolidated financial statements in Part II, Item 8 of this Annual Report for more information.

Foreign Currency Exchange Risk

A substantial portion of our operations are located in the United States, and the majority of our sales since inception have been made in U.S. dollars. Historically, our exposure to foreign currency fluctuations is more significant with respect to our revenue than our expenses, as a significant portion of our expenses are denominated in U.S. dollars, such as cost of sales and operating expenses.

As we continue to expand our manufacturing sites in Ireland and Malaysia, we will be subject to additional foreign exchange currency risk. Fluctuations in the rate of exchange between the U.S. dollar and foreign currencies could adversely affect our financial results, including income and losses as well as assets and liabilities in addition to risks to our revenues, revenue growth rates, and gross profit margins.

We translate the financial statements of our international subsidiaries with functional currencies other than the U.S. dollar into the U.S. dollar for consolidation using end-of-period exchange rates for assets and liabilities and average exchange rates during each reporting period for results of operations. We record net gains or losses resulting from the translation of these financial statements and the effect of exchange rate changes on intercompany receivables and payables of a long-term nature as a separate component of stockholders' equity. These adjustments will affect net income only upon sale or liquidation of the underlying investment in international subsidiaries. We also record exchange rate fluctuations resulting from the translation of the short-term intercompany balances between domestic entities and our international subsidiaries as foreign currency transaction gains or losses and include them in other income, net in our consolidated statements of operations.

We enter into foreign currency forward contracts to hedge monetary assets and liabilities denominated in foreign currencies. These forward contracts are not designated as hedging instruments and generally mature in one to six months. The derivative gains and losses are included in other income, net in our consolidated statements of operations. See Note 2 "*Fair Value Measurements*" to the consolidated financial statements in Part II, Item 8 of this Annual Report for more information.

Notional principal amounts provide one measure of the transaction volume outstanding as of period end, but they do not represent the amount of our exposure to market loss. Estimates of fair value are based on applicable and commonly used pricing models using prevailing financial market information. The amounts ultimately realized upon settlement of these financial instruments, together with the gains and losses on the underlying exposures, will depend on actual market conditions during the remaining life of the instruments. We monitor and manage our financial exposures due to exchange rate fluctuations as an integral part of our overall risk management program, which recognizes the unpredictability of financial markets and seeks to reduce potentially adverse effects on our financial results.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item is included on pages F-2 to F-45 of this Annual Report and is incorporated herein by reference.

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A - CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Regulations under the Exchange Act require public companies to maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Disclosure controls and procedures include, without limitation, controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and timely communicated to management, including our Chief Executive Officer (our principal executive officer) and Chief Financial Officer (our principal financial officer), recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on their evaluation as of December 31, 2025, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of such date.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013). Based on this assessment, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, believes that, as of December 31, 2025, our internal control over financial reporting is effective based on those criteria. The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by Deloitte & Touche LLP, an Independent Registered Public Accounting Firm, as stated in their report which is included herein.

The certifications of our Chief Executive Officer and Chief Financial Officer required under Section 302 of the Sarbanes-Oxley Act have been filed as Exhibits 31.1 and 31.2 to this report.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Limitation on Effectiveness of Controls

It should be noted that any system of controls, including ours, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. The design of any control system is based, in part, upon the benefits of the control system relative to its costs. Control systems can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. In addition, over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of these and other inherent limitations of control systems, we cannot guarantee that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of DexCom, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of DexCom, Inc. and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and our report dated February 12, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

San Diego, California
February 12, 2026

ITEM 9B - OTHER INFORMATION

Trading Plans

During the three months ended December 31, 2025, the following Section 16 officers and directors adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K of the Exchange Act) intended to satisfy the affirmative defense of Rule 10b5-1(c):

Name	Title	Action	Action Date	Aggregate Number of Shares to be Sold	Expiration Date[1]
Michael J. Brown	Executive Vice President, Chief Legal Officer	Adoption	11/26/2025	20,400	2/26/2027
Jacob S. Leach	President, Chief Executive Officer, and Director	Termination	11/7/2025	102,732[2]	3/12/2026

[1] Each trading arrangement permitted or permits transactions through and including the date listed in the table.

[2] As of the date of termination, no shares of common stock had been sold under the plan.

Each of the Rule 10b5-1 trading arrangements disclosed in the above table was made in accordance with our insider trading policy. Transactions made pursuant to such trading arrangements will be disclosed publicly in Section 16 filings with the SEC in accordance with applicable securities laws, rules and regulations.

No Section 16 officers or directors adopted, modified, or terminated a "non-Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K of the Exchange Act) during the three months ended December 31, 2025.

ITEM 9C - DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10 - DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information concerning our directors required by this Item is incorporated by reference to the section in the Proxy Statement entitled “Proposal No. 1 – Election of Directors.”

The information concerning our executive officers required by this Item is incorporated by reference to the section in the Proxy Statement entitled “Executive Officers.”

We have adopted a written code of ethics for financial employees that applies to our principal executive officer, principal financial officer, principal accounting officer, controller and other employees of the finance department designated by our Chief Financial Officer. This code of ethics, titled the “Code of Conduct and Business Ethics”, is publicly available on our Internet website at https://investors.dexcom.com/governance/governance-documents. The information contained on our Internet website is not incorporated by reference into this Annual Report on Form 10-K. When required by the rules of Nasdaq, or the SEC, we will disclose any future amendment to, or waiver of, any provision of the code of ethics for our principal executive officer and principal financial officer or any member or members of our Board of Directors on our website within four business days following the date of such amendment or waiver.

The information concerning the Audit Committee of the Board of Directors required by this Item is incorporated by reference to the sections of the Proxy Statement entitled “Committees of the Board and Meetings” and “Meetings of the Board of Directors; Director Attendance.”

The information concerning material changes to the procedures by which stockholders may recommend nominees to the Board of Directors required by this Item is incorporated by reference to information set forth in the Proxy Statement.

The information concerning the Company’s insider trading policies and compliance with Section 16(a) required by this Item is incorporated by reference to the sections of the Proxy Statement entitled “Insider Trading Policy; Anti-Hedging” and “Delinquent Section 16(a) Reports” (as applicable), respectively.

ITEM 11 - EXECUTIVE COMPENSATION

The information required by this Item concerning executive compensation and our Compensation Committee is incorporated by reference to the sections in the Proxy Statement entitled “Executive Compensation,” “2025 Summary Compensation Table,” “Grants of Plan-Based Awards for 2025,” “Outstanding Equity Awards at December 31, 2025,” “2025 Option Exercises and Stock Vested,” “Executive Nonqualified Deferred Compensation Plan,” “Severance and Change in Control Arrangements,” “2025 Director Compensation Table,” “Risks from Compensation Policies and Practices,” “Chief Executive Officer Pay Ratio,” “Compensation Committee Interlocks and Insider Participation,” and “Compensation Committee Report.”

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated by reference to the sections in the Proxy Statement entitled “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information.”

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item with respect to director independence is incorporated by reference to the section in the Proxy Statement entitled “Director Independence.”

The information concerning certain relationships and related transactions required by this Item is incorporated by reference to the section in the Proxy Statement entitled “Certain Transactions With Related Persons.”

ITEM 14 - PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information concerning principal accountant fees and services required by this Item is incorporated by reference to the section in the Proxy Statement entitled “Proposal No. 2 – Ratification of Independent Registered Public Accounting Firm.”

PART IV

ITEM 15 - EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report:

1. Financial Statements.

The consolidated financial statements listed in Part II, Item 8 of this Annual Report.

2. Financial Statement Schedules.

Schedule II – Valuation and Qualifying Accounts.

Financial statement schedules not listed above have been omitted because information required to be set forth therein is not applicable, not required, or the information required by such schedules is shown in the consolidated financial statements or the notes thereto.

3. Exhibits.

		Incorporated by Reference				
Exhibit Number	Exhibit Description	Form	File No.	Date of First Filing	Exhibit Number	Provided Herewith
3.1	Restated Certificate of Incorporation of DexCom, Inc.	8-K	000-51222	June 10, 2022	3.1	
3.2	Amended and Restated Bylaws of DexCom, Inc.	10-Q	000-51222	October 24, 2024	3.1	
4.1	Form of Specimen Certificate for DexCom, Inc. common stock.	S-1/A	333-122454	March 24, 2005	4.01	
4.2	Indenture, dated November 30, 2018, between DexCom, Inc. and U.S. Bank National Association (including the form of 0.75% Convertible Senior Notes due 2023).	8-K	000-51222	December 3, 2018	4.1	
4.3	Indenture, dated May 14, 2020, between DexCom, Inc. and U.S. Bank National Association (including the form of 0.25% Convertible Senior Notes due 2025).	8-K	000-51222	May 15, 2020	4.1	
4.4	Indenture, dated May 5, 2023, between DexCom, Inc. and U.S. Bank Trust Company, National Association (including the form of 0.375% Convertible Senior Notes due 2028).	8-K	000-51222	May 5, 2023	4.1	
4.5	Description of Securities Registered Under Section 12 of the Exchange Act.	10-K	000-51222	February 18, 2025	4.5	
10.1*	Offer letter between DexCom, Inc. and Kevin Sayer, dated May 3, 2011.	10-Q	000-51222	August 3, 2011	10.28	
10.2	Sublease between DexCom, Inc. and Entropic Communications, LLC, dated February 1, 2016.	10-Q	000-51222	April 27, 2016	10.36	
10.3*	DexCom, Inc. Executive Deferred Compensation Plan.	8-K	000-51222	June 4, 2019	10.02	
10.4**	Third Amendment to Office Lease between DexCom, Inc. and John Hancock Life Insurance Company, dated January 9, 2019.	10-K	000-51222	February 13, 2020	10.40	

10.5*	Form of Indemnity Agreement between DexCom, Inc. and each of its directors and executive officers.	10-K	000-51222	February 11, 2021	10.43	
10.6*	DexCom, Inc. Incentive Bonus Plan.	8-K	000-51222	March 17, 2021	10.1	
10.7	Second Amended and Restated Credit Agreement dated October 13, 2021 by and among DexCom, Inc., Bank of America, Silicon Valley Bank and Union Bank, and JPMorgan Chase Bank, as Administrative Agent.	10-K	000-51222	February 14, 2022	10.39	
10.8	Office Lease Agreement, dated March 31, 2006, between DexCom, Inc. and Kilroy Realty, L.P., as amended on August 18, 2010 and October 1, 2014.	10-K	000-51222	February 9, 2023	10.09	
10.9**	Fourth Amendment to Office Lease between DexCom, Inc. and Sequence Tech. Center CA LLC, dated September 9, 2019, as amended on October 21, 2019, May 25, 2021, and December 23, 2022.	10-K	000-51222	February 9, 2023	10.18	
10.10*	DexCom, Inc. Amended and Restated Severance and Change in Control Plan.	8-K	000-51222	May 19, 2023	10.1	
10.11	First Amendment to Second Amended and Restated Credit Agreement, dated June 1, 2023 by and between DexCom, Inc. and JPMorgan Chase Bank National Association.	10-Q	000-51222	July 27, 2023	10.06	
10.12**	Amended and Restated Collaboration and License Agreement, dated November 20, 2018, by and between DexCom, Inc. and Verily Life Sciences LLC (formerly Google Life Sciences LLC).	10-K	000-51222	February 8, 2024	10.14	
10.13**	Warrant Termination Agreement between DexCom, Inc. and Bank of America, N.A., dated February 13, 2024.	8-K	000-51222	February 15, 2024	10.1	
10.14**	Confidential Settlement and Patent License Agreement, dated December 20, 2024, between Abbott Diabetes Care Inc. and DexCom, Inc.	10-K	000-51222	February 18, 2025	10.16	
10.15*	Amended and Restated 2015 Equity Incentive Plan.	8-K	000-51222	May 9, 2025	10.1	
10.16*	Amended and Restated 2015 Employee Stock Purchase Plan.	8-K	000-51222	May 9, 2025	10.2	
10.17*	Offer Letter, effective January 1, 2026, by and between DexCom, Inc. and Jacob S. Leach.	8-K	000-51222	December 22, 2025	10.1	
10.18*	Form of award agreement under the Amended and Restated 2015 Equity Incentive Plan.					X
10.19*	Form of enrollment agreement under the Amended and Restated 2015 Employee Stock Purchase Plan.					X

19.1*	Insider Trading Policy.	10-K	000-51222	February 18, 2025	19.1	
21.1	List of Subsidiaries.					X
23.1	Consent of Independent Registered Public Accounting Firm (Deloitte & Touche LLP).					X
23.2	Consent of Independent Registered Public Accounting Firm (Ernst & Young LLP).					X
24.1	Power of Attorney (see signature page of this Form 10-K).					X
31.1	Certification of Chief Executive Officer Pursuant to Securities Exchange Act Rule 13a-14(a).					X
31.2	Certification of Chief Financial Officer Pursuant to Securities Exchange Act Rule 13a-14(a).					X
32.1***	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 and Securities Exchange Act Rule 13a-14(b).					X
32.2***	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 and Securities Exchange Act Rule 13a-14(b).					X
97.1*	Compensation Recovery Policy.	10-K	000-51222	February 8, 2024	97.1	
101.INS	Inline XBRL Instance Document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101)					X

* Represents a management contract or compensatory plan, contract or arrangement.

** Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

*** This certification is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Dexcom specifically incorporates it by reference.

ITEM 16 - FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DEXCOM, INC.
(Registrant)

Dated: February 12, 2026

By: /s/ JEREME M. SYLVAIN
Jereme M. Sylvain,
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jacob S. Leach and Jereme M. Sylvain, jointly and severally, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JACOB S. LEACH **Jacob S. Leach**	President, Chief Executive Officer, and Director (Principal Executive Officer)	February 12, 2026
/s/ JEREME M. SYLVAIN **Jereme M. Sylvain**	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 12, 2026
/s/ KEVIN R. SAYER **Kevin R. Sayer**	Executive Chairman of the Board of Directors	February 12, 2026
/s/ MARK G. FOLETTA **Mark G. Foletta**	Interim Chairman of the Board of Directors and Lead Independent Director	February 12, 2026
/s/ STEVEN R. ALTMAN **Steven R. Altman**	Director	February 12, 2026
/s/ DR. EUAN ASHLEY **Dr. Euan Ashley**	Director	February 12, 2026
/s/ NICHOLAS AUGUSTINOS **Nicholas Augustinos**	Director	February 12, 2026
/s/ RICHARD A. COLLINS **Richard A. Collins**	Director	February 12, 2026
/s/ RIMMA DRISCOLL **Rimma Driscoll**	Director	February 12, 2026
/s/ RENÉE GALÁ **Renée Galá**	Director	February 12, 2026
/s/ BRIDGETTE P. HELLER **Bridgette P. Heller**	Director	February 12, 2026
/s/ KYLE MALADY **Kyle Malady**	Director	February 12, 2026

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DexCom, Inc.
Index to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of DexCom, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of DexCom, Inc. and subsidiaries (the "Company") as of December 31, 2025, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows, for the year ended December 31, 2025, and the related notes and the schedule listed in the Index at Item 15(a) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations and its cash flows for the year ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 12, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Pharmacy Rebates in the United States — Refer to Note 1. Revenue Recognition – Variable Consideration to the financial statements

Critical Audit Matter Description

As disclosed in Note 1 to the financial statements, when revenue is recognized, the Company includes an estimate of variable consideration in the calculation of the transaction price. Variable consideration includes, but is not limited to, rebates, chargebacks, product returns provision, and prompt payment discounts. The Company classifies these items as a liability unless the criteria for right of offset are met; in such cases, the Company may classify these items as a reduction of accounts receivable.

The Company is subject to rebates on pricing programs with managed care organizations, such as pharmacy benefit managers, government, and third-party payors. The estimate of pharmacy rebates in the United States (collectively, "U.S. pharmacy rebates") involves the consideration of contractual arrangements, estimates of products sold subject to rebate, known events or trends, and channel inventory data. Given the subjectivity and complexity of evaluating management's assumptions used in the estimation of U.S. pharmacy rebates, auditing U.S. pharmacy rebates requires a high degree of auditor judgment and an increased extent of effort.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the U.S. pharmacy rebates included the following, among others:

- We tested the effectiveness of certain controls related to management's assessment of assumptions related to estimating the U.S. pharmacy rebates reserve and the associated variable consideration.
- We evaluated the appropriateness and consistency of the Company's methods and assumptions used to calculate the U.S. pharmacy rebates reserve and the associated variable consideration by:
    - Testing the underlying data, including historical and current year gross sales to distributor customers, rebate payments, and inventory sold reported from distributors.
    - Evaluating the Company's ability to estimate the U.S. pharmacy rebates accrual accurately by comparing actual amounts incurred for the U.S. pharmacy rebates accruals to historical estimates.
    - Evaluating known events or trends affecting the U.S. pharmacy rebates.

/s/ Deloitte & Touche LLP

San Diego, CA
February 12, 2026

We have served as the Company's auditor since 2025.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of DexCom, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of DexCom, Inc. (the Company) as of December 31, 2024, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP
We served as the Company's auditor from 2000 to 2025.
San Diego, California
February 14, 2025

DexCom, Inc.
Consolidated Balance Sheets

(In millions, except par value data)	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 917.7	$ 606.1
Short-term marketable securities	1,081.0	1,973.3
Accounts receivable, net	1,216.1	1,005.7
Inventory	629.1	542.6
Prepaid and other current assets	189.4	173.7
Total current assets	4,033.3	4,301.4
Property and equipment, net	1,559.9	1,339.9
Operating lease right-of-use assets	77.4	62.8
Goodwill	24.2	22.8
Intangibles, net	70.8	103.4
Deferred tax assets	295.6	481.2
Other assets	278.7	173.0
Total assets	$ 6,339.9	$ 6,484.5
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,944.0	$ 1,585.1
Accrued payroll and related expenses	169.2	112.0
Current portion of long-term senior convertible notes	—	1,204.4
Short-term operating lease liabilities	21.6	22.5
Other current liabilities	7.7	8.0
Total current liabilities	2,142.5	2,932.0
Long-term senior convertible notes	1,240.9	1,237.0
Long-term operating lease liabilities	73.4	65.0
Other long-term liabilities	137.1	147.9
Total liabilities	3,593.9	4,381.9
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Preferred stock, $0.001 par value, 5.0 million shares authorized; no shares issued and outstanding at December 31, 2025 and December 31, 2024	—	—
Common stock, $0.001 par value, 800.0 million shares authorized; 410.7 million and 384.8 million shares issued and outstanding, respectively, at December 31, 2025; and 408.9 million and 390.7 million shares issued and outstanding, respectively, at December 31, 2024	0.4	0.4
Additional paid-in capital	2,281.5	2,093.8
Accumulated other comprehensive income (loss)	115.0	(8.0)
Retained earnings	2,433.9	1,597.6
Treasury stock, at cost; 25.9 million shares at December 31, 2025 and 18.2 million shares at December 31, 2024	(2,084.8)	(1,581.2)
Total stockholders' equity	2,746.0	2,102.6
Total liabilities and stockholders' equity	$ 6,339.9	$ 6,484.5

See accompanying notes

DexCom, Inc.
Consolidated Statements of Operations

(In millions, except per share data)	Twelve Months Ended December 31, 2025	2024	2023
Revenue	$ 4,662.0	$ 4,033.0	$ 3,622.3
Cost of sales	1,860.1	1,594.8	1,333.4
Gross profit	2,801.9	2,438.2	2,288.9
Operating expenses:			
Research and development	599.1	552.4	505.8
Selling, general and administrative	1,291.0	1,285.8	1,185.4
Total operating expenses	1,890.1	1,838.2	1,691.2
Operating income	911.8	600.0	597.7
Other income, net	176.6	109.0	112.7
Income before income taxes	1,088.4	709.0	710.4
Income tax expense	252.1	132.8	168.9
Net income	$ 836.3	$ 576.2	$ 541.5
Basic net income per share	$ 2.14	$ 1.46	$ 1.40
Shares used to compute basic net income per share	390.2	393.6	386.0
Diluted net income per share	$ 2.09	$ 1.42	$ 1.30
Shares used to compute diluted net income per share	405.5	412.7	425.5

See accompanying notes

DexCom, Inc.
Consolidated Statements of Comprehensive Income

(In millions)	Twelve Months Ended December 31, 2025	2024	2023
Net income	$ 836.3	$ 576.2	$ 541.5
Other comprehensive income (loss), net of tax:			
Translation adjustments and other	122.2	8.6	(9.2)
Unrealized gain on marketable debt securities	0.8	0.1	4.1
Total other comprehensive income (loss), net of tax	123.0	8.7	(5.1)
Comprehensive income	$ 959.3	$ 584.9	$ 536.4

See accompanying notes

DexCom, Inc.
Consolidated Statements of Stockholders' Equity

(In millions)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss): Translation Adjustments and Other	Accumulated Other Comprehensive Income (Loss): Net Unrealized Gain (Loss) on Marketable Securities	Retained Earnings	Treasury Stock	Total Stockholders' Equity
Balance at December 31, 2022	386.3	$ 0.4	$ 2,258.1	$ (7.8)	$ (3.8)	$ 479.9	$ (595.0)	$ 2,131.8
Issuance of common stock under equity incentive plans	1.4	—	—	—	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	0.3	—	26.6	—	—	—	—	26.6
Issuance of common stock in connection with achievement of sales-based milestone, net of issuance costs	3.7	—	(323.4)	—	—	—	323.2	(0.2)
Purchases of treasury stock, including excise tax	(6.3)	—	(0.2)	—	—	—	(689.0)	(689.2)
Tax benefit related to Senior Convertible Notes	—	—	(4.4)	—	—	—	—	(4.4)
Conversions of 2023 Notes	12.2	—	(13.1)	—	—	—	—	(13.1)
Benefit of note hedge upon conversions of 2023 Notes	(12.2)	—	1,496.5	—	—	—	(1,490.3)	6.2
Purchase of capped call transactions, net of tax	—	—	(76.3)	—	—	—	—	(76.3)
Share-based compensation expense	—	—	150.8	—	—	—	—	150.8
Net income	—	—	—	—	—	541.5	—	541.5
Other comprehensive income, net of tax	—	—	—	(9.2)	4.1	—	—	(5.1)
Balance at December 31, 2023	385.4	0.4	3,514.6	(17.0)	0.3	1,021.4	(2,451.1)	2,068.6
Issuance of common stock under equity incentive plans	1.3	—	—	—	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	0.4	—	28.2	—	—	—	—	28.2
Issuance of common stock in connection with achievement of sales-based milestone, net of issuance costs	1.5	—	(188.1)	—	—	—	188.1	—
Purchases of treasury stock, including excise tax	(10.4)	—	—	—	—	—	(749.5)	(749.5)
Exercise and settlement of warrants	12.5	—	(1,431.3)	—	—	—	1,431.3	—
Share-based compensation expense	—	—	170.4	—	—	—	—	170.4
Net income	—	—	—	—	—	576.2	—	576.2
Other comprehensive income, net of tax	—	—	—	8.6	0.1	—	—	8.7
Balance at December 31, 2024	390.7	0.4	2,093.8	(8.4)	0.4	1,597.6	(1,581.2)	2,102.6
Issuance of common stock under equity incentive plans	1.4	—	—	—	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	0.4	—	28.1	—	—	—	—	28.1
Purchases of treasury stock, including excise tax	(7.7)	—	—	—	—	—	(503.6)	(503.6)
Share-based compensation expense	—	—	159.6	—	—	—	—	159.6
Net income	—	—	—	—	—	836.3	—	836.3
Other comprehensive income, net of tax	—	—	—	122.2	0.8	—	—	123.0
Balance at December 31, 2025	384.8	$ 0.4	$ 2,281.5	$ 113.8	$ 1.2	$ 2,433.9	$ (2,084.8)	$ 2,746.0

See accompanying notes

DexCom, Inc.
Consolidated Statements of Cash Flows

(In millions)	Twelve Months Ended December 31, 2025	2024	2023
Operating activities			
Net income	$ 836.3	$ 576.2	$ 541.5
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	251.8	217.7	186.0
Share-based compensation	159.6	170.4	150.8
Non-cash interest expense	7.3	7.5	7.8
Deferred income taxes	182.2	(43.8)	(55.0)
Net (gains) losses on equity investments	(78.1)	1.4	(1.9)
Other non-cash income and expenses	(21.8)	(48.7)	(83.9)
Changes in operating assets and liabilities:			
Accounts receivable, net	(201.9)	(35.0)	(260.1)
Inventory	(63.7)	12.4	(252.6)
Prepaid and other assets	(14.8)	(5.8)	19.3
Operating lease right-of-use assets and liabilities, net	(7.1)	(6.5)	(4.5)
Accounts payable and accrued liabilities	347.0	211.7	466.5
Accrued payroll and related expenses	55.4	(60.0)	37.2
Deferred revenue and other liabilities	(11.5)	(8.0)	(2.6)
Net cash provided by operating activities	1,440.7	989.5	748.5
Investing activities			
Purchases of marketable securities	(1,246.6)	(2,576.3)	(3,200.4)
Proceeds from sale and maturity of marketable securities	2,164.7	2,824.4	2,947.4
Purchases of property and equipment	(363.5)	(358.8)	(236.6)
Purchases of non-marketable equity securities	(19.2)	(81.3)	(19.5)
Other investing activities	0.6	(15.5)	1.9
Net cash provided by (used in) investing activities	536.0	(207.5)	(507.2)
Financing activities			
Net proceeds from issuance of common stock	28.1	28.2	26.6
Purchases of treasury stock	(500.0)	(750.0)	(688.7)
Proceeds from issuance of convertible notes, net of issuance costs	—	—	1,230.6
Purchases of capped call transactions	—	—	(101.3)
Payments for conversions of senior convertible notes	—	—	(787.3)
Repayments for maturity of senior convertible notes	(1,207.5)	—	—
Other financing activities	(7.0)	(13.0)	1.5
Net cash used in financing activities	(1,686.4)	(734.8)	(318.6)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	21.5	(7.4)	1.5
Increase (decrease) in cash, cash equivalents and restricted cash	311.8	39.8	(75.8)
Cash, cash equivalents and restricted cash, beginning of period	607.3	567.5	643.3
Cash, cash equivalents and restricted cash, end of period	$ 919.1	$ 607.3	$ 567.5
Reconciliation of cash, cash equivalents and restricted cash, end of period:			
Cash and cash equivalents	$ 917.7	$ 606.1	$ 566.3
Restricted cash	1.4	1.2	1.2
Total cash, cash equivalents and restricted cash	$ 919.1	$ 607.3	$ 567.5

	2025	2024	2023
Supplemental disclosure of non-cash investing and financing transactions:			
Shares issued for repurchase and conversions of senior convertible notes	$ —	$ —	$ 1,501.9
Shares received under note hedge upon conversion of 2023 Notes	$ —	$ —	$ (1,490.3)
Acquisition of property and equipment included in accounts payable and accrued liabilities	$ 62.7	$ 75.4	$ 53.2
Supplemental cash flow information:			
Cash paid during the year for interest	$ 11.4	$ 11.4	$ 12.4
Cash paid during the year for income taxes	$ 94.4	$ 198.0	$ 212.3

See accompanying notes

1. Organization and Significant Accounting Policies

Organization and Business

We are a medical device company primarily focused on the design, development and commercialization of continuous glucose monitoring, or CGM, systems for the management of diabetes and metabolic health by patients, caregivers, and clinicians around the world. Unless the context requires otherwise, the terms “we,” “us,” “our,” the “company,” or “Dexcom” refer to DexCom, Inc. and its subsidiaries.

Basis of Presentation and Principles of Consolidation

These consolidated financial statements include the accounts of DexCom, Inc. and our wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

We have reclassified certain prior period amounts to conform to the current period presentation.

We determine the functional currencies of our international subsidiaries by reviewing the environment where each subsidiary primarily generates and expends cash. For international subsidiaries whose functional currencies are the local currencies, we translate the financial statements into U.S. dollars using period-end exchange rates for assets and liabilities and average exchange rates for each period for revenue, costs and expenses. We include translation-related adjustments in comprehensive income and in accumulated other comprehensive income (loss) in the equity section of our consolidated balance sheets. We record gains and losses resulting from transactions with customers and vendors that are denominated in currencies other than the functional currency and from certain intercompany transactions in other income, net in our consolidated statements of operations.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles, or GAAP, requires us to make certain estimates and assumptions that affect the amounts reported in our consolidated financial statements and the disclosures made in the accompanying notes. Areas requiring significant estimates include pharmacy rebates, inventory reserves, loss contingencies, and the amount of our worldwide tax provision. Despite our intention to establish accurate estimates and use reasonable assumptions, actual results may differ from our estimates.

Fair Value Measurements

The authoritative guidance establishes a fair value hierarchy that is based on the extent and level of judgment used to estimate the fair value of assets and liabilities. In general, the authoritative guidance requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. An asset or liability’s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of its fair value. The three levels of input defined by the authoritative guidance are as follows:

Level 1—Uses unadjusted quoted prices that are available in active markets for identical assets or liabilities.

Level 2—Uses inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly, through correlation with market data. These include quoted prices in active markets for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs to valuation models or other pricing methodologies that do not require significant judgment because the inputs used in the model, such as interest rates and volatility, can be corroborated by readily observable market data for substantially the full term of the assets or liabilities.

Level 3—Uses unobservable inputs that are supported by little or no market activity and that are significant to the determination of fair value. Level 3 assets and liabilities include those whose fair values are determined using pricing models, discounted cash flow methodologies, or similar valuation techniques and significant judgment or estimation.

We estimate the fair value of most of our cash equivalents using Level 1 inputs. We estimate the fair value of our marketable equity securities using Level 1 inputs and we estimate the fair value of our marketable debt securities using Level 2 inputs. We carry our marketable securities at fair value. We carry our other financial instruments, such as cash and cash equivalents, accounts receivable, prepaid expenses and other current assets, accounts payable and accrued liabilities, at cost, which approximates the related fair values due to the short-term maturities of these instruments. See Note 2 "*Fair Value Measurements*" for more information.

Cash and Cash Equivalents

We consider highly liquid investments with a maturity of 90 days or less at the time of purchase to be cash equivalents.

Marketable Securities

We have classified our marketable securities with remaining maturity at purchase of more than three months and remaining maturities of one year or less as short-term marketable securities. We have also classified marketable securities with remaining maturities of greater than one year as short-term marketable securities based upon our ability and intent to use any and all of those marketable securities to satisfy the liquidity needs of our current operations.

We calculate realized gains or losses on our marketable securities using the specific identification method. We carry our marketable debt securities at fair value with unrealized gains and losses reported as a separate component of stockholders' equity in our consolidated balance sheets and included in comprehensive income. Interest income and realized gains and losses on marketable debt securities are included in other income, net in our consolidated statements of operations. We carry our marketable equity securities at fair value with realized and unrealized gains and losses reported in other income, net in our consolidated statements of operations.

We invest in various types of debt securities, including debt securities in government-sponsored entities, corporate debt securities, U.S. Treasury securities, supranational securities, and commercial paper. See Note 2 "*Fair Value Measurements*" and Note 3 "*Balance Sheet Details and Other Financial Information—Short-Term Marketable Securities*" for more information on our marketable securities.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are generally recorded at the invoiced amount, net of prompt pay discounts, for distributors and at net realizable value for direct customers, which is determined using estimates of claim denials and historical reimbursement experience without regard to aging category. Accounts receivable are not interest bearing. We evaluate the creditworthiness of customers based on historical trends, the financial condition of our customers, and external market factors. We generally do not require collateral from our customers. We maintain an allowance for doubtful accounts for potential credit losses. Uncollectible accounts are written off against the allowance after appropriate collection efforts have been exhausted and when it is deemed that a customer account is uncollectible. Generally, receivable balances that are more than one year past due are deemed uncollectible.

Concentration of Credit Risk and Significant Customers

Financial instruments which potentially subject us to concentrations of credit risk consist primarily of cash, cash equivalents, short-term marketable securities, and accounts receivable. We limit our exposure to credit risk by placing our cash and investments with a few major financial institutions. We have also established guidelines regarding diversification of our investments and their maturities that are designed to maintain principal and maximize liquidity. We review these guidelines periodically and modify them to take advantage of trends in yields and interest rates and changes in our operations and financial position. We monitor the creditworthiness of our customers based on historical trends, the financial condition of our customers, and external market factors.

The following table sets forth the percentages of total revenue and gross accounts receivable for customers that represent 10% or more of the respective amounts:

	Revenue*			Gross Accounts Receivable	
	Twelve Months Ended December 31,			As of December 31,	
	2025	2024	2023	2025	2024
Customer A	55 %	40 %	35 %	24 %	18 %
Customer B	35 %	35 %	30 %	20 %	21 %
Customer C	46 %	42 %	37 %	24 %	27 %

* Total revenue for each customer is net of fees, cash discounts, and rebates directly allocable to that customer. Rebates paid to other entities are excluded; therefore, the combined value may exceed 100%.

Inventory

Inventory is valued at the lower of cost or net realizable value on a part-by-part basis that approximates first in, first out. We capitalize inventory produced in preparation for commercial launches when it becomes probable that the product will receive regulatory approval and that the related costs will be recoverable through the commercialization of the product. A number of factors are considered, including the status of the regulatory application approval process, management's judgment of probable future commercial use, and net realizable value.

We record adjustments to inventory for potential excess or obsolete inventory, as well as inventory that does not pass quality control testing, in order to state inventory at net realizable value. Factors influencing these adjustments include inventories on hand and on order compared to estimated future usage and sales for existing and new products, as well as judgments regarding quality control testing data and assumptions about the likelihood of scrap and obsolescence. Once written down the adjustments are considered permanent. The reduced carrying amount is recognized when the inventory is sold or disposed of.

Our products require customized products and components that currently are available from a limited number of sources. We purchase certain components and materials from single sources due to quality considerations, costs or constraints resulting from regulatory requirements.

Historically, our inventory reserves have been adequate to cover our actual losses. However, if actual product life cycles, product quality or market conditions differ from our assumptions, additional inventory adjustments that would increase cost of sales could be required.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. We capitalize additions and improvements and expense maintenance and repairs as incurred. We also capitalize certain costs incurred for the development of enterprise-level business and finance software that we use internally in our operations. Costs incurred in the application development phase are capitalized while costs related to planning and other preliminary project activities and to post-implementation activities are expensed as incurred.

We calculate depreciation using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are generally three to five years for computer software and hardware, including internal use software, four to fifteen years for machinery and equipment, and five years for furniture and fixtures. Leasehold and land improvements are amortized over the shorter of the estimated useful lives of the assets or the remaining lease term. Buildings are amortized over the shorter of the ownership of the building or forty years. We include the amortization of assets that are recorded under finance leases in depreciation expense. On retirement or disposition, the asset cost and related accumulated depreciation are removed from our consolidated balance sheets and any gain or loss is recognized in our consolidated statements of operations.

We review property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We estimate the recoverability of the asset by comparing the carrying amount to the future undiscounted cash flows that we expect the asset to generate. We estimate the fair value of the asset based on the present value of future cash flows for those assets. If the carrying value of an asset exceeds its estimated fair value, we would record an impairment loss equal to the difference.

Goodwill

We record goodwill when the fair value of consideration transferred in a business combination exceeds the fair value of the identifiable assets acquired and liabilities assumed. Goodwill and other intangible assets that have indefinite useful lives are not amortized, but are tested annually for impairment during the fourth fiscal quarter and whenever events or changes in circumstances indicate that it is more likely than not that the fair value is less than the carrying value.

Goodwill impairment testing is performed at the reporting unit level. We perform an initial assessment of qualitative factors to determine whether the existence of events and circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit has been reduced below its carrying amount. If, after assessing the totality of relevant events and circumstances, we determine that it is not more likely than not that the fair value is less than its carrying value, no further testing is performed; however, if we conclude otherwise, we will perform a quantitative impairment test comparing the estimated fair value to its carrying value. Any excess carrying value is recorded as an impairment loss.

We recorded no significant goodwill impairment charges for the twelve months ended December 31, 2025, 2024 or 2023. The change in goodwill for the twelve months ended December 31, 2025 primarily consisted of translation adjustments on our foreign currency denominated goodwill. The change in goodwill for the twelve months ended December 31, 2024 primarily consisted of the divestiture of our non-diabetes distribution business and translation adjustments on our foreign currency denominated goodwill.

Intangible Assets and Other Long-Lived Assets

Intangible assets are included in intangibles and other assets, net in our consolidated balance sheets. We amortize intangible assets with a finite life, such as the customer relationships, acquired technology and intellectual property, trademarks and trade name, and other intangibles, on a straight-line basis over their estimated useful lives, which range from one to fourteen years. We review intangible assets that have finite lives and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We estimate the fair value of the asset based on the present value of future cash flows for those assets. If the carrying value of an asset exceeds its estimated fair value, we would record an impairment loss equal to the difference.

For transactions other than a business combination, we also capitalize as intangible assets the cost of certain milestones payable by us to collaborative partners and incurred at or after the product has obtained regulatory approval for marketing. The intangible assets associated with these milestones are amortized over the remaining estimated useful life of the underlying asset.

We recorded no significant intangible asset impairment charges for the twelve months ended December 31, 2025, 2024 or 2023.

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. The effect of a change in tax rate on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, carryback potential if permitted under tax law and results of recent operations. If we determine that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

We record uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

We file federal and state income tax returns in the United States and income tax returns in various other foreign jurisdictions with varying statutes of limitations. Due to net operating losses incurred, our income tax returns from 2007 to date are subject to examination by taxing authorities. We recognize interest expense and penalties related to income tax matters, including unrecognized tax benefits, as a component of income tax expense.

We recognize income tax expense for basis differences related to global intangible low-taxed income ("GILTI") as a period cost if and when incurred. GILTI is a category of income that is earned abroad by U.S.-controlled foreign corporations (CFCs) and is subject to special treatment under the U.S. tax code.

Warranty Accrual

Estimated warranty costs associated with a product are recorded at the time revenue is recognized. We estimate future warranty costs by analyzing historical warranty experience for the timing and amount of returned product, and expectations for future warranty activity based on changes and improvements to the product or process that are in place or will be in place in the future. We evaluate these estimates on at least a quarterly basis to determine the continued appropriateness of our assumptions.

Loss Contingencies

We are subject to certain legal proceedings, as well as demands, claims and threatened litigation that arise in the normal course of our business. We review the status of each significant matter quarterly and assess our potential financial exposure. If the potential loss from a claim or legal proceeding is considered probable and the amount can be reasonably estimated, we record a liability and an expense for the estimated loss and disclose it in our financial statements if it is significant. If we determine that a loss is possible and the range of the loss can be reasonably determined, we do not record a liability or an expense but we disclose the range of the possible loss. We base our judgments on the best information available at the time. As additional information becomes available, we reassess the potential liability related to our pending claims and litigation and may revise our estimates. Any revision of our estimates of potential liability could have a material impact on our financial position and operating results.

Comprehensive Income

Comprehensive income consists of two elements, net income and other comprehensive income (loss). We report all components of comprehensive income, including net income, in our financial statements in the period in which they are recognized. Total comprehensive income is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. We report net income and the components of other comprehensive income (loss), including foreign currency translation adjustments and unrealized gains and losses on marketable securities, net of their related tax effect to arrive at total comprehensive income.

Revenue Recognition

We generate our revenue from the sale of disposable sensors and our reusable transmitter and receiver, collectively referred to as Reusable Hardware. We also refer to Reusable Hardware and disposable sensors in this section as Components. We generally recognize revenue when control is transferred to our customers in an amount that reflects the net consideration to which we expect to be entitled.

In determining how revenue should be recognized, a five-step process is used, which includes identifying performance obligations in the contract, determining whether the performance obligations are separate, allocating the transaction price to each separate performance obligation, estimating the amount of variable consideration to include in the transaction price and determining the timing of revenue recognition for separate performance obligations.

Contracts and Performance Obligations

We consider customer purchase orders, which in most cases are governed by agreements with distributors or third-party payors, to be contracts with a customer. For each contract, we consider the obligation to transfer Components to the customer, each of which are distinct, to be separate performance obligations.

Transaction Price

Transaction price for the Components reflects the net consideration to which we expect to be entitled. Transaction price is typically based on the contracted rates and may include an estimate of variable consideration. Variable consideration is included in the transaction price only to the extent a significant reversal in the amount of cumulative revenue recognized is not probable of occurring when the uncertainty associated with the variable consideration is subsequently resolved.

Variable Consideration

We include an estimate of variable consideration in the calculation of the transaction price at the time of sale, when control of the Components transfers to the customer. Variable consideration includes, but is not limited to: rebates, chargebacks, product returns provision, and prompt payment discounts. We classify these items as a liability unless the criteria for right of offset are met; in such cases, we classify these items as a reduction of accounts receivable.

Estimates

We review the adequacy of our estimates for transaction price adjustments and variable consideration at each reporting date. If the actual amounts of consideration we receive differ from our estimates, we would adjust our estimates and that would affect reported revenue in the period that such variances become known. If any of these judgments were to change, it could cause a material increase or decrease in the amount of revenue we report in a particular period.

Rebates

We are subject to rebates on pricing programs with managed care organizations, such as pharmacy benefit managers, governmental and third-party commercial payors, primarily in the U.S. We estimate rebates based on contractual arrangements, estimates of products sold subject to rebate, known events or trends and channel inventory data.

Chargebacks

We participate in chargeback programs, primarily with government entities in the U.S., under which pricing on products below negotiated list prices is provided to participating entities and equal to the difference between their acquisition cost and the lower negotiated price. We estimate chargebacks primarily based on historical experience on a product and program basis, current contract prices under the chargeback programs and channel inventory data.

Product Returns

In accordance with the terms of their distribution agreements, most distributors do not have rights of return. The distributors typically have a limited time frame to notify us of any missing, damaged, defective or non-conforming products. We estimate our product returns primarily based on historical experience by applying a historical return rate to the amounts of revenue estimated to be subject to returns. Additionally, we consider other specific factors such as estimated shelf life of inventory in the distribution channel and changes to customer terms.

Prompt Payment Discounts

We provide customers with prompt payment discounts, which may result in adjustments to the price that is invoiced for the product transferred, in the case that payments are made within a defined period. We estimate prompt payment discounts based on eligible sales and contractual discount rates.

Revenue Recognition

We record revenue from sales of Components upon transfer of control of the product to the customer. We typically determine transfer of control based on when the product is shipped or delivered and title passes to the customer.

Contract Balances

Contract balances represent amounts presented in our consolidated balance sheets when either we have transferred goods or services to the customer or the customer has paid consideration to us under the contract. These contract balances include accounts receivable and deferred revenue. Payment terms vary by contract type and type of customer and generally range from 30 to 90 days.

Accounts receivable as of December 31, 2025 and December 31, 2024 included unbilled accounts receivable of $16.9 million and $15.2 million, respectively. We expect to invoice and collect all unbilled accounts receivable within twelve months.

We record deferred revenue when cash payments have been received prior to satisfaction of the related performance obligation. Our performance obligations are generally satisfied within twelve months of the initial contract date. The current and non-current deferred revenue balances as of December 31, 2025 and December 31, 2024 were not material.

Deferred Cost of Sales

Deferred cost of sales are included in prepaid and other current assets in our consolidated balance sheets.

Incentive Compensation Costs

We generally expense incentive compensation associated with our internal sales force when incurred because the amortization period for such costs, if capitalized, would have been one year or less. We record these costs in selling, general and administrative expense in our consolidated statements of operations.

Research and Development

We expense costs of research and development as we incur them. Our research and development expenses primarily consists of engineering and research expenses related to our sensing technology, clinical trials, regulatory expenses, quality assurance programs, employee compensation, and business process outsourcers.

Our technology includes certain software that we develop. We expense software development costs as we incur them until technological feasibility has been established, at which time we capitalize development costs until the product is available for general release to customers. To date, our software has been available for general release concurrent with the establishment of technological feasibility and, accordingly, we have not capitalized any development costs.

Collaboration Agreements

We may enter into agreements with collaboration partners for the development and commercialization of our products. These arrangements may include payments contingent on the occurrence of certain events such as development, regulatory or sales-based milestones.

When we account for these agreements, we consider the unique nature, terms and facts and circumstances of each transaction. Below are some example activities and how we account for them:

- Payments to collaboration partners through issuance of common stock as consideration in an asset acquisition are considered share-based payment to non-employees in exchange for goods within the scope of ASC Topic 718, “Compensation - Stock Compensation.” The amount and the timing of the cost recognition of such milestones in our financial statements is driven by the accounting for the specific type of equity instrument under ASC 718 that aligns with the terms of the agreement, including any performance conditions.
- The value associated with in-process research and development (“IPR&D”) in an asset acquisition incurred prior to regulatory approval is expensed as it does not have an alternative future use and is recorded as research and development expense.
- The value associated with IPR&D in an asset acquisition incurred at or after regulatory approval is usually capitalized as an intangible asset and amortized over the periods in which the related products are expected to contribute to future cash flows.

Advertising Costs

We expense costs to produce advertising as we incur them whereas costs to communicate advertising are expensed when the advertising is first run. Advertising costs are included in selling, general and administrative expenses. Advertising expense was $223.8 million, $194.2 million and $180.8 million for the twelve months ended December 31, 2025, 2024 and 2023, respectively.

Leases

We determine if an arrangement is a lease at inception. Lease right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Lease right-of-use assets and liabilities with terms of more than 12 months are recognized at commencement date based on the present value of lease payments over the lease term. The discount rate used to determine the present value is our collateralized incremental borrowing rate unless the interest rate implicit in the lease is readily determinable.

For operating leases, lease expense is recognized on a straight-line basis within operating expenses over the lease term. For finance leases, lease expense is recognized as interest and depreciation; interest using the effective interest method and depreciation on a straight-line basis over the shorter of the estimated useful lives of the assets or, in the instance where title does not transfer at the end of the lease term, the lease term. Short-term leases with lease terms of 12 months or less are not recorded on the balance sheet and are recognized on a straight line basis over the lease term.

Operating lease right-of-use assets and lease liabilities are presented separately in our consolidated balance sheets. Finance lease right-of-use assets are included in property and equipment and finance lease liabilities are included in accounts payable and accrued liabilities and in other long-term liabilities in our consolidated balance sheets.

Our lease agreements may contain lease components and non-lease components. For certain asset classes, we have elected to account for both of those components as a single lease component. We use a portfolio approach to account for the right-of-use assets and liabilities associated with certain machinery and equipment leases. Variable lease payments may include payments associated with non-lease components, payments that do not depend on a rate or index, or other costs. Variable lease payments are recognized in the period in which the obligation for those payments are incurred.

Share-Based Compensation

Share-based compensation expense is measured at the grant date based on the estimated fair value of the award and is recognized straight-line over the requisite service period of the individual grants, which typically equals the vesting period.

We value time-based restricted stock units, or RSUs, at the date of grant using the intrinsic value method. Certain RSUs granted to senior management vest based on the achievement of pre-established performance or market goals. We estimate the fair value of these performance/market-based RSUs, or PSUs, at the date of grant using the intrinsic value method and the probability that the specified performance criteria will be met. We update our assessment of the probability that the specified performance criteria will be achieved each quarter and adjust our estimate of the fair value of the PSUs if necessary. The Monte Carlo methodology that we use to estimate the fair value of PSUs at the date of grant incorporates into the valuation the possibility that the market condition may not be satisfied. Provided that the requisite service is rendered, the total fair value of the PSUs at the date of grant must be recognized as compensation expense even if the market condition is not achieved. However, the number of shares that ultimately vest can vary significantly with the performance of the specified market criteria.

If any of the assumptions used change significantly, share-based compensation expense may differ materially from what we have recorded in the current period.

We account for forfeitures as they occur by reversing any share-based compensation expense related to awards that will not vest.

Net Income Per Share

Basic net income per share attributable to common stockholders is calculated by dividing the net income attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net income per share is computed using the weighted average number of common shares outstanding during the period and, when dilutive, potential common share equivalents.

Potentially dilutive common shares consist of shares issuable from RSUs, PSUs, warrants, our senior convertible notes, and collaborative sales-based milestones. Potentially dilutive common shares issuable upon vesting of RSUs, PSUs, and exercise of warrants are determined using the average share price for each period under the treasury stock method. Potentially dilutive common shares issuable upon conversion of our senior convertible notes are determined using the if-converted method.

The following table sets forth the computation of basic and diluted net income per share:

(In millions, except per share data)	Twelve Months Ended December 31, 2025	2024	2023
Net income	$ 836.3	$ 576.2	$ 541.5
Add back interest expense, net of tax attributable to assumed conversion of senior convertible notes	11.0	11.5	12.6
Net income - diluted	$ 847.3	$ 587.7	$ 554.1
Net income per common share			
Basic	$ 2.14	$ 1.46	$ 1.40
Diluted	$ 2.09	$ 1.42	$ 1.30
Basic weighted average shares outstanding	390.2	393.6	386.0
Dilutive potential securities:			
Collaborative sales-based milestones	—	0.2	0.7
RSUs and PSUs	0.6	0.7	1.1
Senior convertible notes	14.7	15.7	26.2
Warrants	—	2.5	11.5
Diluted weighted average shares outstanding	405.5	412.7	425.5

Outstanding anti-dilutive securities not included in the calculations of diluted net income per share attributable to common stockholders were as follows:

(In millions)	Twelve Months Ended December 31, 2025	2024	2023
RSUs and PSUs	1.1	1.3	—

Recent Accounting Guidance

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, 2023-09, *Improvements to Income Tax Disclosures*. The ASU requires greater disaggregation of information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The ASU applies to all entities subject to income taxes and is intended to help investors better understand an entity's exposure to potential changes in jurisdictional tax legislation and assess income tax information that affects cash flow forecasts and capital allocation decisions. The ASU is effective for annual periods beginning after December 15, 2024. We adopted this standard on a prospective basis for the annual period ending December 31, 2025.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*. The ASU requires disaggregated disclosure of certain costs and expenses in the notes to the financial statements. The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The ASU may be applied on either a prospective or a retrospective basis. We are currently evaluating the impact of this standard on our disclosures.

In November 2024, the FASB issued ASU 2024-04, *Debt-Debt with Conversion and Other Options*. The ASU clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The ASU is effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods, with early adoption permitted. The ASU may be applied on either a prospective or a retrospective basis. We will adopt this standard in the first quarter of 2026 on a prospective basis and we do not expect this standard to have a material impact on our consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting*. The ASU clarifies interim disclosure requirements and the applicability of Topic 270. The ASU is effective for annual reporting periods beginning after December 15, 2027, and interim periods within those annual reporting periods, with early adoption permitted. The ASU may be applied on either a prospective or a retrospective basis. We are currently evaluating the impact of this standard on our disclosures.

2. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

We estimate the fair values of our Level 1 financial instruments, which are in active markets, using unadjusted quoted market prices for identical instruments.

We obtain the fair values of our Level 2 financial instruments, which are not in active markets, from a primary professional pricing source that uses quoted market prices for identical or comparable instruments, rather than direct observations of quoted prices in active markets. Fair values obtained from this professional pricing source can also be based on pricing models whereby all significant observable inputs, including maturity dates, issue dates, settlement dates, benchmark yields, reported trades, broker-dealer quotes, issue spreads, benchmark securities, bids, offers or other market related data, are observable or can be derived from, or corroborated by, observable market data for substantially the full term of the asset.

We estimate the fair values of our Level 3 financial instruments based on unobservable inputs and other estimation techniques due to the absence of quoted market prices and inherent lack of liquidity.

The following table summarizes financial assets that we measured at fair value on a recurring basis as of December 31, 2025, classified in accordance with the fair value hierarchy:

	Fair Value Measurements Using			
(In millions)	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 392.8	$ —	$ —	$ 392.8
Debt securities, available-for-sale:				
U.S. government agencies [1]	—	357.3	—	357.3
Commercial paper	—	123.4	—	123.4
Corporate debt	—	600.3	—	600.3
Total debt securities, available-for-sale	—	1,081.0	—	1,081.0
Other long-term assets:				
Convertible notes receivable	—	—	10.5	10.5
Other assets [2]	20.0	—	—	20.0
Total assets measured at fair value on a recurring basis	$ 412.8	$ 1,081.0	$ 10.5	$ 1,504.3

(1) Includes debt obligations issued by U.S. government-sponsored enterprises or U.S. government agencies.

(2) Includes assets which are primarily held pursuant to a deferred compensation plan for senior management, which consist mainly of mutual funds.

The following table summarizes financial assets that we measured at fair value on a recurring basis as of December 31, 2024, classified in accordance with the fair value hierarchy:

	Fair Value Measurements Using			
(In millions)	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 134.2	$ —	$ —	$ 134.2
Debt securities, available-for-sale:				
U.S. government agencies [1]	—	1,150.1	—	1,150.1
Commercial paper	—	312.1	—	312.1
Corporate debt	—	511.1	—	511.1
Total debt securities, available-for-sale	—	1,973.3	—	1,973.3
Other long-term assets:				
Convertible notes receivable	—	—	10.5	10.5
Other assets [2]	20.6	—	—	20.6
Total assets measured at fair value on a recurring basis	$ 154.8	$ 1,973.3	$ 10.5	$ 2,138.6

(1) Includes debt obligations issued by U.S. government-sponsored enterprises or U.S. government agencies.

(2) Includes assets which are held pursuant to a deferred compensation plan for senior management, which consist mainly of mutual funds.

There were no transfers into or out of Level 3 securities during the twelve months ended December 31, 2025 and 2024.

Foreign Currency and Derivative Financial Instruments

As we conduct business globally in many currencies, we are exposed to foreign exchange rate changes. To limit this exposure, we enter into foreign currency forward contracts to hedge monetary assets and liabilities, including intercompany loans, denominated in non-functional currencies. Our foreign currency forward contracts are not designated as hedging instruments. Therefore, changes in the fair values of these contracts are recognized in earnings, thereby offsetting the current earnings effect of the related foreign currency assets and liabilities. The duration of these contracts are generally one to six months. The derivative gains and losses are included in other income, net in our consolidated statements of operations.

As of December 31, 2025 and December 31, 2024, the notional amounts of outstanding foreign currency forward contracts were $229.3 million and $66.0 million, respectively. The resulting impact on our consolidated financial statements from currency hedging activities was not significant for the twelve months ended December 31, 2025, 2024 and 2023.

We monitor the costs and the impact of foreign currency risks upon our financial results as part of our risk management program. We do not use derivative financial instruments for speculation or trading purposes or for activities other than risk management. We do not require and are not required to pledge collateral for these financial instruments and we do not carry any master netting arrangements to mitigate the credit risk.

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

In accordance with authoritative guidance, we measure certain non-financial assets and liabilities at fair value on a non-recurring basis. These measurements are usually performed using the discounted cash flow method or cost method and Level 3 inputs. These include items such as non-financial assets and liabilities initially measured at fair value in a business combination and non-financial long-lived assets measured at fair value for an impairment assessment. In general, non-financial assets, including goodwill, intangible assets, and property and equipment, are measured at fair value when there are indicators of impairment and are recorded at fair value only when an impairment is recognized.

Our non-marketable equity investments without readily determinable fair values are accounted for under the measurement alternative. As such, we measure these investments at cost less impairment, adjusted for any observable price changes in orderly transactions for the identical or a similar investment of the same issuer. It is impracticable for us to estimate the fair value of these investments on a recurring basis due to the fact that these entities are privately held and limited information is available. We include the carrying values of these investments in other assets in our consolidated balance sheets. Adjustments to the carrying values of these investments as a result of observable price changes and impairments are recorded in other income, net in our consolidated statements of operations.

The carrying values of our non-marketable equity investments were $218.0 million as of December 31, 2025 and $119.3 million as of December 31, 2024. During the twelve months ended December 31, 2025, we recorded upward adjustments of $82.5 million for observable price changes, and did not record any upward adjustments during the twelve months ended December 31, 2024 and 2023.

For our non-marketable equity investments held as of December 31, 2025, the cumulative upward adjustments for observable price changes were $82.5 million and cumulative downward adjustments and impairments were not significant.

During the twelve months ended December 31, 2025, net unrealized gains on non-marketable equity investments were $80.0 million. During the twelve months ended December 31, 2024 and 2023, unrealized gains (losses) on non-marketable equity investments were not significant.

There were no significant impairment losses on assets and liabilities measured at fair value on a non-recurring basis during the twelve months ended December 31, 2025, 2024, and 2023.

3. Balance Sheet Details and Other Financial Information

Short-Term Marketable Securities

Short-term marketable securities, consisting of available-for-sale debt securities, were as follows:

	December 31, 2025			
(In millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Debt securities, available-for-sale:				
U.S. government agencies [1]	$ 356.6	$ 0.7	$ —	$ 357.3
Commercial paper	123.4	—	—	123.4
Corporate debt	599.4	0.9	—	600.3
Total debt securities, available-for-sale	$ 1,079.4	$ 1.6	$ —	$ 1,081.0

[1] Includes debt obligations issued by U.S. government-sponsored enterprises or U.S. government agencies.

	December 31, 2024			
(In millions)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Debt securities, available-for-sale:				
U.S. government agencies [1]	$ 1,149.4	$ 1.3	$ (0.6)	$ 1,150.1
Commercial paper	312.2	—	(0.1)	312.1
Corporate debt	511.1	0.4	(0.4)	511.1
Total debt securities, available-for-sale	$ 1,972.7	$ 1.7	$ (1.1)	$ 1,973.3

[1] Includes debt obligations issued by U.S. government-sponsored enterprises or U.S. government agencies.

As of December 31, 2025, the estimated market value of our short-term debt securities with contractual maturities up to 12 months was $1.08 billion. As of December 31, 2024, the estimated market values of our short-term debt securities with contractual maturities up to 12 months and up to 18 months were $1.73 billion and $247.7 million, respectively. Gross realized gains and losses on sales of our short-term debt securities for the twelve months ended December 31, 2025, 2024 and 2023 were not significant.

We periodically review our portfolio of debt securities to determine if any investment is impaired due to credit loss or other potential valuation concerns. For debt securities where the fair value of the investment is less than the amortized cost basis, we have assessed at the individual security level for various quantitative factors including, but not limited to, the nature of the investments, changes in credit ratings, interest rate fluctuations, industry analyst reports, and the severity of impairment. Unrealized losses on available-for-sale debt securities at December 31, 2025 were primarily due to changes in interest rates, including market credit spreads, and not due to increased credit risks associated with specific securities. Accordingly, we have not recorded an allowance for credit losses. We do not intend to sell these investments and it is not more likely than not that we will be required to sell the investments before recovery of their amortized cost bases, which may be at maturity.

Accounts Receivable

	December 31,	
(In millions)	2025	2024
Accounts receivable	$ 1,228.6	$ 1,014.9
Less: allowance for doubtful accounts	(12.5)	(9.2)
Total accounts receivable, net	$ 1,216.1	$ 1,005.7

Reserve for prompt payment cash discounts recorded against accounts receivable, excluding allowance for doubtful accounts, was $20.7 million, $17.3 million, $13.7 million as of December 31, 2025, 2024, and 2023, respectively.

Inventory

(In millions)	December 31, 2025	December 31, 2024
Raw materials	$ 257.6	$ 327.1
Work-in-process	105.0	28.1
Finished goods	266.5	187.4
Total inventory	$ 629.1	$ 542.6

During the twelve months ended December 31, 2025, 2024 and 2023, we recorded inventory reserve charges of $92.8 million, $53.5 million and $16.6 million respectively. These charges are recorded in cost of sales and reflect reserves established through our ongoing evaluation of quality control data, forecasted demand, analysis of risk exposure and the continued improvement and innovation of our products.

Prepaid and Other Current Assets

(In millions)	December 31, 2025	December 31, 2024
Prepaid expenses	$ 66.4	$ 87.5
Deferred compensation plan assets	20.0	18.6
Income tax receivables	60.8	27.9
Indirect tax receivables	13.0	10.6
Other current assets	29.2	29.1
Total prepaid and other current assets	$ 189.4	$ 173.7

Property and Equipment

(In millions)	December 31, 2025	December 31, 2024
Building	$ 319.7	$ 291.0
Computer software and hardware	87.8	76.6
Furniture and fixtures	41.0	40.2
Land and land improvements	58.3	53.1
Leasehold improvements	302.1	293.8
Machinery and equipment	1,016.3	908.9
Construction in progress	593.5	354.6
Total cost	2,418.7	2,018.2
Less: accumulated depreciation and amortization	(858.8)	(678.3)
Total property and equipment, net	$ 1,559.9	$ 1,339.9

Depreciation expense related to property and equipment for the twelve months ended December 31, 2025, 2024 and 2023 was $219.0 million, $181.2 million and $147.4 million, respectively.

Loss on disposal of property and equipment during the twelve months ended December 31, 2025, 2024 and 2023 recorded in operating expenses was $7.1 million, $5.1 million and $0.7 million, respectively.

Intangibles, Net

The following table summarizes the components of gross intangible assets, accumulated amortization, and net intangible asset balances:

(Dollars in millions)	Remaining Weighted Average Useful Life (in years)	December 31, 2025 Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Verily intangible asset [1]	2.3	$ 152.4	$ (88.1)	$ 64.3
Customer relationships	1.0	18.5	(16.4)	2.1
Acquired technology and intellectual property [2]	6.5	19.6	(15.6)	4.0
Trademarks and trade name	0.6	4.0	(3.6)	0.4
Intangibles, other	0.0	0.2	(0.2)	—
Total	2.4	$ 194.7	$ (123.9)	$ 70.8

(Dollars in millions)	Remaining Weighted Average Useful Life (in years)	December 31, 2024 Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Verily intangible asset [1]	3.3	$ 152.4	$ (59.5)	$ 92.9
Customer relationships	1.8	17.5	(13.0)	4.5
Acquired technology and intellectual property [2]	7.2	19.6	(14.7)	4.9
Trademarks and trade name	1.6	3.8	(2.7)	1.1
Intangibles, other	0.0	0.2	(0.2)	—
Total	3.4	$ 193.5	$ (90.1)	$ 103.4

[1] Our prior collaboration with Verily provides us with exclusive and non-exclusive rights to Verily intellectual property for glucose-monitoring products. Upon FDA approval in Q4 2022, we concluded the sales-based milestones were probable and capitalized $152.4 million as an intangible asset, amortized over 64 months.

[2] Excludes Verily intangible asset.

The following table presents the total amortization expense of finite-lived intangible assets:

(In millions)	Twelve Months Ended December 31, 2025	2024	2023
Amortization expense included in cost of sales	$ 28.6	$ 29.8	$ 30.5
Amortization expense included in operating expenses	4.2	6.7	8.1
Total amortization of intangible assets	$ 32.8	$ 36.5	$ 38.6

The following table presents estimated future amortization of finite-lived intangible assets as of December 31, 2025:

(In millions)	
2026	$ 31.6
2027	29.6
2028	7.6
2029	0.5
2030	0.5
Thereafter	1.0
Total	$ 70.8

Other Assets

(In millions)	December 31, 2025	2024
Non-marketable equity securities	$ 218.0	$ 119.3
Capitalized software	19.1	17.6
Long-term deposits	17.2	13.8
Other assets	24.4	22.3
Total other assets	$ 278.7	$ 173.0

Accounts Payable and Accrued Liabilities

(In millions)	December 31, 2025	2024
Accounts payable trade	$ 344.3	$ 345.3
Accrued rebates	1,487.6	1,135.9
Accrued tax, audit, and legal fees	27.0	38.4
Accrued warranty	10.4	5.9
Deferred compensation plan liabilities	20.0	18.6
Income tax payable	8.9	3.9
Other accrued liabilities	45.8	37.1
Total accounts payable and accrued liabilities	$ 1,944.0	$ 1,585.1

Accrued Payroll and Related Expenses

(In millions)	December 31, 2025	2024
Accrued wages, bonus and taxes	$ 134.6	$ 74.5
Other accrued employee benefits	34.6	37.5
Total accrued payroll and related expenses	$ 169.2	$ 112.0

Accrued Warranty

Warranty costs are reflected in our statements of operations as cost of sales. Reconciliations of our accrued warranty costs were as follows:

(In millions)	Twelve Months Ended December 31, 2025	2024	2023
Beginning balance	$ 5.9	$ 12.6	$ 12.8
Charges to costs and expenses	73.0	47.2	51.5
Costs incurred	(68.5)	(53.9)	(51.7)
Ending balance	$ 10.4	$ 5.9	$ 12.6

Other Long-Term Liabilities

(In millions)	December 31, 2025	2024
Asset retirement obligation	$ 20.6	$ 17.0
Finance lease obligations	53.8	58.5
Income tax payable	46.6	44.8
Other liabilities	16.1	27.6
Total other long-term liabilities	$ 137.1	$ 147.9

Other Income, Net

(In millions)	Twelve Months Ended December 31, 2025	2024	2023
Interest and dividend income	$ 112.7	$ 134.2	$ 135.0
Interest expense	(18.3)	(19.0)	(20.3)
Net gains (losses) on equity investments	78.1	(1.4)	1.9
Other income (expense), net	4.1	(4.8)	(3.9)
Total other income, net	$ 176.6	$ 109.0	$ 112.7

4. Debt

Senior Convertible Notes

As of December 31, 2025, the if-converted value of our unsecured senior convertible notes due 2028, or 2028 Notes, did not exceed their outstanding principal amount. As of December 31, 2024, the if-converted value of our 2028 Notes and our unsecured senior convertible notes due 2025, or 2025 Notes, did not exceed their outstanding principal amount.

The carrying amounts of our senior convertible notes were as follows:

(In millions)	December 31, 2025	December 31, 2024
Principal amount:		
2025 Notes	$ —	$ 1,207.5
2028 Notes	1,250.0	1,250.0
Total principal amount	1,250.0	2,457.5
Unamortized debt issuance costs	(9.1)	(16.1)
Carrying amount of senior convertible notes	$ 1,240.9	$ 2,441.4

The following table summarizes the components of interest expense and the effective interest rates for our senior convertible notes:

(In millions)	Twelve Months Ended December 31, 2025	2024	2023
Cash interest expense:			
Contractual coupon interest [1]	$ 7.3	$ 7.7	$ 9.1
Non-cash interest expense:			
Amortization of debt issuance costs	7.0	7.2	7.3
Total interest expense recognized on senior notes	$ 14.3	$ 14.9	$ 16.4
Effective interest rate:			
2025 Notes	0.5 %	0.5 %	0.5 %
2028 Notes	0.7 %	0.7 %	0.7 %

[1] Interest on the 2025 Notes began accruing upon issuance and was payable semi-annually on May 15 and November 15 of each year until the 2025 Notes matured in November 2025. Interest on the 2028 Notes, began accruing upon issuance and is payable semi-annually on May 15 and November 15 of each year.

Fair Value of Senior Convertible Notes

The fair value, based on trading prices (Level 1 inputs), of our senior convertible notes were as follows:

(In millions)	Fair Value Measurements Using Level 1: December 31, 2025	December 31, 2024
2025 Notes	$ —	$ 1,163.7
2028 Notes	1,152.1	1,122.3
Total fair value of outstanding senior convertible notes	$ 1,152.1	$ 2,286.0

Convertible Debt Summary

The following table summarizes key details of the 2025 Notes and 2028 Notes:

Senior Convertible Notes	Offering Completion Date	Maturity Date	Stated Interest Rate	Aggregate Principal Amount Issued	Net Proceeds[1]	Initial Conversion Rate[2] (per $1,000 principal amount)	Conversion Price (per share)	Settlement Methods[3]
2025 Notes[4]	May 2020	November 15, 2025	0.25%	$1.21 billion	$1.19 billion	6.6620 shares	$150.11	Cash and/ or shares
2028 Notes	May 2023	May 15, 2028	0.375%	$1.25 billion	$1.23 billion	6.1571 shares	$162.41	Cash and/ or shares

[1] Net proceeds are calculated by deducting the initial purchasers' discounts and estimated costs directly related to the offering from the aggregate principal amount of the applicable series of notes.

[2] Subject to adjustments as defined in the applicable indentures.

[3] Pursuant to the Indenture of the 2025 Notes, on August 15, 2025, we elected to satisfy conversion obligations on or after August 15, 2025 through the combination of cash and/or shares of our common stock. The 2028 Notes may be settled upon conversion in cash, stock, or a combination thereof, solely at our discretion.

[4] The 2025 Notes matured in November 2025 and we repaid the principal of $1.21 billion entirely in cash on the maturity date.

We use the if-converted method for assumed conversion of our senior convertible notes to compute the weighted average shares of common stock outstanding for diluted earnings per share.

No principal payments are due on any of our senior convertible notes prior to maturity. Other than restrictions relating to certain fundamental changes and consolidations, mergers or asset sales and customary anti-dilution adjustments, the indentures relating to our senior convertible notes include customary terms and covenants, including certain events of default after which the senior convertible notes may be due and payable immediately.

2028 Capped Call Transactions

In May 2023, in connection with the offering of the 2028 Notes, we entered into privately negotiated capped call transactions, or the 2028 Capped Calls, with certain financial institutions. The 2028 Capped Calls cover, subject to anti-dilution adjustments substantially similar to those applicable to the 2028 Notes, the number of shares of our common stock initially underlying the 2028 Notes. The 2028 Capped Calls are expected generally to reduce potential dilution to our common stock upon conversion of the 2028 Notes and/or offset any cash payments that we are required to make in excess of the principal amount of converted 2028 Notes, as the case may be, with such reduction and/or offset subject to a cap. The 2028 Capped Calls have an initial cap price of $212.62 per share, subject to adjustments, which represents a premium of 80% over the closing price of our common stock of $118.12 per share on the Nasdaq Global Select Market on May 2, 2023. The cost to purchase the 2028 Capped Calls of $101.3 million was recorded as a reduction to additional paid-in capital in our consolidated balance sheets as the 2028 Capped Calls met the criteria for classification in stockholders' equity.

Conversion Rights for Senior Convertible Notes

Holders of our outstanding senior convertible notes have the right to require us to repurchase for cash all or a portion of their notes at 100% of their principal amount, plus any accrued and unpaid interest, upon the occurrence of a fundamental change (as defined in the applicable indenture relating to the notes). We are also required to increase the conversion rate for holders who convert their notes in connection with certain fundamental changes occurring prior to the maturity date or following the delivery by Dexcom of a notice of redemption.

The following table outlines the conversion options related to our 2028 Notes:

Summary of Conversions Rights at the Option of the Holders for the 2028 Notes, or the Notes

Conversion Rights at the Option of the Holders	Holders of the Notes have the ability to convert all or a portion of their notes in multiples of $1,000 principal amount, at their option prior to 5:00 p.m., New York City time, on the business day immediately preceding February 15, 2028 for the 2028 Notes only under the following circumstances:
Circumstance 1[(1)]	During any calendar quarter commencing after the applicable period (and only during such calendar quarter), if the last reported sale price of Dexcom's common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the applicable conversion price for the Notes on each applicable trading day
Circumstance 2	During the five business day period after any five consecutive trading day period in which the trading price per $1,000 principal amount of the Notes for each trading day of that five consecutive trading day period was less than 98% of the product of the last reported sale price of Dexcom's common stock and the applicable conversion rate of the Notes on each such trading day
Circumstance 3	If we call any or all of the Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date (only with respect to the notes called or deemed called for redemption)
Circumstance 4	Upon the occurrence of specified corporate events
Circumstance 5[(2)]	Holders of the Notes may convert all or a portion of their notes regardless of the foregoing circumstances prior to the close of business on the second scheduled trading day immediately preceding the maturity date

[(1)] Circumstance 1 is available after the calendar quarter ended September 30, 2023 for the 2028 Notes.

[(2)] Circumstance 5 is available on or after February 15, 2028 for the 2028 Notes.

Summary of Conversion Right at the Option of the Company for the 2028 Notes

Conversion Right at Our Option[(1)]	Dexcom may redeem for cash all or part of the Notes, at its option, if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which Dexcom provides notice of redemption. The redemption price will be equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest to, but excluding, the redemption date

[(1)] Dexcom does not have the right to redeem the 2028 Notes prior to May 20, 2026. Dexcom has the right to redeem the 2028 Notes on or after May 20, 2026 and prior to February 15, 2028.

Conversion Activity for Senior Convertible Notes

There was no conversion activity for the 2025 Notes or 2028 Notes for the twelve months ended December 31, 2025.

Amended Credit Agreement

Terms of the Amended Credit Agreement

In June 2023, we entered into the First Amendment to the Second Amended and Restated Credit Agreement, as amended, or the Amended Credit Agreement, which we had previously entered into in October 2021. The Amended Credit Agreement is a five-year revolving credit facility, or the Credit Facility, that provides for an available principal amount of $200.0 million which can be increased up to $500.0 million at our option subject to customary conditions and approval of our lenders. The Amended Credit Agreement will mature on October 13, 2026. Borrowings under the Amended Credit Agreement are available for general corporate purposes, including working capital and capital expenditures.

The following table sets forth information related to availability and outstanding borrowings on our Amended Credit Agreement as of December 31, 2025:

(In millions)		
Available principal amount	$	200.0
Letters of credit sub-facility		25.0
Outstanding borrowings		—
Outstanding letters of credit		7.9
Total available balance	$	192.1

Revolving loans under the Amended Credit Agreement bear interest at our choice of one of three base rates plus a range of applicable rates that are based on our leverage ratio. The minimum and maximum range of applicable rates per annum with respect to any ABR Loan, Term Benchmark Revolving Loan, or RFR Revolving Loan, each as defined in the Amended Credit Agreement under the captions “ABR Spread”, “Term Benchmark”, and “RFR Spread”, or “Unused Commitment Fee Rate”, respectively, are outlined in the following table:

Range	ABR Spread	Term Benchmark/RFR Spread	Unused Commitment Fee Rate
Minimum	0.375%	1.375%	0.175%
Maximum	1.000%	2.000%	0.250%

Our obligations under the Amended Credit Agreement are guaranteed by our existing and future wholly-owned domestic subsidiaries, and are secured by a first-priority security interest in substantially all of the assets of Dexcom and the guarantors, including all or a portion of the equity interests of our domestic subsidiaries and first-tier foreign subsidiaries but excluding real property and intellectual property (which is subject to a negative pledge). The Amended Credit Agreement contains covenants that limit certain indebtedness, liens, investments, transactions with affiliates, dividends and other restricted payments, subordinated indebtedness and amendments to subordinated indebtedness documents, and sale and leaseback transactions of Dexcom or any of its domestic subsidiaries. The Amended Credit Agreement also requires us to maintain a maximum leverage ratio and a minimum fixed charge coverage ratio. We were in compliance with these covenants as of December 31, 2025.

As of December 31, 2025, we have other guarantee facilities related to certain international operations that are partially collateralized, which are included in non-current “Other assets” on our consolidated balance sheets. These facilities are not significant to the consolidated financial statements.

5. Leases and Other Commitments

Leases

We have leases for certain machinery and facilities, including office, manufacturing and warehouse space facilities under various domestic and international operating and finance lease arrangements. We also have land leases in Penang, Malaysia that expire through 2082 and in Athenry, Ireland that expire in 3023 for the build-out of our international manufacturing facilities. Our leases, excluding our land leases in Malaysia and Ireland, have remaining lease terms of up to fifteen years. Some of the leases include one or more options to extend the leases for up to five years per option. Our lease terms include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

The following table sets forth the maturities of our operating and finance lease liabilities as of December 31, 2025:

(In millions)	Operating Leases[1]	Finance Leases
2026	$ 25.9	$ 9.7
2027	21.4	7.8
2028	16.5	5.8
2029	9.9	5.5
2030	9.0	5.7
Thereafter	28.9	48.9
Total future lease cost	111.6	83.4
Less: Imputed interest	(16.6)	(22.9)
Present value of future payments	95.0	60.5
Less: Current portion	(21.6)	(6.7)
Long-term portion	$ 73.4	$ 53.8

[1] Total future lease cost excludes $9.3 million of legally binding minimum lease payments for leases signed but not yet commenced.

Certain lease agreements require us to return designated areas of leased space to its original condition upon termination of the lease agreement, for which we record an asset retirement obligation and a corresponding capital asset in an amount equal to the estimated fair value of the obligation. In subsequent periods, the asset retirement obligation is accreted for the change in its present value and the capitalized asset is depreciated, both over the term of the associated lease agreement. Asset retirement obligations of $20.6 million and $17.0 million as of December 31, 2025 and 2024, respectively, are included in other long-term liabilities in our consolidated balance sheets.

The components of lease expense were as follows:

	Twelve Months Ended December 31,		
(In millions)	2025	2024	2023
Finance lease cost:			
Amortization of finance leases	$ 8.3	$ 7.2	$ 6.5
Interest on lease liabilities	3.3	3.4	3.2
Operating lease cost	21.5	22.4	22.9
Short-term lease cost	5.1	3.8	2.4
Variable lease cost	8.4	9.0	8.3
Total lease cost	$ 46.6	$ 45.8	$ 43.3

Other information related to our leases is as follows:

(Dollars in millions)	Twelve Months Ended December 31, 2025	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 28.6	$ 27.5	$ 28.1
Operating cash flows from finance leases	3.3	3.4	3.2
Financing cash flows from finance leases	6.9	13.0	4.7
Right-of-use assets obtained in exchange for lease liabilities:			
Operating leases	30.4	8.8	7.5
Finance leases	$ 2.4	$ 14.6	$ 4.2
Weighted average remaining lease term:			
Operating leases	5.9 years	4.2 years	5.0 years
Finance leases	12.0 years	12.6 years	14.1 years
Weighted average discount rate:			
Operating leases	5.4 %	6.1 %	6.1 %
Finance leases	5.3 %	5.4 %	5.3 %

Amortization of operating lease right-of-use asset included in cash flows from operating activities in our consolidated statements of cash flows was $16.7 million, $16.7 million, and $16.5 million for the twelve months ended December 31, 2025, 2024 and 2023, respectively.

Purchase Commitments

We are party to various purchase arrangements related to our operational, manufacturing, and research and development activities. We had approximately $1.25 billion and $954.9 million of open purchase orders and other contractual obligations in the ordinary course of business, the majority of which are due within one year, as of December 31, 2025 and December 31, 2024, respectively.

6. Contingencies

Litigation

We are subject to various claims, complaints and legal actions that arise from time to time in the normal course of business, including commercial insurance, product liability, intellectual property and employment related matters. In addition, from time to time we may bring claims or initiate lawsuits against various third parties with respect to matters arising out of the ordinary course of our business, including commercial and employment related matters.

Due to uncertainty surrounding the securities class action litigation, the derivative actions, and the G6 and G7 Class Action Litigation we are unable to reasonably estimate the ultimate outcome of any of the litigation matters at this time. We intend to defend against these claims vigorously in all of these actions.

We do not believe we are party to any other currently pending legal proceedings, the outcome of which could have a material adverse effect on our business, financial condition, or results of operations. There can be no assurance that existing or future legal proceedings arising in the ordinary course of business or otherwise will not have a material adverse effect on our business, financial condition, or results of operations.

7. Income Taxes

Income (loss) before income taxes subject to taxes in the following jurisdictions is as follows:

	Twelve Months Ended December 31,		
(In millions)	2025	2024	2023
United States	$ 961.4	$ 659.8	$ 732.4
Outside of the United States	127.0	49.2	(22.0)
Total	$ 1,088.4	$ 709.0	$ 710.4

Significant components of the provision for income taxes are as follows:

	Twelve Months Ended December 31,		
(In millions)	2025	2024	2023
Current:			
Federal	$ 37.1	$ 157.4	$ 149.1
State	7.1	16.5	18.1
Foreign	25.7	2.7	56.7
Total current income taxes	69.9	176.6	223.9
Deferred:			
Federal	169.7	(55.2)	(93.7)
State	16.0	(2.0)	14.6
Foreign	(3.5)	13.4	24.1
Total deferred income taxes	182.2	(43.8)	(55.0)
Total	$ 252.1	$ 132.8	$ 168.9

Income taxes paid are as follows:

	Twelve Months Ended December 31,
(In millions)	2025
Federal	$ 68.0
State	10.6
Foreign	15.8
Total	$ 94.4

Significant loss and tax credit carryforwards and years of expiration are as follows:

	December 31,		Year of Expiration
(In millions)	2025	2024	
Net operating loss:			
Federal	$ 3.8	$ 12.1	2028
California	162.0	162.0	2037
Other states	5.1	5.8	2028
Tax credits:			
Federal			
Foreign tax credits	1.2	0.1	2032
California R&D credits	134.6	124.9	Indefinite
California AMT Credits	$ 0.5	$ 0.5	Indefinite

Utilization of net operating losses and credit carryforwards is subject to an annual limitation due to ownership change limitations provided by Section 382 and 383 of the Internal Revenue Code of 1986, as amended, and similar state provisions. An ownership change limitation occurred in February 2009 resulting in an immaterial amount of U.S. research and development tax credits that will expire unused, and therefore, are not reflected in the credit carryforwards above or in the related deferred tax assets in the table below.

Significant components of our deferred tax assets and liabilities as of December 31, 2025 and 2024 are shown below. Significant judgment is required to evaluate the need for a valuation allowance against deferred tax assets. We review all available positive and negative evidence, including projections of pre-tax book income, earnings history, reliability of forecasting, and reversal of temporary differences. A valuation allowance is established when it is more likely than not that some or all of the deferred tax assets will not be realized. Realization of deferred tax assets is dependent upon future earnings in applicable tax jurisdictions.

	December 31,	
(In millions)	**2025**	**2024**
Deferred tax assets:		
Net operating loss carryforwards	$ 12.6	$ 14.4
Capitalized research and development expenses	103.6	265.0
Tax credits	85.6	79.2
Share-based compensation	20.6	22.5
Fixed and intangible assets	187.3	263.6
Accrued liabilities and reserves	86.8	87.4
Convertible debt	11.3	16.0
Total gross deferred tax assets	507.8	748.1
Less: valuation allowance	(160.7)	(221.9)
Total net deferred tax assets	347.1	526.2
Deferred tax liabilities:		
Fixed assets and acquired intangibles assets	(45.8)	(59.3)
Net unrealized gain on equity investments	(18.4)	—
Other	—	(0.3)
Total deferred tax liabilities	(64.2)	(59.6)
Net deferred tax assets (liabilities)	$ 282.9	$ 466.6

We maintain a valuation allowance of $160.7 million against our California research and development tax credits, foreign tax credits, and certain foreign intangible assets. During the year ended December 31, 2025, the valuation allowance decreased by $61.2 million primarily in connection with the intra-entity transfer of certain intellectual property and the generation of California research and development tax credits.

The reconciliation between our effective tax rate on income from continuing operations and the statutory rate, after the adoption of ASU 2023-09 on a prospective basis, is as follows:

(In millions)	Twelve Months Ended December 31, 2025	
U.S. Federal Statutory Rate	$ 228.6	21.0 %
Increase (Decrease) Resulting From:		
State and Local Income Tax, Net of Federal Income Tax Effect	16.4	1.5 %
Foreign Tax Effects		
Ireland		
Change in Rate	63.6	5.8 %
Change in Valuation Allowance	(74.5)	(6.8)%
Other	5.8	0.5 %
Malaysia		
Foreign rate differential	(14.8)	(1.4)%
Other	8.9	0.8 %
Other foreign jurisdictions	6.7	0.6 %
Effect of Cross-Border Taxes	3.0	0.3 %
Tax Credits		
Research and development credits	(13.6)	(1.2)%
Changes in Valuation Allowance	0.4	— %
Nontaxable or Nondeductible Items		
Stock and officers compensation	16.1	1.5 %
Other	2.5	0.2 %
Changes in Unrecognized Tax Benefits	4.4	0.4 %
Other	(1.4)	(0.1)%
Total	$ 252.1	23.2 %

State taxes in Colorado and Florida made up the majority (greater than 50%) of the tax effect in the state and local income tax category.

The reconciliation between our effective tax rate on income from continuing operations and the statutory rate for prior years not impacted by the adoption of ASU 2023-09 is as follows:

(In millions)	Twelve Months Ended December 31, 2024	2023
U.S. federal statutory tax rate	$ 148.9	$ 149.2
State income tax, net of federal benefit	10.2	7.8
Permanent items	10.5	(2.7)
Research and development credits	(24.6)	(28.3)
Foreign tax credit	(1.2)	—
Foreign rate differential	1.6	15.8
Stock and officers compensation	3.8	5.6
Collaboration agreement milestone share-based payment	(32.2)	(72.1)
Change in statutory tax rates	51.5	19.4
Intellectual property transfer	—	63.9
Other	6.7	0.3
Change in valuation allowance	(42.4)	10.0
Income taxes at effective rates	$ 132.8	$ 168.9

The following table summarizes the activity related to our gross unrecognized tax benefits:

(In millions)		
Balance at January 1, 2023	$	52.0
Increases related to prior year tax positions		0.8
Increases related to current year tax positions		6.6
Balance at December 31, 2023		59.4
Increases related to prior year tax positions		0.1
Increases related to current year tax positions		6.7
Balance at December 31, 2024		66.2
Increases related to prior year tax positions		0.2
Increases related to current year tax positions		5.7
Decreases related to prior year tax positions		(3.0)
Balance at December 31, 2025	$	69.1

Of the total unrecognized tax benefits at December 31, 2025, 2024, and 2023, $40.8 million, $40.7 million and $37.0 million, respectively, would affect our annual effective tax rate if recognized. The indirect effect of the unrecognized tax benefits that, if recognized, would affect our annual effective tax rate is not material for all years presented. Also, the amount of unrecognized tax benefits that, if recognized, would result in adjustments to other tax accounts, is not material for all years presented. Interest and penalties are classified as a component of income tax expense and are not material for all years presented.

Due to our global business activities, we file income tax returns and are subject to routine compliance audits in numerous jurisdictions, including those material jurisdictions listed in the following table. The U.S. net operating losses generated since 2007 and utilized in recent years are open for examination. The years remaining subject to audit, by major jurisdiction, are as follows:

Jurisdiction	**Fiscal Year**
United States (Federal and state)	2007 - 2025
United Kingdom	2022 - 2025
Malaysia	2020 - 2025
Ireland	2023 - 2025

We currently operate under a Special Corporate Income Tax Preferential rate in the Philippines, which is in effect through 2031. The prior tax holiday ended in 2023. The impact of both the tax holiday and preferential rate is immaterial for all years presented. We have been granted a tax incentive by the Malaysian Investment Development Authority (MIDA) in Malaysia, which provides for a 0% tax holiday of up to 15 years based on our ability to meet certain conditions. The tax incentive had no effect on foreign taxes during 2023. In July 2025, the Malaysia Investment Development Authority, or MIDA, certified our achievement of the milestones and conditions related to our Malaysia income tax holiday. We have recorded a tax benefit related to the retroactive application of the tax holiday back to January 1, 2024.

We assert that any foreign earnings will be indefinitely reinvested, and accordingly, we have not recorded a liability for taxes associated with these undistributed earnings. If we determine that all or a portion of such foreign earnings are no longer indefinitely reinvested, we may be subject to additional foreign withholding taxes and U.S. state income taxes.

On July 4, 2025, the One Big Beautiful Bill Act, or OBBBA, was signed into law in the U.S., and includes a broad range of tax reform provisions which did not have a significant impact to the effective tax rate. The primary impact of this legislation is a reduction in our U.S. income tax liability and deferred tax asset related to the ability to currently deduct U.S.-based research expenses against U.S. income.

The Organization for Economic Co-operation and Development's, or OECD, Pillar Two Initiative introduced a 15% global minimum tax for certain multinational groups exceeding minimum annual global revenue thresholds. As of December 31, 2025, the global minimum tax rules enacted in countries in which we operate, including the transitional safe harbor provisions, does not have a material impact on our consolidated financial statements.

8. Employee Benefit Plans and Stockholders' Equity

Defined Contribution Plans

We offer various defined contribution plans for U.S. and international employees. The largest defined contribution plan is the 401(k) retirement plan (the 401(k) Plan) covering substantially all employees in the United States that meet certain age requirements. Employees who participate in the 401(k) Plan may contribute up to 90% of their compensation each year, subject to Internal Revenue Service limitations and the terms and conditions of the plan. Under the terms of the 401(k) Plan, we may elect to match a discretionary percentage of contributions. We match 50% of contributions up to 6% of eligible compensation. Total matching contributions under the 401(k) Plan were $17.2 million, $17.6 million and $14.9 million for the twelve months ended December 31, 2025, 2024 and 2023, respectively. Our contributions for other defined contribution plans are not significant for the twelve months ended December 31, 2025, 2024 and 2023.

Employee Stock Purchase Plan ("ESPP")

The Amended and Restated 2015 Employee Stock Purchase Plan, "A&R 2015 ESPP", amended and restated in May 2025, permits eligible employees to purchase shares of our common stock at semi-annual intervals through periodic payroll deductions during defined Offering Periods. Payroll deductions may not exceed 15% of the participant's cash compensation subject to certain limitations, and the purchase price will be 85% of the lower of the fair market value of the common stock at either the beginning of the applicable Offering Period or the Purchase Date.

A total of 14.0 million shares of common stock are authorized for issuance under the A&R 2015 ESPP, which includes an additional 8.0 million shares approved by stockholders in May 2025. We issued approximately 0.4 million, 0.4 million and 0.3 million shares of common stock under the A&R 2015 ESPP during the twelve months ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, approximately 9.7 million shares remained available for future issuance under the A&R 2015 ESPP.

Equity Incentive Plans

The Amended and Restated 2015 Equity Incentive Plan, "Amended A&R 2015 EIP", amended and restated in May 2025, provides for the grant of incentive and nonstatutory stock options, restricted stock, stock bonuses, stock appreciation rights, RSUs, and PSUs to employees, directors or consultants of the Company.

A total of 42.6 million shares of common stock are authorized for issuance under the Amended A&R 2015 EIP, which includes an additional 3.4 million shares approved by stockholders in May 2025. As of December 31, 2025, approximately 14.1 million shares remained available for future issuance under the Amended A&R 2015 EIP.

RSU awards typically vest in annual installments over three or four years and vesting is subject to continued service. PSUs are granted to a group of senior officers and the number of shares of our common stock to be received at vesting will range from 0% to 200% of the target award based on the achievement of pre-established performance and market goals. PSUs vest approximately three years from the date of grant, subject to continued employment through that date and certification by the Compensation Committee. We issue new shares of common stock to satisfy RSU and PSU vestings.

Share Repurchase Program and Treasury Shares

Repurchased shares of our common stock are held as treasury shares until they are reissued or retired. When we reissue treasury stock, if the proceeds from the sale are more than the average price we paid to acquire the shares we record an increase in additional paid-in capital. Conversely, if the proceeds from the sale are less than the average price we paid to acquire the shares, we record a decrease in additional paid-in capital to the extent of increases previously recorded for similar transactions and a decrease in retained earnings for any remaining amount.

We have not yet determined the ultimate disposition of repurchased shares and consequently we continue to hold them as treasury shares rather than retiring them. Authorization of future stock repurchase programs is subject to the final determination of our Board of Directors.

The following table summarizes our treasury share activity:

(In millions)	Twelve Months Ended December 31, 2025	2024	2023
Shares received from Note Hedge	—	—	12.2
Shares issued in connection with the Restated Collaboration Agreement	—	(1.5)	(3.7)
Shares repurchased under share repurchase programs	7.7	10.4	4.7
Shares repurchased with 2028 Notes proceeds	—	—	1.6
Shares issued in connection with 2023 Warrants	—	(12.5)	—

2025 Share Repurchase Program

In April 2025, our Board of Directors authorized and approved a share repurchase program of up to $750.0 million of our outstanding common stock, with a repurchase period ending no later than June 30, 2026, or the 2025 Share Repurchase Program. Repurchases of our common stock under the 2025 Share Repurchase Program may be made from time to time in the open market, in privately negotiated transactions or by other methods, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, at our discretion, and in accordance with the limitations set forth in Rule 10b-18 promulgated under the Exchange Act and other applicable federal and state laws and regulations. The timing of any repurchases will depend on market conditions and will be made at our discretion. The 2025 Share Repurchase Program does not obligate us to repurchase any dollar amount or number of shares of our common stock, and the program may be extended, modified, suspended, or discontinued at any time.

For the twelve months ended months ended December 31, 2025, we repurchased 7.7 million shares of our common stock for $500.0 million under the 2025 Share Repurchase Program.

2024 Share Repurchase Program

In July 2024, our Board of Directors authorized and approved a share repurchase program of up to $750.0 million of our outstanding common stock, with a repurchase period ending no later than June 30, 2025 (the “2024 Share Repurchase Program”). Repurchases of our common stock under the 2024 Share Repurchase Program were permitted to be made from time to time in the open market, in privately negotiated transactions or by other methods, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act, at our discretion, and in accordance with the limitations set forth in Rule 10b-18 promulgated under the Exchange Act and other applicable federal and state laws and regulations. The 2024 Share Repurchase Program was completed in August 2024. We repurchased 10.4 million shares of our common stock for $750.0 million under the 2024 Share Repurchase Program.

2023 Share Repurchase Program

In October 2023, our Board of Directors authorized and approved a share repurchase program of up to $500.0 million of our outstanding common stock, with a repurchase period ending no later than October 31, 2024 (the “2023 Share Repurchase Program”). On October 31, 2023, we entered into an accelerated share repurchase agreement (“2023 ASR”) with Bank of America, N.A. to repurchase $500.0 million of our common stock. The final notional amount under the 2023 ASR was $500.0 million or approximately 4.7 million shares of our common stock based on the daily average volume-weighted average price of our common stock during the term of the 2023 ASR, less a discount. The 2023 ASR concluded on December 14, 2023. The 2023 Share Repurchase Program was completed in December 2023.

The 2023 ASR was a forward contract indexed to our own common stock. The forward contracts met all of the applicable criteria for equity classification, so we did not account for them as a derivative instrument. We have reflected the shares delivered to us by the financial institution as treasury shares as of the dates they were delivered to us in computing weighted average shares outstanding for both basic and diluted net income per share.

Equity Award Activity

A summary of RSU and PSU activity under the Amended A&R 2015 EIP is as follows:

(In millions, except weighted average grant date fair value)	Shares Available for Grant	Nonvested RSU and PSU Activity		
		Shares	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Balance at December 31, 2022	15.3	2.9	$ 94.08	
Granted	(1.6)	1.6	112.01	
Vested	—	(1.4)	88.57	
Forfeited	0.2	(0.2)	106.34	
Balance at December 31, 2023	13.9	2.9	105.98	$ 361.2
Granted	(1.7)	1.7	131.17	
Vested	—	(1.3)	102.09	
Forfeited	0.3	(0.3)	115.59	
Balance at December 31, 2024	12.5	3.0	121.17	234.1
Additional shares authorized	3.4	—	—	
Granted	(2.5)	2.5	78.75	
Vested	—	(1.4)	114.95	
Forfeited	0.7	(0.7)	113.04	
Balance at December 31, 2025	14.1	3.4	$ 94.48	$ 226.3

The total vest-date fair value of RSUs and PSUs that vested during the twelve months ended December 31, 2025, 2024 and 2023 was $106.1 million, $174.5 million and $157.8 million, respectively. As of December 31, 2025, 3.1 million unvested RSUs and 0.3 million unvested PSUs were outstanding under the Amended A&R 2015 EIP.

Share-Based Compensation

Our share-based compensation expense is associated with RSUs, PSUs, and ESPP. The following table summarizes our share-based compensation expense included in our consolidated statements of operations:

(In millions)	Twelve Months Ended December 31,		
	2025	2024	2023
Cost of sales	$ 10.9	$ 14.4	$ 14.6
Research and development	49.2	52.2	45.5
Selling, general and administrative	99.5	103.8	90.7
Total share-based compensation expense	$ 159.6	$ 170.4	$ 150.8
Total tax benefit related to share-based compensation expense	$ 24.9	$ 43.8	$ 40.0

As of December 31, 2025, unrecognized estimated compensation costs related to RSUs and PSUs totaled $190.7 million and are expected to be recognized over a weighted-average period of approximately 1.7 years.

We value RSUs at the date of grant using the intrinsic value method. We estimate the fair value of PSUs at the date of grant using the intrinsic value method and the probability that the specified performance criteria will be met. We estimate the fair value of ESPP purchase rights on the date of grant using the Black-Scholes option pricing model and the assumptions below:

	Twelve Months Ended December 31,		
	2025	2024	2023
Risk free interest rate	3.99% - 4.31%	4.80% - 5.27%	5.20% - 5.47%
Dividend yield	— %	— %	— %
Expected volatility of Dexcom common stock	32% - 48%	42% - 85%	34% - 48%
Expected life (in years)	0.5	0.5	0.5

9. Business Segment and Geographic Information

We manage our business on a global consolidated basis within one operating and one reportable segment, which is consistent with how our chief operating decision maker (CODM) reviews our business, makes investment and resource allocation decisions, and assesses operating performance. The majority of our revenue is generated in the United States. Our reportable segment derives revenues from the sale of disposable sensors and our Reusable Hardware. Effective September 14, 2025 through December 31, 2025, our President and Chief Operating Officer, assumed the role of interim principal executive officer and CODM. This did not result in a change to our segments.

The measures of segment profit or loss that are most consistent with U.S. GAAP used by the CODM to assess performance and allocate resources are operating income and net income. Our CODM also reviews total assets, as reported on our consolidated balance sheets, and purchases of property and equipment, as reported on our consolidated statements of cash flows.

Our CODM uses operating income and net income to evaluate income generated from segment assets (return on assets) in deciding whether to reinvest profits into the Company, monitor budget versus actual results, acquire companies, or invest in other companies.

The following table sets forth our segment information for revenue, measures of segment profit or loss, and significant expenses:

	Twelve Months Ended December 31,		
(In millions)	2025	2024	2023
Revenue	$ 4,662.0	$ 4,033.0	$ 3,622.3
Less:			
Cost of sales [1]	1,860.1	1,594.8	1,333.4
Payroll related expenses	885.0	767.1	726.9
Stock-based compensation expense	148.7	156.0	136.2
Marketing expense	310.3	298.7	264.6
Travel related expenses	64.4	64.8	55.3
Supply expenses and clinical trials	61.6	64.5	46.5
Consulting & professional fees	139.0	227.8	222.2
Equipment, office & facility expenses	92.2	83.8	84.7
IT software and data	144.3	130.6	106.6
Depreciation and amortization	39.5	39.9	41.9
Other segment items [2]	5.1	5.0	6.3
Operating income	911.8	600.0	597.7
Other income, net	176.6	109.0	112.7
Income tax expense	252.1	132.8	168.9
Net income	$ 836.3	$ 576.2	$ 541.5

[1] Includes amounts stated in other significant expense captions.

[2] Other segment items are primarily composed of impairment of assets and bad debt expense.

	Twelve Months Ended December 31,		
(In millions)	2025	2024	2023
Other segment disclosures			
Depreciation and amortization [1]	$ 251.8	$ 217.7	$ 186.0
Expenditures for long-lived assets	$ 363.5	$ 358.8	$ 236.6
Significant noncash items other than depreciation and amortization expense:			
Deferred income tax expense (benefit)	$ 182.2	$ (43.8)	$ (55.0)
Net (gains) losses on equity investments	$ (78.1)	$ 1.4	$ (1.9)

[1] Includes depreciation and amortization recorded in both cost of sales and operating expenses.

See Note 3 “*Balance Sheet Details and Other Financial Information—Other Income, Net*” for information about our interest income and interest expense.

See Note 8 “*Employee Benefit Plans and Stockholders’ Equity—Share-Based Compensation*” for information about our share-based compensation expense.

Disaggregation of Revenue

We disaggregate revenue by major sales channel and by geographic region. We have determined that disaggregating revenue into these categories achieves the ASC Topic 606 disclosure objectives of depicting how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

See Note 1 “*Organization and Significant Accounting Policies—Concentration of Credit Risk and Significant Customers*” for information about our major customers that represent 10% or more of our total revenue.

Revenue by Customer Sales Channel and Geographic Region

We sell our CGM systems through a direct sales organization and through distribution arrangements that allow distributors to sell our products. We also disaggregate our revenue by our two primary geographical markets, the United States and International, based on the geographic location to which we deliver the components.

The following table presents our revenue disaggregated by major sales channel and geographic region:

	Twelve Months Ended December 31,								
	2025			2024			2023		
(In millions)	United States	International	Total	United States	International	Total	United States	International	Total
Distributor	$3,195.7	$ 763.3	$3,959.0	$2,824.4	$ 605.7	$3,430.1	$2,587.2	$ 508.4	$3,095.6
Direct	139.2	563.8	703.0	65.4	537.5	602.9	38.1	488.6	526.7
Total revenue	$3,334.9	$1,327.1	$4,662.0	$2,889.8	$1,143.2	$4,033.0	$2,625.3	$ 997.0	$3,622.3

During the twelve months ended December 31, 2025, 2024 and 2023, no individual country outside the United States generated revenue that represented more than 10% of our total revenue.

Long-Lived Assets by Geographic Region

The following table presents our long-lived assets, which consists of property and equipment, net, and operating lease right-of-use assets by geographic region:

	December 31,	
(In millions)	2025	2024
Ireland	$ 438.8	$ 185.7
Malaysia	684.4	632.1
United States	406.1	464.6
Other countries	108.0	120.3
Total long-lived assets	$ 1,637.3	$ 1,402.7

DexCom, Inc.
SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
(In millions)

	Twelve Months Ended December 31,		
Allowance for doubtful accounts	**2025**	**2024**	**2023**
Beginning Balance	$ 9.2	$ 9.3	$ 7.3
Provision for doubtful accounts	3.3	(0.1)	2.0
Write-offs and adjustments	—	—	—
Recoveries	—	—	—
Ending Balance	$ 12.5	$ 9.2	$ 9.3

Board of Directors:

Jake Leach
President and Chief Executive Officer

Kevin Sayer
Executive Chairman

Steven Altman
Director

Dr. Euan Ashley
Director

Nicholas Augustinos
Director

Richard Collins
Director

Rimma Driscoll
Director

Mark Foletta
Lead Independent Director

Renée Galá
Director

Bridgette Heller
Director

Kyle Malady
Director

Rick Osterloh
Director

Trading Market

Nasdaq Global Select Market Symbol: DXCM

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Shareholder Meeting Date

May 27, 2026
Meeting to be held virtually

dexcom

Dexcom

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