

TANDEM DIABETES CARE INC
Form 424B5
July 27, 2017
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-200686

PROSPECTUS SUPPLEMENT

(To Prospectus dated December 19, 2014)

Up to \$15,000,000

TANDEM DIABETES CARE, INC.

Common Stock

We have entered into an Equity Distribution Agreement with Piper Jaffray & Co., or Piper Jaffray, relating to our common stock offered by this prospectus supplement. In accordance with the terms of the Equity Distribution Agreement, we may offer and sell our common stock having an aggregate offering price of up to \$15,000,000 from time to time through Piper Jaffray acting as our agent.

Our common stock is listed on the NASDAQ Global Market under the symbol "TNDM." On July 25, 2017, the last reported sale price of our common stock as reported on the NASDAQ Global Market was \$0.67 per share.

Sales of our common stock, if any, under this prospectus supplement may be made in sales deemed to be "at-the-market" equity offerings as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, or the Securities Act, including sales made directly on or through the NASDAQ Global Market, the existing trading market for our common stock, sales made to or through a market maker other than on an exchange, in negotiated transactions at market prices prevailing at the time of sale or at prices related to such prevailing market prices, and/or any other method permitted by law. Piper Jaffray will act as sales agent and will use commercially reasonable efforts to sell on our behalf all of the shares requested to be sold by us, consistent with its normal trading and sales practices, on mutually agreed terms between Piper Jaffray and us. There is no arrangement for funds to be received in any escrow, trust or similar arrangement.

Piper Jaffray will be entitled to compensation at a fixed commission rate of 3.0% of the gross sales price per share sold through it as agent under the Equity Distribution Agreement.

In connection with the sale of our common stock on our behalf, Piper Jaffray will be deemed to be an “underwriter” within the meaning of the Securities Act and the compensation of Piper Jaffray will be deemed to be underwriting commissions. We have also agreed to provide indemnification and contribution to Piper Jaffray with respect to certain liabilities, including liabilities under the Securities Act.

Investing in our common stock involves a high degree of risk. See “Risk Factors” beginning on page S-8 of this prospectus supplement and on page 28 of our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities being offered by this prospectus supplement or accompanying prospectus, or determined if this prospectus supplement or accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Piper Jaffray

The date of this prospectus supplement is July 27, 2017.

Table of Contents

TABLE OF CONTENTS

	Page
PROSPECTUS SUPPLEMENT	
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-2
<u>PROSPECTUS SUPPLEMENT SUMMARY.</u>	S-3
<u>RISK FACTORS</u>	S-8
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION</u>	S-10
<u>USE OF PROCEEDS</u>	S-11
<u>DESCRIPTION OF COMMON STOCK</u>	S-12
<u>PRICE RANGE OF COMMON STOCK</u>	S-12
<u>DIVIDEND POLICY</u>	S-14
<u>DILUTION</u>	S-15
<u>CERTAIN U.S. FEDERAL TAX CONSIDERATIONS APPLICABLE TO HOLDERS OF COMMON STOCK</u>	S-17
<u>PLAN OF DISTRIBUTION</u>	S-22
<u>LEGAL MATTERS</u>	S-23
<u>EXPERTS</u>	S-23
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	S-24
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-25

PROSPECTUS	
<u>ABOUT THIS PROSPECTUS</u>	1
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION</u>	2
<u>ABOUT THE COMPANY.</u>	3
<u>RISK FACTORS</u>	4
<u>USE OF PROCEEDS</u>	5
<u>THE SECURITIES WE MAY OFFER</u>	6
<u>DESCRIPTION OF CAPITAL STOCK</u>	7
<u>DESCRIPTION OF WARRANTS</u>	9
<u>DESCRIPTION OF UNITS</u>	10
<u>PLAN OF DISTRIBUTION</u>	11
<u>LEGAL MATTERS</u>	13
<u>EXPERTS</u>	13
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	14
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	15

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is part of a registration statement that was filed with the Securities and Exchange Commission, or the SEC, using a “shelf” registration process and consists of two parts. The first part is the prospectus supplement, including the documents incorporated by reference herein, which describes the specific terms of this offering. The second part, the accompanying prospectus, including the documents incorporated by reference therein, provides more general information. In general, when we refer only to the prospectus, we are referring to both parts of this document combined. Before you invest, you should carefully read this prospectus supplement, the accompanying prospectus, all information incorporated by reference herein and therein, as well as the additional information described under the heading “Where You Can Find More Information.” These documents contain information you should carefully consider when deciding whether to invest in our common stock.

This prospectus supplement may add, update or change information contained in the accompanying prospectus. To the extent there is a conflict between the information contained in this prospectus supplement and the accompanying prospectus, you should rely on information contained in this prospectus supplement, provided that if any statement in, or incorporated by reference into, one of these documents is inconsistent with a statement in another document having a later date, the statement in the document having the later date modifies or supersedes the earlier statement. Any statement so modified will be deemed to constitute a part of this prospectus only as so modified, and any statement so superseded will be deemed not to constitute a part of this prospectus.

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus, any document incorporated by reference herein or therein, or any free writing prospectuses we may provide to you in connection with this offering. Neither we nor Piper Jaffray has authorized anyone to provide you with any different information. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may provide to you. The information contained in this prospectus supplement, the accompanying prospectus, and in the documents incorporated by reference herein or therein is accurate only as of the date such information is presented. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the shares of common stock to which it relates, nor do this prospectus supplement and the accompanying prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Unless otherwise indicated, information contained in or incorporated by reference into this prospectus concerning our industry and the markets in which we operate, including market opportunity, market position and competitive landscape, is based on information from our management’s estimates, as well as from industry publications, surveys and studies conducted by third parties. Management estimates are derived from publicly available information, our knowledge of our industry, and assumptions based on such information and knowledge, which we believe to be reasonable. In addition, while we believe that information contained in the industry publications, surveys and studies has been obtained from reliable sources, the accuracy and completeness of such information is not guaranteed, and we have not independently verified any of the data contained in these third-party sources.

This prospectus supplement and the accompanying prospectus, and any documents incorporated by reference herein or therein, include statements that are based on various assumptions and estimates that are subject to numerous known and unknown risks and uncertainties. Some of these risks and uncertainties are described under the heading “Risk Factors” beginning on page S-8 of this prospectus supplement and in our Quarterly Report on Form 10-Q for the

quarterly period ended June 30, 2017, which is incorporated by reference into the prospectus. These and other important factors could cause our future results to be materially different from the results expected as a result of, or implied by, these assumptions and estimates. You should read the information contained in this prospectus supplement and the accompanying prospectus, and the documents incorporated by reference herein and therein, completely and with the understanding that future results may be materially different and worse from what we expect. See the information included under the heading “Cautionary Note Regarding Forward-Looking Information.”

Securities offered pursuant to the registration statement to which this prospectus supplement relates may only be offered and sold if not more than three years have elapsed since December 19, 2014, the initial effective date of the registration statement, subject to the extension of this period in compliance with applicable SEC rules.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This prospectus supplement summary discusses the key aspects of the offering and highlights certain information appearing elsewhere in this prospectus supplement and the accompanying prospectus, and in the documents we incorporate by reference herein and therein. However, as this is a summary, it does not contain all of the information that you should consider before deciding to invest in our common stock. You are encouraged to carefully read the entire prospectus, including the information provided (i) under the heading “Risk Factors” in this prospectus supplement and in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017, or the Q2 Quarterly Report, as may be updated by other filings we make with the SEC after the date of this prospectus supplement, and (ii) under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and our financial statements and the related notes, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, the Q2 Quarterly Report, and the other periodic report filings we make with the SEC after the date of this prospectus supplement.

Unless otherwise stated in this prospectus supplement and the accompanying prospectus, references to “Tandem,” “we,” “us,” or “our” refer to Tandem Diabetes Care, Inc.

Overview

We are a medical device company with an innovative approach to the design, development and commercialization of products for people with insulin-dependent diabetes. We believe that our competitive advantage is rooted in our unique consumer-focused approach and proprietary technology platform. This allows us to deliver innovative hardware and software solutions to meet the various needs and preferences of people with diabetes and their healthcare providers. We manufacture and sell insulin pump products in the United States that are designed to address large and differentiated segments of the insulin-dependent diabetes market. Our insulin pump products include:

- the t:slim X2 Insulin Delivery System, or t:slim X2, our next-generation flagship product,
- the t:flex Insulin Delivery System, or t:flex, for people with greater insulin needs, and
- the t:slim G4 Insulin Delivery System, or t:slim G4, the first continuous glucose monitoring, or CGM, enabled pump with touchscreen simplicity.

We have shipped more than 57,000 insulin pumps since our initial launch in August 2012 and more than 50,000 pumps in the four years ended June 30, 2017. For the past three consecutive years, our company has been ranked #1 by insulin pump users in the United States for customer support in an independent survey by dQ&A, a leading diabetes research firm.

We have successfully launched four insulin pump products, beginning with the commercialization of our first insulin pump product, the t:slim Insulin Delivery System, or t:slim, in August 2012. During 2015, we commenced

commercial sales of two additional insulin pumps: t:flex in May 2015 and t:slim G4 in September 2015. In October 2016, we commenced commercial sales of t:slim X2, and discontinued new sales of t:slim. t:slim, t:slim X2 and t:flex are compatible with the Tandem Device Updater, a revolutionary new tool that allows pump users to update their pumps' software quickly and easily from a personal computer. The Tandem Device Updater provides our customers access to new and enhanced features faster than the industry has been able to in the past. Its first cleared use by the U.S. Food and Drug Administration, or FDA, was to update t:slim Pumps purchased before April 2015 to the latest software. In the first quarter of 2017, we filed a regulatory submission with the FDA to permit t:slim X2 customers to update their pumps' software using the Tandem Device Updater to allow integration with the DexCom G5 Mobile CGM system. Subject to FDA approval, we intend to offer this update to t:slim X2 customers free of charge. In the future, this tool has the potential to enable users to add other new features and functionality to their pumps, such as automated insulin delivery, or AID, algorithms, independent of the typical four-year insurance pump replacement cycle.

Our innovative approach to product design and development is consumer-focused and based on our extensive market research, as we believe the user is the primary decision maker when purchasing an insulin pump. Our market research consists of interviews, focus groups and online surveys to understand what people with diabetes, their caregivers and healthcare providers are seeking in order to improve diabetes therapy management. We also apply the science of human factors to our design and development process, which seeks to optimize our devices, allowing users to successfully operate our devices in their intended environment.

Table of Contents

We developed our products to provide the specific features that people with insulin-dependent diabetes seek in a next-generation insulin pump. Our proprietary pumping technology allows us to design the slimmest and smallest durable insulin pumps on the market, without sacrificing insulin capacity. Our insulin pump platform features our patented Micro-Delivery technology, and a miniaturized pumping mechanism that draws insulin from a flexible bag within the pump's cartridge, rather than relying on a syringe and plunger mechanism. It also features an easy-to-navigate software architecture, a vivid color touchscreen and a micro-USB connection that supports a rechargeable battery, software updates through the Tandem Device Updater, and uploads to t:connect Diabetes Management Application, or t:connect. t:connect is our custom cloud-based data management application that provides customers and healthcare providers a fast, easy and visual way to display therapy management data from the pump and supported blood glucose meters. Our next generation pump, t:slim X2, also features an advanced Bluetooth radio capable of communicating with multiple compatible devices.

We have rapidly increased sales since our commercial launch by expanding our sales, clinical and marketing infrastructure, by developing, commercializing and marketing multiple differentiated products that utilize our technology platform and consumer-focused approach, and by providing strong customer support. We believe that by demonstrating our product benefits and the shortcomings of existing insulin therapies, more people will choose our insulin pumps for their therapy needs, allowing us to further penetrate and expand the market. We also believe we are well positioned to address consumers' needs and preferences with our current products and products under development and by offering customers a pathway to our future innovations through the Tandem Device Updater as they are approved by the FDA.

Products under Development

Our products under development support our strategy of focusing on both consumer and clinical needs. We intend to leverage our consumer-focused approach and proprietary technology platform to continue to develop products that have the features and functionality that will allow us to target people in different segments of the insulin-dependent diabetes market. Our current pump products under development include:

• t:slim X2 with G5 integration – This product, which is currently under FDA review, is designed to display DexCom G5 CGM sensor information directly on the pump Home Screen. We intend to launch the product within thirty (30) days following approval.

• t:slim X2 with PLGS – Our first generation AID system is expected to include a predictive low glucose suspend, or PLGS, algorithm that utilizes DexCom G5 sensor values. During 2016, we completed a feasibility study of our PLGS algorithm. The data from this feasibility study was used in an IDE submission for a pivotal study, which was approved by the FDA in May 2017. We expect to begin a pivotal study in the third quarter of 2017 and anticipate that it will conclude by the end of 2017. Once reports from the clinical trial sites are finalized, we intend to use the results in a PMA submission with the FDA. Based on this timing, our goal is to launch the product in the summer of 2018.

t:slim X2 with TypeZero – Our second generation AID system is expected to integrate the t:slim X2 pump with the treat-to-range technology that we licensed from TypeZero Technologies LLC, as well as DexCom’s G6 sensor. With TypeZero’s technology, our product is intended to both increase and decrease basal insulin based on a person’s predicted blood glucose levels, as well as deliver automated correction boluses. In November 2016, we announced that we are working with DexCom and TypeZero on the integration of our technologies into the National Institute of Health funded International Diabetes Closed Loop Trial, or IDCL Trial. We anticipate that a portion of the trial will utilize a t:slim X2 integrated with TypeZero’s inControl AID algorithms that is designed to automatically adjust a person’s insulin based on information from a DexCom G6 sensor. We intend to use the results from this trial in a PMA submission with the FDA. Subject to both the timely completion of a successful IDCL Trial and future FDA approval, our goal is to launch this product by the end of 2018.

t:sport Insulin Delivery System – This product will be half the size of t:slim and is being designed for people who seek even greater discretion and flexibility with the use of their insulin pump. At this time, there is not a predicate device for an insulin pump wirelessly controlled through a mobile device application. The timing of the commercialization of this product will be based on our prioritization of resources and ongoing dialogue with the FDA.

Beginning in the third quarter of 2017, we intend to replace the standard Luer-lok connector that currently joins an infusion set to our cartridge with a custom connector, the t:lock™ Connector.

Recent Developments

S-4

Table of Contents

Requirement to Raise Additional Capital

On the date our financial statements included in the Q2 Quarterly Report were issued, our management believed that we did not have sufficient cash to fund our operations for the next twelve months without additional financing, and therefore, we concluded there was substantial doubt about our ability to continue as a going concern within one year after the date those financial statements were issued. In addition, the audit report and opinion of our independent registered public accounting firm contained in our financial statements for the year ended December 31, 2016, includes an explanatory paragraph that describes conditions that raise substantial doubt about our ability to continue as a going concern.

Under our Amended and Restated Term Loan Agreement with Capital Royalty Partners II L.P. and its affiliate funds, or Capital Royalty Partners, as amended, which we refer to as the Term Loan Agreement, we are required to complete one or more financings in which our aggregate gross proceeds from the sale of equity securities is at least \$30.0 million, no later than January 15, 2018. In March 2017, we completed a public offering of our common stock with gross proceeds of \$23,125,000. However, we are required to sell additional equity securities in order to satisfy the covenant under the Term Loan Agreement. We are undertaking this offering for the purpose of satisfying the covenant, as well as to generate net proceeds for working capital and other general corporate purposes. However, there can be no assurance that we will be successful in raising sufficient gross proceeds from this offering to meet our obligations under the covenant.

Regardless of the outcome of this offering, we expect we will be required to raise additional capital in order to continue as a going concern, meet our minimum liquidity requirements, and execute on our business strategy. We may seek additional capital from public or private offerings of our capital stock, or we may elect to borrow additional amounts under new debt financing arrangements or from other sources. We expect our ability to raise additional financing may be negatively impacted by a number of factors, including our recent and projected financial results, recent changes in and volatility of our stock price, perceptions about the completion of the March 2017 public offering of our common stock, perceptions about this offering, concerns regarding our ability to maintain the continued listing of our common stock on the NASDAQ Global Market, our current level of indebtedness and debt service costs, our conclusion that there is substantial doubt about our ability to continue as a going concern, the competitive environment in our industry, and accounting complexities brought about by our Technology Upgrade Program (which is discussed in more detail in the Q2 Quarterly Report). There can be no assurance that we will be able to raise additional capital on acceptable terms or at all, whether in this offering or otherwise. If we are not able to secure additional financing or generate sufficient revenues from the sale of our products, we may be forced to significantly alter our business strategy, substantially curtail or modify our current operations, or cease operations altogether.

Special Stockholder Meeting to Approve Reverse Stock Split

On July 27, 2017, we filed a definitive proxy statement with the SEC that relates to a special meeting of our stockholders to be held on September 7, 2017. At the special meeting, our stockholders will be asked to vote on a proposal to approve an amendment to our amended and restated certificate of incorporation to effect a reverse stock split of our issued and outstanding shares of common stock at a ratio of not less than 1-for-8 and not greater than 1-for-12, with the exact ratio to be set within that range by our board of directors before June 20, 2018, without further approval or authorization of our stockholders. Our board of directors may alternatively elect to abandon the amendment and not effect the reverse stock split authorized by stockholders, in its sole discretion. Upon the effectiveness of the amendment to our certificate of incorporation effecting the reverse stock split, the issued and outstanding shares of our common stock will be reclassified and converted into a lesser number of shares such that one share of our common stock will be issued for a specified number of shares within the approved reverse stock split range.

The reverse stock split would not change the number of authorized shares of our common stock as set forth in our amended and restated certificate of incorporation. Therefore, because the reverse stock split would result in the number of issued and outstanding shares of common stock decreasing, the number of authorized shares of common stock remaining available for issuance would increase proportionately to the ratio of the reverse stock split. The reverse stock split will affect all of our stockholders uniformly and will not affect any stockholder's percentage ownership interest in our company, except to the extent that the reverse stock split results in any of our stockholders owning a fractional share.

Please refer to the definitive proxy statement for a description of the various reasons our board of directors approved the reverse stock split, as well as the various risks associated with the reverse stock split. There can be no assurance that our stockholders will approve the amendment to our amended and restated certificate of incorporation to effect the reverse stock split and, even if our stockholders approve the amendment, there can be no assurance that our board of directors will elect to effect the reverse stock split.

S-5

Table of Contents

The share numbers and other amounts set forth in this prospectus, and in the documents incorporated by reference into this prospectus, do not take into account the potential future impact of the reverse stock split.

Corporate Information

We were incorporated in Colorado in January 2006 and reincorporated in Delaware in January 2008. Our principal executive offices are located at 11045 Roselle Street, San Diego, California 92121. The telephone number of our principal executive office is (858) 366-6900. Our website is www.tandemdiabetes.com. The information contained on or accessed through our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be a part of this prospectus or in deciding whether to purchase our common stock. References in this prospectus to our website are to inactive textual references only.

Implications of Being an Emerging Growth Company

We qualify as an “emerging growth company” as defined in the Jumpstart our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company:

- we are exempt from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002;
- we are permitted to provide less extensive disclosure about our executive compensation arrangements; and
- we are not required to give our stockholders non-binding advisory votes on executive compensation or golden parachute arrangements.

We may take advantage of these provisions until such time that we no longer qualify as an emerging growth company. We will cease to be an emerging growth company upon the earliest of: (i) December 31, 2018, (ii) the last day of the first fiscal year in which our annual gross revenues exceed \$1.07 billion, (iii) December 31 of the fiscal year that we become a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, or the Exchange Act, which would occur if the market value of our common stock held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter, or (iv) the date on which we have issued more than \$1.0 billion in non-convertible debt during the preceding three-year period.

We may choose to take advantage of some but not all of these reduced burdens. We have taken advantage of reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different from the information you receive from our competitors that are public companies, or other public companies in which you have

made an investment.

S-6

Table of Contents

THE OFFERING

Issuer: Tandem Diabetes Care, Inc.

Common Stock offered by us: A number of shares of common stock resulting in aggregate gross proceeds to us of up to \$15.0 million.

Manner of offering: "At-the-market" offering that may be made from time to time through Piper Jaffray. See "Plan of Distribution" on page S-22.

Use of proceeds: We intend to use the net proceeds from this offering for working capital and other general corporate purposes. See "Use of Proceeds" on page S-11.

Risk factors: Investing in our common stock involves a high degree of risk. See the information included under the heading "Risk Factors" beginning on page S-8 of this prospectus supplement and in the Q2 Quarterly Report, which is incorporated by reference in this prospectus, for a discussion of factors that you should carefully consider before deciding to invest in our common stock.

NASDAQ Global Market symbol: "TNDM"

Table of Contents

RISK FACTORS

Investing in our common stock involves a high degree of risk. Before making an investment decision, you should carefully consider the risks described below, together with all of the other information included in this prospectus supplement, the accompanying prospectus, and the information incorporated by reference herein and therein, including the risks described under the heading “Risk Factors” in the Q2 Quarterly Report, as may be updated by other filings we make with the SEC after the date of this prospectus supplement.

If any of the risks described below, or incorporated by reference into this prospectus, actually occur, our business, financial condition, results of operations and prospects could suffer. In that case, the trading price of our common stock may decline and you may lose all or part of your investment. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, financial condition results of operations and prospects. Certain statements below are forward-looking statements. See the information included under the heading “Cautionary Note Regarding Forward-Looking Information.”

Risks Related to this Offering

Purchasers in this offering will experience immediate and substantial dilution in the book value of their investment.

The offering price per share in this offering may exceed the pro forma net tangible book value per share of our common stock outstanding prior to this offering. Assuming that an aggregate of 22,388,060 shares of our common stock are sold at an average offering price of \$0.67 per share, the last reported sale price of our common stock on the NASDAQ Global Market on July 25, 2017, for aggregate gross proceeds of \$15.0 million, and after deducting commissions and estimated aggregate offering expenses payable by us, you will experience immediate dilution of \$0.75 per share, representing the difference between our as adjusted net tangible book value (deficit) per share as of June 30, 2017 after giving effect to this offering and the assumed average offering price. The exercise of outstanding stock options or warrants could result in further dilution of your investment.

You may experience future dilution as a result of future equity offerings.

We expect we will be required to raise additional capital in order to continue as a going concern, meet our minimum liquidity requirements, and execute on our business strategy. In order to raise additional capital, we may in the future offer additional shares of our common stock or other securities convertible into or exchangeable for our common stock at prices that may not be the same as the price per share paid by investors in this offering. We may sell shares or other securities in any other offering at a price per share that is less than the price per share paid by any investors in this offering, and investors purchasing shares or other securities in the future could have rights superior to existing stockholders. The price per share at which we sell additional shares of our common stock, or securities convertible or exchangeable into common stock, in future transactions may be higher or lower than the price per share paid by any investors in this offering.

It is not possible to predict the actual number of shares we will sell under the Equity Distribution Agreement, or the gross proceeds resulting from those sales.

Subject to certain limitations in the Equity Distribution Agreement and compliance with applicable law, we have the discretion to deliver a placement notice to Piper Jaffray at any time throughout the term of the Equity Distribution Agreement. The number of shares that are sold through Piper Jaffray after delivering a placement notice will fluctuate based on a number of factors, including the market price of the common stock during the sales period, the limits we set with Piper Jaffray in any applicable placement notice, and the demand for our common stock during the sales period. Because the price per share of each share sold will fluctuate during the sales period, it is not currently possible to predict the number of shares that will be sold or the gross proceeds to be raised in connection with those sales.

S-8

Table of Contents

We may not be successful in raising sufficient gross proceeds from the sale of shares in this offering to satisfy the covenant in our Term Loan Agreement.

Under our Term Loan Agreement, we are required to complete one or more financings in which our aggregate gross proceeds from the sale of equity securities is at least \$30.0 million, no later than January 15, 2018. In March 2017, we completed a public offering of our common stock with gross proceeds of \$23,125,000. However, we are required to sell additional equity securities sufficient to raise a minimum of an additional \$6,875,000 of gross proceeds in order to satisfy the covenant under the Term Loan Agreement. While we are undertaking this offering for the purpose of satisfying the covenant, there can be no assurance that we will be successful in raising sufficient gross proceeds from this offering, or from any future offering, to meet our obligations under the covenant.

The common stock offered hereby will be sold in “at-the-market” offerings, and investors who buy shares at different times will likely pay different prices.

Investors who purchase shares in this offering at different times will likely pay different prices, and so may experience different levels of dilution and different outcomes in their investment results. We will have discretion, subject to market demand, to vary the timing, prices, and numbers of shares sold in this offering. In addition, subject to the final determination by our board of directors, there is no minimum or maximum sales price for shares to be sold in this offering. Investors may experience a decline in the value of the shares they purchase in this offering as a result of sales made at prices lower than the prices they paid.

We have broad discretion to determine how to use the funds raised in this offering, and may use them in ways that may not enhance our operating results or the price of our common stock.

Our management will have broad discretion over the use of proceeds from this offering, and we could spend the proceeds from this offering in ways our stockholders may not agree with or that do not yield a favorable return. We intend to use the net proceeds of this offering for working capital and other general corporate purposes. However, our use of these proceeds may differ substantially from our current plans. If we do not invest or apply the proceeds of this offering in ways that improve our operating results, we may fail to achieve expected financial results, which could cause our stock price to decline.

Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This prospectus contains “forward-looking statements” within the meaning of the federal securities laws, which statements are subject to considerable risks and uncertainties. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements included or incorporated by reference in this prospectus, other than statements of historical fact, are forward-looking statements. You can identify forward-looking statements by the use of words such as “may,” “will,” “could,” “anticipate,” “expect,” “intend,” “believe,” “continue” or the negative of such terms, or other comparable terminology. Forward-looking statements also include the assumptions underlying or relating to such statements. In particular, forward-looking statements contained in this prospectus relate to, among other things, our future or assumed financial condition (including our ability to continue as a going concern to raise additional capital and to succeed in our future operations), results of operations, liquidity, business forecasts and plans, research and product development plans, manufacturing plans, strategic plans and objectives, capital needs and financing plans, product launches, regulatory approvals, competitive environment, and the application of accounting guidance. We caution you that the foregoing list may not include all of the forward-looking statements made in this prospectus.

Our forward-looking statements are based on our management’s current assumptions and expectations about future events and trends, which affect or may affect our business, strategy, operations or financial performance. Although we believe that these forward-looking statements are based upon reasonable assumptions, they are subject to numerous known and unknown risks and uncertainties and are made in light of information currently available to us. Our actual financial condition and results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth below in the section entitled “Risk Factors” beginning on page S-8 of this prospectus supplement and in the Q2 Quarterly Report, which is incorporated by reference in this prospectus, as well as in the other reports we file with the SEC. You should read this prospectus with the understanding that our actual future results may be materially different from and worse than what we expect.

Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Forward-looking statements speak only as of the date they were made, and, except to the extent required by law or the NASDAQ Listing Rules, we undertake no obligation to update or review any forward-looking statement because of new information, future events or other factors.

We qualify all of our forward-looking statements by these cautionary statements.

Table of Contents

USE OF PROCEEDS

We may issue and sell our common stock having aggregate gross proceeds of up to \$15.0 million from time to time. Because there is no minimum offering amount required as a condition to close this offering, the actual total public offering amount, commissions and proceeds to us, if any, are not determinable at this time. We estimate that the net proceeds from the sale of our common stock that we are offering may be up to \$14.3 million, after deducting Piper Jaffray's commission and estimated offering expenses payable by us.

We currently anticipate that we will use the net proceeds received by us for working capital and other general corporate purposes. Our expected use of the net proceeds from this offering is based upon our present plans and business condition. As of the date of this prospectus supplement, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of this offering or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual use of proceeds will vary depending on numerous factors, including the factors described under the heading "Risk Factors" beginning on page S-8 of this prospectus supplement and in the Q2 Quarterly Report, which is incorporated by reference in this prospectus. As a result, management will retain broad discretion over the allocation of the net proceeds from this offering, and investors will be relying on the judgment of our management regarding the application of the net proceeds.

Pending the use of the net proceeds, we intend to invest the net proceeds in high quality, short-term interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

Table of Contents

DESCRIPTION OF COMMON STOCK

General

Our authorized capital stock consists of 100,000,000 shares of our common stock, \$0.001 par value per share, and 5,000,000 shares of undesignated preferred stock, \$0.001 par value per share. As of July 25, 2017, there were 50,228,931 shares of our common stock outstanding, which was held of record by approximately 71 stockholders, and there were no shares of our preferred stock outstanding.

Common Stock

Our common stock has been publicly traded on the NASDAQ Global Market under the symbol "TNDM" since our initial public offering in November 2013. On July 25, 2017, the last reported sale price of our common stock on the NASDAQ Global Market was \$0.67.

On June 14, 2017, we received notice that we had failed to meet the NASDAQ minimum closing bid price requirement of \$1.00 per share for 30 consecutive business days, which could subject our common stock to delisting. For more information, see "Risk Factors – Risks Related to our Common Stock – If we are unable to comply with certain continued listing requirements of NASDAQ, our common stock would be delisted from NASDAQ.*" in the Q2 Quarterly Report, which is incorporated herein by reference.

The material terms of our common stock are described under the heading "Description of Capital Stock" in the accompanying prospectus.

Price Range of Common Stock

The following table sets forth, for the periods indicated, the high and low intraday sale prices of our common stock as reported by the NASDAQ Global Market.

Price Range	
High	Low