
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **October 15, 2018**

TACTILE SYSTEMS TECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-37799
(Commission
File Number)

41-1801204
(I.R.S. Employer
Identification No.)

1331 Tyler Street NE, Suite 200, Minneapolis, MN 55413
(Address of principal executive offices) (Zip Code)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry Into A Material Definitive Agreement.

On October 15, 2018, we entered into a license agreement with Sun Scientific, Inc. pursuant to which we licensed certain intellectual property of Sun Scientific, including related to its Aero-Wrap product, in the United States and Canada, for use in all medical applications, including but not limited to swelling/edema and ulcers (including lymphedema and chronic venous insufficiency conditions), but excluding the use of the intellectual property in the field of prophylaxis for deep vein thrombosis. The license will continue until the date of expiration of the last to expire or be invalidated of the licensed patents, subject to earlier termination under certain circumstances. Pursuant to the license agreement, we paid Sun Scientific an initiation fee of \$4.0 million upon execution of the agreement. We have also agreed to pay them a royalty in a range of high single digits to low double digits based on the net sales of the products containing the licensed intellectual property and a contingency payment if our net sales exceed \$80 million within the first seven years of the term of the agreement. The contingency payment may be made, at our option, in cash or shares of our common stock. This description of the license agreement does not purport to be complete and is qualified in its entirety by reference to the license agreement, which we expect to file as an exhibit to an upcoming periodic report.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The information contained above in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.01.

Item 7.01. Regulation FD Disclosure.

A copy of the press release announcing the transaction is attached to this report as Exhibit 99.1. In accordance with General Instruction B.2 of Form 8-K, the information in this Item 7.01 and Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in that filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release dated October 17, 2018

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 17, 2018

TACTILE SYSTEMS TECHNOLOGY, INC.

By: /s/ Brent A. Moen

Brent A. Moen
Chief Financial Officer

Tactile Medical Announces License Agreement for Certain Intellectual Property of Sun Scientific, Inc.

MINNEAPOLIS—October 17, 2018 (GLOBE NEWSWIRE)—Tactile Systems Technology, Inc. (“Tactile Medical”) (Nasdaq: TCMD), a medical technology company focused on developing medical devices for the treatment of chronic diseases at home, today announced an exclusive license agreement with Sun Scientific, Inc. for certain intellectual property, including the Aero-Wrap™ compression therapy products, in the United States and Canada. The wearable Aero-Wrap products provide static (continuous) compression for patients with swelling in their legs.

“We are excited to announce this license agreement with Sun Scientific as part of our strategy to identify complementary opportunities that leverage our market leadership in treating chronic swelling and our strong distribution infrastructure in the U.S.,” said Gerald R. Mattys, Tactile Medical CEO. “Sun Scientific has developed a unique, patented and FDA-cleared technology, the Aero-Wrap, which provides gradient compression to the lower leg while overcoming the known shortcomings of conventional compression stockings and wraps. This technology was invented by Dr. Sundaram Ravikumar, a serial inventor and board certified vascular surgeon, who collaborated with top clinicians and engineers to create a treatment solution that provides consistent, comfortable, and easy to apply gradient compression. We believe the Aero-Wrap represents an innovative all-day treatment option for patients with chronic swelling and chronic wounds.”

Mr. Mattys continued, “In addition to expanding our product portfolio, this agreement will enable Tactile Medical to gain access to patients suffering from lymphedema, venous ulcers and chronic venous insufficiency earlier in their treatment pathway. We look forward to sharing more information about our near-term commercial plans on our upcoming third quarter earnings call.”

Pursuant to the license agreement, the Company paid Sun Scientific an initiation fee of \$4.0 million and will also pay a royalty based on future sales. The transaction is expected to be immaterial to Tactile Medical’s fiscal year 2018 and fiscal year 2019 GAAP net income.

About Tactile Medical

Tactile Medical is a leader in developing and marketing at-home therapy devices that treat chronic swelling conditions such as lymphedema and chronic venous insufficiency. Tactile Medical’s Mission is to help people suffering from chronic diseases live better and care for themselves at home. The Company’s unique offering includes advanced, clinically proven pneumatic compression devices, as well as continuity of care services provided by a national network of product specialists and trainers, reimbursement experts, patient advocates and clinicians. This combination of products and services ensures that tens of thousands of patients annually receive the at-home treatment necessary to better manage their chronic conditions. Tactile Medical takes pride in the fact that our solutions help increase clinical efficacy, reduce overall healthcare costs and improve the quality of life for patients with chronic conditions.

About Sun Scientific, Inc.

Sun Scientific develops a broad range of wound care and compression products for the treatment of chronic conditions, including lymphedema and chronic venous insufficiency. The compression products

are marketed under the Aero-Wrap™ brand name and were created with the goal of providing uncompromised product efficacy to enhance the quality of life for patients in need of compression therapy. Sun Scientific was founded by Dr. Sundaram Ravikumar, a practicing vascular and general surgeon who also founded Mini-Lap Technologies, a minimally-invasive laparoscopic instrument company which was sold in 2014.

Legal Notice Regarding Forward-Looking Statements

This release contains forward-looking statements. Forward-looking statements are generally identifiable by the use of words like “may,” “will,” “should,” “could,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “confident,” or “project” or the negative of these words or other variations on these words or comparable terminology. These also include statements about potential long-term outcomes from the use of Flexitouch. The reader is cautioned not to put undue reliance on these forward-looking statements, as these statements are subject to numerous factors and uncertainties outside of the Company’s control that can make such statements untrue, including, but not limited to, adverse results to patients; adverse federal, state and local government regulation; technological obsolescence of the Company’s products; and technical problems with the Company’s research and products. In addition, other factors that could cause actual results to differ materially are discussed in the Company’s filings with the SEC. Investors and security holders are urged to read these documents free of charge on the SEC’s website at <http://www.sec.gov>. The Company undertakes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.

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