

Semler Scientific, Inc.
Form 10-Q
November 03, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
p 1934

For the Quarterly Period Ended September 30, 2017

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 001-36305

SEMLER SCIENTIFIC, INC.

(Exact name of Registrant as specified in its Charter)

Delaware **26-1367393**
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

2330 N.W. Everett
Portland, Oregon **97210**
(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: **(877) 774-4211**

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post 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. (Check one):

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer Smaller Reporting Company
(Do not check if a smaller reporting company)
Emerging growth company

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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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes
" No x

As of November 2, 2017, there were 5,463,568 shares of the issuer's common stock, \$0.001 par value per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains forward-looking statements. Such forward-looking statements include those that express plans, anticipation, intent, contingency, goals, targets or future development and/or otherwise are not statements of historical fact. These forward-looking statements are based on our current expectations and projections about future events and they are subject to risks and uncertainties known and unknown that could cause actual results and developments to differ materially from those expressed or implied in such statements.

In some cases, you can identify forward-looking statements by terminology, such as “expects,” “anticipates,” “intends,” “estimates,” “plans,” “believes,” “seeks,” “may,” “should,” “continue,” “could” or the negative of such terms or other similar expressions. Accordingly, these statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this report.

You should read this quarterly report and the documents that we reference herein and therein and have filed as exhibits to this report, completely and with the understanding that our actual future results may be materially different from what we expect. You should assume that the information appearing in this quarterly report is accurate as of the date of this report only. Because the risk factors referred to above could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any forward-looking statements. These risks and uncertainties, along with others, are described above under the heading “Risk Factors” in our annual report on Form 10-K filed with the Securities and Exchange Commission, or SEC, on March 17, 2017. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor 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. We qualify all of the information presented in this quarterly report, and particularly our forward-looking statements, by these cautionary statements.

Table of Contents**PART I—FINANCIAL INFORMATION****Item 1. Financial Statements.****Semler Scientific, Inc.****Condensed Statements of Operations****(In thousands of U.S. Dollars, except share and per share data)**

	<i>(Unaudited)</i> For the three months ended September 30		<i>(Unaudited)</i> For the nine months ended September 30	
	2017	2016	2017	2016
Revenue	\$ 3,607	\$ 1,982	\$ 8,239	\$ 5,118
Operating expenses:				
Cost of revenue	724	398	1,855	1,348
Engineering and product development	432	183	1,345	634
Sales and marketing	1,350	950	3,502	2,952
General and administrative	1,025	706	2,765	2,236
Total operating expenses	3,531	2,237	9,467	7,170
Income (loss) from operations	76	(255)	(1,228)	(2,052)
Interest expense	(42)	(40)	(190)	(81)
Interest expense— related parties	(75)	(65)	(158)	(194)
Loss on extinguishment of loans	-	-	(179)	-
Other expense	-	(2)	(8)	(7)
Other expense	(117)	(107)	(535)	(282)
Net loss	\$ (41)	\$ (362)	\$ (1,763)	\$ (2,334)
Net loss per share, basic and diluted	\$ (0.01)	\$ (0.07)	\$ (0.33)	\$ (0.46)
Weighted average number of shares used in computing basic and diluted loss per share	5,463,568	5,123,568	5,346,178	5,123,568

See accompanying notes to unaudited condensed financial statements.

Table of Contents**Semler Scientific, Inc.****Condensed Balance Sheets****(In thousands of U.S. Dollars, except share and per share data)**

	<i>(Unaudited)</i> September 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash	\$ 578	\$ 622
Trade accounts receivable, net of allowance for doubtful accounts of \$35 and \$87, respectively	1,477	877
Prepaid expenses and other current assets	158	93
Total current assets	2,213	1,592
Assets for lease, net	1,173	875
Property and equipment, net	470	590
Long-term deposits	15	15
Total assets	\$ 3,871	\$ 3,072
Liabilities and Stockholders' Deficit		