

**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): March 3, 2020

**SEMLER SCIENTIFIC, INC.
(Exact name of registrant as specified in its charter)**

Delaware
(State or other jurisdiction of incorporation)

001-36305
(Commission File Number)

26-1367393
(IRS Employer Identification No.)

**911 Bern Court, Suite 110
San Jose, California**
(Address of principal executive offices)

95112
(Zip Code)

Registrant's telephone number, including area code: **(877) 774-4211**

(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))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

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 2.02. Results of Operations and Financial Condition.

On March 3, 2020, Semler Scientific, Inc. issued a press release announcing its financial results for the quarter and year ended December 31, 2019. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K.

The information contained in this Item 2.02 and in the accompanying Exhibit 99.1 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

The information contained in this Item 9.01 and in the accompanying Exhibit 99.1 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

(d) Exhibits.

Exhibit No.	Description
<u>99.1</u>	<u>Press Release of Semler Scientific, Inc., dated March 3, 2020.</u>

SIGNATURES

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

SEMLER SCIENTIFIC, INC.

Date: March 3, 2020

By: /s/ Douglas Murphy-Chutorian
Name: Douglas Murphy-Chutorian
Title: Chief Executive Officer



Semler Reports Record Fourth Quarter and Year End 2019 Financial Results

2019 HIGHLIGHTS compared to 2018:

- Annual revenues increased by 52%
- Pre-tax income of \$10,701,000, an increase of \$5,661,000, or 112%, compared to \$5,040,000
- Net income after tax grew to \$2.34 per basic share and \$1.88 per diluted share, compared to \$0.82 per basic share and \$0.66 per diluted share
- Income tax benefit of \$4,383,000, primarily due to the release of a tax valuation allowance
- Cash at December 31, 2019 increased to \$7,741,000 from \$3,284,000

San Jose, Cal. – March 3, 2020 – Semler Scientific, Inc. (OTCQB: SMLR), a company that provides technology solutions to improve the clinical effectiveness and efficiency of healthcare providers, today reported financial results for the three months and year ended December 31, 2019.

“Earlier recognition of vascular disease may enable the healthcare provider to intercede with preventive measures,” said Doug Murphy-Chutorian, M.D., chief executive officer of Semler Scientific. “This care management strategy is one objective for utilizing our QuantaFlo® product in the primary practice setting.”

FINANCIAL RESULTS

For the year ended December 31, 2019, compared to 2018, Semler Scientific reported:

- Revenues of \$32,767,000, an increase of \$11,276,000, or 52%, compared to \$21,491,000
- Cost of revenues of \$3,661,000, an increase of \$958,000, or 35%, compared to \$2,703,000. As a percentage of revenues, cost of revenues was 11%, compared to 13%
- Total operating expenses of \$22,059,000, which includes cost of revenues, an increase of \$5,910,000, or 37%, compared to \$16,149,000
- Pre-tax income of \$10,701,000, an increase of \$5,661,000, or 112%, compared to \$5,040,000. As a percentage of revenues, pre-tax net income was 33% compared to 23%
- Income tax benefit of \$4,383,000, primarily due to the release of a tax valuation allowance
- Net income of \$15,084,000, or \$2.34 per basic share and \$1.88 per diluted share, an increase of \$10,070,000, or 201% compared to \$5,014,000, or \$0.82 per basic share and \$0.66 per diluted share. As a percentage of revenues, net income was 46% compared to 23%
- Cash of \$7,741,000, an increase of \$4,457,000, compared to \$3,284,000

For the quarter ended December 31, 2019, compared to the corresponding period of 2018, Semler Scientific reported:

- Revenues of \$9,151,000, an increase of \$3,187,000, or 53%, compared to \$5,964,000
 - Cost of revenues of \$906,000, an increase of \$202,000, or 29%, compared to \$704,000. As a percentage of revenues, cost of revenues was 10% compared to 12%
 - Total operating expenses, which includes cost of revenues, of \$6,103,000, an increase of \$1,586,000, or 35%, compared to \$4,517,000
 - Net income of \$2,833,000, or \$0.43 per basic share and \$0.35 per diluted share, an increase of \$1,446,000, or 104% compared to net income of \$1,387,000, or \$0.22 per basic share and \$0.17 per diluted share. As a percentage of revenues, net income was 31% compared to 23%
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MAJOR ACCOMPLISHMENTS IN 2019

Among the achievements during 2019 were:

1. Record annual revenues since inception of the company
2. Record annual net income since inception of the company
3. Cash position improved to \$7.7 million

The company's three largest customers comprised 49.4%, 13.2% and 12.5% of annual revenues. Revenues from fixed price software license fee arrangements were approximately \$22,913,000, variable priced software license revenues were approximately \$8,927,000 and equipment/other sales were \$927,000.

In 2020, Semler Scientific expects continued profitability and generation of cash from operating activities, as well as increased spending to support anticipated growth in its business. It is the company's intent to grow annual revenues at a faster rate than annual expenses and to remain profitable.

"We provide our customers with a cost-effective, user-friendly service that may improve patient outcomes," said Dr. Murphy-Chutorian. "Our intent is to expand penetration of our product into the medical community to assist them in the identification of those at risk for chronic diseases," he concluded.

Notice of Conference Call

Semler Scientific will host a conference call today at 4:30 p.m. ET. The call will address results of the fourth quarter and year ended December 31, 2019 as well as provide a business update on the company's market outlook and strategies for the near-term future.

Participants are encouraged to pre-register for the conference call using the following link. Callers who pre-register will be given a conference passcode and unique PIN to gain immediate access to the call and bypass the live operator. Participants may pre-register at any time, including up to and after the call start time. To pre-register, go to: <http://dpreregister.com/10139705>.

Those without internet access or who are unable to pre-register may dial in by calling:

Domestic callers: (866) 777-2509

International callers: (412) 317-5413

Please specify to the operator that you would like to join the "Semler Scientific Call." The conference call will be archived on Semler's website at www.semilerscientific.com.

About Semler Scientific, Inc.:

Semler Scientific, Inc. is a company that provides technology solutions to improve the clinical effectiveness and efficiency of healthcare providers. Semler Scientific's mission is to develop, manufacture and market innovative proprietary products and services that assist its customers in evaluating and treating chronic diseases. Semler Scientific commercially launched its first patented and U.S. Food and Drug Administration, or FDA, cleared product in 2011, and received FDA 510(k) clearance for QuantaFlo®, the next generation version of this product in 2015. QuantaFlo® is a rapid point-of-care test that measures arterial blood flow in the extremities to aid in the diagnosis of peripheral arterial disease. QuantaFlo® is used by Semler Scientific's customers to more comprehensively evaluate their patients for risk of heart attacks and strokes. Semler Scientific believes it is positioned to provide valuable information to its insurance company and physician customers, which in turn permits them to better guide patient care. Additional information about Semler Scientific can be found at semlerscientific.com.

Forward-Looking Statements

This press release contains “forward-looking” statements. Such statements can be identified by, among other things, the use of forward-looking language such as the words “may,” “will,” “intend,” “expect,” “anticipate,” “estimate,” “project,” “would,” “could” or words with similar meaning or the negatives of these terms or by the discussion of strategy or intentions. The forward-looking statements in this release include statements regarding continued profitability and cash generation from operations, the ability to grow revenues faster than expenses and remain profitable, as well as increased spending to support anticipated growth in the business, in addition to statements about the benefits of its service on patient outcomes and future expansion of its customer base. Such forward-looking statements are subject to a number of risks and uncertainties that could cause Semler Scientific’s actual results to differ materially from those discussed here, such as whether or not insurance plans and other customers will continue to license its cardiovascular testing products, and its ability to continue to control expenses, along with those statements detailed in Semler Scientific’s SEC filings. These forward-looking statements involve assumptions, estimates, and uncertainties that reflect current internal projections, expectations or beliefs. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. All forward-looking statements contained in this press release are qualified in their entirety by these cautionary statements and the risk factors described above. Furthermore, all such statements are made as of the date of this release and Semler Scientific assumes no obligation to update or revise these statements unless otherwise required by law.

INVESTOR CONTACT:

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SOURCE: Semler Scientific, Inc.

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Semler Scientific, Inc.
Statements of Income
(In thousands of U.S. Dollars, except for share and per share data)

	For the years ended	
	December 31,	
	2019	2018
Revenues	\$ 32,767	\$ 21,491
Operating expenses:		
Cost of revenues	3,661	2,703
Engineering and product development	2,479	2,085
Sales and marketing	8,965	7,202
General and administrative	6,954	4,159
Total operating expenses	22,059	16,149
Income from operations	10,708	5,342
Interest income (expense)	2	(59)
Interest expense -- related parties	-	(239)
Other expense	(9)	(4)
Other expense	(7)	(302)
Pre-tax net income	\$ 10,701	\$ 5,040
Income tax (benefit) expense	\$ (4,383)	\$ 26
Net income	\$ 15,084	\$ 5,014
Net income per share:		
Basic	\$ 2.34	\$ 0.82
Diluted	\$ 1.88	\$ 0.66
Weighted average number of shares used in computing income per share:		
Basic	6,440,724	6,079,326
Diluted	8,029,909	7,629,523

Semler Scientific, Inc.
Condensed Balance Sheets
(In thousands of U.S. Dollars)

	At December 31,	
	2019	2018
Cash	\$ 7,741	\$ 3,284
Other current assets	3,702	2,954
Noncurrent assets	6,844	1,481
Total assets	<u>18,287</u>	<u>7,719</u>
Current liabilities	5,207	3,512
Noncurrent liabilities	7	11
Stockholders' equity	13,073	4,196
Total liabilities and stockholders' equity	<u>\$ 18,287</u>	<u>\$ 7,719</u>
