UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 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 1-11388

VIVEVE MEDICAL, INC.
(Exact name of registrant as specified in its charter)

Delaware	**04-3153858**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

150 Commercial Street
Sunnyvale, California 94086
(Address of principal executive offices)
(Zip Code)

(408) 530-1900
(Registrant's telephone number, including area code)

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period than 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 or an emerging growth company. See definition of "accelerated filer," and "large 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 ☐ (Do not check if a smaller reporting company)	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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 10, 2017 the issuer had 19,354,586 shares of common stock, par value $0.0001 per share, outstanding.

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NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (the “Quarterly Report”) contains forward-looking statements that involve substantial risks and uncertainties. All statements contained in this Quarterly Report other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part II, Item 1A. "Risk Factors" in this Quarterly Report. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, 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 we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Quarterly Report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should read this Quarterly Report on Form 10-Q and the documents that we have filed as exhibits to this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results, performance or achievements may be materially different from what we expect. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Unless expressly indicated or the context requires otherwise, the terms "Viveve Medical," the "Company," "we," "us," and "our" in this document refer to Viveve Medical, Inc., a Delaware corporation, and, where appropriate, its wholly owned subsidiaries.

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements (unaudited)

VIVEVE MEDICAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	March 31, 2017	December 31, 2016
	(unaudited)	(1)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 31,389	$ 8,086
Accounts receivable	4,020	2,091
Inventory	2,383	2,687
Prepaid expenses and other current assets	1,240	1,066
Total current assets	39,032	13,930
Property and equipment, net	791	483
Other assets	152	136
Total assets	$ 39,975	$ 14,549
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 3,359	$ 3,086
Accrued liabilities	2,087	2,186
Note payable, current portion	2,870	1,867
Total current liabilities	8,316	7,139
Note payable, noncurrent portion	6,794	7,762
Other noncurrent liabilities	90	53
Total liabilities	15,200	14,954
Commitments and contingences (Note 7)		
Stockholders' equity (deficit):		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized as of March 31, 2017 and December 31, 2016; no shares issued	-	-
Common stock, $0.0001 par value; 75,000,000 shares authorized as of March 31, 2017 and December 31, 2016; 19,346,856 and 10,661,201 shares issued and outstanding as of March 31, 2017 and December 31, 2016, respectively	2	1
Additional paid-in capital	100,090	68,216
Accumulated deficit	(75,317)	(68,622)
Total stockholders' equity (deficit)	24,775	(405)
Total liabilities and stockholders' equity (deficit)	$ 39,975	$ 14,549

(1) The condensed consolidated balance sheet as of December 31, 2016 has been derived from the audited consolidated financial statements as of that date.

The accompanying notes are an integral part of these condensed consolidated financial statements.

VIVEVE MEDICAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended March 31,	
	2017	**2016**
Revenue	$ 3,041	$ 1,284
Cost of revenue	1,619	936
Gross profit	1,422	348
Operating expenses:		
Research and development	2,388	1,796
Selling, general and administrative	5,450	2,548
Total operating expenses	7,838	4,344
Loss from operations	(6,416)	(3,996)
Interest expense, net	(263)	(108)
Other expense, net	(16)	(2)
Comprehensive and net loss	$ (6,695)	$ (4,106)
Net loss per share:		
Basic and diluted	$ (0.57)	$ (0.55)
Weighted average shares used in computing net loss per common share:		
Basic and diluted	11,663,765	7,493,011

The accompanying notes are an integral part of these condensed consolidated financial statements.

VIVEVE MEDICAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2017	**2016**
Cash flows from operating activities:		
Net loss	$ (6,695)	$ (4,106)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	107	21
Stock-based compensation	372	188
Fair value of warrants issued	-	142
Non-cash interest expense	35	45
Changes in assets and liabilities:		
Accounts receivable	(1,929)	(198)
Inventory	40	623
Prepaid expenses and other current assets	(174)	(314)
Other noncurrent assets	(16)	(8)
Accounts payable	273	197
Accrued and other liabilities	(62)	1,361
Net cash used in operating activities	(8,049)	(2,049)
Cash flows from investing activities:		
Purchase of property and equipment	(151)	(36)
Net cash used in investing activities	(151)	(36)
Cash flows from financing activities:		
Proceeds from sale of common stock, net of issuance costs	31,503	-
Transaction costs in connection with November 2015 Offering	-	(3)
Repayments of note payable	-	(299)
Proceeds from exercise of warrant	-	27
Proceeds from exercise of stock option	-	6
Net cash provided by (used in) financing activities	31,503	(269)
Net increase (decrease) in cash and cash equivalents	23,303	(2,354)
Cash and cash equivalents - beginning of period	8,086	7,360
Cash and cash equivalents - end of period	$ 31,389	$ 5,006
Supplemental disclosure:		
Cash paid for interest	$ 194	$ 64
Cash paid for income taxes	$ -	$ -
Supplemental disclosure of cash flow information as of end of period:		
Restricted stock awards granted to employees for 2015 accrued bonuses	$ -	$ 246
Net transfer of equipment between inventory and property and equipment	$ 264	$ -

The accompanying notes are an integral part of these condensed consolidated financial statements.

VIVEVE MEDICAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. The Company and Basis of Presentation

Viveve Medical, Inc. ("Viveve Medical", the "Company", "we", "our", or "us") competes in the women's health industry in some countries by marketing Geneveve™ as a way to improve the overall sexual well-being and quality of life of women suffering from vaginal laxity.

Public Offering

On March 22, 2017, in connection with the closing of a public offering (the "March 2017 Offering"), the Company issued an aggregate of 8,625,000 shares of common stock, including the shares issued in connection with the exercise of the underwriters' overallotment option, at a public offering price of $4.00 per share for gross proceeds of approximately $34,500,000. The net proceeds to the Company, after the deduction of underwriting discounts, commissions and other offering expenses, were approximately $31,503,000. As a result of the March 2017 Offering, management believes that the substantial doubt about the Company's ability to continue as a going concern for at least 12 months from the issuance date of the condensed consolidated financial statements is no longer present.

On June 17, 2016, in connection with the closing of a public offering (the "June 2016 Offering"), the Company issued an aggregate of 3,105,000 shares of common stock, including the shares issued in connection with the exercise of the underwriters' overallotment option, at a public offering price of $5.00 per share for gross proceeds of approximately $15,525,000. The net proceeds to the Company, after the deduction of underwriting discounts, commissions and other offering expenses, were approximately $13,886,000.

Change of Corporate Domicile

On May 9, 2016, the Company filed the necessary Application for Authorization to Continue into Another Jurisdiction and Statutory Declaration with the Yukon registrar. On May 10, 2016, the Company filed a Certificate of Incorporation with the Secretary of State of the State of Delaware to move its domicile from the Yukon Territory to Delaware. In connection with the incorporation in Delaware, the Company's stock now has a par value of $0.0001 per share.

Interim Unaudited Financial Information

The accompanying unaudited condensed consolidated financial statements of Viveve Medical have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information and pursuant to the instructions to Form 10-Q and Article 8-03 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by US GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation of the condensed consolidated financial statements have been included.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2016, which was filed with the Securities and Exchange Commission on February 16, 2017. The results of operations for the three months ended March 31, 2017 are not necessarily indicative of the results for the year ending December 31, 2017 or any future interim period.

2. Summary of Significant Accounting Policies

Financial Statement Presentation

The condensed consolidated financial statements include the accounts of the Company and our wholly-owned subsidiaries, Viveve, Inc. and Viveve BV. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with US GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses and the related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In addition, any change in these estimates or their related assumptions could have an adverse effect on our operating results.

Concentration of Credit Risk and Other Risks and Uncertainties

To achieve profitable operations, the Company must successfully develop, manufacture, and market its products. There can be no assurance that any such products can be developed or manufactured at an acceptable cost and with appropriate performance characteristics, or that such products will be successfully marketed. These factors could have a material adverse effect upon the Company's financial results, financial position, and future cash flows.

The Company's products likely require clearance or approval from the U.S. Food and Drug Administration or other international regulatory agencies prior to commencing commercial sales. There can be no assurance that the Company's products will receive any of these required clearances or approvals or for the indications requested. If the Company was denied such clearances or approvals or if such clearances or approvals were delayed, it would have a material adverse effect on the Company's financial results, financial position and future cash flows.

The Company is subject to risks common to companies in the medical device industry including, but not limited to, new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations, uncertainty of market acceptance of products, product liability, and the need to obtain additional financing. The Company's ultimate success is dependent upon its ability to raise additional capital and to successfully develop and market its products.

The Company designs, develops, manufactures and markets a medical device for the non-invasive treatment of vaginal introital laxity, for improved sexual function, and for vaginal rejuvenation, depending on the relevant country-specific clearance or approval that it refers to as Geneveve™. Geneveve includes three major components: the Viveve System™ (an RF, or radio frequency, generator housed in a table-top console), a reusable handpiece, single-use treatment tips and other ancillary consumables. The Company outsources the manufacture and repair of the Viveve System to a single contract manufacturer. Also, certain other components and materials that comprise the Geneveve device are currently manufactured by a single supplier or a limited number of suppliers. A significant supply interruption or disruption in the operations of the contract manufacturer or these third-party suppliers would adversely impact the production of our products for a substantial period of time, which could have a material adverse effect on our business, financial condition, operating results and cash flows.

In the U.S., the Company sells its products primarily through a direct sales force to health care practitioners. Outside the U.S., the Company sells through an extensive network of distribution partners. During the three months ended March 31, 2017, two distributors accounted for 33% of the Company's revenue. During the three months ended March 31, 2016, three distributors accounted for 86% of the Company's revenue. There were no direct sales customers that accounted for more than 10% of the Company's revenue during the three months ended March 31, 2017 and 2016.

Revenue Recognition

The Company recognizes revenue from the sale of its products, the Viveve System, single-use treatment tips and ancillary consumables. Revenue is recognized upon shipment, provided that persuasive evidence of an arrangement exists, the price is fixed or determinable and collection of the resulting receivable is reasonably assured. Sales of our products are subject to regulatory requirements that vary from country to country. The Company has regulatory clearance, or can sell its products without a clearance, in many countries throughout the world, including countries within the following regions: North America, Latin America, Europe, the Middle East and Asia Pacific.

The Company does not provide its customers with a right of return.

Customer Advance Payments

From time to time, customers will pay for a portion of the products ordered in advance. Upon receipt of such payments, the Company records the customer advance payment as a component of accrued liabilities. The Company will remove the customer advance payment from accrued liabilities when revenue is recognized upon shipment of the products.

Product Warranty

The Company's products are generally subject to a one-year warranty, which provides for the repair, rework or replacement of products (at the Company's option) that fail to perform within stated specification. The Company has assessed the historical claims and, to date, product warranty claims have not been significant. The Company will continue to assess the need to record a warranty accrual at the time of sale going forward.

Comprehensive Loss

Comprehensive loss represents the changes in equity of an enterprise, other than those resulting from stockholder transactions. Accordingly, comprehensive loss may include certain changes in equity that are excluded from net loss. For the three months ended March 31, 2017 and 2016, the Company's comprehensive loss is the same as its net loss.

Net Loss per Share

The Company's basic net loss per share is calculated by dividing the net loss by the weighted average number of shares of common stock outstanding for the period. The diluted net loss per share is computed by giving effect to all potentially dilutive common stock equivalents outstanding during the period. For purposes of this calculation, stock options and warrants to purchase common stock and restricted common stock awards are considered common stock equivalents. For periods in which the Company has reported net losses, diluted net loss per share is the same as basic net loss per share, since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

The following securities were excluded from the calculation of net loss per share because the inclusion would be anti-dilutive.

	Three Months Ended March 31,	
	2017	**2016**
Stock options to purchase common stock	2,134,214	1,131,768
Warrants to purchase common stock	425,274	401,446
Restricted common stock awards	12,500	-

Recently Issued and Adopted Accounting Standards

In May 2014, as part of its ongoing efforts to assist in the convergence of US GAAP and International Financial Reporting Standards ("IFRS"), the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)." The new guidance sets forth a new five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in US GAAP. The underlying principle of the new standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects in exchange for the goods or services. The standard also requires more detailed disclosures and provides additional guidance for transactions that were not addressed completely in the prior accounting guidance. The ASU provides alternative methods of initial adoption and is effective for annual and interim periods beginning after December 15, 2017. The FASB has issued several updates to the standard which i) defer the original effective date from January 1, 2017 to January 1, 2018, while allowing for early adoption as of January 1, 2017 (ASU 2015-14); ii) clarify the application of the principal versus agent guidance (ASU 2016-08); iii) clarify the guidance on inconsequential and perfunctory promises and licensing (ASU 2016-10); and clarify the guidance on certain sections of the guidance providing technical corrections and improvements (ASU 2016-10). In May 2016, the FASB issued ASU 2016-12, "Revenue from Contracts with Customers (Topic 606) Narrow-Scope Improvements and Practical Expedients", to address certain narrow aspects of the guidance including collectability criterion, collection of sales taxes from customers, noncash consideration, contract modifications and completed contracts. This issuance does not change the core principle of the guidance in the initial topic issued in May 2014. We are currently evaluating the impact that this standard will have on our condensed consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11, "Simplifying the Measurement of Inventory" ("ASU 2015-11"). ASU 2015-11 requires that an entity should measure inventory within the scope of this pronouncement at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The pronouncement does not apply to inventory that is being measured using the last-in, first-out ("LIFO") method or the retail inventory method. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. ASU 2015-11 will be effective for the Company's fiscal year beginning January 1, 2017 and subsequent interim periods, with earlier adoption permitted. We adopted this standard on January 1, 2017, and the adoption did not have a significant impact on the condensed consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)". Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. This guidance offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. This guidance is effective for annual reporting periods beginning after December 15, 2018, including interim periods within the reporting period, and requires a modified retrospective adoption, with early adoption permitted. We are currently evaluating the effect of the adoption of this guidance on our condensed consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, "Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting". This guidance identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, an option to recognize gross stock compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the statement of cash flows. This guidance is effective for annual reporting periods beginning after December 15, 2016, including interim periods within the reporting period, with early adoption permitted. We adopted this standard on January 1, 2017 and have elected to continue to estimate forfeitures expected to occur to determine the amount of compensation cost to be recognized in each period. The adoption did not have a significant impact on the condensed consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows, Classification of Certain Cash Receipts and Cash Payments (Topic 230)". This guidance addresses specific cash flow issues with the objective of reducing the diversity in practice for the treatment of these issues. The areas identified include: debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies; distributions received from equity method investees; beneficial interests in securitization transactions and application of the predominance principle with respect to separately identifiable cash flows. This guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period, with early adoption permitted. We are currently evaluating the effect of the adoption of this guidance on our condensed consolidated financial statements.

We have reviewed other recent accounting pronouncements and concluded they are either not applicable to the business, or no material effect is expected on the condensed consolidated financial statements as a result of future adoption.

3. Fair Value Measurements

The Company recognizes and discloses the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). Each level of input has different levels of subjectivity and difficulty involved in determining fair value.

Level 1	Inputs used to measure fair value are unadjusted quoted prices that are available in active markets for the identical assets or liabilities as of the reporting date. Therefore, determining fair value for Level 1 investments generally does not require significant judgment, and the estimation is not difficult.
Level 2	Pricing is provided by third party sources of market information obtained through investment advisors. The Company does not adjust for or apply any additional assumptions or estimates to the pricing information received from its advisors.
Level 3	Inputs used to measure fair value are unobservable inputs that are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions. The determination of fair value for Level 3 instruments involves the most management judgment and subjectivity.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

There were no financial instruments that were measured at fair value on a recurring basis as of March 31, 2017 and December 31, 2016.

The carrying amounts of the Company's financial assets and liabilities, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses as of March 31, 2017 and December 31, 2016 approximate fair value because of the short maturity of these instruments. Based on borrowing rates currently available to the Company for loans with similar terms, the carrying value of the notes payable approximates fair value.

4. Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	March 31, 2017	December 31, 2016
Accrued professional fees	$ 1,026	$ 483
Accrued bonuses	275	1,102
Accrued payroll and other related expenses	364	389
Accrued sales and use tax	111	39
Accrued interest	67	65
Other accruals	244	108
Total accrued liabilities	$ 2,087	$ 2,186

5. Note Payable

On June 20, 2016, we entered into a Loan and Security Agreement, as amended January 13, 2017 (the "2016 Loan Agreement") with Western Alliance Bank ("WAB"), pursuant to which WAB agreed to loan us up to an aggregate of $10,000,000 payable in two tranches of $7,500,000 and $2,500,000. The funding conditions for both tranches were satisfied as of the closing date, and therefore, the aggregate principal amount of $10,000,000 was provided to us on June 20, 2016. The proceeds received were used to repay the outstanding existing indebtedness and the remaining balance was used for working capital purposes and to fund general business requirements. The borrowings are repayable in interest only payments until July 1, 2017 and then 30 monthly equal installments of principal and interest. The term loan bears interest on the outstanding obligations under the loan at a floating per annum rate equal to the greater of (i) the Index Rate (i.e., the 30 day U.S. LIBOR rate reported in the Wall Street Journal) plus 6.96%, determined as of the last day of each month, and (ii) 7.40%. The interest rate for the note payable with WAB was 7.94% as of March 31, 2017.

In connection with the 2016 Loan Agreement, we issued a 10-year warrant to the WAB to purchase a total of 100,402 shares of the Company's common stock at an exercise price of $4.98 per share (See Note 7).

The Company is also required to meet certain financial and other covenants in connection with the 2016 Loan Agreement. These covenants include actual performance to plan revenue of not less than 80% which is not required to be complied with if the Company maintains a ratio of unrestricted cash with WAB to indebtedness of at least 1.25 to 1.00. In addition, the Company must at all times maintain unrestricted cash in accounts with WAB in an amount equal to or greater than $2,000,000, which financial covenant shall no longer apply at such time that the Company achieves a ratio of minimum unrestricted cash in accounts with WAB to indebtedness of at least 1.25 to 1.00. As of March 31, 2017, the Company was in compliance with all covenants.

In addition to all outstanding principal and accrued interest on the term loan, the Company shall pay a final payment fee equal to 4.00% of the original principal amount of the term loan.

All borrowings under the 2016 Loan Agreement are collateralized by substantially all of the Company's assets, including intellectual property.

As of March 31, 2017, future minimum payments under the note payable are as follows (in thousands):

Year Ending December 31,		
2017	$	2,534
2018		4,463
2019		4,512
Total payments		11,509
Less: Amount representing interest		(1,509)
Present value of obligations		10,000
Less: Unamortized debt discount		(336)
		9,664
Less: Note payable, noncurrent portion		6,794
Note payable, current portion	$	2,870

6. Commitments and Contingencies

Operating Lease

In January 2012, the Company entered into a lease agreement for office and laboratory facilities in Sunnyvale, California. The lease agreement, as amended in September 2016, commenced in March 2012 and will terminate in March 2018. Rent expense for the three months ended March 31, 2017 and 2016 was $73,000 and $55,000, respectively.

On February 1, 2017, the Company entered into a sublease agreement (the "Sublease") for approximately 12,400 square feet of building space for the relocation of the Company's corporate headquarters to Englewood, Colorado (the "Sublease Premises"), which was effective as of January 26, 2017. Physical relocation is planned in the second quarter of 2017 pending completion of the build-out of all office and warehouse facilities.

The term of the Sublease will commence on the later of (i) 120 days after the date sublandlord delivers possession of the Sublease Premises to the Company or (iii) upon substantial completion of the tenant improvements pursuant to the Sublease (the "Commencement Date"), and will expire 36 months after the Commencement Date, or such earlier date as the master lease may be terminated pursuant to the terms thereof.

The monthly base rent under the Sublease will be equal to $20.50 per rentable square foot of the Sublease Premises during the first year. The monthly base rent will be equal to $21.12 and 21.75 per rentable square foot during the second and third years, respectively. In connection with the execution of the Sublease, the Company also agreed to pay a security deposit of approximately $22,000. The Company is entitled to an allowance of approximately $88,000 for certain tenant improvements relating to the engineering, design and construction of the Sublease Premises.

As of March 31, 2017, future minimum payments under the leases are as follows (in thousands):

Year Ending December 31,		
2017 (remaining 9 months)	$	393
2018		339
2019		265
2020		112
Total minimum lease payments	$	1,109

Indemnification Agreements

The Company enters into standard indemnification arrangements in the ordinary course of business. Pursuant to these arrangements, the Company indemnifies, holds harmless and agrees to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with performance of services within the scope of the agreement, breach of the agreement by the Company, or noncompliance of regulations or laws by the Company, in all cases provided the indemnified party has not breached the agreement and/or the loss is not attributable to the indemnified party's negligence or willful malfeasance. The term of these indemnification agreements is generally perpetual any time after the execution of the agreement. The maximum potential amount of future payments the Company could be required to make under these arrangements is not determinable. The Company has never incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the Company believes the estimated fair value of these agreements is minimal.

Loss Contingencies

The Company is or has been subject to proceedings, lawsuits and other claims arising in the ordinary course of business. The Company evaluates contingent liabilities, including threatened or pending litigation, for potential losses. If the potential loss from any claim or legal proceeding in considered probable and the amount can be estimated, the Company accrues a liability for the estimated loss. Because of uncertainties related to these matters, accruals are based upon the best information available. For potential losses for which there is a reasonable possibility (meaning the likelihood is more than remote but less than probable) that a loss exists, the Company will disclose an estimate of the potential loss or range of such potential loss or include a statement that an estimate of the potential loss cannot be made. As additional information becomes available, the Company reassesses the potential liability related to pending claims and litigation and may revise its estimates, which could materially impact its condensed consolidated financial statements. Management does not believe that the outcome of any outstanding legal matters will have a material adverse effect on the Company's consolidated financial position, results of operations and cash flows.

7. Common Stock

On March 22, 2017, in connection with the closing of the March 2017 Offering, we issued an aggregate of 8,625,000 shares of common stock, including the exercise of the underwriters' overallotment option, at a public offering price of $4.00 per share for gross proceeds of approximately $34,500,000. The net proceeds to the Company, after the deduction of underwriting discounts, commissions and other offering expenses, were approximately $31,503,000.

On June 17, 2016, in connection with the closing of the June 2016 Offering, we issued an aggregate of 3,105,000 shares of common stock, including the exercise of the underwriters' overallotment option, at a public offering price of $5.00 per share for gross proceeds of approximately $15,525,000. The net proceeds to the Company, after the deduction of underwriting discounts, commissions and other offering expenses, were approximately $13,886,000.

Warrants for Common Stock

As of March 31, 2017, outstanding warrants to purchase shares of common stock were as follows:

Issuance Date	Exercisable for	Expiration Date	Exercise Price	Number of Shares Outstanding Under Warrants
September 2014	Common Shares	September 23, 2019	$ 4.24	91,532
October 2014	Common Shares	October 13, 2019	$ 4.24	29,000
November 2014	Common Shares	November 12, 2019	$ 4.24	12,500
February 2015	Common Shares	February 17, 2025	$ 4.00	75,697
March 2015	Common Shares	March 26, 2025	$ 2.72	1,454
May 2015	Common Shares	May 12, 2025	$ 4.24	36,229
May 2015	Common Shares	May 17, 2020	$ 4.24	21,585
December 2015	Common Shares	December 16, 2025	$ 5.60	26,875
April 2016	Common Shares	April 1, 2026	$ 6.08	25,000
May 2016	Common Shares	May 11, 2021	$ 7.74	5,000
June 2016	Common Shares	June 20, 2026	$ 4.98	100,402
				425,274

In connection with the 2016 Loan Agreement, the Company issued a warrant to purchase a total of 100,402 shares of common stock at an exercise price of $4.98 per share. The Company determined the fair value of the warrant on the date of issuance to be $350,000, which along with other legal fees totaling $90,000, were recorded as debt issuance costs, presented in the condensed consolidated balance sheet as a deduction from the carrying amount of the note payable, and are being amortized to interest expense over the loan term. During the three months ended March 31, 2017 and 2016, the Company recorded $35,000 and zero respectively, of interest expense relating to the debt issuance costs. As of March 31, 2017, the unamortized debt discount was $336,000.

No warrants were exercised during the three months ended March 31, 2017. A total of 6,250 shares, issuable pursuant to warrants issued in connection with a private offering on September 30, 2014, were issued in connection with the exercise of warrants during the three months ended March 31, 2016.

No shares issuable pursuant to warrants have been cancelled in 2017. A total of 1,094 shares issuable pursuant to warrants issued to two vendors in October 2014 were cancelled in 2016 as the milestones related to these shares were not achieved.

The stock-based compensation expense related to warrants issued was zero and $142,000 for the three months ended March 31, 2017 and 2016, respectively.

8. Summary of Stock Options

Stock Option Plans

The Company has issued equity awards in the form of stock options and restricted stock awards from three employee benefit plans. The plans include the Company's 2005 Stock Incentive Plan (the "2005 Plan"), the Viveve Amended and Restated 2006 Stock Plan (the "2006 Plan") and the Company's Amended and Restated 2013 Stock Option and Incentive Plan (the "2013 Plan").

The 2005 Plan was adopted by the Company's board of directors and approved by its stockholders. As of March 31, 2017, 1,892 shares of common stock remain reserved for issuance under the 2005 Plan. The Company does not intend to grant further awards from the 2005 Plan, however, it will continue to administer the 2005 Plan until all outstanding awards are exercised, expire, terminate or are forfeited. There are currently outstanding stock option awards issued from the 2005 Plan covering a total of 1,892 shares of the Company's common stock. The weighted average exercise price of the outstanding stock options is $116.29 per share and the weighted average remaining contractual term is 0.48 years.

The 2006 Plan was adopted by the board of directors of Viveve, Inc. and was terminated in conjunction with the merger that took place on September 23, 2014 between PLC Systems Inc., Viveve, Inc. and PLC Systems Acquisition Corp. (the "Merger"). Prior to the Merger, the board of directors voted to accelerate the vesting of all unvested options that were outstanding as of the date of the Merger such that all options would be immediately vested and exercisable by the holders. In conjunction with the Merger, the Company agreed to assume and administer the 2006 Plan and all outstanding options to purchase shares of Viveve, Inc. common stock issued from the 2006 Plan were converted into options to purchase shares of the Company's common stock (rounded down to the nearest whole share). There are currently outstanding stock option awards issued from the 2006 Plan covering a total of 38,378 shares of the Company's common stock and no shares are available for future awards. The weighted average exercise price of the outstanding stock options is $10.49 per share and the weighted average remaining contractual term is 5.63 years.

The 2013 Plan was also adopted by the Company's board of directors and approved by its stockholders. The 2013 Plan is administered by the Compensation Committee of the Company's board of directors (the "Administrator"). Under the 2013 Plan, the Company may grant equity awards to eligible participants which may take the form of stock options (both incentive stock options and non-qualified stock options), stock appreciation rights, restricted, deferred or unrestricted stock awards, performance based awards or dividend equivalent rights. Awards may be granted to officers, employees, nonemployee directors (as defined in the 2013 Plan) and other key persons (including consultants and prospective employees). The term of any stock option award may not exceed 10 years and may be subject to vesting conditions, as determined by the Administrator. Options granted generally vest over four years. Incentive stock options may be granted only to employees of the Company or any subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Internal Revenue Code. The exercise price of any stock option award cannot be less than the fair market value of the Company's common stock, provided, however, that an incentive stock option granted to an employee who owns more than 10% of the Company's outstanding voting power must have an exercise price of no less than 110% of the fair market value of the Company's common stock and a term that does not exceed five years.

On August 22, 2016, the Company's stockholders approved an amendment to the 2013 Plan to add an "evergreen" provision to the 2013 Plan which will automatically increase annually, on the first day of each January, the maximum number of shares of common stock reserved and available for awards under the 2013 Plan (the "Stock Issuable") by an amount equal to the lesser of (i) the number of shares that will increase the Stock Issuable by 4% of the total number of shares of common stock outstanding (on a fully diluted basis) or (ii) an amount determined by the board of directors. On December 23, 2016, the board of directors approved the 2017 evergreen increasing the total stock reserved for issuance under the 2013 Plan by 523,209 shares from 2,000,000 shares to a total of 2,523,209 shares, which was effective January 1, 2017. As of March 31, 2017, there are outstanding stock option awards issued from the 2013 Plan covering a total of 2,093,944 shares of the Company's common stock and there remain reserved for future awards 308,995 shares of the Company's common stock. The weighted average exercise price of the outstanding stock options is $5.82 per share, and the remaining contractual term is 9.05 years.

Activity under the 2005 Plan, the 2006 Plan and the 2013 Plan is as follows:

	Three Months Ended March 31, 2017			
	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Options outstanding, beginning of period	1,909,764	$ 6.19	9.12	$ 211,396
Options granted	229,860	$ 4.46		
Options exercised	-	$ -		
Options canceled	(5,410)	$ 6.38		
Options outstanding, end of period	2,134,214	$ 6.00	8.98	$ 1,832,711
Vested and exercisable and expected to vest, end of period	1,980,152	$ 6.03	8.94	$ 1,692,844
Vested and exercisable, end of period	501,273	$ 7.06	8.05	$ 419,952

The aggregate intrinsic value reflects the difference between the exercise price of the underlying stock options and the Company's closing share price as of March 31, 2017.

The options outstanding and exercisable as of March 31, 2017 are as follows:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding as of March 31, 2017	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Number Exercisable as of March 31, 2017	Weighted Average Exercise Price
$2.64	12,500	$ 2.64	8.12	5,990	$ 2.64
$3.68 - $3.76	79,376	$ 3.75	7.86	41,343	$ 3.75
$4.46 - $4.92	427,829	$ 4.62	8.83	121,211	$ 4.80
$5.22	595,034	$ 5.22	9.74	41,748	$ 5.22
$6.00	562,074	$ 6.00	8.70	176,563	$ 6.00
$6.24 - $6.40	129,267	$ 6.35	8.91	36,034	$ 6.35
$7.00 - $7.92	282,219	$ 7.71	9.22	32,469	$ 7.72
$9.92	38,135	$ 9.92	5.65	38,135	$ 9.92
$56.00 - $296.00	7,780	$ 83.66	0.58	7,780	$ 83.66
	2,134,214	$ 6.00	8.98	501,273	$ 7.06

Restricted Stock Awards

In January 2016, the Company granted restricted stock awards ("RSAs") for 39,494 shares of common stock under the 2013 Plan to employees for 2015 accrued bonuses with a weighted average grant date fair value of $6.24 per share, based on the market price of the Company's common stock on the award date. A total of 89 shares pursuant to an RSA were cancelled in September 2016. The remaining RSAs vested on the one-year anniversary of the award date in January 2017 and 39,405 shares of common stock were issued.

In August 2016, the Company granted RSAs for 5,998 shares of common stock under the 2013 Plan to board members as director compensation with a weighted average grant date fair value of $7.89 per share, based on the market price of the Company's common stock on the award date. The RSAs were fully vested on the date of grant and 5,998 shares of common stock were issued.

In September 2016, the Company granted 25,000 shares to a consultant with a weighted average grant date fair value of $7.58 per share, based on the market price of the Company's common stock on the award date. The RSA vests over one year at a rate of 1/4 th per quarter beginning as of the award date. As of March 31, 2017, 12,500 shares were vested and common stock has been issued.

In November 2016, the Company granted RSAs for 6,544 shares of common stock under the 2013 Plan to board members as director compensation with a weighted average grant date fair value of $5.91 per share, based on the market price of the Company's common stock on the award date. The RSAs were fully vested on the date of grant and 6,544 shares of common stock were issued.

The total number of shares pursuant to outstanding RSAs as of March 31, 2017 were 12,500 shares of common stock.

Stock-Based Compensation

During the three months ended March 31, 2017 and 2016, the Company granted stock options to employees to purchase 229,860 and 129,267 shares of common stock with a weighted average grant date fair value of $1.96 and $3.56 per share, respectively. There were no stock options exercised during the three months ended March 31, 2017. A total of 1,314 shares pursuant to stock options issued to employees were exercised in the three months ended March 31, 2016. The aggregate intrinsic value of options exercised during the three months ended March 31, 2016 was $2,000.

The Company estimated the fair value of stock options using the Black-Scholes option pricing model. The fair value of employee stock options is being amortized on a straight-line basis over the requisite service period of the awards. The fair value of employee stock options granted was estimated using the following weighted average assumptions:

	Three Months Ended March 31,	
	2017	**2016**
Expected term (in years)	5	5
Average volatility	48%	66%
Risk-free interest rate	2.02%	1.55%
Dividend yield	0%	0%

During the three months ended March 31, 2017 and 2016, there were no stock options granted to nonemployees. There were no stock options exercised by nonemployees during the three months ended March 31, 2017 and 2016.

Option-pricing models require the input of various subjective assumptions, including the option's expected life and the price volatility of the underlying stock. The expected stock price volatility is based on analysis of the Company's stock price history over a period commensurate with the expected term of the options, trading volume of comparable companies' stock, look-back volatilities and Company specific events that affected volatility in a prior period. The expected term of employee stock options represents the weighted average period the stock options are expected to remain outstanding and is based on the history of exercises and cancellations on all past option grants made by the Company, the contractual term, the vesting period and the expected remaining term of the outstanding options. The risk-free interest rate is based on the U.S. Treasury interest rates whose term is consistent with the expected life of the stock options. No dividend yield is included as the Company has not issued any dividends and does not anticipate issuing any dividends in the future.

The following table shows stock-based compensation expense included in the condensed consolidated statements of operations for the three months ended March 31, 2017 and 2016 (in thousands):

	Three Months Ended March 31,	
	2017	**2016**
Cost of revenue	$ 3	$ -
Research and development	51	21
Selling, general and administrative	318	167
Total	$ 372	$ 188

As of March 31, 2017, the total unrecognized compensation cost in connection with unvested stock options was approximately $3,878,000. These costs are expected to be recognized over a period of approximately 3.14 years.

9. Income Taxes

No provision for income taxes has been recorded due to the net operating losses incurred from inception to date, for which no benefit has been recorded.

For interim periods, the Company estimates its annual effective income tax rate and applies the estimated rate to the year-to-date income or loss before income taxes. The Company also computes the tax provision or benefit related to items reported separately and recognizes the items net of their related tax effect in the interim periods in which they occur. The Company also recognizes the effect of changes in enacted tax laws or rates in the interim periods in which the changes occur.

The Company's effective tax rate is 0% for the three months ended March 31, 2017 and 2016. The Company expects that its effective tax rate for the full year 2017 will be 0%.

10. Related Party Transactions

In June 2006, the Company entered into a Development and Manufacturing Agreement (the "Agreement") with Stellartech Research Corporation ("Stellartech"). The Agreement was amended on October 4, 2007. Under the Agreement, the Company agreed to purchase 300 generators manufactured by Stellartech. As of March 31, 2017, the Company has purchased 380 units. The price per unit is variable and dependent on the volume and timing of units ordered. In conjunction with the Agreement, Stellartech purchased 37,500 shares of Viveve, Inc.'s common stock. Under the Agreement, the Company paid Stellartech $2,025,000 and $1,215,000 for goods and services during the three months ended March 31, 2017 and 2016, respectively. The amounts due to Stellartech for accounts payable at March 31, 2017 and December 31, 2016 was $665,000 and $1,297,000, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion of our financial condition and results of operations in conjunction with the condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report and with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission on February 16, 2017. In addition to historical condensed consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Quarterly Report, particularly in Part II, Item 1A. "Risk Factors."

Overview of Our Business

In the discussion below, when we use the terms "we", "us" and "our", we are referring to Viveve Medical, Inc. and our wholly-owned subsidiaries, Viveve, Inc. and Viveve BV.

We design, develop, manufacture and market a medical device for the non-invasive treatment of vaginal laxity, for improved sexual function, and for vaginal rejuvenation, depending on the relevant country-specific clearance or approval, that we refer to as Geneveve™, which includes a radio frequency (RF) generator, which we refer to as the Viveve System, single-use treatment tips and other ancillary disposables. Currently, Geneveve is cleared for marketing in 54 countries throughout the world under the following indications for use:

Indication for Use:	No. of Countries:
General Surgical procedures for coagulation and hemostasis	2 (including the U.S.)
For treatment of vaginal laxity	37
For treatment of the vaginal introitus, after vaginal childbirth, to improve sexual function	14
For vaginal rejuvenation	1

In the U.S., Geneveve is indicated for use in general surgical procedures for coagulation and hemostasis and we market and sell primarily through a direct sales force. Outside the U.S., we market and sell through distribution partners. As of March 31, 2017, we have sold 259 Viveve Systems and approximately 6,300 single-use treatment tips in countries primarily outside of the U.S.

Because the revenues we have earned to date have not been sufficient to support our operations, we have relied on sales of our securities, loans from related parties and bank term loans to fund our operations. We are currently located in Sunnyvale, California. We plan to relocate the corporate headquarters in the second quarter of 2017 as discussed below in "Recent Events."

We are subject to risks, expenses and uncertainties frequently encountered by companies in the medical device industry. These risks include, but are not limited to, intense competition, whether we can be successful in obtaining U.S. Food and Drug Administration (the "FDA") clearance or approval for the sale of our product and whether there will be a demand for the Geneveve, given that the cost of the procedure will likely not be reimbursed by the government or private health insurers. In addition, we will continue to require substantial funds to support our clinical trials and fund our efforts to expand regulatory clearance or approval for our products in locations in which we do not currently have clearance or approval to market our product, including the U.S. We cannot be certain that any additional required financing will be available when needed or on terms which are favorable to us. As noted above, our operations to date have been primarily funded through the sales of our securities, loans from related parties and bank term loans. Various factors, including our limited operating history with minimal revenues to date and our limited ability to market and sell our product have resulted in limited working capital available to fund our operations. There are no assurances that we will be successful in securing additional financing in the future to fund our operations going forward. Failure to generate sufficient cash flows from operations, raise additional capital or reduce certain discretionary spending could have a material adverse effect on our ability to achieve our intended business objectives.

Recent Events

On March 22, 2017, in connection with the closing of a public offering (the "March 2017 Offering"), the Company issued an aggregate of 8,625,000 shares of common stock, including the shares issued in connection with the exercise of the underwriters' overallotment option, at a public offering price of $4.00 per share for gross proceeds of approximately $34,500,000. The net proceeds to the Company, after the deduction of underwriting discounts, commissions and other offering expenses, were approximately $31,503,000.

On February 1, 2017, the Company entered into a sublease agreement (the "Sublease") for approximately 12,400 square feet of building space for the relocation of the Company's corporate headquarters to Englewood, Colorado (the "Sublease Premises"), which is effective as of January 26, 2017. Physical relocation is planned in the second quarter of 2017 pending completion of the build-out of all office and warehouse facilities.

The term of the Sublease will commence on the later of (i) 120 days after the date sublandlord delivers possession of the Sublease Premises to the Company or (iii) upon substantial completion of the tenant improvements pursuant to the Sublease (the "Commencement Date"), and will expire 36 months after the Commencement Date, or such earlier date as the master lease may be terminated pursuant to the terms thereof.

The monthly base rent under the Sublease will be equal to $20.50 per rentable square foot of the Sublease Premises during the first year. The monthly base rent will be equal to $21.12 and 21.75 per rentable square foot during the second and third years, respectively. In connection with the execution of the Sublease, the Company also agreed to pay a security deposit of approximately $22,000. The Company is entitled to an allowance of approximately $88,000 for certain tenant improvements relating to the engineering, design and construction of the Sublease Premises.

Plan of Operation

We intend to increase our sales both internationally and in the United States market by seeking regulatory clearances or approvals for the sale and distribution of our products, identifying and training qualified distributors and expanding the scope of physicians who offer the Geneveve to include plastic surgeons, dermatologists, general surgeons, urologists, urogynecologists and primary care physicians.

In addition, we intend to use the strategic relationships that we have developed with outside contractors and medical experts to improve our products by focusing our research and development efforts on various areas including, but not limited to:

- designing new treatment tips optimized for both ease-of-use and to reduce procedure times for patients and physicians; and
- developing new RF consoles, which may include increased security features to prevent piracy, or new cooling systems to maintain compliance with environmental regulations.

The net proceeds received from sales of our securities and the term loans have been used to support commercialization of our product in existing and new markets, for our research and development efforts and for protection of our intellectual property, as well as for working capital and other general corporate purposes. We expect that our cash will be sufficient to fund our activities for at least the next 12 months; however, we will continue to require funds to fully implement our plan of operation. Our operating costs include employee salaries and benefits, compensation paid to consultants, professional fees and expenses, costs associated with our clinical trials, capital costs for research and other equipment, costs associated with research and development activities including travel and administration, legal expenses, sales and marketing costs, general and administrative expenses, and other costs associated with an early stage public company subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We also expect to incur expenses related to obtaining regulatory clearances or approvals in the U.S. and internationally as well as legal and related expenses to protect our intellectual property. We expect capital expenditures, for the foreseeable future, to be less than $500,000 annually.

We intend to continue to meet our operating cash flow requirements through the sales of our products and by raising additional funds from the sale of equity or debt securities. If we sell our equity securities, or securities convertible into equity, to raise capital, our current stockholders will likely be substantially diluted. We may also consider the sale of certain assets, or entering into a strategic transaction, such as a merger, with a business complimentary to ours, although we do not currently have plans for any such transaction. While we have been successful in raising capital to fund our operations since inception, other than as discussed in this Quarterly Report on Form 10-Q, we do not have any committed sources of financing and there are no assurances that we will be able to secure additional funding, or if we do secure additional financing that it will be on terms that are favorable to us. If we cannot obtain financing, then we may be forced to curtail our operations or consider other strategic alternatives.

Results of Operations

Comparison of the Three Months Ended March 31 2017 and 2016

Revenue

	Three Months Ended March 31,		Change	
	2017	2016	$	%
	(in thousands, except percentages)			
Revenue	$ 3,041	$ 1,284	$ 1,757	137%

We recorded revenue of $3,041,000 for the three months ended March 31, 2017, compared to revenue of $1,284,000 for the three months ended March 31, 2016, an increase of $1,757,000 or approximately 137%. The increase in revenue was primarily due to sales of 42 Viveve Systems, disposable treatment tips and other ancillary consumables in the first quarter of 2017. Sales in the first quarter of 2017 included 29 Viveve Systems sold in the U.S. market through direct sales. Sales in the first quarter of 2016 included 33 Viveve Systems and smaller quantities of disposable treatment tips and other ancillary consumables sold entirely outside the U.S. to our distribution partners.

Gross profit

	Three Months Ended March 31,		Change	
	2017	2016	$	%
	(in thousands, except percentages)			
Gross profit	$ 1,422	$ 348	$ 1,074	309%

Gross profit was $1,422,000, or 47% of revenue, for the three months ended March 31,2017, compared to a gross profit of $348,000, or 27% of revenue, for the three months ended March 31, 2016, an increase of $1,074,000 or approximately 309%. The increase in gross profit was primarily due to sales of 42 Viveve Systems in the first quarter of 2017, which included 29 Viveve Systems sold in the U.S. market through direct sales. Sales in the first quarter of 2016 included 33 Viveve Systems and smaller quantities of disposable treatment tips and other ancillary consumables sold entirely outside the U.S. to our distribution partners.

The increase in gross margin was primarily due to an increase in revenue from direct sales with higher margin products. We expect our gross margin to fluctuate in future periods based on the mix of our product and direct sales versus distributor sales.

Research and development expenses

	Three Months Ended March 31,		Change	
	2017	2016	$	%
	(in thousands, except percentages)			
Research and development	$ 2,388	$ 1,796	$ 592	33%

Research and development expenses totaled $2,388,000 for the three months ended March 31, 2017 , compared to research and development expense of $1,796,000 for the three months ended March 31, 2016, an increase of $592,000 or approximately 33%. Spending on research and development increased in the three months ended March 31, 2017 primarily due to costs associated with increased engineering and development work with our contract manufacturer related to product improvement efforts. Research and development expense during the three months ended March 31, 2017 also included higher personnel costs for new employees and related additional stock-based compensation expense for stock options granted to new employees and additional stock options granted to existing employees for performance bonuses.

Selling, general and administrative expenses

	Three Months Ended March 31,		Change	
	2017	2016	$	%
	(in thousands, except percentages)			
Selling, general and administrative	$ 5,450	$ 2,548	$ 2,902	114%

Selling, general and administrative expenses totaled $5,450,000 for the three months ended March 31, 2017, compared to $2,548,000 for the three months ended March 31, 2016, an increase of $2,902,000 or approximately 114%. The increase in selling, general and administrative expenses was primarily attributable to increased sales and marketing efforts to build brand and market awareness, expenses associated with being a public company and financing efforts. Selling, general and administrative expenses during 2017 also included higher personnel costs for new employees (primarily in connection with our sales and marketing efforts) and related additional stock-based compensation expense for stock options granted to new employees and additional stock options granted to existing employees for performance bonuses.

Interest expense, net

	Three Months Ended March 31,		Change	
	2017	2016		%
	(in thousands, except percentages)			
Interest expense, net	$ 263	$ 108	$ 155	144%

During the three months ended March 31, 2017, we had interest expense, net of $263,000, compared to $108,000 for the three months ended March 31, 2016. The increase of $155,000, or approximately 144%, resulted primarily from the additional interest expense for the term loan under the 2016 Loan Agreement, which was computed on a higher loan balance.

Other expense, net

	Three Months Ended March 31,		Change	
	2017	2016		%
	(in thousands, except percentages)			
Other expense, net	$ 16	$ 2	$ 14	700%

During the three months ended March 31, 2017, we had other expense, net, of $16,000, compared to $2,000 for the three months ended March 31, 2016.

Liquidity and Capital Resources

Comparison of the Three Months Ended March 31, 2017 and 2016

Liquidity is our ability to generate sufficient cash flows from operating activities to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate financing or to raise capital. We have funded our operations since inception through the sale of our securities, loans from related parties and bank term loans. To date, we have not generated sufficient cash flows from operating activities to meet our obligations and commitments, and we anticipate that we will continue to incur losses for the foreseeable future. We expect that our cash will be sufficient to fund our activities for the next 18 months, however, we will continue to require funds to fully implement our plan of operation.

The following table summarizes the primary sources and uses of cash for the periods presented below (in thousands):

	Three Months Ended March 31,	
	2017	2016
Net cash used in operating activities	$ (8,049)	$ (2,049)
Net cash used in investing activities	(151)	(36)
Net cash provided by (used in) financing activities	31,503	(269)
Net increase (decrease) in cash and cash equivalents	$ 23,303	$ (2,354)

Operating Activities

We have incurred, and expect to continue to incur, significant expenses in the areas of research and development, regulatory and clinical study costs, associated with the Viveve System.

Operating activities used $8,049,000 for the three months ended March 31, 2017 compared to $2,049,000 used for the three months ended March 31, 2016. The primary use of our cash was to fund selling, general and administrative expenses and research and development expenses associated with the Viveve System. Net cash used during the three months ended March 31, 2017 consisted of a net loss of $6,695,000 adjusted for non-cash expenses including depreciation and amortization of $107,000, stock-based compensation of $372,000, non-cash interest expense of $35,000, and cash outflows from changes in operating assets and liabilities of $1,868,000. The change in operating assets and liabilities was primarily due to an increase in accounts receivable of $1,929,000, an increase in prepaid expenses and other current assets of $174,000 and a decrease in accrued liabilities of $62,000, partially offset by an increase of accounts payable of $273,000. Net cash used during the three months ended March 31, 2016 consisted of a net loss of $4,106,000 adjusted for non-cash expenses including depreciation and amortization of $21,000, stock-based compensation of $188,000, fair value of warrants issued to service providers (primarily related to nonemployee contractors) of $142,000, and non-cash interest expense of $45,000, and cash inflows from changes in operating assets and liabilities of $1,661,000.

Investing Activities

Net cash used in investing activities during the three months ended March 31, 2017 and 2016 was $151,000 and $36,000, respectively. Net cash used in investing activities during the three months ended March 31, 2017 and 2016 was used for the purchase of property and equipment. We expect to continue to purchase property and equipment in the normal course of our business. The amount and timing of these purchases and the related cash outflows in future periods is difficult to predict and is dependent on a number of factors including, but not limited to, any increase in the number of our employees and any changes to the capital equipment requirements related to our development programs and clinical trials.

Financing Activities

Net cash provided by financing activities during the three months ended March 31, 2017 was $31,503,000, which was the result of the gross proceeds of $34,500,000 from our March 2017 Offering (partially offset by transaction costs of $2,997,000). Cash used in financing activities during the three months ended March 31, 2016 was $269,000, which was primarily the result of term loan principal payments of $299,000, partially offset by proceeds from the exercise of a warrant and a stock option.

Contractual Payment Obligations

We have obligations under a non-cancelable operating lease and a bank term loan. As of March 31, 2017, our contractual obligations are as follows (in thousands):

Contractual Obligations:	Total	Less than 1 Year	1 - 3 Year	3 -5 Years	More than 5 Years
Non-cancellable operating lease obligations	$ 1,109	$ 537	$ 527	$ 45	$ -
Debt obligations (including interest)	11,509	3,676	7,833	-	-
Total	$ 12,618	$ 4,213	$ 8,360	$ 45	$ -

In January 2012, we entered into a lease agreement for office and laboratory facilities in Sunnyvale, California. The lease agreement, as amended in September 2016, commenced in March 2012 and will terminate in March 2018.

On February 1, 2017, we entered into a Sublease for approximately 12,400 square feet of building space for the relocation of the Company's corporate headquarters to Englewood, Colorado. The lease term is 36 months and the monthly base rent for the first, second and third years is $20.50, $21.12 and $21.75 per rentable square foot, respectively. In connection with the execution of the Sublease, the Company paid a security deposit of approximately $22,000. The Company is also entitled to an allowance of approximately $88,000 for certain tenant improvements relating to the engineering, design and construction of the Sublease Premises.

On June 20, 2016, we entered into the 2016 Loan Agreement, as amended January 13, 2017, with WAB pursuant to which we received a term loan in the amount of $10.0 million. The proceeds from the term loan were used to repay the existing outstanding indebtedness with another financial institution and to provide general working capital to fund our operations. As of March 31, 2017, the outstanding term loan principal balance was $10.0 million.

Critical Accounting Policies and Estimates

The discussion and analysis of financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Certain accounting policies and estimates are particularly important to the understanding of our financial position and results of operations and require the application of significant judgment by our management or can be materially affected by changes from period to period in economic factors or conditions that are outside of our control. As a result, they are subject to an inherent degree of uncertainty. In applying these policies, management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical operations, our future business plans and projected financial results, the terms of existing contracts, observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. Please see Note 2 to our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016, that was filed with the SEC on February 16, 2017, for a more complete description of our significant accounting policies. There have been no material changes to the significant accounting policies during the three months ended March 31, 2017.

Recent Accounting Pronouncements

In May 2014, as part of its ongoing efforts to assist in the convergence of US GAAP and International Financial Reporting Standards ("IFRS"), the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)." The new guidance sets forth a new five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in US GAAP. The underlying principle of the new standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects in exchange for the goods or services. The standard also requires more detailed disclosures and provides additional guidance for transactions that were not addressed completely in the prior accounting guidance. The ASU provides alternative methods of initial adoption and is effective for annual and interim periods beginning after December 15, 2017. The FASB has issued several updates to the standard which i) defer the original effective date from January 1, 2017 to January 1, 2018, while allowing for early adoption as of January 1, 2017 (ASU 2015-14); ii) clarify the application of the principal versus agent guidance (ASU 2016-08); iii) clarify the guidance on inconsequential and perfunctory promises and licensing (ASU 2016-10); and clarify the guidance on certain sections of the guidance providing technical corrections and improvements (ASU 2016-10). In May 2016, the FASB issued ASU 2016-12, 'Revenue from Contracts with Customers (Topic 606) Narrow-Scope Improvements and Practical Expedients", to address certain narrow aspects of the guidance including collectability criterion, collection of sales taxes from customers, noncash consideration, contract modifications and completed contracts. This issuance does not change the core principle of the guidance in the initial topic issued in May 2014. We are currently evaluating the impact that this standard will have on our condensed consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11, "Simplifying the Measurement of Inventory" ("ASU 2015-11"). ASU 2015-11 requires that an entity should measure inventory within the scope of this pronouncement at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The pronouncement does not apply to inventory that is being measured using the last-in, first-out ("LIFO") or the retail inventory method. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. ASU 2015-11 will be effective for the Company's fiscal year beginning January 1, 2017 and subsequent interim periods, with earlier adoption

permitted. We adopted this standard on January 1, 2017, and the adoption did not have a significant impact on the condensed consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)”. Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. This guidance offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. This guidance is effective for annual reporting period beginning after December 15, 2018, including interim periods within that reporting period, and requires a modified retrospective adoption, with early adoption permitted. We are currently evaluating the impact on its condensed consolidated financial statements upon the adoption of this guidance.

In March 2016, the FASB issued ASU 2016-09, “Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting”. This guidance identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, an option to recognize gross stock compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the statement of cash flows. This guidance is effective for annual reporting period beginning after December 15, 2016, including interim periods within that reporting period, with early adoption permitted. We adopted this standard on January 1, 2017 and have elected to continue to estimate forfeitures expected to occur to determine the amount of compensation cost to be recognized in each period. The adoption did not have a significant impact on the condensed consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, “Statement of Cash Flows, Classification of Certain Cash Receipts and Cash Payments (Topic 230)”. This guidance addresses specific cash flow issues with the objective of reducing the diversity in practice for the treatment of these issues. The areas identified include: debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies; distributions received from equity method investees; beneficial interests in securitization transactions and application of the predominance principle with respect to separately identifiable cash flows. This guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period, with early adoption permitted. We are currently evaluating the effect of the adoption of this guidance on our condensed consolidated financial statements.

We have reviewed other recent accounting pronouncements and concluded they are either not applicable to the business, or no material effect is expected on the condensed consolidated financial statements as a result of future adoption.

Off-Balance Sheet Transactions

We do not have any off-balance sheet transactions.

Trends, Events and Uncertainties

Research, development and commercialization of new technologies and products is, by its nature, unpredictable. Although we will undertake development efforts, including efforts with commercially reasonable diligence, there can be no assurance that we will have adequate capital to develop or commercialize our technology to the extent needed to create future sales to sustain our operations.

We cannot assure you that our technology will be adopted, that we will ever earn revenues sufficient to support our operations, or that we will ever be profitable. Furthermore, since we have no committed source of financing, we cannot assure you that we will be able to raise money as and when we need it to continue our operations. If we cannot raise funds as and when we need them, we may be required to severely curtail, or even to cease, our operations.

Other than as discussed above and elsewhere in this Quarterly Report on Form 10-Q, we are not aware of any trends, events or uncertainties that are likely to have a material effect on our financial condition.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this Item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial and accounting officer, as appropriate, to allow timely decisions regarding required disclosure.

We carried out an evaluation under the supervision and with the participation of management, including our principal executive officer and principal financial and accounting officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2017, the end of the period covered by this Quarterly Report. Based upon the evaluation of our disclosure controls and procedures as of March 31, 2017, our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial and accounting officer) concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

No changes in the Company's internal control over financial reporting have come to management's attention during the Company's last fiscal quarter that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

PART II-OTHER INFORMATION

Item 1. Legal Proceedings.

Except as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016, we are not subject to any material pending legal proceedings. From time to time, we may be involved in routine legal proceedings, as well as demands, claims and threatened litigation, which arise in the normal course of our business.

Item 1A. Risk Factors.

We incorporate herein by reference the risk factors included in the Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 16, 2017.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Unregistered Sales of Securities

None.

Use of Proceeds

Not applicable.

Issuer Repurchases of Company Equity Securities.

None.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

Exhibit Number	Document
3.1(1)	Certificate of Conversion for Delaware
3.1.1(1)	Certificate of Incorporation
3.1.2(2)	Articles of Amendment to the Articles of Continuance of Viveve Medical, Inc.
3.2(1)	Bylaws
10.1(3)	Waiver and First Amendment to Loan and Security Agreement, dated January 13, 2017, between Viveve Medical, Inc., Viveve, Inc. and Western Alliance Bank
10.2(4)	Sublease Agreement, entered into on February 1, 2017 and effective as of January 26, 2017, between Viveve Medical, Inc. and Ingredion Incorporated.
31.1*	Certification of the Company's Principal Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Company's Principal Financial and Accounting Officer pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1+	Certification of the Company's Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2+	Certification of the Company's Principal Financial and Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.
+ This document is deemed not filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

(1) Incorporated by reference from the Form 10-Q filed with the Securities and Exchange Commission on May 13, 2016.

(2) Incorporated by reference from the Form 8-K filed with the Securities and Exchange Commission on April 14, 2016.

(3) Incorporated by reference from the Form 8-K filed with the Securities and Exchange Commission on January 13, 2017.

(4) Incorporated by reference from the Form 8-K filed with the Securities and Exchange Commission on February 3, 2017.

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 thereunto duly authorized.

Dated: May 11, 2017

VIVEVE MEDICAL, INC.
(Registrant)

By: /s/ Patricia Scheller
Patricia Scheller
Chief Executive Officer
Principal Executive Officer

By: /s/ Scott Durbin
Scott Durbin
Chief Financial Officer
Principal Financial and Accounting Officer

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

I, Patricia Scheller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for Viveve Medical, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2017

/s/ Patricia Scheller
Patricia Scheller
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

I, Scott Durbin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for Viveve Medical, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2017

/s/ Scott Durbin
Scott Durbin
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (A) and (B) of Section 1350, Chapter 63 of Title 18,
United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of Title 18, United States Code), the undersigned officer of Viveve Medical, Inc. (the "Company"), does hereby certify with respect to the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), that, to the best of their knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2017

/s/ Patricia Scheller
Patricia Scheller
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (A) and (B) of Section 1350, Chapter 63 of Title 18,
United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of Title 18, United States Code), the undersigned officer of Viveve Medical, Inc. (the "Company"), does hereby certify with respect to the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), that, to the best of their knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2017

/s/ Scott Durbin
Scott Durbin
Chief Financial Officer
(Principal Financial and Accounting Officer)