

Vocera Communications, Inc.
Condensed consolidated statements of operations
(In thousand, except per share amounts)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenue				
Product	\$ 13,320	\$ 11,850	\$ 25,782	\$ 26,039
Service	12,129	11,169	23,485	21,656
Total revenue	<u>25,449</u>	<u>23,019</u>	<u>49,267</u>	<u>47,695</u>
Cost of revenue				
Product	4,723	4,421	9,155	9,411
Service	4,914	4,528	9,765	9,342
Total cost of revenue	<u>9,637</u>	<u>8,949</u>	<u>18,920</u>	<u>18,753</u>
Gross profit	<u>15,812</u>	<u>14,070</u>	<u>30,347</u>	<u>28,942</u>
Operating expenses				
Research and development	4,242	4,362	8,725	8,428
Sales and marketing	12,102	12,614	22,516	25,357
General and administrative	4,568	4,156	8,568	8,553
Total operating expenses	<u>20,912</u>	<u>21,132</u>	<u>39,809</u>	<u>42,338</u>
Loss from operations	<u>(5,100)</u>	<u>(7,062)</u>	<u>(9,462)</u>	<u>(13,396)</u>
Interest income	117	98	227	185
Other expense, net	(33)	19	(165)	(46)
Loss before income taxes	<u>(5,016)</u>	<u>(6,945)</u>	<u>(9,400)</u>	<u>(13,257)</u>
Provision for income taxes	(155)	(63)	(258)	(140)
Net loss	<u>\$ (5,171)</u>	<u>\$ (7,008)</u>	<u>\$ (9,658)</u>	<u>\$ (13,397)</u>
Net loss per share:				
Basic and diluted	<u>\$ (0.20)</u>	<u>\$ (0.28)</u>	<u>\$ (0.38)</u>	<u>\$ (0.53)</u>
Weighted average shares used to compute net loss per share:				
Basic and diluted	<u>25,832</u>	<u>25,246</u>	<u>25,749</u>	<u>25,147</u>

Vocera Communications, Inc.
Condensed consolidated balance sheets
(In thousand)
(Unaudited)

	As of	
	June 30, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 10,002	\$ 22,615
Short-term investments	106,735	93,646
Accounts receivable, net	14,519	18,008
Other receivables	1,151	694
Inventories	1,747	3,462
Prepaid expenses and other current assets	2,114	2,017
Total current assets	<u>136,268</u>	<u>140,442</u>
Property and equipment, net	4,455	5,122
Intangible assets, net	2,811	3,171
Goodwill	9,988	9,988
Other long-term assets	1,077	905
Total assets	<u>\$ 154,599</u>	<u>\$ 159,628</u>
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 2,743	\$ 1,913
Accrued payroll and other current liabilities	10,046	10,863
Deferred revenue, current	27,398	28,474
Total current liabilities	<u>40,187</u>	<u>41,250</u>
Deferred revenue, long-term	6,501	6,974
Other long-term liabilities	1,946	1,692
Total liabilities	<u>48,634</u>	<u>49,916</u>
Stockholders' equity	105,965	109,712
Total liabilities and stockholders' equity	<u>\$ 154,599</u>	<u>\$ 159,628</u>

Vocera Communications, Inc.
Reconciliation of GAAP to Non-GAAP
(In thousand, except per share amounts)
(Unaudited)

	Three months ended June 30,					
	2015			2014		
	Net loss	Diluted shares	Loss per share - diluted	Net loss	Diluted shares	Loss per share - diluted
GAAP	\$ (5,171)	25,832	\$ (0.20)	\$ (7,008)	25,246	\$ (0.28)
Non-GAAP adjustments:						
Stock compensation (a)						
Gross margin	341			252		
Operating expenses	2,403			2,526		
Intangible amortization (b)						
Gross margin	81			110		
Operating expenses	99			90		
Litigation expense (c)						
Gross margin	-			-		
Operating expenses	5			-		
Total adjustments	2,929	-	0.11	2,978	-	0.12
Non-GAAP	\$ (2,242)	25,832	\$ (0.09)	\$ (4,030)	25,246	\$ (0.16)

- (a) This adjustment reflects the accounting impact of non-cash stock-based compensation expense.
(b) This adjustment reflects the accounting impact of acquisitions in 2010 and 2014 in non-cash expense.
(c) This operating expense adjustment reflects class action litigation expenses from the August 2013 lawsuit.

	Six months ended June 30,					
	2015			2014		
	Net loss	Diluted shares	Loss per share - diluted	Net loss	Diluted shares	Loss per share - diluted
GAAP	\$ (9,658)	25,749	\$ (0.38)	\$ (13,397)	25,147	\$ (0.53)
Non-GAAP adjustments:						
Stock compensation (a)						
Gross margin	650			538		
Operating expenses	4,688			4,838		
Intangible amortization (b)						
Gross margin	162			209		
Operating expenses	198			171		
Litigation expense (c)						
Gross margin	-			-		
Operating expenses	9			-		
Total adjustments	5,707	-	0.23	5,756	-	0.23
Non-GAAP	\$ (3,951)	25,749	\$ (0.15)	\$ (7,641)	25,147	\$ (0.30)

- (a) This adjustment reflects the accounting impact of non-cash stock-based compensation expense.
(b) This adjustment reflects the accounting impact of acquisitions in 2010 and 2014 in non-cash expense.
(c) This operating expense adjustment reflects class action litigation expenses from the August 2013 lawsuit.

Vocera Communications, Inc.
Non-GAAP income adjustments
(In thousands)
(Unaudited)

	Three months ended June 30,				2014			
	2015				2014			
	Stock compensation expense	Intangible amortization	Litigation expense	Total adjustments	Stock compensation expense	Intangible amortization	Litigation expense	Total adjustments
Gross margin:								
Product	\$ 70	\$ 81	\$ -	\$ 151	\$ 61	\$ 110	\$ -	\$ 171
Service	271	-	-	271	191	-	-	191
Operating expenses:								
Research and development	283	-	-	283	239	-	-	239
Sales and marketing	1,061	58	-	1,119	1,068	74	-	1,142
General and administrative	1,059	41	5	1,105	1,219	16	-	1,235
Other expense, net	-	-	-	-	-	-	-	-
Non-GAAP income adjustments	<u>\$ 2,744</u>	<u>\$ 180</u>	<u>\$ 5</u>	<u>\$ 2,929</u>	<u>\$ 2,778</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 2,978</u>

	Six months ended June 30,				2014			
	2015				2014			
	Stock compensation expense	Intangible amortization	Litigation expense	Total adjustments	Stock compensation expense	Intangible amortization	Litigation expense	Total adjustments
Gross margin:								
Product	\$ 134	\$ 162	\$ -	\$ 296	\$ 124	\$ 209	\$ -	\$ 333
Service	516	-	-	516	414	-	-	414
Operating expenses:								
Research and development	543	-	-	543	459	-	-	459
Sales and marketing	2,095	116	-	2,211	2,035	144	-	2,179
General and administrative	2,050	82	9	2,141	2,344	27	-	2,371
Other expense, net	-	-	-	-	-	-	-	-
Non-GAAP income adjustments	<u>\$ 5,338</u>	<u>\$ 360</u>	<u>\$ 9</u>	<u>\$ 5,707</u>	<u>\$ 5,376</u>	<u>\$ 380</u>	<u>\$ -</u>	<u>\$ 5,756</u>

Vocera Communications, Inc.
Non-GAAP Adjusted EBITDA
(In thousands)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
GAAP net loss	\$ (5,171)	\$ (7,008)	\$ (9,658)	\$ (13,397)
Add back:				
Stock compensation expense	2,744	2,778	5,338	5,376
Litigation expense	5	-	9	-
Interest income	(101)	(75)	(193)	(138)
Depreciation and amortization expense	809	760	1,654	1,496
Provision for income taxes	155	63	258	140
Non-GAAP adjusted EBITDA	<u>\$ (1,559)</u>	<u>\$ (3,482)</u>	<u>\$ (2,592)</u>	<u>\$ (6,523)</u>

Vocera Communications, Inc.
Reconciliation of GAAP to Non-GAAP operating expenses
(In thousands)
(Unaudited)

	Three months ended		
	June 30, 2015	March 31, 2015	June 30, 2014
GAAP operating expenses	\$ 20,912	\$ 18,897	\$ 21,132
Stock compensation expense	2,403	2,285	2,526
Intangible amortization expense	99	99	90
Litigation expense	5	4	-
Non-GAAP operating expenses	<u>\$ 18,405</u>	<u>\$ 16,509</u>	<u>\$ 18,516</u>

Vocera Communications, Inc.
Future guidance for operating results
(In millions, except per share amounts)

Reconciliation for GAAP to Non-GAAP for net loss and net loss per share

	Q3-15		FY-15	
	Low	High	Low	High
Revenue	\$ 23.5	\$ 25.5	\$ 97.0	\$ 101.0
GAAP net loss	(6.8)	(5.1)	(21.7)	(18.4)
Stock compensation expense	3.0	3.0	11.3	11.3
Intangible amortization expense	0.2	0.2	0.8	0.8
Litigation expense	0.1	0.1	0.2	0.2
Total adjustments	3.3	3.3	12.3	12.3
Non-GAAP net loss	<u>\$ (3.5)</u>	<u>\$ (1.8)</u>	<u>\$ (9.4)</u>	<u>\$ (6.1)</u>
Weighted average shares, basic and diluted (in thousands)	26,232	26,232	26,000	26,000
GAAP net loss per share	\$ (0.26)	\$ (0.20)	\$ (0.84)	\$ (0.71)
Non-GAAP net loss per share	\$ (0.13)	\$ (0.07)	\$ (0.36)	\$ (0.23)

Reconciliation of Non-GAAP net loss to adjusted EBITDA

	Q3-15		FY-15	
	Low	High	Low	High
Non-GAAP net loss	\$ (3.5)	\$ (1.8)	\$ (9.4)	\$ (6.1)
Interest expense, net	(0.1)	(0.1)	(0.3)	(0.3)
Depreciation expense	0.7	0.7	2.7	2.7
Provision for income taxes	0.1	0.1	0.5	0.5
Total adjustments	0.8	0.8	2.8	2.8
Adjusted EBITDA	<u>\$ (2.8)</u>	<u>\$ (1.1)</u>	<u>\$ (6.6)</u>	<u>\$ (3.2)</u>

Amounts may not recompute due to rounding.