

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

	Three months ended March 31,	
	2015	2014
Revenue		
Product	\$ 12,462	\$ 14,189
Service	11,356	10,487
Total revenue	<u>23,818</u>	<u>24,676</u>
Cost of revenue		
Product	4,432	4,990
Service	4,851	4,814
Total cost of revenue	<u>9,283</u>	<u>9,804</u>
Gross profit	<u>14,535</u>	<u>14,872</u>
Operating expenses		
Research and development	4,483	4,066
Sales and marketing	10,414	12,743
General and administrative	4,000	4,397
Total operating expenses	<u>18,897</u>	<u>21,206</u>
Loss from operations	<u>(4,362)</u>	<u>(6,334)</u>
Interest income	110	87
Other expense, net	(132)	(65)
Loss before income taxes	(4,384)	(6,312)
Provision for income taxes	(103)	(77)
Net loss	<u>\$ (4,487)</u>	<u>\$ (6,389)</u>
Net loss per share:		
Basic and diluted	<u>\$ (0.17)</u>	<u>\$ (0.26)</u>
Weighted average shares used to compute net loss per share:		
Basic and diluted	<u>25,667</u>	<u>25,047</u>

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

	As of	
	March 31, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 24,257	\$ 22,615
Short-term investments	91,217	93,646
Accounts receivable, net	14,103	18,008
Other receivables	1,342	694
Inventories	2,696	3,462
Prepaid expenses and other current assets	2,711	2,017
Total current assets	<u>136,326</u>	<u>140,442</u>
Property and equipment, net	4,723	5,122
Intangible assets, net	2,991	3,171
Goodwill	9,988	9,988
Other long-term assets	787	905
Total assets	<u>\$ 154,815</u>	<u>\$ 159,628</u>
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 3,408	\$ 1,913
Accrued payroll and other current liabilities	8,006	10,863
Deferred revenue, current	27,205	28,474
Total current liabilities	<u>38,619</u>	<u>41,250</u>
Deferred revenue, long-term	6,767	6,974
Other long-term liabilities	1,600	1,692
Total liabilities	<u>46,986</u>	<u>49,916</u>
Stockholders' equity	107,829	109,712
Total liabilities and stockholders' equity	<u>\$ 154,815</u>	<u>\$ 159,628</u>

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

	Three months ended March 31,					
	2015			2014		
	Net loss	Diluted shares	Loss per share - diluted	Net loss	Diluted shares	Loss per share - diluted
GAAP	\$ (4,487)	25,667	\$ (0.17)	\$ (6,389)	25,047	\$ (0.26)
Non-GAAP adjustments:						
Stock compensation (a)						
Gross margin	309			286		
Operating expenses	2,285			2,312		
Intangible amortization (b)						
Gross margin	81			98		
Operating expenses	99			82		
Litigation expense (c)						
Gross margin	-			-		
Operating expenses	4			-		
Total adjustments	2,778	-	0.10	2,778	-	0.12
Non-GAAP	\$ (1,709)	25,667	\$ (0.07)	\$ (3,611)	25,047	\$ (0.14)

- (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)

	2015				2014			
	Stock compensation expense	Intangible amortization	Litigation expense	Total adjustments	Stock compensation expense	Intangible amortization	Litigation expense	Total adjustments
Gross margin:								
Product	\$ 64	\$ 81	\$ -	\$ 145	\$ 63	\$ 98	\$ -	\$ 161
Service	245	-	-	245	223	-	-	223
Operating expenses:								
Research and development	260	-	-	260	220	-	-	220
Sales and marketing	1,034	58	-	1,092	967	71	-	1,038
General and administrative	991	41	4	1,036	1,125	11	-	1,136
Other expense, net	-	-	-	-	-	-	-	-
Non-GAAP income adjustments	<u>\$ 2,594</u>	<u>\$ 180</u>	<u>\$ 4</u>	<u>\$ 2,778</u>	<u>\$ 2,598</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 2,778</u>

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

	Three months ended March 31,	
	2015	2014
GAAP net loss	\$ (4,487)	\$ (6,389)
Add back:		
Stock compensation expense	2,594	2,598
Litigation expense	4	-
Interest income	(92)	(63)
Depreciation and amortization expense	845	736
Provision for income taxes	103	77
Non-GAAP adjusted EBITDA	<u>\$ (1,033)</u>	<u>\$ (3,041)</u>

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

	Three months ended		
	March 31, 2015	December 31, 2014	March 31, 2014
GAAP operating expenses	\$ 18,897	\$ 22,634	\$ 21,206
Stock compensation expense	2,285	2,603	2,312
Intangible amortization expense	99	114	82
Acquisition expense	-	267	-
Litigation expense	4	426	-
Restructuring expense	-	556	-
Non-GAAP operating expenses	<u>\$ 16,509</u>	<u>\$ 18,668</u>	<u>\$ 18,812</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

	Q2-15		FY-15	
	Low	High	Low	High
Revenue	\$ 22.0	\$ 24.0	\$ 95.0	\$ 100.0
GAAP net loss	(7.4)	(5.9)	(25.1)	(21.0)
Stock compensation expense	3.2	3.2	13.7	13.7
Intangible amortization expense	0.2	0.2	0.9	0.9
Acquisition expense	0.1	0.1	0.2	0.2
Litigation expense	-	-	0.2	0.2
Total adjustments	3.5	3.5	14.9	14.9
Non-GAAP net loss	\$ (3.9)	\$ (2.5)	\$ (10.2)	\$ (6.1)
Weighted average shares, basic and diluted (in thousands)	26,084	26,084	26,220	26,220
GAAP net loss per share	\$ (0.28)	\$ (0.23)	\$ (0.96)	\$ (0.80)
Non-GAAP net loss per share	\$ (0.15)	\$ (0.09)	\$ (0.39)	\$ (0.23)

Reconciliation of Non-GAAP net loss to adjusted EBITDA

	Q2-15		FY-15	
	Low	High	Low	High
Non-GAAP net loss	\$ (3.9)	\$ (2.5)	\$ (10.2)	\$ (6.1)
Interest expense, net	(0.1)	(0.1)	(0.3)	(0.3)
Depreciation expense	0.6	0.6	2.5	2.5
Provision for income taxes	0.1	0.1	0.3	0.3
Total adjustments	0.6	0.6	2.6	2.6
Adjusted EBITDA	\$ (3.3)	\$ (1.8)	\$ (7.7)	\$ (3.5)

Amounts may not recompute due to rounding.