#### SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

#### FORM 8-K

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

Date of Report (Date of earliest event reported): July 28, 2015

### ATRICURE, INC.

(Exact name of registrant as specified in charter)

Delaware (State or other jurisdiction of incorporation) 000-51470 (Commission File Number) 34-1940305 (IRS Employer Identification No.)

6217 Centre Park Drive
West Chester, OH
(Address of principal executive offices)

45069 (Zip Code)

Registrant's telephone number, including area code: (513) 755-4100

Not Applicable (Former name or former address, if changed since last report)

ck the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following isions (see General Instruction A.2. below):
Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

#### Item 2.02. Results of Operations and Financial Condition.

On July 28, 2015, AtriCure, Inc. (AtriCure or the Company) issued a press release regarding its financial results for the second quarter ended June 30, 2015. The Company will hold a conference call on July 28, 2015 at 4:30 p.m. Eastern Time to discuss the financial results. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

The information in this Item 2.02 to Form 8-K and in the press release attached as Exhibit 99.1 is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise subject to the liabilities of that Section. The information in Item 2.02 of this Form 8-K and Exhibit 99.1 shall not be incorporated by reference in any filing or other document under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in any such filing or document.

#### Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

No. Description

99.1 Press Release dated July 28, 2015

#### **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 hereunto duly authorized.

ATRICURE, INC.

Dated: July 28, 2015 By: /s/ M. Andrew Wade

M. Andrew Wade

Senior Vice President and Chief Financial Officer



Contact:

#### AtriCure, Inc.

Andy Wade Senior Vice President and Chief Financial Officer (513) 755-4564 awade@atricure.com

#### **Investor Relations Contact**

Lynn Pieper Westwicke Partners (415) 202-5678 lynn.pieper@westwicke.com

#### AtriCure Reports Second Quarter 2015 Financial Results and Updates 2015 Outlook

- Revenue of \$32.6 million up 22.9% as reported, 26.5% constant currency
- U.S. sales of \$25.7 million up 29.3%
- International sales of \$6.8 million up 3.5% as reported, 17.9% constant currency

WEST CHESTER, Ohio – July 28, 2015 – AtriCure, Inc. (Nasdaq: ATRC), a leading innovator in technologies for the surgical treatment of atrial fibrillation and left atrial appendage management, today announced second quarter 2015 financial results.

"We are pleased by our results this quarter which reflect continued stability in our business and the solid foundation AtriCure is building for future growth," said Mike Carrel, President and Chief Executive Officer of AtriCure. "With our long term investments in clinical trials, innovation, and physician training and education, we look forward to continuing to advance the treatment of atrial fibrillation."

#### **Second Quarter 2015 Financial Results**

Revenue for the second quarter of 2015 was \$32.6 million, an increase of \$6.1 million or 22.9% (26.5% on a constant currency basis), compared to second quarter 2014 revenue. Domestic revenue increased 29.3% to \$25.7 million, driven by strong sales of ablation-related open-heart products, ablation-related minimally invasive products, and AtriClip products. International revenue was \$6.8 million, an increase of \$0.2 million or 3.5% (17.9% on a constant currency basis) compared to \$6.6 million for the second quarter of 2014. International revenue growth was driven primarily by increases in product sales in Asia, the United Kingdom, Germany and France which offset the decline in the Euro-Dollar exchange rate between quarters.

Gross profit for the second quarter of 2015 was \$23.1 million compared to \$18.8 million for the second quarter of 2014. Gross margin for the second quarter of 2015 and 2014 was 70.9% and 70.8%, respectively.

Operating expenses for the second quarter of 2015 increased 29.1%, or \$6.3 million, compared to the second quarter of 2014. The increase in operating expenses was driven primarily by an increase in selling, clinical, marketing, and training expenses and the favorable impact of the fair value adjustment of Estech contingent consideration recorded during the three months ended June 30, 2014, partially offset by transaction, transition and severance expense related to the acquisition of Estech recorded during the three months ended June 30, 2014.

Loss from operations for the second quarter of 2015 was \$4.8 million, compared to \$2.9 million for the second quarter of 2014. Adjusted EBITDA, a non-GAAP measure, was a loss of \$1.0 million for the second quarter of 2015, compared to a \$2.5 million loss for the second quarter of 2014. Net loss per share was \$0.18 for the second quarter of 2015 and \$0.10 for the second quarter of 2014.

#### 2015 Guidance

Management projects that 2015 revenue will be in the range of \$127 million to \$129 million, which represents an increase of 18% to 20% over 2014 (21% to 23% on a constant currency basis). This compares to previous expectations of 2015 revenue in the range of \$123.5 million to \$125.5 million.

Management projects adjusted EBITDA, a non-GAAP measure, to be a loss in the range of \$7 million to \$8 million for 2015 in order to continue making strategic investments to drive the long-term growth plan.

#### **Conference Call**

AtriCure will host a conference call at 4:30 p.m. Eastern Time on Tuesday, July 28, 2015 to discuss its second quarter 2015 financial results. A live webcast of the conference call will be available online on the Investor page of AtriCure's corporate website at <a href="https://www.atricure.com">www.atricure.com</a>. You may also access this call through an operator by calling (855) 307-9214 for domestic callers and (330) 863-3275 for international callers using participant passcode 80628026.

The webcast will be available on AtriCure's website and a telephonic replay of the call will be available through August 4, 2015. The replay dial-in numbers are (855) 859-2056 for domestic callers and (404) 537-3406 for international callers. The participant passcode is 80628026.

#### About AtriCure, Inc.

AtriCure, Inc. is a medical device company providing innovative atrial fibrillation (Afib) solutions designed to produce superior outcomes that reduce the economic and social burden of atrial fibrillation. AtriCure's Synergy™ Ablation System is the first and only surgical device approved for the treatment of persistent and longstanding persistent forms of Afib in patients undergoing certain open concomitant procedures. AtriCure's AtriClip left atrial appendage management (LAAM) exclusion device is the most widely sold device worldwide that's indicated for the occlusion of the left atrial appendage. The company believes cardiothoracic surgeons are adopting its ablation and LAAM devices for the treatment of Afib and reduction of Afib related complications such as stroke. Afib affects more than 33 million people worldwide.

#### **Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements that address activities, events or developments that AtriCure expects, believes or anticipates will or may occur in the future, such as earnings estimates (including projections and guidance), other predictions of financial performance, launches by AtriCure of new products and market acceptance of AtriCure's products. Forward-looking

statements are based on AtriCure's experience and perception of current conditions, trends, expected future developments and other factors it believes are appropriate under the circumstances and are subject to numerous risks and uncertainties, many of which are beyond AtriCure's control. These risks and uncertainties include the rate and degree of market acceptance of AtriCure's products, AtriCure's ability to develop and market new and enhanced products, AtriCure's ability to retain and attract key employees, the timing of and ability to obtain and maintain regulatory clearances and approvals for its products, the timing of and ability to obtain reimbursement of procedures utilizing AtriCure's products, AtriCure's ability to continue to be in compliance with applicable U.S. federal and state and foreign government laws and regulations, AtriCure's ability to consummate acquisitions or, if consummated, to successfully integrate acquired businesses into AtriCure's operations, AtriCure's ability to recognize the benefits of acquisitions, including potential synergies and cost savings, failure of an acquisition or acquired company to achieve its plans and objectives generally, risk that proposed or consummated acquisitions may disrupt operations or pose difficulties in employee retention or otherwise affect financial or operating results, competition from existing and new products and procedures, including the development of drug or catheter-based technologies, or AtriCure's ability to effectively react to other risks and uncertainties described from time to time in AtriCure's SEC filings, such as fluctuation of quarterly financial results, fluctuations in exchange rates for future sales denominated in foreign currency, which represent a majority of AtriCure's sales outside of the United States, reliance on third party manufacturers and suppliers, litigation or other proceedings, government regulation and stock price volatility. AtriCure does not guarantee any forward-looking statement, and actual results may differ materially from those projected. AtriCure undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. A further list and description of risks, uncertainties and other matters can be found in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

#### **Use of Non-GAAP Financial Measures**

To supplement AtriCure's condensed consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, AtriCure uses certain non-GAAP financial measures in this release as supplemental financial metrics. Non-GAAP financial measures provide an indication of performance excluding certain items. Our management believes that in order to properly understand short-term and long-term financial trends, investors may wish to consider the impact of these excluded items in addition to GAAP measures. The excluded items vary in frequency and/or impact on our continuing operations and our management believes that the excluded items are typically not reflective of our ongoing core business operations. Further, management uses results of operations before these excluded items as a basis for its strategic planning. The non-GAAP financial measures used by AtriCure may not be the same or calculated the same as those used by other companies. Reconciliations of the non-GAAP financial measures used in this release to the most comparable GAAP measures for the respective periods can be found in tables later in this release. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for AtriCure's financial results prepared and reported in accordance with GAAP.

## ATRICURE, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (In Thousands, Except Per Share Amounts) (Unaudited)

Domestic Revenue:         13,648         \$ 10,686         \$ 26,002         \$ 21,323           Minimally invasive ablation         5,057         4,303         9,404         7,841           AtriClip         6,266         3,951         11,769         37,571           Total ablation and AtriClip         24,991         19,000         47,195         36,645           Valve tools         25,744         19,000         48,667         38,046           Total domesic         5,744         19,000         48,667         38,046           International Revenue:         25,744         19,000         48,667         38,046           Open-heart ablation         4,088         4,054         8,304         8,025           Minimally invasive ablation         1,838         1,966         3,826         3,950           AirClip         6,739         4,044         1,460         847           Total ablation and AtriClip         6,735         6,42         13,50         12,84           Yalve tools         104         187         212         474           Total ablation and AtriClip         6,733         17,617         14,92           Total conserver         1,000         7,731         17,617         14,92<		Three Months 2015	Ended June 30, 2014	Six Months Ended June 30,           2015         2014		
Minimally invasive ablation         5,057         4,393         9,404         7,811           Articlip         2,991         1,920         4,7195         36,65           Valve tools         753         703         1,472         1,401           Total domestic         25,744         19,903         48,67         38,045           International Revenue:         8         4,054         8,304         8,025           Minimally invasive ablation         1,858         1,966         3,26         3,969           Articlip         7,89         4,04         4,08         3,06         3,969           Minimally invasive ablation         1,858         1,966         3,26         3,969           Articlip         7,89         4,04         1,369         1,24           Total ablation and Articlip         6,735         6,42         13,59         12,84           Yalve tools         104         187         121         474           Total ablation and Articlip         6,839         6,611         13,00         13,15           Total ablation and Articlip         8,635         6,612         13,00         13,15           Total ablation and Articlip         8,635         6,611         13,00	Domestic Revenue:					
AtriClip         6,266         3,951         11,789         7,517           Total ablation and AtriClip         24,991         19,200         47,195         36,645           Alve tools         75,3         703         1,422         1,401           Total domestic         25,74         19,903         48,667         38,046           International Revenue:           Open-heart ablation         4,088         4,054         8,304         8,025           Minimally invasive ablation         1,888         1,966         3,269         3,606           AtriClip         789         404         1,400         847           Total ablation and AtriClip         6,735         6,24         13,590         12,841           Valve tools         104         187         212         47           Total international         6,839         6,611         13,002         13,315           Total crevenue         32,533         26,514         62,69         13,415           Coss for frevenue         32,007         18,781         43,52         36,362           Coss profit         23,17         18,781         43,52         36,382           Seling speneral and and administrative expenes <td>Open-heart ablation</td> <td>\$ 13,648</td> <td>\$ 10,856</td> <td>\$ 26,002</td> <td>\$ 21,233</td>	Open-heart ablation	\$ 13,648	\$ 10,856	\$ 26,002	\$ 21,233	
Total ablation and AtriClip         24,91         19,200         47,195         36,645           Valve tools         753         703         1,472         1,401           Total donestic         25,744         19,003         46,67         38,046           Browner         8,004         8,005         8,005         3,066         4,071         10,066         3,066         3,066         3,066         4,067         12,041         4,067         10,066         4,067         12,041         4,067         12,041         10,067         13,150         13,151         12,041         10,067         13,151         14,022         13,015         13,015         13,015         13,015         13,015         13,015         13,015         13,015         13,015         13,015         13,015         13,015         13,015         13,015         13,015         13,015         13,015         13,015 <td>Minimally invasive ablation</td> <td>5,057</td> <td>4,393</td> <td>9,404</td> <td>7,841</td>	Minimally invasive ablation	5,057	4,393	9,404	7,841	
Valve tools         753         703         1,472         1,401           Total domestic         25,744         19,903         48,667         38,046           International Revenues           Open-heart ablation         4,088         4,054         8,304         8,055           Minimally invasive ablation         1,858         1,966         3,826         3,969           AtriClip         6,735         6,424         13,590         12,841           Yalve tools         104         187         212         474           Total interational         6,839         6,611         13,802         13,315           Total revenue         32,583         26,514         62,469         13,415           Art revenue         32,583         26,514         62,469         51,361           Cost of revenue         9,466         7,733         17,617         14,923           Gross profit         23,117         18,781         44,852         36,383           Operating expenses:         22,074         17,055         43,444         38,646           Total operating expenses         22,074         17,055         43,344         38,646           Total operating expenses         24,819		6,286	3,951	11,789	7,571	
Total domestic         25,744         19,903         48,667         38,046           International Revenue:         Open-heart ablation         4,088         4,054         8,304         8,025         3,969           Minimally invasive ablation         1,858         1,966         3,826         3,969           AtriClip         789         404         1,460         847           Total ablation and AtriClip         6,735         6,624         13,590         12,841           Valve tools         104         187         212         474           Total international         6,839         6,611         13,802         13,315           Total revenue         32,583         26,514         62,469         51,361           Cost of revenue         9,466         7,733         17,617         14,923           Gross profit         23,117         18,781         44,522         36,488           Operating expenses:         8         5,862         4,569         11,471         8,570           Selling, general and administrative expenses         22,074         17,065         43,344         38,646           Total operations         (4,819         (2,832)         9,693         10,778	Total ablation and AtriClip	24,991	19,200	47,195	36,645	
International Revenue:         4,088         4,054         8,304         8,025           Minimally invasive ablation         1,858         1,966         3,826         3,969           AtriClip         789         404         1,460         847           Total ablation and AtriClip         6,735         6,42         13,590         12,841           Valve tools         104         187         212         474           Total international         6,839         6,611         13,002         13,161           Cost of revenue         32,583         26,514         62,469         51,361           Cost of revenue         9,466         7,733         17,617         14,923           Gross profit         23,117         18,781         44,852         36,382           Operating expenses:         8         4,569         11,471         8,570           Selling, general and administrative expenses         22,074         17,065         43,344         38,646           Total operating expenses         22,074         17,065         44,815         47,216           Loss from operations         (4,819)         2,853         9,963         10,778           Other (expense) income, net         (4,883)         2,689<	Valve tools	753	703	1,472	1,401	
Open-heart ablation         4,088         4,054         8,304         8,059           Minimally invasive ablation         1,858         1,966         3,826         3,969           AtriClip         789         404         1,460         847           Total ablation and AtriClip         6,735         6,424         13,590         12,841           Valve tools         104         187         212         474           Total international         6,839         6,611         13,802         13,315           Total revenue         32,833         26,514         62,69         51,616           Cost of revenue         9,466         7,733         17,617         14,923           Cost of revenue         23,117         18,781         44,852         36,488           Operating expenses         5,862         4,569         11,471         48,702           Selling, general and administrative expenses         22,074         17,065         43,344         38,646           Total operating expenses         24,819         1,2853         1,417         8,702           Loss from operations         (4,819)         1,2853         1,963         1,077           Other (expense) income, net         (4,819)         1,62,6	Total domestic	25,744	19,903	48,667	38,046	
Minimally invasive ablation         1,858         1,966         3,826         3,969           AttriClip         789         404         1,460         847           Total ablation and AtriClip         6,735         6,424         13,590         12,841           Valve tools         104         187         212         474           Total international         6,839         6,611         13,802         13,312           Total revenue         32,583         26,514         62,469         51,361           Cost of revenue         3,466         7,733         17,617         14,923           Gross profit         3,17         18,781         4,852         36,438           Operating expenses:         8         4,569         11,471         8,570           Research and development expenses         5,662         4,559         11,471         8,570           Selling, general and administrative expenses         22,074         17,065         43,344         38,646           Total operating expenses         4,819         (2,853)         (9,963)         10,778           Other (expense) income, net         4,819         2,687         1,141         3,249           Loss before income tax expense         4,829	International Revenue:					
AtriClip         789         404         1,460         847           Total ablation and AtriClip         6,735         6,424         13,590         12,841           Valve tools         104         187         212         474           Total international         6,839         6,611         13,022         13,315           Total revenue         32,583         26,514         62,469         51,361           Cost of revenue         9,466         7,733         17,617         14,923           Gross profit         23,117         18,781         44,852         36,338           Operating expenses:         8         4,569         11,471         8,570           Selling, general and administrative expenses         22,074         17,065         43,344         38,646           Total operating expenses         22,074         17,065         43,344         38,646           Total operating expenses         22,074         17,065         43,344         38,646           Total operating expenses         24,819         2,683         9,693         10,778           Loss from operations         (4,81)         2,683         10,10         409           Loss before income tax expense         8         5	Open-heart ablation	4,088	4,054	8,304	8,025	
Total ablation and AtriClip         6,735         6,244         13,590         12,841           Valve tools         104         187         212         474           Total international         6,839         6,611         13,802         13,315           Total revenue         32,583         26,514         62,409         51,361           Cost of revenue         9,466         7,733         17,617         14,923           Gross profit         23,17         18,781         44,852         36,438           Operating expenses:         8         4,569         11,471         8,570           Selling, general and administrative expenses         22,074         17,065         43,344         38,646           Total operating expenses         27,936         21,634         54,815         47,216           Loss from operations         (4,819)         (2,853)         (9,963)         (10,778)           Other (expense) income, net         (4,883)         (2,687)         (10,143)         (10,369)           Income tax expense         8         5         14         32           Net loss         \$(4,881)         \$(2,692)         \$(10,143)         \$(10,401)           Basic and diluted net loss per share         \$(0,11	Minimally invasive ablation	1,858	1,966	3,826	3,969	
Valve tools         104         187         212         474           Total international         6,839         6,611         13,802         13,315           Total revenue         32,583         26,514         62,469         51,361           Cost of revenue         9,466         7,733         17,617         14,923           Gross profit         23,117         18,781         44,852         36,438           Operating expenses:           Research and development expenses         5,862         4,569         11,471         8,570           Selling, general and administrative expenses         22,074         17,065         43,344         38,646           Total operating expenses         24,819         12,634         54,815         47,216           Loss from operations         (4,819)         (2,853)         (9,963)         (10,778)           Other (expense) income, net         (4,883)         (2,687)         (10,143)         (10,369)           Loss before income tax expense         3         4,891         (10,157)         (10,401)           Net loss         3         4,891         (2,692)         (10,157)         (10,401)           Basic and diluted net loss per shares         3         0,010	AtriClip	789	404	1,460	847	
Total international         6,839         6,611         13,802         13,315           Total revenue         32,583         26,514         62,469         51,361           Cost of revenue         9,466         7,733         17,617         14,923           Gross profit         23,117         18,781         44,852         36,438           Operating expenses:           Research and development expenses         5,862         4,569         11,471         8,570           Selling, general and administrative expenses         22,074         17,065         43,344         38,646           Total operating expenses         27,936         21,634         54,155         47,216           Loss from operations         (4,819)         (2,853)         (9,963)         (10,778)           Other (expense) income, net         (64)         166         (180)         409           Loss before income tax expense         (4,883)         (2,687)         (10,143)         (10,369)           Income tax expense         8         5         14         32           Weighted average shares used in computing net loss per shares         \$(0,18)         \$(0,10)         \$(0,04)         \$(0,04)	Total ablation and AtriClip	6,735	6,424	13,590	12,841	
Total revenue         32,583         26,514         62,469         51,361           Cost of revenue         9,466         7,733         17,617         14,923           Gross profit         23,117         18,781         44,852         36,438           Operating expenses:           Research and development expenses         5,862         4,569         11,471         8,570           Selling, general and administrative expenses         22,074         17,065         43,344         38,646           Total operating expenses         27,936         21,634         54,815         47,216           Loss from operations         (4,819)         (2,853)         (9,963)         (10,778)           Other (expense) income, net         (4,883)         (2,687)         (10,143)         40,99           Loss before income tax expense         (4,883)         (2,687)         (10,143)         (10,369)           Income tax expense         8         5         14         32           Net loss         \$ (4,891)         \$ (2,692)         \$ (10,107)         \$ (10,401)           Basic and diluted net loss per share         \$ (0,18)         \$ (0,107)         \$ (0,040)	Valve tools	104	187	212	474	
Cost of revenue         9,466         7,733         17,617         14,923           Gross profit         23,117         18,781         44,852         36,438           Operating expenses:           Research and development expenses         5,862         4,569         11,471         8,570           Selling, general and administrative expenses         22,074         17,065         43,344         38,646           Total operating expenses         27,936         21,634         54,815         47,216           Loss from operations         (4,819)         (2,853)         (9,963)         (10,778)           Other (expense) income, net         (64)         166         (180)         409           Loss before income tax expense         8         5         14         32           Net loss         \$ (4,831)         \$ (2,687)         \$ (10,143)         \$ (10,369)           Net loss         \$ (4,891)         \$ (2,682)         \$ (10,157)         \$ (10,401)           Basic and diluted net loss per share         \$ (0,18)         \$ (0,10)         \$ (0,10)         \$ (0,10)         \$ (0,10)         \$ (0,10)         \$ (0,10)         \$ (0,10)         \$ (0,10)         \$ (0,10)         \$ (0,10)         \$ (0,10)         \$ (0,10)         \$ (0,10) <td>Total international</td> <td>6,839</td> <td>6,611</td> <td>13,802</td> <td>13,315</td>	Total international	6,839	6,611	13,802	13,315	
Gross profit       23,117       18,781       44,852       36,438         Operating expenses:	Total revenue	32,583	26,514	62,469	51,361	
Operating expenses:         Research and development expenses       5,862       4,569       11,471       8,570         Selling, general and administrative expenses       22,074       17,065       43,344       38,646         Total operating expenses       27,936       21,634       54,815       47,216         Loss from operations       (4,819)       (2,853)       (9,963)       (10,778)         Other (expense) income, net       (64)       166       (180)       409         Loss before income tax expense       (4,883)       (2,687)       (10,143)       (10,369)         Income tax expense       8       5       14       32         Net loss       \$ (4,891)       \$ (2,692)       \$ (10,157)       \$ (10,401)         Basic and diluted net loss per share       \$ (0,18)       \$ (0,10)       \$ (0,37)       \$ (0,40)         Weighted average shares used in computing net loss per share:	Cost of revenue	9,466		17,617		
Research and development expenses       5,862       4,569       11,471       8,570         Selling, general and administrative expenses       22,074       17,065       43,344       38,646         Total operating expenses       27,936       21,634       54,815       47,216         Loss from operations       (4,819)       (2,853)       (9,963)       (10,778)         Other (expense) income, net       (64)       166       (180)       409         Loss before income tax expense       (4,883)       (2,687)       (10,143)       (10,369)         Income tax expense       8       5       14       32         Net loss       \$ (4,891)       \$ (2,692)       \$ (10,157)       \$ (10,401)         Basic and diluted net loss per share       \$ (0.18)       \$ (0.10)       \$ (0.37)       \$ (0.40)         Weighted average shares used in computing net loss per share:	Gross profit	23,117	18,781	44,852	36,438	
Selling, general and administrative expenses       22,074       17,065       43,344       38,646         Total operating expenses       27,936       21,634       54,815       47,216         Loss from operations       (4,819)       (2,853)       (9,963)       (10,778)         Other (expense) income, net       (64)       166       (180)       409         Loss before income tax expense       (4,883)       (2,687)       (10,143)       (10,369)         Income tax expense       8       5       14       32         Net loss       \$ (4,891)       \$ (2,692)       \$ (10,157)       \$ (10,401)         Basic and diluted net loss per shares       \$ (0.18)       \$ (0.10)       \$ (0.37)       \$ (0.40)         Weighted average shares used in computing net loss per shares	Operating expenses:					
Total operating expenses         27,936         21,634         54,815         47,216           Loss from operations         (4,819)         (2,853)         (9,963)         (10,778)           Other (expense) income, net         (64)         166         (180)         409           Loss before income tax expense         8         5         14         32           Net loss         \$ (4,891)         \$ (2,692)         \$ (10,157)         \$ (10,401)           Basic and diluted net loss per share         \$ (0.18)         \$ (0.10)         \$ (0.37)         \$ (0.40)           Weighted average shares used in computing net loss per share:	Research and development expenses	5,862	4,569	11,471	8,570	
Loss from operations       (4,819)       (2,853)       (9,963)       (10,778)         Other (expense) income, net       (64)       166       (180)       409         Loss before income tax expense       (4,883)       (2,687)       (10,143)       (10,369)         Income tax expense       8       5       14       32         Net loss       \$ (4,891)       \$ (2,692)       \$ (10,157)       \$ (10,401)         Basic and diluted net loss per share       \$ (0.18)       \$ (0.10)       \$ (0.37)       \$ (0.40)         Weighted average shares used in computing net loss per share:	Selling, general and administrative expenses	22,074	17,065	43,344	38,646	
Other (expense) income, net       (64)       166       (180)       409         Loss before income tax expense       (4,883)       (2,687)       (10,143)       (10,369)         Income tax expense       8       5       14       32         Net loss       \$ (4,891)       \$ (2,692)       \$ (10,157)       \$ (10,401)         Basic and diluted net loss per share       \$ (0.18)       \$ (0.10)       \$ (0.37)       \$ (0.40)         Weighted average shares used in computing net loss per share:	Total operating expenses	27,936	21,634	54,815	47,216	
Loss before income tax expense       (4,883)       (2,687)       (10,143)       (10,369)         Income tax expense       8       5       14       32         Net loss       \$ (4,891)       \$ (2,692)       \$ (10,157)       \$ (10,401)         Basic and diluted net loss per share       \$ (0.18)       \$ (0.10)       \$ (0.37)       \$ (0.40)         Weighted average shares used in computing net loss per share:	Loss from operations	(4,819)	(2,853)	(9,963)	(10,778)	
Income tax expense         8         5         14         32           Net loss         \$ (4,891)         \$ (2,692)         \$ (10,157)         \$ (10,401)           Basic and diluted net loss per share         \$ (0.18)         \$ (0.10)         \$ (0.37)         \$ (0.40)           Weighted average shares used in computing net loss per share:	Other (expense) income, net	(64)	166	(180)	409	
Net loss       \$ (4,891)       \$ (2,692)       \$ (10,157)       \$ (10,401)         Basic and diluted net loss per share       \$ (0.18)       \$ (0.10)       \$ (0.37)       \$ (0.40)         Weighted average shares used in computing net loss per share:	Loss before income tax expense	(4,883)	(2,687)	(10,143)	(10,369)	
Basic and diluted net loss per share \$ (0.18) \$ (0.10) \$ (0.37) \$ (0.40)  Weighted average shares used in computing net loss per share:	Income tax expense	8	5	14	32	
Weighted average shares used in computing net loss per share:	Net loss	<u>\$ (4,891)</u>	<u>\$ (2,692)</u>	<u>\$ (10,157)</u>	<u>\$ (10,401)</u>	
	Basic and diluted net loss per share	\$ (0.18)	\$ (0.10)	\$ (0.37)	\$ (0.40)	
	Weighted average shares used in computing net loss per share:					
	Basic and diluted	27,304	26,849	27,187	25,813	

### ATRICURE, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (In Thousands, Except Per Share Amounts) (Unaudited)

	June 30, 2015	December 31, 2014	
Assets			
Current assets:			
Cash, cash equivalents and short-term investments	\$ 54,479	\$ 59,649	
Accounts receivable, net	17,590	17,558	
Inventories	16,073	14,257	
Other current assets	2,597	2,044	
Total current assets	90,739	93,508	
Property and equipment, net	19,352	11,552	
Long-term investments	5,209	8,894	
Goodwill and intangible assets, net	43,658	44,264	
Other noncurrent assets	351	186	
Total assets	\$ 159,309	\$ 158,404	
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 20,904	\$ 21,662	
Other current liabilities and current maturities of capital leases	9,237	3,981	
Total current liabilities	30,141	25,643	
Capital leases	68	74	
Other noncurrent liabilities	409	149	
Total liabilities	30,618	25,866	
Stockholders' equity:			
Common stock	28	28	
Additional paid-in capital	277,787	271,282	
Accumulated other comprehensive loss	(543)	(348)	
Accumulated deficit	(148,581)	(138,424)	
Total stockholders' equity	128,691	132,538	
Total liabilities and stockholders' equity	\$ 159,309	\$ 158,404	

# ATRICURE, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands) (Unaudited)

Cash flows from operating activities:         S (0.10.15)		Six Months Ended June 30, 2015 2014		
Net loss         \$ (10,150)         \$ (10,100)           Adjustments to reconcile net loss to net cash used in operating activities:         4,141         3,988           Share-based compensation expense         2,693         2,217           A Amortization of deferred financing costs         31         80           Loss on disposal of property and equipment         302            A Realized loss from foreign exchange on intercompany transactions         302            A Amortization/accretion on investments         309         163           Change in allowance for doubtral accounts         117         32           Changes in operating assets and liabilities		2015	2014	
Adjustments to reconcile net loss to net cash used in operating activities:   Share-based compensation expenses   1,414   3,988     Depreciation and amortization of intangible assets   2,693   2,217     Admortization of deferred financing costs   31   80     Loss on disposal of property and equipment   63   14     Realized loss from foreign exchange on intercompany transactions   302		¢ (10.157)	ф. (10.401)	
Share-based compensation expenses         4,141         3,288           Depreciation and amonization of intangible asets         2,217           A monization of deferred financing costs         31         80           Loss on disposal of property and equipment         302         —           Realized loss from foreign exchange on intercompany transactions         302         —           A mortization/accretion on investments         309         163           Change in value of contingent consideration         —         (e62)           Other         —         (e62)           Changes in operating assets and liabilities         (f1977)         (2.457)           Accounts receivable         (f1977)         (2.457)           Other current assets         (f38)         (75,20)           Other current assets         (f38)         (75,20)           Other current assets and liabilities         (f1,068)         (76,80)           Other outrent assets and liabilities         (f1,068)         (76,80)           Parchase of available-for-sale se		\$ (10,15/)	\$ (10,401)	
Depreciation and amoritzation of intangible assets         2,931         2,917           Amoritzation of deferred financing costs         31         80           Loss on disposal of property and equipment         63         14           Realized loss from fioreire sechange on intercompany transactions         302         —           Amoritzation Screet ion on investments         302         —           Change in value of contingent consideration         17         26           Other         —         55           Change in value of contingent consideration         468         (1,48)           Inventories         (1,97)         2,457           Change in value of contingent consideration         (1,97)         2,457           Accounts receivable         (468)         (1,48)           Inventories         (1,98)         7,52           Ober current assets         (530)         7,52           Accounts payable and accrued liabilities         (1,060)         7,60           Other current assets and liabilities         (1,000)         (1,000)           Other current assets and liabilities         (1,000)         (1,000)           Net cash used in operating activities         (1,000)         (1,000)           Purchases of available-for-sale securities         <		4 1 41	2 000	
Amortization of deferred financing costs         36         14           Caso on disposed of property and equipment         363         14           Realized loss from foreign exchange on intercompany transactions         302         —           Amortization/accretion on investments         339         163           Change in allowence for doubtful accounts         117         22           Change in value of contingent consideration         —         50           Other         —         5           Clausing in operating assets and liabilities         (1,977)         (2,457)           Accounts payable and accrued liabilities         (1,978)         (7,649)           Other current assets         (1,978)         (7,649)           Accounts payable and accrued liabilities         (1,978)         (7,649)           Other non-current assets and liabilities         (1,978)         (7,649)           Other non-current assets and liabilities         (1,978)         (8,259)           Accounts payable and accrued liabilities         (1,978)         (8,259)           Other non-current assets and liabilities         (1,902)         (7,322)           Sales and maturities of available-for-sale securities         (1,902)         (2,322)           Sales and maturities of available-for-sale securities				
Loss on disposal of property and equipment         63         14           Realizaclous from foreign exchange on intercompany transactions         302         -           Amortization/accretion on investments         319         163           Change in allowance for doubtful accounts         117         22           Other         -         2,652           Other         -         2,652           Change in value of contingent consideration         -         2,652           Change in value of contringent consideration         -         2,652           Change in operating assets and liabilities         (1,977)         2,625           Accounts revealed         (1,977)         2,625           Other current assets         (1,080)         7,540           Other current assets and liabilities         (1,600)         1,600           Other convertice asset and liabilities         (1,080)         1,600           Net cash used in operating activities         (10,302)         2,732           Sals flows from investing activities         (10,302)         2,732           Purchases of available-for-sale securities         (10,302)         2,732           Purchases of property and equipment         (4,007)         2,615           Purchases of property undea by (used in inves				
Realized loss from foreign exchange on intercompany transactions         302         —           Amortization/accretion on investments         339         163           Change in allowance for doubtful accounts         117         32           Change in value of contingent consideration         —         95           Changes in operating assets and liabilities         —         4(468)         (1,448)           Accounts receivable         (1,977)         (2,457)         (2,457)           Other current assets         (1,068)         (7,640)           Other non-current assets and liabilities         (1,068)         (7,640)           Net cash low asset and asset and liabilities         (1,068)         (1,072)           Other non-current assets and liabilities         (1,069)         (1,069)           Other non-current assets and liabilities         (1,060)         (1,060)           Other non-current assets and current liabilities         (1,060)         (1,060)           Other current asset and current liabilities         (1,060)         (1,060)      <				
Amortization/accretion on investments         339         163           Change in allowance for doubtful accounts         117         32           Other         —         (2,662)           Other         —         5           Change in value of contingent consideration         —         5           Change in value of contingent consideration         —         5           Change in value of contingent consideration         —         6           Change in value of contingent consideration         —         6           Change in operating assets and liabilities         (1,977)         (2,675)           Other current assets         (128)         (326)           Accounts payable and accrued liabilities         128         (326)           Other non-current assets and liabilities         128         (326)           Net cash used in operating activities         128         (325)           Purchases of available-for-sale securities         (10,302)         (27,322)           Sals flows from investing activities         (10,302)         (27,322)           Purchases of available-for-sale securities         (10,302)         (27,322)           Increases in property under build-to-suit obligation         (4,007)         (2,475)           Net cash provided by (used in) i				
Change in value of contingent consideration         1.7         2.06.00           Other         -         7.05.00           Clanges in operating assets and liabilities         (468)         (1.448)           Accounts receivable         (1.977)         2.45.70           Other current assets         (538)         5.72           Other current assets         (1.068)         (7.640)           Other non-current assets and liabilities         (1.068)         (7.640)           Other non-current assets and liabilities         (1.080)         (7.640)           Other non-current assets and liabilities         (1.080)         (7.640)           Other non-current assets and liabilities         (1.080)         (7.640)           Net cash used in operating activities         (1.002)         (8.732)           Substance of available-for-sale securities         (1.002)         (2.7322)           Sales and maturities of available-for-sale securities         20.460         13.749           Purchases of available-for-sale securities         (1.002)         (2.752)           Increase in property and equipment         (4.077)         (2.475)           Increases in property and equipment of securities         1.275         (6.030)           Cash and cash provided by (used in) investing activities         2.0			163	
Change in value of contingent consideration         —         (2,62)           Other         —         95           Changes in operating assets and liabilities         (468)         (1,448)           Accounts receivable         (1,977)         (2,525)           Other current assets         (538)         572           Accounts payable and accrued liabilities         (1,068)         (7,640)           Other non-current assets and liabilities         (1,080)         (7,640)           Other non-current assets and liabilities         (1,030)         (8,732)           Net cash used in operating activities         (1,030)         (7,822)           Sales and maturities of available-for-sale securities         (1,030)         (7,732)           Sales and maturities of available-for-sale securities         (1,030)         (7,742)           Purchases of property ander build-to-suit obligation         (4,007)         (2,475)           Increases in property under build-to-suit obligation         (4,007)         (7,520)           Payments of property and equipment         (4,007)         (7,520)           Cash flows from financing activities         —         6,530           Net cash provided by (used in) investing activities         —         6,530           Payments on debt and capital leases         (2				
Other         —         55           Changes in operating assets and liabilities         4(468)         (1,448)           Accounts receivable         (1,977)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,457)         (2,475)         (				
Changes in operating assets and liabilities         (468)         (1,48)           Accounts receivable         (1,977)         (2,457)           Other current assets         (538)         572           Accounts payable and accrued liabilities         (1,068)         (7,640)           Other non-current assets and liabilities         128         (202)           Net cash used in operating activities         128         (202)           Cash flows from investing activities:         10,302         (27,322)           Sales and maturities of available-for-sale securities         20,460         13,749           Purchases of property and equipment         (4,007)         (2,475)           Increases in property under build-to-suit obligation         (4,806)            Purchases of property and equipment         (4,007)         (2,475)           Increases in property under build-to-suit obligation         (4,806)            Net cash provided by (used in) investing activities         -         65,830           Payments on debt and capital leases         (5)         (6,352)           Payments on debt and capital leases         (5)         (6,352)           Increases in build-to-suit obligation         (6)         -           Payment of debt fees and premium on retirement of debt		_		
Accounts receivable         (1,48)         (1,48)           Inventories         (1,97)         (2,457)           Other current assets         (538)         572           Accounts payable and accrued liabilities         (1,068)         (7,640)           Other non-current assets and liabilities         (6,394)         (18,373)           Net cash used in operating activities         (6,394)         (18,373)           Purchases of available-for-sale securities         (10,302)         (27,322)           Sals and maturities of available-for-sale securities         (10,302)         (27,322)           Purchases of property and equipment         (4,077)         (2,475)           Increases in property and equipment         (4,077)         (2,475)           Net cash provided by (used in) investing activities         -         6,580           Cash flows from financing activities:         -         6,580           Net proceeds from sale of stock         -         -         6,580           Payments on obet and capital leases         (62)         (6,532)           Increases in build-to-suit obligation         4,806         -           Payment of debt fees and premium on retirement of debt         (62)         (65)           Payment of debt fees and premium on stock under employee stock purchase plan <td></td> <td></td> <td></td>				
Inventories         (1,977)         (2,457)           Other current assets         (58)         572           Accounts payable and accrued liabilities         (1,068)         (7,640)           Other non-current assets and liabilities         (29)         (29)           Net cash used in operating activities         (10,302)         (27,322)           Sals flows from investing activities:         (10,302)         (27,322)           Sales and maturities of available-for-sale securities         (10,302)         (27,322)           Sales and maturities of available-for-sale securities         (4,077)         (2,475)           Purchases of property and equipment         (4,077)         (2,475)           Purchases in property under build-to-suit obligation         (4,007)         (2,475)           Increases in property under build-to-suit obligation         (4,007)         (2,475)           Increases in property under build-to-suit obligation         (4,007)         (2,475)           Increases in property under build-to-suit obligation         (4,007)         (2,475)           Rot (30w from financing activities         -         6,583           Net cash provided by (used in) investing activities         -         6,582           Increases in build-to-suit obligation         (5,002)         (6,322) <t< td=""><td>Accounts receivable</td><td>(468)</td><td>(1,448)</td></t<>	Accounts receivable	(468)	(1,448)	
Other current assets         (5,36)         572           Accounts payable and accrued liabilities         (1,06)         (7,640)           Other non-current assets and liabilities         (1,26)         (18,37)           Net cash used in operating activities         (1,030)         (18,373)           Cash flows from investing activities         (1,030)         (27,322)           Purchases of available-for-sale securities         20,460         13,749           Purchases of property and equipment         (4,080)         —           Increases in property under build-to-suit obligation         (4,080)         —           Net cash provided by (used in) investing activities         1,275         (16,048)           Cash flows from financing activities         —         65,830           Payments on debt and capital leases         (25)         (6,352)           Payments on debt fees and premium on retirement of debt         (2)         (6)           Payment of debt fees and premium on retirement of debt         (5)         (5)           Proceeds from stack option exercises         1,854         1,637           Shares repurchased for payment of taxes on stock awards         (5)         (5)         (5)           Proceeds from issuence of common stock under employee stock purchase plan         906         708		· /		
Accounts payable and accrued liabilities         (1,068)         (7,640)           Other non-current assets and liabilities         (6,394)         (18,307)           Cash flows from investing activities:         We cash used in operating activities         (10,302)         (27,322)           Sales and maturities of available-for-sale securities         20,460         13,749         (1,407)         (2,475)           Purchases of property and equipment         (4,007)         (2,475)         (16,048)         —           Purchases in property under build-to-suit obligation         (4,806)         —         65,830           Net cash provided by (used in) investing activities         —         65,830           Payments on debt and capital leases         (25)         (6,352)           Increases in build-to-suit obligation         4,806         —           Payments on debt and capital leases         (25)         (6,352)           Increases in build-to-suit obligation         4,806         —           Payment of debt fees and premium on retirement of debt         (52)         (6,352)           Increases in build-to-suit obligation         (50)         (50)         (50)           Proceeds from issuance of stock option exercises         (50)         (50)         (50)         (50)           Proceeds from issuance o	Other current assets			
Net cash used in operating activities:         (6,394)         (18,373)           Cash flows from investing activities:         (10,302)         (27,322)           Purchases of available-for-sale securities         20,460         13,749           Sales and maturities of available-for-sale securities         (4,077)         (2,475)           Purchases of property and equipment         (4,077)         (2,475)           Increases in property under build-to-suit obligation         (4,806)         —           Net cash provided by (used in) investing activities         —         56,830           Payments on debt and capital leases         —         65,830           Payments on debt and capital leases         —         65,830           Payments on debt and capital leases         —         65,830           Payment of debt fees and premium on retirement of debt         (62)         (169)           Proceeds from stock option exercises         1,854         1,637           Shares repurchased for payment of taxes on stock awards         (52)         (153)           Proceeds from issuance of common stock under employee stock purchase plan         906         708           Proceeds from issuance of common stock under employee stock purchase plan         1,603         27,086           Effect of exchanges on cash and cash equivalents         28,384	Accounts payable and accrued liabilities		(7,640)	
Cash flows from investing activities:         (10,302)         (27,322)           Purchases of available-for-sale securities         20,460         13,749           Purchases of property and equipment         (4,077)         (2,475)           Increases in property under build-to-suit obligation         (4,806)         —           Net cash provided by (used in) investing activities         —         65,830           Cash flows from financing activities:         —         65,830           Net proceeds from sale of stock         —         65,830           Payments on debt and capital leases         (25)         (6,352)           Increases in build-to-suit obligation         4,806         —           Payment of debt fees and premium on retirement of debt         (6)         (169)           Proceeds from stock option exercises         1,854         1,637           Shares repurchased for payment of taxes on stock awards         (572)         (153)           Proceeds from issuance of common stock under employee stock purchase plan         906         708           Net (decrease) increase in cash and cash equivalents         (185)         6           Effect of exchange rate changes on cash and cash equivalents         2,834         1,892           Cash and cash equivalents - beginning of period         28,384         1,892				
Purchases of available-for-sale securities         (10,302)         (27,322)           Sales and maturities of available-for-sale securities         20,460         13,749           Purchases of property and equipment         (4,077)         (2,475)           Increases in property under build-to-suit obligation         (4,806)         —           Net cash provided by (used in) investing activities         —         65,830           Cash flows from financing activities:         —         65,830           Net proceeds from sale of stock         —         —         65,830           Payments on debt and capital leases         (25)         (6,352)           Increases in build-to-suit obligation         4,806         —           Payment of debt fees and premium on retirement of debt         (62)         (169)           Proceeds from stock option exercises         1,854         1,637           Shares repurchased for payment of taxes on stock awards         572         (153)           Proceeds from issuance of common stock under employee stock purchase plan         906         708           Net (ach provided by financing activities         6,907         61,501           Effect of exchange rate changes on cash and cash equivalents         1,652         6           Net (decrease) increase in cash and cash equivalents         28,384 <td>Net cash used in operating activities</td> <td>(6,394)</td> <td>(18,373)</td>	Net cash used in operating activities	(6,394)	(18,373)	
Purchases of available-for-sale securities         (10,302)         (27,322)           Sales and maturities of available-for-sale securities         20,460         13,749           Purchases of property and equipment         (4,077)         (2,475)           Increases in property under build-to-suit obligation         (4,806)         —           Net cash provided by (used in) investing activities         —         65,830           Cash flows from financing activities:         —         65,830           Net proceeds from sale of stock         —         —         65,830           Payments on debt and capital leases         (25)         (6,352)           Increases in build-to-suit obligation         4,806         —           Payment of debt fees and premium on retirement of debt         (62)         (169)           Proceeds from stock option exercises         1,854         1,637           Shares repurchased for payment of taxes on stock awards         572         (153)           Proceeds from issuance of common stock under employee stock purchase plan         906         708           Net (ach provided by financing activities         6,907         61,501           Effect of exchange rate changes on cash and cash equivalents         1,652         6           Net (decrease) increase in cash and cash equivalents         28,384 <td>Cash flaves from investing activities</td> <td></td> <td></td>	Cash flaves from investing activities			
Sales and maturities of available-for-sale securities         20,460         13,749           Purchases of property and equipment         (4,077)         (2,475)           Increases in property under build-to-suit obligation         1,275         (16,048)           Net cash provided by (used in) investing activities         1,275         (16,048)           Cash flows from financing activities:         -         65,830           Net proceeds from sale of stock         -         65,830           Payments on debt and capital leases         (25)         (6,352)           Increases in build-to-suit obligation         4,806         -           Payment of debt fees and premium on retirement of debt         (62)         (169)           Proceeds from stock option exercises         1,854         1,637           Shares repurchased for payment of taxes on stock awards         (572)         (153)           Proceeds from issuance of common stock under employee stock purchase plan         906         708           Net cash provided by financing activities         6,907         61,501           Effect of exchange rate changes on cash and cash equivalents         (185)         6           Net (decrease) increase in cash and cash equivalents         28,384         14,892           Cash and cash equivalents - beginning of period         28,384		(10.302)	(27 322)	
Purchases of property and equipment         (4,077)         (2,475)           Increases in property under build-to-suit obligation         (4,806)         —           Net cash provided by (used in) investing activities         1,275         (16,048)           Cash flows from financing activities:         —         65,830           Net proceeds from sale of stock         —         65,830           Payments on debt and capital leases         (25)         (6,352)           Increases in build-to-suit obligation         4,806         —           Payment of debt fees and premium on retirement of debt         (62)         (169)           Proceeds from stock option exercises         1,854         1,637           Shares repurchased for payment of taxes on stock awards         (572)         (153)           Proceeds from issuance of common stock under employee stock purchase plan         906         708           Net cash provided by financing activities         6,907         61,501           Effect of exchange rate changes on cash and cash equivalents         1,603         27,086           Net (decrease) increase in cash and cash equivalents         28,384         14,892           Cash and cash equivalents - beginning of period         28,384         14,892           Cash paid for interest         8         3         1,09 <td></td> <td></td> <td></td>				
Increases in property under build-to-suit obligation         (4,806)         —           Net cash provided by (used in) investing activities         1,275         (16,048)           Cash flows from financing activities:         —         65,830           Net proceeds from sale of stock         —         65,830           Payments on debt and capital leases         (25)         (6,352)           Increases in build-to-suit obligation         4,806         —           Payment of debt fees and premium on retirement of debt         (62)         (169)           Proceeds from stock option exercises         1,854         1,637           Shares repurchased for payment of taxes on stock awards         (572)         (153)           Proceeds from issuance of common stock under employee stock purchase plan         906         708           Net cash provided by financing activities         6,907         61,501           Effect of exchange rate changes on cash and cash equivalents         1,603         27,086           Net (decrease) increase in cash and cash equivalents         28,384         14,892           Cash and cash equivalents - beginning of period         28,384         14,892           Cash and cash equivalents - end of period         29,37         31,978           Supplemental cash flow information:         2,33         1,09 <td></td> <td></td> <td></td>				
Net cash provided by (used in) investing activities         1,275         (16,048)           Cash flows from financing activities:         -         65,830           Net proceeds from sale of stock         -         65,830           Payments on debt and capital leases         (25)         (6,352)           Increases in build-to-suit obligation         4,806         -           Payment of debt fees and premium on retirement of debt         (62)         (169)           Proceeds from stock option exercises         1,854         1,637           Shares repurchased for payment of taxes on stock awards         (572)         (153)           Proceeds from issuance of common stock under employee stock purchase plan         906         708           Net cash provided by financing activities         6,907         61,501           Effect of exchange rate changes on cash and cash equivalents         (185)         6           Net (decrease) increase in cash and cash equivalents         28,384         14,892           Cash and cash equivalents - beginning of period         28,384         14,892           Cash and cash equivalents - end of period         28,384         14,892           Cash paid for interest         \$ 2,997         \$ 41,978           Supplemental cash flow information:         20         146			(2,475)	
Cash flows from financing activities:         Net proceeds from sale of stock       —       65,830         Payments on debt and capital leases       (25)       (6,352)         Increases in build-to-suit obligation       4,806       —         Payment of debt fees and premium on retirement of debt       (62)       (169)         Proceeds from stock option exercises       1,854       1,637         Shares repurchased for payment of taxes on stock awards       (572)       (153)         Proceeds from issuance of common stock under employee stock purchase plan       906       708         Net cash provided by financing activities       6,907       61,501         Effect of exchange rate changes on cash and cash equivalents       (185)       6         Net (decrease) increase in cash and cash equivalents       1,603       27,086         Cash and cash equivalents - beginning of period       28,384       14,892         Cash and cash equivalents - end of period       28,384       14,892         Supplemental cash flow information:       3       1,093         Supplemental cash flow information:       3       1,093         Cash paid for interest       \$3       1,09         Cash paid for interest       \$3       1,09         Cash paid for interest       \$3			(16.048)	
Net proceeds from sale of stock         — 65,830           Payments on debt and capital leases         (25)         (6,352)           Increases in build-to-suit obligation         4,806         —           Payment of debt fees and premium on retirement of debt         (62)         (169)           Proceeds from stock option exercises         1,854         1,637           Shares repurchased for payment of taxes on stock awards         (572)         (153)           Proceeds from issuance of common stock under employee stock purchase plan         906         708           Net cash provided by financing activities         6,907         61,501           Effect of exchange rate changes on cash and cash equivalents         (185)         6           Net (decrease) increase in cash and cash equivalents         1,603         27,086           Cash and cash equivalents - beginning of period         28,384         14,892           Cash and cash equivalents - end of period         28,384         14,932           Supplemental cash flow information:         \$ 29,987         \$ 41,978           Cash paid for interest         \$ 3         \$ 109           Cash paid for income taxes         20         146           Noncash investing and financing activities:         20         146           Accrued purchases of property and equip		1,273	(10,0.0)	
Payments on debt and capital leases         (25)         (6,352)           Increases in build-to-suit obligation         4,806         —           Payment of debt fees and premium on retirement of debt         (62)         (169)           Proceeds from stock option exercises         1,834         1,637           Shares repurchased for payment of taxes on stock awards         (572)         (153)           Proceeds from issuance of common stock under employee stock purchase plan         966         708           Net cash provided by financing activities         6,907         61,501           Effect of exchange rate changes on cash and cash equivalents         1,603         27,086           Net (decrease) increase in cash and cash equivalents         1,603         27,086           Cash and cash equivalents - beginning of period         28,384         14,892           Cash and cash equivalents - end of period         28,384         14,972           Supplemental cash flow information:         \$ 3         1,09           Cash paid for interest         \$ 3         1,09           Cash paid for interest         20         146           Noncash investing and financing activities:         1,652         137			6E 020	
Increases in build-to-suit obligation         4,806         —           Payment of debt fees and premium on retirement of debt         (62)         (169)           Proceeds from stock option exercises         1,854         1,637           Shares repurchased for payment of taxes on stock awards         (572)         (153)           Proceeds from issuance of common stock under employee stock purchase plan         906         708           Net cash provided by financing activities         6,907         61,501           Effect of exchange rate changes on cash and cash equivalents         (185)         6           Net (decrease) increase in cash and cash equivalents         1,603         27,086           Cash and cash equivalents - beginning of period         28,384         14,892           Cash and cash equivalents - end of period         28,384         14,978           Supplemental cash flow information:           Cash paid for interest         \$ 3         \$ 109           Cash paid for income taxes         20         146           Noncash investing and financing activities:         4         1,652         137		(25)		
Payment of debt fees and premium on retirement of debt(62)(169)Proceeds from stock option exercises1,8541,637Shares repurchased for payment of taxes on stock awards(572)(153)Proceeds from issuance of common stock under employee stock purchase plan906708Net cash provided by financing activities6,90761,501Effect of exchange rate changes on cash and cash equivalents(185)6Net (decrease) increase in cash and cash equivalents1,60327,086Cash and cash equivalents - beginning of period28,38414,892Cash and cash equivalents - end of period29,98741,978Supplemental cash flow information:\$3109Cash paid for interest\$3109Cash paid for income taxes20146Noncash investing and financing activities:Accrued purchases of property and equipment1,652137			(0,332)	
Proceeds from stock option exercises1,8541,637Shares repurchased for payment of taxes on stock awards(572)(153)Proceeds from issuance of common stock under employee stock purchase plan906708Net cash provided by financing activities6,90761,501Effect of exchange rate changes on cash and cash equivalents(185)6Net (decrease) increase in cash and cash equivalents1,60327,086Cash and cash equivalents - beginning of period28,38414,892Cash and cash equivalents - end of period\$ 29,987\$ 41,978Supplemental cash flow information:Cash paid for interest\$ 3\$ 109Cash paid for income taxes20146Noncash investing and financing activities:Accrued purchases of property and equipment1,652137		,	(160)	
Shares repurchased for payment of taxes on stock awards(572)(153)Proceeds from issuance of common stock under employee stock purchase plan906708Net cash provided by financing activities6,90761,501Effect of exchange rate changes on cash and cash equivalents(185)6Net (decrease) increase in cash and cash equivalents1,60327,086Cash and cash equivalents - beginning of period28,38414,892Cash and cash equivalents - end of period\$29,987\$41,978Supplemental cash flow information:Cash paid for interest\$3\$ 109Cash paid for income taxes20146Noncash investing and financing activities:Accrued purchases of property and equipment1,652137				
Proceeds from issuance of common stock under employee stock purchase plan906708Net cash provided by financing activities6,90761,501Effect of exchange rate changes on cash and cash equivalents(185)6Net (decrease) increase in cash and cash equivalents1,60327,086Cash and cash equivalents - beginning of period28,38414,892Cash and cash equivalents - end of period\$29,987\$41,978Supplemental cash flow information:Cash paid for interest\$3109Cash paid for income taxes20146Noncash investing and financing activities:Accrued purchases of property and equipment1,652137				
Net cash provided by financing activities6,90761,501Effect of exchange rate changes on cash and cash equivalents(185)6Net (decrease) increase in cash and cash equivalents1,60327,086Cash and cash equivalents - beginning of period28,38414,892Cash and cash equivalents - end of period\$29,987\$41,978Supplemental cash flow information:Cash paid for interest\$3\$109Cash paid for income taxes20146Noncash investing and financing activities:Accrued purchases of property and equipment1,652137				
Effect of exchange rate changes on cash and cash equivalents  Net (decrease) increase in cash and cash equivalents  Cash and cash equivalents - beginning of period  Cash and cash equivalents - end of period  Cash and cash equivalents - end of period  Supplemental cash flow information:  Cash paid for interest  Cash paid for income taxes  Noncash investing and financing activities:  Accrued purchases of property and equipment  (185) 6  27,086  28,384 14,892  29,987 \$ 41,978  3 \$ 109  146  Noncash paid for income taxes  Accrued purchases of property and equipment				
Net (decrease) increase in cash and cash equivalents1,60327,086Cash and cash equivalents - beginning of period28,38414,892Cash and cash equivalents - end of period\$ 29,987\$ 41,978Supplemental cash flow information:Cash paid for interest\$ 3\$ 109Cash paid for income taxes20146Noncash investing and financing activities:Accrued purchases of property and equipment1,652137				
Cash and cash equivalents - beginning of period28,38414,892Cash and cash equivalents - end of period\$ 29,987\$ 41,978Supplemental cash flow information:Cash paid for interest\$ 3\$ 109Cash paid for income taxes20146Noncash investing and financing activities:Accrued purchases of property and equipment1,652137	Effect of exchange rate changes on cash and cash equivalents	(185)	6	
Cash and cash equivalents - end of period  Supplemental cash flow information:  Cash paid for interest Cash paid for income taxes Cash paid for income taxes Noncash investing and financing activities:  Accrued purchases of property and equipment  \$\frac{29,987}{41,978}\$ \$\$ 41,978 \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$	Net (decrease) increase in cash and cash equivalents	1,603	27,086	
Supplemental cash flow information:  Cash paid for interest Cash paid for income taxes Cash paid for income taxes Noncash investing and financing activities:  Accrued purchases of property and equipment  1,652 137	Cash and cash equivalents - beginning of period	28,384	14,892	
Cash paid for interest\$ 3\$ 109Cash paid for income taxes20146Noncash investing and financing activities:Accrued purchases of property and equipment1,652137	Cash and cash equivalents - end of period	\$ 29,987	\$ 41,978	
Cash paid for interest\$ 3 \$ 109Cash paid for income taxes20 146Noncash investing and financing activities:3 \$ 109Accrued purchases of property and equipment1,652 137	Supplemental cash flow information:			
Cash paid for income taxes  Noncash investing and financing activities:  Accrued purchases of property and equipment  1,652  137		\$ 3	\$ 109	
Noncash investing and financing activities:  Accrued purchases of property and equipment 1,652 137				
Accrued purchases of property and equipment 1,652 137				
		1,652	137	
	Assets acquired through capital lease	36	8	

### ATRICURE, INC. AND SUBSIDIARIES RECONCILIATION OF GAAP RESULTS TO NON-GAAP RESULTS (In Thousands) (Unaudited)

#### Reconciliation of Non-GAAP Adjusted Loss (Adjusted EBITDA)

	Three Months Ended June 30, 2015 2014			Six Months Ended June 30, 2015 2014				
Net loss, as reported	\$	(4,891)	\$	(2,692)	\$ (	10,157)	\$	(10,401)
Income tax expense		8		5		14		32
Other expense (income), net (a)		64		(166)		180		(409)
Depreciation and amortization expense		1,382		1,132		2,693		2,217
Share-based compensation expense		2,417		1,846		4,141		3,988
Change in fair value of contingent consideration		_		(2,662)		_		(2,662)
Non-GAAP adjusted loss (adjusted EBITDA)	\$	(1,020)	\$	(2,537)	\$	(3,129)	\$	(7,235)
	Three Months Ended June 30,           2015         2014			x Months E 2015	nded .	une 30, 2014		
(a) Other includes:								
Net interest income (expense)	\$	26	\$	(6)	\$	51	\$	(229)
Grant income		_		137		35		500
(Loss) gain due to exchange rate fluctuation		(46)		16		(209)		21
Non-employee stock option (expense) income		(44)		19		(57)		117
Other (expense) income, net	\$	(64)	\$	166	\$	(180)	\$	409