TELENAV, INC.

FORM 8-K
(Current report filing)

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 31, 2017

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

Delaware	**001-34720**	**77-0521800**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

4655 Great America Parkway, Suite 300
Santa Clara, California 95054
(Address of principal executive offices) (Zip code)

(408) 245-3800
(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

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

Item 1.01. Material Agreements

On January 27, 2017, the Compensation Committee of the Board of Directors of Telenav, Inc. (the "Company") approved the following change to Section 11(e) of the Company's 2009 Equity Incentive Plan, as amended.

(e) Annual Award . Beginning on the date of the 2017 annual meeting of the stockholders of the Company and on each date of the annual meeting of the stockholders thereafter, each Outside Director will be automatically granted an Option to purchase 15,000 Shares of Common Stock ("Regular Annual Award") at the exercise price per Share equal to the Fair Market Value of the Common Stock on the grant date of such Regular Annual Award and subject to the terms and conditions of the Plan. In the event that an Outside Director is appointed to the Board of Directors other than at an annual meeting of stockholders, such Outside Director will be automatically granted an Option to purchase that number of Shares of Common Stock equal to 15,000 multiplied by a fraction equal to the number of days from the date of such person's appointment until the anniversary of the most recent annual meeting of stockholders divided by 365 (such award, a "prorated Annual Award" and collectively, with the Annual Awards, the "Annual Awards")), such prorated Annual Award shall be granted at an exercise price per Share equal to the Fair Market Value of the Common Stock on the grant date of such prorated Annual Award and such prorated Annual Award shall be subject to the terms and conditions of the Plan.

Section 11(f)(ii) of the 2009 Equity Incentive Plan was amended as follows:

Subject to Section 14, the Regular Annual Award will vest in twelve (12) equal monthly installments following the date the Regular Annual Award is granted, provided that the Participant continues to serve as a Director through such date. Subject to Section 14, the Prorated Annual Award will vest in a number of equal monthly installments following the date the Prorated Annual Award is granted equal to the number of full months from the date of grant until the one year anniversary of the last annual meeting of stockholders of the Company, provided that the Participant continues to serve as a Director through such date.

The 2009 Equity Incentive Plan, as amended, is attached as Exhibit 10.4.3 to this Form 8-K.

Item 2.02. Results of Operations and Financial Condition

On January 31, 2017 , Telenav, Inc. (the "Company") issued a press release announcing its financial results for the three months ended December 31, 2016 . A copy of the press release is furnished as Exhibit 99.1 and is incorporated herein by reference. On the same day, the Company will host an investor conference call and live webcast at 2:00 p.m. Pacific Time (5:00 p.m. Eastern Time).

The information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

The Company is making reference to non-GAAP financial information in both the press release and the conference call. A reconciliation of these non-GAAP financial measures to the comparable GAAP financial measures is contained in the attached press release and financial tables.

Item 5.02(b) Departure of Directors or Certain Officers

On January 31, 2017, Loren Hillberg, General Counsel and Secretary of the Company and President and General Manager of Thinknear, Inc., announced his resignation from his position as an officer of the Company, effective February 3, 2017. Mr. Hillberg's resignation was not based on any disagreement with the Company on any matter relating to the Company's operations, policies or practices. Mr. Hillberg is expected to provide consulting services to the Company, though he has not entered into a formal agreement to that effect.

Item 5.02(e) Compensatory Arrangements of Executive Officers and Directors

On January 27, 2017, the Compensation Committee of the Board of Directors of the Company (with Ms. Francis abstaining) granted to each of Karen Francis and Rick B. Gold prorated Annual Awards to purchase 14,014 shares of Common Stock of the Company at a per share price to be equal to the closing sale price reported on the NASDAQ Global Select Market on February 3, 2017, which prorated Annual Awards shall vest as to $1/11^{th}$ of the shares each month that the recipient continues to serve as a member of the Company's Board of Directors.

Item 7.01 Regulation FD Disclosure

On January 31, 2017, the Company provided an investor slide presentation on its investor relations webpage (investor.telenav.com).

The information in Item 7.01 of this Current Report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.4.3	2009 Equity Incentive Plan, Amended and Restated as of January 27, 2017
99.1	Press release of Telenav, Inc. dated January 31, 2017

SIGNATURES

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

TELENAV, INC.

Date: January 31, 2017	By: /s/ Michael Strambi
	Name: Michael Strambi
	Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
10.4.3	2009 Equity Incentive Plan, Amended and Restated as of January 27, 2017
99.1	Press release of Telenav, Inc. dated January 31, 2017

Exhibit 10.4.3

TELENAV, INC.

2009 EQUITY INCENTIVE PLAN

(Amended and restated as of January 27, 2017)

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide additional incentive to Employees, Directors and Consultants, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Applicable Laws" means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(d) "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection (i), the acquisition of additional stock by any one Person, who is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control; or

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this Section 2(f), persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

(g) " Code " means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.

(h) " Committee " means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board in accordance with Section 4 hereof.

(i) " Common Stock " means the common stock of the Company.

(j) “ Company ” means TeleNav, Inc., a Delaware corporation, or any successor thereto.

(k) “ Consultant ” means any person, including an advisor, engaged by the Company or a Parent or Subsidiary to render services to such entity.

(l) “ Director ” means a member of the Board.

(m) “ Disability ” means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(n) “ Employee ” means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director’s fee by the Company will be sufficient to constitute “employment” by the Company.

(o) “ Exchange Act ” means the Securities Exchange Act of 1934, as amended.

(p) “ Exchange Program ” means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for Awards of the same type (which may have higher or lower exercise prices and different terms), Awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is increased or reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(q) “ Fair Market Value ” means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(iii) For purposes of any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement in Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Company's Common Stock; or

(iv) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

(r) " Fiscal Year " means the fiscal year of the Company.

(s) " Incentive Stock Option " means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(t) " Inside Director " means a Director who is an Employee.

(u) " Nonstatutory Stock Option " means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(v) " Officer " means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(w) " Option " means a stock option granted pursuant to the Plan.

(x) " Outside Director " means a Director who is not an Employee.

(y) " Parent " means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(z) " Participant " means the holder of an outstanding Award.

(aa) " Performance Share " means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine pursuant to Section 10.

(bb) " Performance Unit " means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.

(cc) " Period of Restriction " means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(dd) " Plan " means this 2009 Equity Incentive Plan.

(ee) "Registration Date" means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(g) of the Exchange Act, with respect to any class of the Company's securities.

(ff) "Restricted Stock" means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan, or issued pursuant to the early exercise of an Option.

(gg) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(hh) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(ii) "Section 16(b)" means Section 16(b) of the Exchange Act.

(jj) "Service Provider" means an Employee, Director or Consultant.

(kk) "Share" means a share of the Common Stock, as adjusted in accordance with Section 14 of the Plan.

(ll) "Stock Appreciation Right" means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

(mm) "Subsidiary" means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is 25 million Shares, plus (i) any Shares that, as of the Registration Date, have been reserved but not issued pursuant to any awards granted under the Company's 1999 Stock Option Plan (the "Existing Plan") and are not subject to any awards granted thereunder, and (ii) any Shares subject to stock options or similar awards granted under the Existing Plan that expire or otherwise terminate without having been exercised in full and Shares issued pursuant to awards granted under the Existing Plan that are forfeited to or repurchased by the Company, with the maximum number of Shares to be added to the Plan pursuant to clauses (i) and (ii) equal to 73,379,658 Shares. The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Automatic Share Reserve Increase. The number of Shares available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2012 Fiscal Year (i.e. the fiscal year commencing July 1, 2011), in an amount equal to the least of (i) 1,666,666 Shares, (ii) 4.0% of the outstanding Shares on the last day of the immediately preceding Fiscal Year or (iii) such number of Shares determined by the Board.

(c) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to or repurchased by the Company due to failure to vest, the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights the forfeited or repurchased Shares) which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, only Shares actually issued (i.e., the net Shares issued) pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 14, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Section 422 of the Code and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Sections 3(b) and 3(c).

(d) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Section 162(m). To the extent that the Administrator determines it to be desirable to qualify Awards granted hereunder as “performance-based compensation” within the meaning of Section 162(m) of the Code, the Plan will be administered by a Committee of two (2) or more “outside directors” within the meaning of Section 162(m) of the Code.

(iii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iv) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) to determine the terms and conditions of any, and to institute any Exchange Program;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws;

(ix) to modify or amend each Award (subject to Section 19 of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(b) of the Plan regarding Incentive Stock Options);

(x) to allow Participants to satisfy withholding tax obligations in such manner as prescribed in Section 15 of the Plan;

(xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xii) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award; and

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars ($100,000), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted.

(b) Term of Option. The term of each Option will be stated in the Award Agreement. In the case of an Incentive Stock Option, the term will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

a) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

b) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates . At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration . The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws, (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) by net exercise; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment.

(d) Exercise of Option .

(i) Procedure for Exercise; Rights as a Stockholder . Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 of the Plan.

Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 7, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

8. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment), or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may only settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price and Other Terms . The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement . Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights . A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(b) relating to the maximum term and Section 6(d) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount . Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

10. Performance Units and Performance Shares .

(a) Grant of Performance Units/Shares . Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares . Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms . The Administrator will set performance objectives or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, or individual goals, applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) Earning of Performance Units/Shares . After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares . Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares . On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Formula Awards to Outside Directors .

(a) General . Outside Directors will be entitled to receive all types of Awards (except Incentive Stock Options) under this Plan, including discretionary Awards not covered under this Section 11. All grants of Awards to Outside Directors pursuant to this Section will be automatic and nondiscretionary, except as otherwise provided herein, and will be made in accordance with the following provisions:

(b) Type of Option . If Options are granted pursuant to this Section, they will be Nonstatutory Stock Options and, except as otherwise provided herein, will be subject to the other terms and conditions of the Plan.

(c) No Discretion . No person will have any discretion to select which Outside Directors will be granted Awards under this Section or to determine the number of Shares to be covered by such Awards (except as provided in Sections 11 and 14).

(d) Initial Award . Each person who first becomes an Outside Director following the Registration Date will be automatically granted 30,000 Restricted Stock Units (the "Initial Award") on or about the date on which such person first becomes an Outside Director, whether through election by the stockholders of the Company or appointment by the Board to fill a vacancy; provided, however, that an Inside Director who ceases to be an Inside Director, but who remains a Director, will not receive an Initial Award.

(e) Annual Award. Beginning on the date of the 2017 annual meeting of the stockholders of the Company and on each date of the annual meeting of the stockholders thereafter, each Outside Director will be automatically granted an Option to purchase 15,000 Shares of Common Stock ("Regular Annual Award") at the exercise price per Share equal to the Fair Market Value of the Common Stock on the grant date of such Regular Annual Award and subject to the terms and conditions of the Plan. In the event that an Outside Director is appointed to the Board of Directors other than at an annual meeting of stockholders, such Outside Director will be automatically granted an Option to purchase that number of Shares of Common Stock equal to 15,000 multiplied by a fraction equal to the number of days from the date of such person's appointment until the anniversary of the most recent annual meeting of stockholders divided by 365 (such award, a "prorated Annual Award" and collectively, with the Annual Awards, the "Annual Awards")), such prorated Annual Award shall be granted at an exercise price per Share equal to the Fair Market Value of the Common Stock on the grant date of such prorated Annual Award and such prorated Annual Award shall be subject to the terms and conditions of the Plan.

(f) Terms. The terms of each Award granted pursuant to this Section will be as follows:

(i) Subject to Section 14, the Initial Award will vest and be settled pursuant to the issuance of Shares as to one-third (1/3) of the Shares subject to the Initial Award on the first anniversary of the date such Initial Award is granted; as one-third (1/3) of the Shares subject to the Initial Award on the second anniversary of the date such Initial Award is granted; and as to the remaining one-third (1/3) of the Shares subject to the Initial Award on the third anniversary of the date such Initial Award is granted, provided that the Participant continues to serve as a Director through such dates.

(ii) Subject to Section 14, the Regular Annual Award will vest in twelve (12) equal monthly installments following the date the Regular Annual Award is granted, provided that the Participant continues to serve as a Director through such date. Subject to Section 14, the Prorated Annual Award will vest in a number of equal monthly installments following the date the Prorated Annual Award is granted equal to the number of full months from the date of grant until the one year anniversary of the last annual meeting of stockholders of the Company, provided that the Participant continues to serve as a Director through such date.

(g) Adjustments. The Administrator in its discretion may change and otherwise revise the terms of Awards granted under this Section 11, including, without limitation, the number of Shares and exercise prices thereof, for Awards granted on or after the date the Administrator determines to make any such change or revision.

12. Leaves of Absence/Transfer Between Locations . Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1 st) day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

13. Transferability of Awards . Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

14. Adjustments; Dissolution or Liquidation; Merger or Change in Control .

(a) Adjustments . In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award, the numerical Share limits in Section 3 of the Plan, and the number of Shares issuable pursuant to Awards to be granted under Section 11 of the Plan.

(b) Dissolution or Liquidation . In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control . In the event of a merger or Change in Control, each outstanding Award will be treated as the Administrator determines, including, without limitation, that each Award be assumed or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. The Administrator will not be required to treat all Awards similarly in the transaction.

In the event that the successor corporation does not assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

(d) Outside Director Awards . With respect to Awards granted to an Outside Director that are assumed or substituted for, if on the date of or following such assumption or substitution the Participant's status as a Director or a director of the successor corporation, as applicable, is terminated other than upon a voluntary resignation by the Participant (unless such resignation is at the request of the acquirer), then the Participant will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares which would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Performance Units and Performance Shares, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met.

15. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (a) paying cash, (b) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld, or (c) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

(c) Compliance With Code Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A.

16. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

17. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

18. Term of Plan. Subject to Section 22 of the Plan, the Plan will become effective upon the later to occur of (i) its adoption by the Board or (ii) immediately prior to the Registration Date. It will

continue in effect for a term of ten (10) years from the date adopted by the Board, unless terminated earlier under Section 19 of the Plan.

19. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

20. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

21. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

22. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is originally adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

Telenav Reports Second Quarter Fiscal 2017 Financial Results

Santa Clara, Calif. - January 31, 2017 - Telenav®, Inc. (NASDAQ:TNAV), a leader in connected car services, today announced its financial results for the second quarter that ended December 31, 2016.

"Telenav delivered strong top line results for the second quarter of fiscal 2017, with revenue growing 15% year-over-year to $52.0 million and billings growing 23% year-over-year to $59.7 million," said HP Jin, chairman and CEO of Telenav. "We continued to make solid progress towards the GM launch of our embedded and connected navigation solution which we expect to occur in the next couple of months. We also announced an additional award with Toyota. We are excited to see the relationship with Toyota continue to deepen and are pleased that Scout® GPS Link was chosen to be in select 2018 Toyota vehicles equipped with Entune ™ 3.0. We believe our partnerships with global auto OEMs, ranging from brought-in solutions to embedded and connected solutions, is a testament to our broad capabilities and market leadership."

Financial Highlights for the second quarter ended December 31, 2016

- Total revenue was $52.0 million, compared with $45.3 million in the same prior year period.
- Billings were $59.7 million, compared with $48.4 million in the same prior year period.
- Automotive revenue was $38.7 million, compared with $31.8 million in the same prior year period.
- Advertising revenue was $8.2 million, compared with $6.7 million in the same prior year period.
- Deferred revenue as of December 31, 2016 was $36.1 million, compared with $28.4 million as of September 30, 2016.
- Gross margin was 45%, compared to 46% in the same prior year period.
- Non-GAAP gross margin on billings was 45%, compared to 46% in the same prior year period.
- Operating expenses were $34.9 million, compared with $27.6 million in the same prior year period.
- Net loss was ($11.4) million, or ($0.26) per basic and diluted share, compared with ($6.6) million, or ($0.16) per basic and diluted share, in the same prior year period.
- Adjusted EBITDA was a ($2.6) million loss, compared with a ($4.1) million loss in the same prior year period.
- Adjusted EBITDA on billings was $1.3 million, compared with a ($2.6) million loss in the same prior year period.
- As of December 31, 2016, ending cash, cash equivalents and short-term investments, excluding restricted cash, were $103.7 million. This represented cash and short-term investments of $2.39 per share, based on 43.3 million shares of common stock outstanding. Telenav had no debt as of quarter end.
- Free cash flow was $2.7 million, compared with ($0.9) million in the same prior year period.

Recent Business Highlights

- Settled a patent lawsuit with Vehicle IP, LLC resolving a patent infringement litigation brought against Telenav and Telenav's customer AT&T Mobility LLC, resulting in a one-time settlement and license payment of $8.0 million to be made by Telenav.
- Announced Scout GPS Link by Telenav was chosen for select 2018 Toyota vehicles equipped with Entune 3.0.

"We are pleased to announce that we expect to enter into an agreement with Ford to provide our MapCare solution in conjunction with our embedded navigation product for the European region, commencing in the March 2017 quarter. This will significantly increase our overall billings going forward and strengthens our overall business," said Michael Strambi, Telenav's CFO. "However, because MapCare is to be provided over time, the revenue related to this combined offering is required to be recognized over the contractual period. As a result, certain revenue related to royalties earned from embedded navigation with Ford in Europe which Telenav has been recognizing upon product delivery will now be recognized over time. Starting with the March 2017 quarter, this impact will cause our revenue to decline under current GAAP accounting measures."

Business Outlook

For the quarter ending March 31, 2017, Telenav offers the following guidance, which is predicated on management's judgments:

- Total revenue is expected to be $37 to $39 million.
- Billings are expected to be $60 to $63 million.
- Automotive revenue is expected to be 71% to 74% of total revenue.
- Advertising revenue is expected to be approximately 16% of total revenue.
- Gross margin is expected to be approximately 48%.
- Non-GAAP gross margin on billings is expected to be approximately 39%.
- Operating expenses are expected to be $30 to $31 million.
- Net loss is expected to be ($12) to ($13) million.
- Net loss per share is expected to be ($0.28) to ($0.30).
- Adjusted EBITDA is expected to be a ($9.0) to ($10.0) million loss.
- Adjusted EBITDA on billings is expected to be a ($3.5) to ($4.5) million loss.
- Weighted average shares outstanding are expected to be approximately 43.5 million.

The above information concerning guidance represents Telenav's outlook only as of the date hereof, and is subject to change as a result of amendments to material contracts and other changes in business conditions. Telenav undertakes no obligation to update or revise any financial forecast or other forward looking statements, as a result of new developments or otherwise.

Conference Call

The company will host an investor conference call and live webcast at 2:00 p.m. PT (5:00 p.m. ET) today. To access the conference call, dial 877-795-3648 (toll-free, domestic only) or 719-325-4755 (domestic and international toll) and enter pass code 5663996. The webcast will be accessible on Telenav's investor relations website at http://investor.telenav.com . A replay of the conference call will be available for two weeks beginning approximately two hours after its completion. To access the replay, dial 888-203-1112 (toll-free, domestic only) or 719-457-0820 (domestic and international toll) and enter pass code 5663996.

Use of Non-GAAP Financial Measures

Telenav prepares its financial statements in accordance with generally accepted accounting principles for the United States, or GAAP. The non-GAAP financial measures such as billings, non-GAAP gross profit on billings, non-GAAP gross margin on billings, change in deferred revenue, change in deferred costs, adjusted EBITDA, adjusted EBITDA on billings and free cash flow included in this press release are different from those otherwise presented under GAAP.

Telenav has provided these measures in addition to GAAP financial results because management believes these non-GAAP measures help provide a consistent basis for comparison between periods that are not influenced by certain items and therefore are helpful in understanding Telenav's underlying operating results. These non-GAAP measures are some of the primary measures Telenav's management uses for planning and forecasting. These measures are not in accordance with, or an alternative to, GAAP and these non-GAAP measures may not be comparable to information provided by other companies.

We have previously provided billings as a non-GAAP metric, and beginning with this quarter we are providing non-GAAP gross profit on billings, non-GAAP gross margin on billings and adjusted EBITDA on billings' metrics. We anticipate providing non-GAAP gross profit on billings, non-GAAP gross margin on billings and adjusted EBITDA on billings over the next two quarters due to the impact on reported GAAP revenue of certain value-added offerings, including Ford MapCare anticipated for SYNC 3 vehicles in the Europe region. The providing of MapCare in combination with our embedded navigation products results in revenue being deferred and recognized over time.

We anticipate early adopting the FASB's new accounting standard, ASC 606, Revenue from Contracts with Customers, effective July 1, 2017. We anticipate that with the adoption of ASC 606, our revenue recognition for certain value-added offerings will change and we will no longer recognize revenue associated with certain software-related elements over the life of our contractual obligations. Once we adopt ASC 606, we do not expect that we will continue to provide the metrics non-GAAP gross profit on billings, non-GAAP gross margin on billings and adjusted EBITDA on billings.

Billings measure GAAP revenue recognized plus the change in deferred revenue from the beginning to the end of the period. Non-GAAP gross profit on billings reflects GAAP gross profit plus change in deferred revenue less change in deferred costs. Non-GAAP gross margin on billings reflects non-GAAP gross profit on billings divided by billings. We have also provided a breakdown of the calculation of the change in deferred revenue by segment, which is added to revenue in calculating our non-GAAP metric of billings. In connection with our presentation of the change in deferred revenue, we have provided a similar presentation of the change in the related deferred costs. Such deferred costs primarily include costs associated with third party content and in connection with certain customized software solutions, the costs incurred to develop those solutions. As deferred revenue and deferred costs become larger components of our operating results, we believe these metrics are useful in evaluating cash flow.

We consider billings, non-GAAP gross profit on billings and non-GAAP gross margin on billings to be useful metrics for management and investors because billings drive deferred revenue, which is an important indicator of our business. We believe non-GAAP gross profit on billings and non-GAAP gross margin on billings are useful metrics because they reflect the impact of the gross profit to be earned over time for such billings, exclusive of the incremental costs incurred to deliver any related service obligations. There are a number of limitations related to the use of billings, non-GAAP gross profit on billings and non-GAAP gross margin on billings versus revenue, gross profit, and gross margin calculated in accordance with GAAP. First, billings, non-GAAP gross profit on billings, and non-GAAP gross margin on billings include amounts that have not yet been recognized as revenue or cost and may require additional services to be provided over contracted service periods. For example, billings related to certain connected solutions cannot be fully recognized as revenue in a given period due to requirements for ongoing provisioning of services such as hosting, monitoring and customer support. Accordingly, non-GAAP gross profit on billings and non-GAAP gross margin on billings do not include all costs associated with billings. Second, we may calculate billings, non-GAAP gross profit on billings, and non-GAAP gross margin on billings in a manner that is different from peer companies that report similar financial measures, making comparisons between companies more difficult. When we use these measures, we attempt to compensate for these limitations by providing specific information regarding billings, non-GAAP gross profit on billings and non-GAAP gross margin on billings and how they relate to revenue, gross profit, and gross margin calculated in accordance with GAAP.

Adjusted EBITDA measures our GAAP net loss excluding the impact of stock-based compensation expense, depreciation and amortization, other income (expense), provision (benefit) for income taxes, and other applicable items such as legal settlements and contingencies, restructuring accruals and reversals, and deferred rent reversals due to lease termination, net of tax. Stock-based compensation expense relates to equity incentive awards granted to our employees, directors, and consultants. Legal settlements and contingencies represent settlements and offers made to settle patent litigation cases in which we are defendants and royalty disputes. Deferred rent reversals represent the reversal of our deferred rent liability that is no longer required due to our facility lease termination in fiscal 2016. We believe adjusted EBITDA is a useful measure of profitability before the impact of certain non-cash expenses, interest income, income taxes, and certain other items that management believes affect the comparability of operating results.

Adjusted EBITDA on billings measures adjusted EBITDA plus the effect of changes in deferred revenue and deferred costs. We believe adjusted EBITDA on billings is a useful measure, especially in light of the impact we expect on reported GAAP revenue for certain value-added offerings we provide our customers, including Ford MapCare. Adjusted EBITDA and adjusted EBITDA on billings, while generally measures of profitability, can also represent losses.

Free cash flow is a non-GAAP financial measure we define as net cash provided by (used in) operating activities, less purchases of property and equipment. We consider free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash (used in) generated by our business after purchases of property and equipment.

We determined that it would be meaningful to investors to develop a breakout of the operating results of the advertising business beyond the current GAAP segment reporting of revenue, cost of revenue and gross margin, and we are including such presentation in our non-GAAP reporting results. This presentation reflects operating expenses that are directly attributable to the advertising business. We are unable to provide a similar breakout of operating results for the automotive and mobile navigation businesses beyond the current GAAP segment reporting of revenue, cost of revenue and gross margin because these segments share many of the same technologies and resources and as such, have operating expenses which cannot be fully attributable to one versus the other segment. In addition, the reported non-GAAP operating results for the advertising business only include an allocation of certain shared corporate general and administrative costs that directly benefit the business, such as accounting and human resource services.

To reconcile the historical GAAP results to non-GAAP financial metrics, please refer to the reconciliations in the financial statements included in this earnings release.

In this earnings release, Telenav has provided guidance for the third quarter of fiscal 2017 on a non-GAAP basis, for billings, non-GAAP gross margin on billings, adjusted EBITDA and adjusted EBITDA on billings. Telenav does not provide reconciliations of its forward-looking non-GAAP financial measures of billings, non-GAAP gross margin on billings, adjusted EBITDA and adjusted EBITDA on billings to the corresponding GAAP measures due to the high variability and difficulty in making accurate forecasts and projections with respect to deferred revenue, deferred costs, stock-based compensation and tax provision (benefit), which are components of these non-GAAP financial measures. In particular, stock-based compensation is impacted by future hiring and retention needs, as well as the future fair market value of Telenav’s common stock, all of which is difficult to predict and subject to constant change. The actual amounts of these items will have a significant impact on Telenav’s GAAP net loss per diluted share and GAAP tax provision (benefit). Accordingly, reconciliations of Telenav’s forward-looking non-GAAP financial measures to the corresponding GAAP measures are not available without unreasonable effort.

Forward Looking Statements
This press release contains forward-looking statements that are based on Telenav management's beliefs and assumptions and on information currently available to our management. Actual events or results may differ materially from those described in this document due to a number of risks and uncertainties. These potential risks and uncertainties include, among others: Telenav's entry into an agreement with Ford to provide MapCare in Europe for SYNC 3 equipped vehicles; Telenav's ability to develop and implement products for Ford, GM and Toyota and to support Ford, GM and Toyota and their customers; adoption by vehicle purchasers of Scout for Cars; Telenav's dependence on a limited number of automotive manufacturers and original equipment manufacturers ("OEMs") for a substantial portion of its revenue; Ford's announcement that it believes that the market for automobiles generally will not grow at the pace that it has been growing; the impact of changes in the timing of revenue recognition for our sales of MapCare to Ford for vehicles with SYNC 3 in Europe; potential impacts of OEMs including competitive capabilities in their vehicles such as Apple Car-Play and Android Auto; Telenav's success in achieving additional design wins from OEM and automotive manufacturers and the delivery dates of automobiles including Telenav's products; Telenav's ability to grow and scale its advertising business; Telenav's ability to develop new advertising products and technology while also achieving cash flow break even and ultimately profitability in the advertising business; Telenav incurring losses; competition from other market participants who may provide comparable services to subscribers without charge; the timing of new product releases and vehicle production by Telenav's automotive customers, including inventory procurement and fulfillment; possible warranty claims, and the impact on consumer perception of its brand; Telenav's ability to develop and support products including Open Street Maps ("OSM"), as well as transition existing navigation products to OSM and any economic benefit anticipated from the use of OSM versus proprietary map products; the potential that we may not be able to realize our deferred tax assets and may have to take a reserve against them; and macroeconomic and political conditions in the U.S. and abroad, in particular China. We discuss these risks in greater detail in "Risk factors" and elsewhere in our Form 10-Q for the three months ended September 30, 2016 and other filings with the U.S. Securities and Exchange Commission (SEC), which are available at the SEC's website at www.sec.gov . Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date made. You should review our SEC filings carefully and with the understanding that our actual future results may be materially different from what we expect.

About Telenav, Inc.
Telenav is a leading provider of connected car and location-based platform services, focused on transforming life on the go for people - before, during, and after every drive. Leveraging our location platform, global brands such as Ford, GM, Toyota and AT&T deliver custom connected car and mobile experiences. Additionally, advertisers such as Denny's, Walmart, and Best Buy reach millions of users with our highly-targeted advertising platform. To learn more about how Telenav's location platform powers personalized navigation, mapping, big data intelligence, social driving, and location-based ads, visit www.telenav.com .

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Telenav, Inc.

Condensed Consolidated Balance Sheets

(in thousands, except par value)

		December 31, 2016		June 30, 2016*
		(unaudited)		
Assets				
Current assets:				
Cash and cash equivalents	$	17,694	$	21,349
Short-term investments		85,988		88,277
Accounts receivable, net of allowances of $42 and $111, at December 31, 2016 and June 30, 2016, respectively		47,815		42,216
Restricted cash		4,094		5,109
Income taxes receivable		648		687
Deferred costs		3,919		1,784
Prepaid expenses and other current assets		3,868		4,448
Total current assets		164,026		163,870
Property and equipment, net		4,795		5,247
Deferred income taxes, non-current		435		661
Goodwill and intangible assets, net		35,475		35,993
Deferred costs, non-current		14,861		10,292
Other assets		1,840		2,184
Total assets	$	221,432	$	218,247
Liabilities and stockholders' equity				
Current liabilities:				
Trade accounts payable	$	10,255	$	4,992
Accrued expenses		41,374		36,274
Deferred revenue		8,035		4,334
Income taxes payable		242		88
Total current liabilities		59,906		45,688
Deferred rent, non-current		1,207		1,124
Deferred revenue, non-current		28,062		19,035
Other long-term liabilities		1,323		2,715
Commitments and contingencies				
Stockholders' equity:				
Preferred stock, $0.001 par value: 50,000 shares authorized; no shares issued or outstanding		—		—
Common stock, $0.001 par value: 600,000 shares authorized; 43,304 and 42,708 shares issued and outstanding at December 31, 2016 and June 30, 2016, respectively		43		43
Additional paid-in capital		152,824		149,775
Accumulated other comprehensive loss		(2,809)		(1,767)
Retained earnings (accumulated deficit)		(19,124)		1,634
Total stockholders' equity		130,934		149,685
Total liabilities and stockholders' equity	$	221,432	$	218,247

*Derived from audited consolidated financial statements as of and for the year ended June 30, 2016.

Telenav, Inc.

Condensed Consolidated Statements of Operations

(in thousands, except per share amounts)

(unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2016	**2015**	**2016**	**2015**
Revenue:				
Product	$ 37,804	$ 31,160	$ 67,227	$ 62,269
Services	14,197	14,093	27,001	27,045
Total revenue	52,001	45,253	94,228	89,314
Cost of revenue:				
Product	22,598	18,364	40,359	36,447
Services	6,129	6,168	11,844	11,472
Total cost of revenue	28,727	24,532	52,203	47,919
Gross profit	23,274	20,721	42,025	41,395
Operating expenses:				
Research and development	16,301	16,653	34,319	34,640
Sales and marketing	5,277	6,524	10,545	13,522
General and administrative	6,872	5,094	12,363	11,329
Legal settlement and contingencies	6,424	750	6,424	750
Restructuring	—	(1,468)	—	(1,468)
Total operating expenses	34,874	27,553	63,651	58,773
Loss from operations	(11,600)	(6,832)	(21,626)	(17,378)
Other income (expense), net	714	520	1,010	333
Loss before provision for income taxes	(10,886)	(6,312)	(20,616)	(17,045)
Provision for income taxes	537	327	142	440
Net loss	$ (11,423)	$ (6,639)	$ (20,758)	$ (17,485)
Net loss per share:				
Basic and diluted	$ (0.26)	$ (0.16)	$ (0.48)	$ (0.43)
Weighted average shares used in computing net loss per share:				
Basic and diluted	43,208	41,038	42,932	40,820

Telenav, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Six Months Ended December 31, 2016	Six Months Ended December 31, 2015
Operating activities		
Net loss	$ (20,758)	$ (17,485)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,260	1,916
Accretion of net premium on short-term investments	237	381
Stock-based compensation expense	4,529	6,267
Write-off of long term investments	—	477
(Gain) loss on disposal of property and equipment	(2)	(4)
Bad debt expense	125	51
Changes in operating assets and liabilities:		
Accounts receivable	(5,724)	(1,007)
Deferred income taxes	226	121
Restricted cash	1,015	199
Income taxes receivable	39	614
Deferred costs	(6,704)	(4,302)
Prepaid expenses and other current assets	580	(239)
Other assets	98	908
Trade accounts payable	5,309	80
Accrued expenses and other liabilities	3,945	(1,010)
Income taxes payable	154	162
Deferred rent	44	(814)
Deferred revenue	12,728	7,023
Net cash used in operating activities	(2,899)	(6,662)
Investing activities		
Purchases of property and equipment	(531)	(332)
Purchases of short-term investments	(37,788)	(20,622)
Proceeds from sales and maturities of short-term investments	39,392	23,009
Proceeds from sales of long-term investments	246	—
Net cash provided by investing activities	1,319	2,055
Financing activities		
Proceeds from exercise of stock options	159	921
Repurchase of common stock	—	(570)
Tax withholdings related to net share settlements of restricted stock units	(1,638)	(1,796)
Net cash used in financing activities	(1,479)	(1,445)
Effect of exchange rate changes on cash and cash equivalents	(596)	(576)
Net decrease in cash and cash equivalents	(3,655)	(6,628)
Cash and cash equivalents, at beginning of period	21,349	18,721
Cash and cash equivalents, at end of period	$ 17,694	$ 12,093
Supplemental disclosure of cash flow information		
Income taxes paid (received), net	$ 1,410	$ (528)

Telenav, Inc.
Condensed Consolidated Segment Summary
(in thousands, except percentages)
(unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2016	**2015**	**2016**	**2015**
Revenue:				
Automotive	$ 38,744	$ 31,846	$ 69,011	$ 63,589
Advertising	8,208	6,688	14,753	11,539
Mobile Navigation	5,049	6,719	10,464	14,186
Total revenue	52,001	45,253	94,228	89,314
Cost of revenue:				
Automotive	23,438	18,931	41,983	37,452
Advertising	3,919	3,755	7,445	6,750
Mobile Navigation	1,370	1,846	2,775	3,717
Total cost of revenue	28,727	24,532	52,203	47,919
Gross profit:				
Automotive	15,306	12,915	27,028	26,137
Advertising	4,289	2,933	7,308	4,789
Mobile Navigation	3,679	4,873	7,689	10,469
Total gross profit	$ 23,274	$ 20,721	$ 42,025	$ 41,395
Gross margin:				
Automotive	40%	41%	39%	41%
Advertising	52%	44%	50%	42%
Mobile Navigation	73%	73%	73%	74%
Total gross margin	45%	46%	45%	46%

Telenav, Inc.
Unaudited Reconciliation of Non-GAAP Adjustments
(in thousands)

Reconciliation of Revenue to Billings

	Three Months Ended December 31, 2016				Six Months Ended December 31, 2016			
	Auto	Advertising	Mobile Navigation	Total	Auto	Advertising	Mobile Navigation	Total
Revenue	$ 38,744	$ 8,208	$ 5,049	$ 52,001	$ 69,011	$ 14,753	$ 10,464	$ 94,228
Adjustments:								
Change in deferred revenue	7,694	—	(8)	7,686	12,807	—	(79)	12,728
Billings	$ 46,438	$ 8,208	$ 5,041	$ 59,687	$ 81,818	$ 14,753	$ 10,385	$ 106,956

	Three Months Ended December 31, 2015				Six Months Ended December 31, 2015			
	Auto	Advertising	Mobile Navigation	Total	Auto	Advertising	Mobile Navigation	Total
Revenue	$ 31,846	$ 6,688	$ 6,719	$ 45,253	$ 63,589	$ 11,539	$ 14,186	$ 89,314
Adjustments:								
Change in deferred revenue	3,434	—	(252)	3,182	7,251	—	(228)	7,023
Billings	$ 35,280	$ 6,688	$ 6,467	$ 48,435	$ 70,840	$ 11,539	$ 13,958	$ 96,337

Telenav, Inc.
Unaudited Reconciliation of Non-GAAP Adjustments
(in thousands)
Reconciliation of Gross Profit to Gross Non-GAAP Gross Profit on Billings

	Three Months Ended December 31,		Six Months Ended December 31,	
	2016	2015	2016	2015
Gross profit	$ 23,274	$ 20,721	$ 42,025	$ 41,395
Gross margin	45%	46%	45%	46%
Adjustments to gross profit:				
Change in deferred revenue	7,686	3,182	12,728	7,023
Change in deferred costs [1]	(3,847)	(1,629)	(6,704)	(4,302)
Net change	3,839	1,553	6,024	2,721
Non-GAAP gross profit on billings [1]	$ 27,113	$ 22,274	$ 48,049	$ 44,116
Non-GAAP gross margin on billings [1]	45%	46%	45%	46%

[1] Deferred costs primarily include costs associated with third party content and in connection with certain customized software solutions, the costs incurred to develop those solutions. We expect to incur additional costs in the future due to requirements to provide ongoing provisioning of services such as hosting, monitoring and customer support. Accordingly, non-GAAP gross profit on billings and non-GAAP gross margin on billings do not reflect all costs associated with billings.

Telenav, Inc.

Unaudited Reconciliation of Non-GAAP Adjustments

(in thousands)

Reconciliation of Deferred Revenue to Increase (Decrease) in Deferred Revenue

Reconciliation of Deferred Costs to Increase (Decrease) in Deferred Costs

	Three Months Ended December 31, 2016			
	Automotive	Advertising	Mobile Navigation	Total
Deferred revenue, December 31	$ 34,960	$ —	$ 1,137	$ 36,097
Deferred revenue, September 30	27,266	—	1,145	28,411
Increase (decrease) in deferred revenue	$ 7,694	$ —	$ (8)	$ 7,686
Deferred costs, December 31	$ 18,780	$ —	$ —	$ 18,780
Deferred costs, September 30	14,933	—	—	14,933
Increase in deferred costs	$ 3,847	$ —	$ —	$ 3,847

	Three Months Ended December 31, 2015			
	Automotive	Advertising	Mobile Navigation	Total
Deferred revenue, December 31	$ 12,443	$ —	$ 1,408	$ 13,851
Deferred revenue, September 30	9,009	—	1,660	10,669
Increase (decrease) in deferred revenue	$ 3,434	$ —	$ (252)	$ 3,182
Deferred costs, December 31	$ 7,443	$ —	$ —	$ 7,443
Deferred costs, September 30	5,814	—	—	5,814
Increase in deferred costs	$ 1,629	$ —	$ —	$ 1,629

	Six Months Ended December 31, 2016			
	Automotive	Advertising	Mobile Navigation	Total
Deferred revenue, December 31	$ 34,960	$ —	$ 1,137	$ 36,097
Deferred revenue, June 30	22,153	—	1,216	23,369
Increase (decrease) in deferred revenue	$ 12,807	$ —	$ (79)	$ 12,728
Deferred costs, December 31	$ 18,780	$ —	$ —	$ 18,780
Deferred costs, June 30	12,076	—	—	12,076
Increase in deferred costs	$ 6,704	$ —	$ —	$ 6,704

	Six Months Ended December 31, 2015			
	Automotive	Advertising	Mobile Navigation	Total
Deferred revenue, December 31	$ 12,443	$ —	$ 1,408	$ 13,851
Deferred revenue, June 30	5,192	—	1,636	6,828
Increase (decrease) in deferred revenue	$ 7,251	$ —	$ (228)	$ 7,023
Deferred costs, December 31	$ 7,443	$ —	$ —	$ 7,443
Deferred costs, June 30	3,141	—	—	3,141
Increase in deferred costs	$ 4,302	$ —	$ —	$ 4,302

Telenav, Inc.
Unaudited Reconciliation of Non-GAAP Adjustments
(in thousands)

Reconciliation of Net Loss to Adjusted EBITDA and Adjusted EBITDA on Billings

	Three Months Ended December 31,		Six Months Ended December 31,	
	2016	2015	2016	2015
Net loss	$ (11,423)	$ (6,639)	$ (20,758)	$ (17,485)
Adjustments:				
Legal settlement and contingencies	6,424	750	6,424	750
Restructuring accrual (reversal)	—	(1,468)	—	(1,468)
Deferred rent reversal due to lease termination	—	(621)	—	(621)
Stock-based compensation expense	1,988	3,180	4,529	6,267
Depreciation and amortization expense	623	847	1,260	1,916
Other income (expense), net	(714)	(520)	(1,010)	(333)
Provision for income taxes	537	327	142	440
Adjusted EBITDA	$ (2,565)	$ (4,144)	$ (9,413)	$ (10,534)
Change in deferred revenue	7,686	3,182	12,728	7,023
Change in deferred costs [1]	(3,847)	(1,629)	(6,704)	(4,302)
Adjusted EBITDA on billings [1]	$ 1,274	$ (2,591)	$ (3,389)	$ (7,813)

[1] We expect to incur additional costs in the future due to requirements to provide ongoing provisioning of services such as hosting, monitoring and customer support. Accordingly, adjusted EBITDA on billings does not reflect all costs associated with billings.

Reconciliation of Net Loss to Free Cash Flow

	Three Months Ended December 31,		Six Months Ended December 31,	
	2016	2015	2016	2015
Net loss	$ (11,423)	$ (6,639)	$ (20,758)	$ (17,485)
Adjustments to reconcile net loss to net cash used in operating activities:				
Increase in deferred revenue [1]	7,686	3,182	12,728	7,023
Increase in deferred costs [2]	(3,847)	(1,629)	(6,704)	(4,302)
Changes in other operating assets and liabilities	7,595	81	5,686	(986)
Other adjustments [3]	2,779	4,212	6,149	9,088
Net cash used in operating activities	2,790	(793)	(2,899)	(6,662)
Less: Purchases of property and equipment	(137)	(90)	(531)	(332)
Free cash flow	$ 2,653	$ (883)	$ (3,430)	$ (6,994)

[1] Consists of royalties, customized software development fees and subscription fees.

[2] Consists primarily of third party content costs and customized software development expenses.

[3] Consist primarily of depreciation and amortization, stock-based compensation expense and other non-cash items.

Telenav, Inc.

Unaudited Reconciliation of Non-GAAP Adjustments

(in thousands)

Non-GAAP metrics for the Advertising segment and the combined Automotive and Mobile Navigation segments

	Three Months Ended December 31, 2016						
	GAAP Consolidated	Non-GAAP Consolidated	Non-GAAP Advertising		Automotive [1]	Mobile Navigation [1]	Total Non-GAAP Automotive and Mobile Navigation [1]
Revenue	$ 52,001		$ 8,208		$ 38,744	$ 5,049	$ 43,793
Cost of revenue	28,727		3,919		23,438	1,370	24,808
Gross profit	23,274		4,289		$ 15,306	$ 3,679	18,985
Operating expenses:							
Research and development	16,301		1,235	(2)			15,066
Sales and marketing	5,277		2,568	(2)			2,709
General and administrative	6,872		410	(3)			6,462
Legal settlement and contingencies	6,424		—	(4)			6,424
Total operating expenses:	34,874		4,213				30,661
Income (loss) from operations	(11,600)		76				(11,676)
Other income (expense), net	714		—	(5)			714
Income (loss) before provision for income taxes	(10,886)		76				(10,962)
Provision for income taxes	537		—	(6)			537
Net income (loss)	$ (11,423)	$ (11,423)	$ 76				$ (11,499)
Adjustments:							
Legal settlement and contingencies		6,424	—	(4)			6,424
Stock-based compensation expense		1,988	286	(2)			1,702
Depreciation and amortization expense		623	51	(2)			572
Other income (expense), net		(714)	—	(5)			(714)
Provision for income taxes		537	—	(6)			537
Adjusted EBITDA		$ (2,565)	$ 413				$ (2,978)
Change in deferred revenue		7,686	—				7,686
Change in deferred costs [7]		(3,847)	—				(3,847)
Adjusted EBITDA on billings [7]		$ 1,274	$ 413				$ 861

[1] Automotive and mobile navigation segments share many of the same technologies and resources. Accordingly, we are unable to allocate the operating expenses, other income (expense), net and provision (benefit) for income taxes to these individual segments.

For purposes of calculating the Non-GAAP net loss attributable to the advertising segment:

[2] These expenses represent costs directly attributable to the advertising segment.

[3] These expenses represent actual general and administrative costs directly attributable to the advertising segment as well as an allocation of certain shared corporate costs that directly benefit the advertising segment such as accounting and human resource services.

[4] Legal settlement and contingencies are not related to the advertising segment.

[5] Expenses or income cannot be directly allocated to the advertising segment.

[6] Income taxes are primarily from foreign operations which support the automotive and mobile navigation segments.

[7] We expect to incur additional costs in the future due to requirements to provide ongoing provisioning of services such as hosting, monitoring and customer support. Accordingly, adjusted EBITDA on billings does not reflect all costs associated with billings.

Telenav, Inc.

Unaudited Reconciliation of Non-GAAP Adjustments

(in thousands)

Non-GAAP metrics for the Advertising segment and the combined Automotive and Mobile Navigation segments

	Three Months Ended December 31, 2015						
	GAAP Consolidated	**Non-GAAP Consolidated**	**Non-GAAP Advertising**		**Automotive (1)**	**Mobile Navigation (1)**	**Total Non-GAAP Automotive and Mobile Navigation (1)**
Revenue	$ 45,253		$ 6,688		$ 31,846	$ 6,719	$ 38,565
Cost of revenue	24,532		3,755		18,931	1,846	20,777
Gross profit	20,721		2,933		$ 12,915	$ 4,873	17,788
Operating expenses:							
Research and development	16,653		1,051	(2)			15,602
Sales and marketing	6,524		3,661	(2)			2,863
General and administrative	5,094		503	(3)			4,591
Legal settlement and contingencies	750		—	(4)			750
Restructuring	(1,468)		(375)	(2)			(1,093)
Total operating expenses:	27,553		4,840				22,713
Loss from operations	(6,832)		(1,907)				(4,925)
Other income (expense), net	520		—	(5)			520
Loss before provision for income taxes	(6,312)		(1,907)				(4,405)
Provision for income taxes	327		—	(6)			327
Net loss	$ (6,639)	$ (6,639)	$ (1,907)				$ (4,732)
Adjustments:							
Legal settlement and contingencies		750	—	(4)			750
Stock-based compensation expense		3,180	337	(2)			2,843
Restructuring accrual		(1,468)	(375)	(2)			(1,093)
Deferred rent reversal due to lease termination		(621)	(159)	(2)			(462)
Depreciation and amortization expense		847	203	(2)			644
Other income (expense), net		(520)	—	(5)			(520)
Provision for income taxes		327	—	(6)			327
Adjusted EBITDA		$ (4,144)	$ (1,901)				$ (2,243)
Change in deferred revenue		3,182	—				3,182
Change in deferred costs (7)		(1,629)	—				(1,629)
Adjusted EBITDA on billings (7)		$ (2,591)	$ (1,901)				$ (690)

(1) Automotive and mobile navigation segments share many of the same technologies and resources. Accordingly, we are unable to allocate the operating expenses, other income (expense), net and provision (benefit) for income taxes to these individual segments.

For purposes of calculating the Non-GAAP net loss attributable to the advertising segment:

(2) These expenses represent costs directly attributable to the advertising segment.

(3) These expenses represent actual general and administrative costs directly attributable to the advertising segment as well as an allocation of certain shared corporate costs that directly benefit the advertising segment such as accounting and human resource services.

(4) Legal settlement and contingencies are not related to the advertising segment.

(5) Expenses or income cannot be directly allocated to the advertising segment.

(6) Income taxes are primarily from foreign operations which support the automotive and mobile navigation segments.

(7) We expect to incur additional costs in the future due to requirements to provide ongoing provisioning of services such as hosting, monitoring and customer support. Accordingly, adjusted EBITDA on billings does not reflect all costs associated with billings.

Telenav, Inc.

Unaudited Reconciliation of Non-GAAP Adjustments

(in thousands)

Non-GAAP metrics for the Advertising segment and the combined Automotive and Mobile Navigation segments

	Six Months Ended December 31, 2016						
	GAAP Consolidated	Non-GAAP Consolidated	Non-GAAP Advertising		Automotive [1]	Mobile Navigation [1]	Total Non-GAAP Automotive and Mobile Navigation [1]
Revenue	$ 94,228		$ 14,753		$ 69,011	$ 10,464	$ 79,475
Cost of revenue	52,203		7,445		41,983	2,775	44,758
Gross profit	42,025		7,308		$ 27,028	$ 7,689	34,717
Operating expenses:							
Research and development	34,319		2,408	(2)			31,911
Sales and marketing	10,545		5,038	(2)			5,507
General and administrative	12,363		873	(3)			11,490
Legal settlement and contingencies	6,424		—	(4)			6,424
Total operating expenses:	63,651		8,319				55,332
Loss from operations	(21,626)		(1,011)				(20,615)
Interest and other income (expense), net	1,010		—	(5)			1,010
Loss before provision for income taxes	(20,616)		(1,011)				(19,605)
Provision for income taxes	142		—	(6)			142
Net loss	$ (20,758)	$ (20,758)	$ (1,011)				$ (19,747)
Adjustments:							
Legal settlement and contingencies		6,424	—	(4)			6,424
Stock-based compensation expense		4,529	485	(2)			4,044
Depreciation and amortization expense		1,260	103	(2)			1,157
Interest and other income (expense), net		(1,010)	—	(5)			(1,010)
Provision for income taxes		142	—	(6)			142
Adjusted EBITDA		$ (9,413)	$ (423)				$ (8,990)
Change in deferred revenue		12,728	—				12,728
Change in deferred costs [7]		(6,704)	—				(6,704)
Adjusted EBITDA on billings [7]		$ (3,389)	$ (423)				$ (2,966)

(1) Automotive and mobile navigation segments share many of the same technologies and resources. Accordingly, we are unable to allocate the operating expenses, other income (expense), net and provision (benefit) for income taxes to these individual segments.

For purposes of calculating the Non-GAAP net loss attributable to the advertising segment :

(2) These expenses represent costs directly attributable to the advertising segment.

(3) These expenses represent actual general and administrative costs directly attributable to the advertising segment as well as an allocation of certain shared corporate costs that directly benefit the advertising segment such as accounting and human resource services.

(4) Legal settlement and contingencies are not related to the advertising segment.

(5) Expenses or income cannot be directly allocated to the advertising segment.

(6) Income taxes are primarily from foreign operations which support the automotive and mobile navigation segments.

(7) We expect to incur additional costs in the future due to requirements to provide ongoing provisioning of services such as hosting, monitoring and customer support. Accordingly, adjusted EBITDA on net billings does not reflect all costs associated with billings.

Telenav, Inc.

Unaudited Reconciliation of Non-GAAP Adjustments

(in thousands)

Non-GAAP metrics for the Advertising segment and the combined Automotive and Mobile Navigation segments

	Six Months Ended December 31, 2015						
	GAAP Consolidated	Non-GAAP Consolidated	Non-GAAP Advertising		Automotive [1]	Mobile Navigation [1]	Total Non-GAAP Automotive and Mobile Navigation [1]
Revenue	$ 89,314		$ 11,539		$ 63,589	$ 14,186	$ 77,775
Cost of revenue	47,919		6,750		37,452	3,717	41,169
Gross profit	41,395		4,789		$ 26,137	$ 10,469	36,606
Operating expenses:							
Research and development	34,640		2,530	(2)			32,110
Sales and marketing	13,522		7,491	(2)			6,031
General and administrative	11,329		1,044	(3)			10,285
Legal settlement and contingencies	750		—	(4)			750
Restructuring	(1,468)		(375)	(2)			(1,093)
Total operating expenses:	58,773		10,690				48,083
Loss from operations	(17,378)		(5,901)				(11,477)
Interest and other income (expense), net	333		—	(5)			333
Loss before provision for income taxes	(17,045)		(5,901)				(11,144)
Benefit from income taxes	440		—	(6)			440
Net loss	$ (17,485)	$ (17,485)	$ (5,901)				$ (11,584)
Adjustments:							
Legal settlement and contingencies		750	—	(4)			750
Stock-based compensation expense		6,267	659	(2)			5,608
Restructuring accrual		(1,468)	(375)	(2)			(1,093)
Deferred rent reversal due to lease termination		(621)	(159)	(2)			(462)
Depreciation and amortization expense		1,916	656	(2)			1,260
Interest and other income (expense), net		(333)	—	(5)			(333)
Provision for income taxes		440	—	(6)			440
Adjusted EBITDA		$ (10,534)	$ (5,120)				$ (5,414)
Change in deferred revenue		7,023	—				7,023
Change in deferred costs [7]		(4,302)	—				(4,302)
Adjusted EBITDA on billings [7]		$ (7,813)	$ (5,120)				$ (2,693)

[1] Automotive and mobile navigation segments share many of the same technologies and resources. Accordingly, we are unable to allocate the operating expenses, other income (expense), net and provision (benefit) for income taxes to these individual segments.

For purposes of calculating the Non-GAAP net loss attributable to the advertising segment :

[2] These expenses represent costs directly attributable to the advertising segment.

[3] These expenses represent actual general and administrative costs directly attributable to the advertising segment as well as an allocation of certain shared corporate costs that directly benefit the advertising segment such as accounting and human resource services.

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[5] Expenses or income cannot be directly allocated to the advertising segment.

[6] Income taxes are primarily from foreign operations which support the automotive and mobile navigation segments.

[7] We expect to incur additional costs in the future due to requirements to provide ongoing provisioning of services such as hosting, monitoring and customer support. Accordingly, adjusted EBITDA on billings does not reflect all costs associated with billings.