

TRUECAR, INC. DISCLAIMER



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Contact info: Alison Sternberg, Vice President, Investor Relations and Administration at investors@true.com

TRUECAR, INC. OPERATING METRICS (UNAUDITED)



	3 Months Ended				3 Months Ended			Year Ended
	Mar 31,	Jun 30,	Sep 30,	Dec 31,	Mar 31,	Jun 30,	Sep 30,	Dec 31,
	2015				2016			2015
Transaction Revenue (thousands)	\$54,268	\$60,408	\$67,441	\$59,278	\$57,409	\$61,841	\$70,306	\$241,395
<i>Y/Y % Change</i>	36%	31%	30%	16%	6%	2%	4%	27%
Units	168,559	190,358	208,034	183,157	174,982	192,531	220,633	750,108
<i>Y/Y % Change</i>	34%	27%	21%	12%	4%	1%	6%	23%
Average Monthly Unique Visitors	5,520,235	5,946,114	6,634,659	5,897,417	6,689,458	6,683,027	7,600,900	5,999,606
<i>Y/Y % Change</i>	40%	42%	43%	33%	21%	12%	15%	40%
Monetization	\$322	\$317	\$324	\$324	\$328	\$321	\$319	\$322
Franchise Dealer Count (ending)	9,108	9,300	8,702	9,094	9,281	10,135	10,759	9,094
<i>Y/Y % Change</i>	26%	21%	7%	7%	2%	9%	24%	7%
Transaction Revenue per Franchise Dealer (thousands) ¹	\$6.2	\$6.6	\$7.5	\$6.7	\$6.2	\$6.4	\$6.7	\$27.4

Note: (1) Based on average franchise dealer count during the period.

TRUECAR, INC. CONDENSED STATEMENT OF OPERATIONS (UNAUDITED)



(In thousands, except per share data)	3 Months Ended				3 Months Ended			Year Ended
	Mar 31,	Jun 30,	Sep 30,	Dec 31,	Mar 31,	Jun 30,	Sep 30,	Dec 31,
	2015				2016			2015
GAAP Statement of Operations								
Revenue:								
Transaction revenue	54,268	60,408	67,441	59,278	57,409	61,841	70,306	241,395
Forecasts, consulting and other revenue	4,286	4,883	4,964	4,310	4,451	4,586	4,833	18,443
Total	\$ 58,554	\$ 65,291	\$ 72,405	\$ 63,588	\$ 61,860	\$ 66,427	\$ 75,139	\$ 259,838
Costs and expenses:								
Cost of revenue (exclusive of depreciation and amortization)	5,791	5,927	5,952	5,987	6,225	6,365	6,320	23,657
Sales and marketing	31,709	40,457	43,969	34,867	32,111	38,129	42,557	151,002
Technology and development	9,760	10,979	12,340	14,942	13,140	14,022	13,153	48,021
General and administrative	18,769	18,407	16,467	29,851	15,496	15,998	13,765	83,494
Depreciation and amortization	3,925	4,119	4,477	5,125	5,904	5,868	6,035	17,646
Total costs and expenses	69,954	79,889	83,205	90,772	72,876	80,382	81,830	323,820
Loss from operations	(11,400)	(14,598)	(10,800)	(27,184)	(11,016)	(13,955)	(6,691)	(63,982)
Interest income	20	24	27	36	93	102	91	107
Interest expense	(45)	(118)	(159)	(121)	(608)	(632)	(645)	(443)
Other income (expense)	11	3	-	(1)	-	-	-	13
Provision for income taxes	(209)	(50)	(173)	(174)	(136)	(170)	(191)	(606)
Net loss	\$ (11,623)	\$ (14,739)	\$ (11,105)	\$ (27,444)	\$ (11,667)	\$ (14,655)	\$ (7,436)	\$ (64,911)
Basic shares for GAAP EPS	80,461	82,012	82,417	82,735	83,462	83,931	84,822	81,914
Diluted shares for GAAP EPS	80,461	82,012	82,417	82,735	83,462	83,931	84,822	81,914
Net loss per share — basic	\$ (0.14)	\$ (0.18)	\$ (0.13)	\$ (0.33)	\$ (0.14)	\$ (0.17)	\$ (0.09)	\$ (0.79)
Net loss per share — diluted	\$ (0.14)	\$ (0.18)	\$ (0.13)	\$ (0.33)	\$ (0.14)	\$ (0.17)	\$ (0.09)	\$ (0.79)

TRUECAR, INC. CONDENSED STATEMENT OF OPERATIONS (UNAUDITED)



(In thousands, except per share data)	3 Months Ended				3 Months Ended			Year Ended
	Mar 31,	Jun 30,	Sep 30,	Dec 31,	Mar 31,	Jun 30,	Sep 30,	Dec 31,
	2015				2016			2015
Reconciliation of GAAP Expenses to Non-GAAP Expenses:								
Cost of revenue, as reported	5,791	5,927	5,952	5,987	6,225	6,365	6,320	23,657
Stock-based compensation ⁽¹⁾	177	187	217	211	222	233	256	792
Non-GAAP cost of revenue	\$ 5,614	\$ 5,740	\$ 5,735	\$ 5,776	\$ 6,003	\$ 6,132	\$ 6,064	\$ 22,865
Sales & Marketing, as reported	31,709	40,457	43,969	34,867	32,111	38,129	42,557	151,002
Stock-based compensation ⁽¹⁾	1,390	1,218	1,131	754	763	1,736	1,655	4,493
Warrant expense	(147)	(333)	(308)	(15)	-	-	13	(803)
Severance charges ^{(2) (3)}	-	-	185	171	-	508	-	357
Non-GAAP sales and marketing	\$ 30,466	\$ 39,572	\$ 42,961	\$ 33,957	\$ 31,348	\$ 35,885	\$ 40,889	\$ 146,955
Technology and development, as reported	9,760	10,979	12,340	14,942	13,140	14,022	13,153	48,021
Stock-based compensation ⁽¹⁾	926	1,227	889	1,252	1,079	746	1,200	4,294
Severance charges ^{(2) (3)}	-	-	-	366	-	1,304	-	366
Non-GAAP technology and development	\$ 8,834	\$ 9,752	\$ 11,451	\$ 13,324	\$ 12,061	\$ 11,972	\$ 11,953	\$ 43,361
General and administrative, as reported	18,769	18,407	16,467	29,851	15,496	15,998	13,765	83,494
Stock-based compensation ⁽¹⁾	6,960	6,535	5,294	14,195	3,828	3,185	3,130	32,984
Certain litigation costs ⁽⁴⁾	2,443	2,119	1,180	429	272	150	193	6,171
Severance charges ^{(2) (3)}	-	-	386	2,623	-	(29)	-	3,009
Lease exit costs ⁽⁵⁾	-	-	-	2,232	-	2,684	-	2,232
Non-GAAP general and administrative	\$ 9,366	\$ 9,753	\$ 9,607	\$ 10,372	\$ 11,396	\$ 10,008	\$ 10,442	\$ 39,098

(1) Includes stock-based compensation of \$10.7 million incurred in the fourth quarter of 2015 related to the departure of certain executives who left the Company.

(2) We incurred severance costs of \$2.8 million and \$3.4 million for executive-level employees who terminated during the quarter and year ended December 31, 2015, respectively. In addition, we also incurred \$0.3 million of related recruiting fees for the placement of our new CEO in the fourth quarter of 2015. We believe excluding the impact of these charges from 2015 is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of ongoing operating results.

(3) We incurred \$1.3 million in severance costs in the second quarter of 2016 related to a reorganization of our product and technology teams to better align our resources with business objectives as we transition from multiple software platforms to a unified architecture. In addition, we incurred severance costs of \$0.5 million related to an executive who terminated during the second quarter of 2016. Furthermore, we incurred severance costs for four executive-level employees who terminated in the third quarter of 2015. We believe excluding the impacts of these terminations is consistent with our use of Adjusted EBITDA and Non-GAAP net loss as we do not believe they are useful indicators of ongoing operating results.

(4) The excluded amounts relate to legal costs incurred in connection with a claim we filed against Sonic Automotive Holdings, Inc. (the "Sonic Litigation"), complaints filed by non-TrueCar dealers and the California New Car Dealers Association against TrueCar, and securities and consumer class action lawsuits. We believe the exclusion of these costs is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. We do not believe significant trademark litigation like the Sonic Litigation is reflective of a trend in our underlying operations. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending resolution.

(5) Represents updated estimates to our lease termination costs in the second quarter of 2016 associated with the consolidation of the Company's office locations in Santa Monica, California in December 2015. We believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.

TRUECAR, INC. CONDENSED STATEMENT OF OPERATIONS (UNAUDITED)



(In thousands, except per share data)	3 Months Ended				3 Months Ended			Year Ended
	Mar 31,	Jun 30,	Sep 30,	Dec 31,	Mar 31,	Jun 30,	Sep 30,	Dec 31,
	2015				2016			2015
Reconciliation of Net Loss to Adjusted EBITDA:								
Net loss	\$ (11,623)	\$ (14,739)	\$ (11,105)	\$ (27,444)	\$ (11,667)	\$ (14,655)	\$ (7,436)	\$ (64,911)
Interest income	(20)	(24)	(27)	(36)	(93)	(102)	(91)	(107)
Interest expense	45	118	159	121	608	632	645	443
Depreciation and amortization	3,925	4,119	4,477	5,125	5,904	5,868	6,035	17,646
Stock-based compensation ⁽¹⁾	9,453	9,167	7,531	16,412	5,892	5,900	6,241	42,563
Warrant expense	(147)	(333)	(308)	(15)	-	-	13	(803)
Certain litigation costs ⁽²⁾	2,443	2,119	1,180	429	272	150	193	6,171
Severance charges ⁽³⁾⁽⁴⁾	-	-	571	3,161	-	1,783	-	3,732
Lease exit costs ⁽⁵⁾	-	-	-	2,232	-	2,684	-	2,232
Provision for income taxes	209	50	173	174	136	170	191	606
Adjusted EBITDA	\$ 4,285	\$ 477	\$ 2,651	\$ 159	\$ 1,052	\$ 2,430	\$ 5,791	\$ 7,572

Reconciliation of GAAP Net Loss to Non-GAAP Net Income (Loss):

Net loss, as reported	\$ (11,623)	\$ (14,739)	\$ (11,105)	\$ (27,444)	\$ (11,667)	\$ (14,655)	\$ (7,436)	\$ (64,911)
Stock-based compensation ⁽¹⁾	9,453	9,167	7,531	16,412	5,892	5,900	6,241	42,563
Warrant expense	(147)	(333)	(308)	(15)	-	-	13	(803)
Certain litigation costs ⁽²⁾	2,443	2,119	1,180	429	272	150	193	6,171
Severance charges ⁽³⁾⁽⁴⁾	-	-	571	3,161	-	1,783	-	3,732
Lease exit costs ⁽⁵⁾	-	-	-	2,232	-	2,684	-	2,232
Non-GAAP net income (loss) ⁽⁶⁾	\$ 126	\$ (3,786)	\$ (2,131)	\$ (5,225)	\$ (5,503)	\$ (4,138)	\$ (989)	\$ (11,016)
Basic shares for non-GAAP EPS	80,461	82,012	82,417	82,735	83,462	83,931	84,822	81,914
Diluted shares for non-GAAP EPS	92,361	82,012	82,417	82,735	83,462	83,931	84,822	81,914
Non-GAAP net loss per share - basic	\$ 0.00	\$ (0.05)	\$ (0.03)	\$ (0.06)	\$ (0.07)	\$ (0.05)	\$ (0.01)	\$ (0.13)
Non-GAAP net loss per share - diluted	\$ 0.00	\$ (0.05)	\$ (0.03)	\$ (0.06)	\$ (0.07)	\$ (0.05)	\$ (0.01)	\$ (0.13)

(1) Includes stock-based compensation of \$10.7 million incurred in the fourth quarter of 2015 related to the departure of certain executives who left the Company.

(2) The excluded amounts relate to legal costs incurred in connection with a claim we filed against Sonic Automotive Holdings, Inc. (the "Sonic Litigation"), complaints filed by non-TrueCar dealers and the California New Car Dealers Association against TrueCar, and securities and consumer class action lawsuits. We believe the exclusion of these costs is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. We do not believe significant trademark litigation like the Sonic Litigation is reflective of a trend in our underlying operations. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending resolution.

(3) We incurred severance costs of \$2.8 million and \$3.4 million for executive-level employees who terminated during the quarter and year ended December 31, 2015, respectively. In addition, we also incurred \$0.3 million of related recruiting fees for the placement of our new CEO in the fourth quarter of 2015. We believe excluding the impact of these charges from 2015 is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of ongoing operating results.

(4) We incurred \$1.3 million in severance costs in the second quarter of 2016 related to a reorganization of our product and technology teams to better align our resources with business objectives as we transition from multiple software platforms to a unified architecture. In addition, we incurred severance costs of \$0.5 million related to an executive who terminated during the second quarter of 2016. Furthermore, we incurred severance costs for four executive-level employees who terminated in the third quarter of 2015. We believe excluding the impacts of these terminations is consistent with our use of Adjusted EBITDA and Non-GAAP net loss as we do not believe they are useful indicators of ongoing operating results.

(5) Represents updated estimates to our lease termination costs in the second quarter of 2016 associated with the consolidation of the Company's office locations in Santa Monica, California in December 2015. We believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.

(6) There is no income tax impact related to the adjustments made to calculate Non-GAAP net loss because of our available net operating loss carryforwards and the full valuation allowance recorded against our net deferred tax assets at September 30, 2016 and September 30, 2015.