



Telenav Q3 FY20 Earnings Announcement

May 7, 2020

Forward Looking Statements

This supplemental investor presentation contains forward-looking statements that are based on the Company management's belief and assumptions and on information currently available to its 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: the impact of the COVID-19 on business activity, including but not limited to the shutdown of manufacturing operations by Ford, GM and other automobile manufacturer customers, consumer demand for new vehicles and the Company's operations; when Ford, GM and other automobile manufacturer partners will resume partial or full production and the impact the continued period of reduced volume of new vehicles being produced will have on our revenue and operating results; the ensuing economic recession; the Company's ability to achieve future revenue currently estimated under customer engagements, including the Company's ability to determine, achieve and accurately recognize revenue under customer engagements, including specifically related to the Company's transaction with Grab Holdings; the Company's ability to develop and implement products for Ford, GM and Toyota and to support Ford, GM and Toyota and their customers; the impact of Ford's announcement regarding the elimination of various sedans in North America over the near term; the impact of tariffs on sales of automobiles in the United States and other markets; the Company's success in extending its contracts for current and new generation of products with its existing automobile manufacturers and tier ones, particularly Ford; the impact of GM's announcement regarding Google Automotive Services; the Company's ability to achieve additional design wins and the delivery dates of automobiles including the Company's products; adoption by vehicle purchasers of Scout GPS Link; the Company's ability to remediate its material weaknesses in its internal control over financial reporting and disclosures, and timely demonstrate such mitigation, including as it may relate to the Company's recognition of revenue, including under the Grab Transaction; the Company's dependence on a limited number of automobile manufacturers and tier ones for a substantial portion of its revenue and the impact of labor stoppages on those automobile manufacturers' and tier ones' ability to produce vehicles; reductions in demand for automobiles; potential impacts of automobile manufacturers and tier ones including competitive capabilities in their vehicles such as Apple CarPlay and Android Auto; the Company's continued reporting of losses and operating expenses in excess of expectations; the timing of new product releases and vehicle production by the Company's automotive customers, including inventory procurement and fulfillment; possible warranty claims, and the impact on consumer perception of its brand; the Company's ability to perform under its initiatives with Amazon and Microsoft, and benefit from those initiatives; the potential that the Company may not be able to realize its deferred tax assets and may have to take a reserve against them;. The Company discusses these risks in greater detail in "Risk Factors" and elsewhere in its Form 10-K for the fiscal year ended June 30, 2019 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 management's beliefs and assumptions only as of the date made. You should review the company's SEC filings carefully and with the understanding that actual future results may be materially different from what the Company expects.

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, change in deferred revenue, change in deferred costs, adjusted EBITDA, and free cash flow included in this supplemental investor presentation 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. To reconcile the historical GAAP results to non-GAAP financial metrics, please refer to the reconciliations in the financial tables included in this supplemental investor presentation.

Billings equal GAAP revenue recognized plus the change in deferred revenue from the beginning to the end of the applicable period. In connection with its presentation of the change in deferred revenue, Telenav has provided a similar presentation of the change in the related deferred costs. Such deferred costs primarily include costs associated with third party content and certain development costs associated with its customized software solutions whereby customized engineering fees are earned. As the company enters into more hybrid and brought-in navigation programs, deferred revenue and deferred costs become larger components of its operating results, so Telenav believes these metrics are useful in evaluating cash flows. Telenav considers billings to be a useful metric for management and investors because billings drive revenue and deferred revenue, which is an important indicator of its business. There are a number of limitations related to the use of billings versus revenue calculated in accordance with GAAP. First, billings include amounts that have not yet been recognized as revenue or cost and may require additional services or costs to be provided over contracted service periods. For example, billings related to certain brought-in solutions cannot be fully recognized as revenue in a given period due to requirements for ongoing map updates and provisioning of services such as hosting, monitoring, customer support and, for certain customers, additional period content and associated technology costs. Second, we may calculate billings in a manner that is different from peer companies that report similar financial measures, making comparisons between companies more difficult. Accordingly, when Telenav uses this measure, it attempts to compensate for these limitations by providing specific information regarding billings and how they relate to revenue calculated in accordance with GAAP.

Adjusted EBITDA measures GAAP net income/loss adjusted for discontinued operations and excluding the impact of stock-based compensation expense, depreciation and amortization, other income (expense) net, provision (benefit) for income taxes, and other applicable items such as legal settlements and contingencies and merger and acquisition, or M&A, transaction expenses, net of tax. Stock-based compensation expense relates to equity incentive awards granted to its employees, directors, and consultants. Legal settlements and contingencies represent settlements, offers made to settle, or loss accruals relating to litigation or other disputes in which Telenav is a party or the indemnitor of a party. M&A transaction expenses relate primarily to costs associated with transactions, such as the inMarket Transaction and the Grab Transaction. Adjusted EBITDA, while generally a measure of profitability, can also represent a loss. Adjusted EBITDA is a key measure Telenav uses to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short- and long-term operational plans. In particular, Telenav believes that the exclusion of the expenses we eliminate when calculating adjusted EBITDA can provide a useful measure for period-to-period comparisons of Telenav's core business. Accordingly, Telenav believes that adjusted EBITDA generally may provide useful information to investors and others in understanding and evaluating our operating results in the same manner as Telenav does.

Free cash flow is a non-GAAP financial measure Telenav defines as net cash provided by (used in) operating activities, less purchases of property and equipment. Telenav considers 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 its business after purchases of property and equipment.

Key Messages | Q3 FY20

Delivered another solid quarter & remained focused on executing our connected car strategy for sustainable growth and value creation

1 Solid financial results, 3rd consecutive quarter of double-digit growth and positive non-GAAP adjusted EBITDA

- » \$64M in revenue, up 33% YoY
- » \$1.6M in non-GAAP adjusted EBITDA, +\$4.8M YoY

2 \$124M in cash, strong position even after \$11M of share repurchases and equity investments in the quarter

- » Equity investments made in multiple companies of approximately \$32M
- » Cash position and equity investments represent approximately 75% of TNAV's Market Cap at end of quarter

3 Continued to execute on our connected car platform strategy to capitalize on the \$500B connected car market

- » Solid progress in the In-Car Commerce space
 - ❑ Completed investment in Synq3, providing access to thousands of restaurants and further build our ICC ecosystem
 - ❑ Completed additional investment with MotionAuto as we continue partnering and making progress on insurance solutions
- » Closed Europe Vivid after-market deal with Alpine

4 Covid-19 Impact - immediate to short term outlook remains uncertain, but our priorities remains the same

- » Top priorities remain – customer delivery, health and safety of employees, operational discipline and cash preservation
- » In the near term, TNAV also is driving operational efficiencies via IT transformation and spend mitigation across all areas

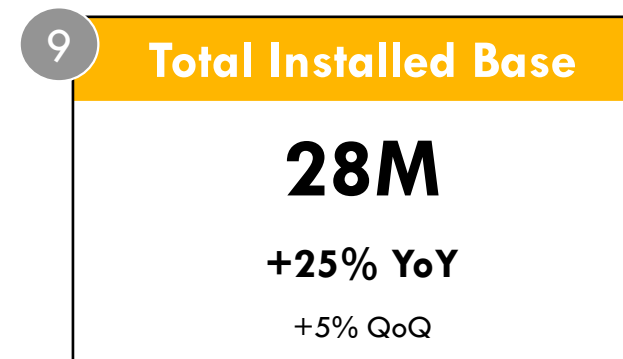
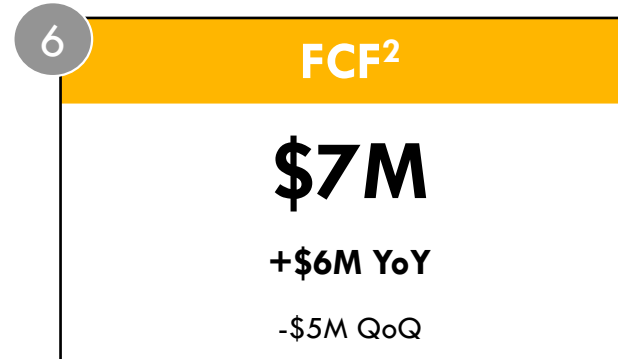
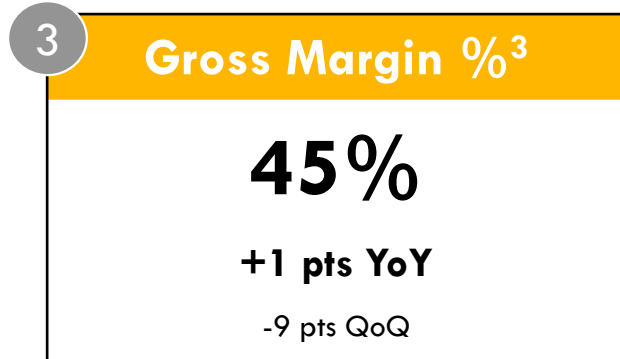
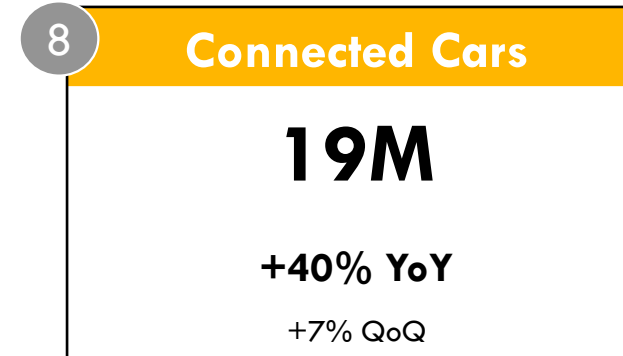
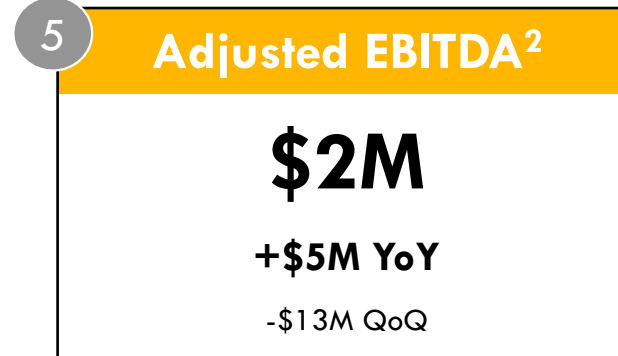
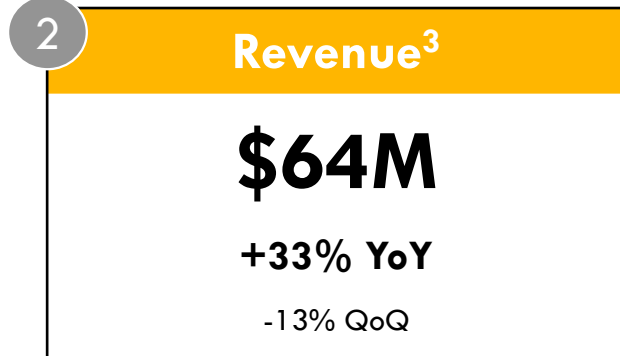
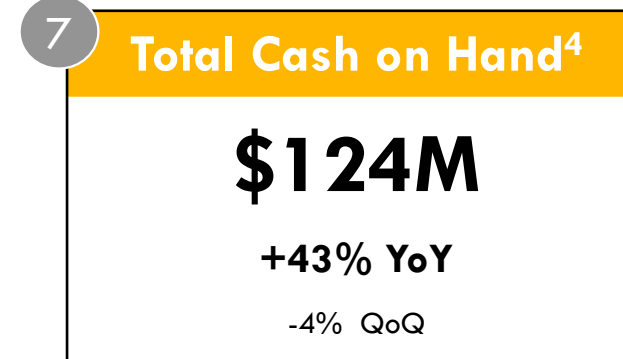
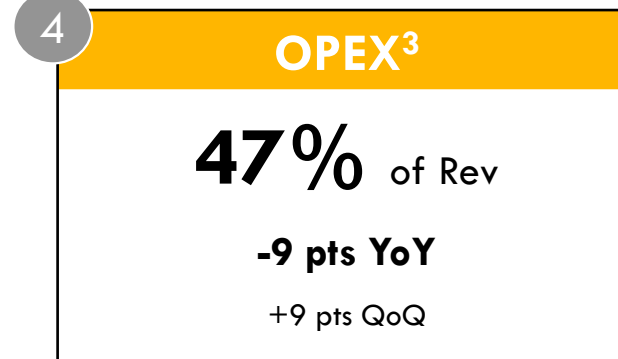
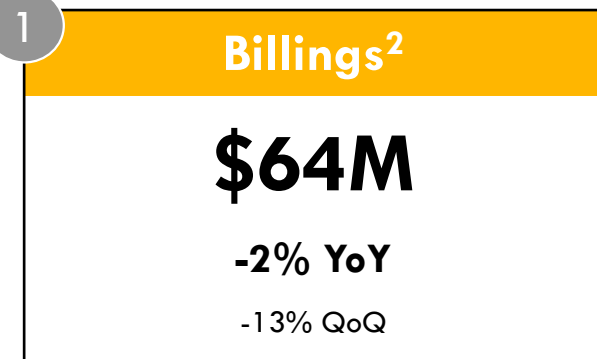
Connected Car Platform Strategy | Build, Acquire & Partner

Building momentum via our flywheel strategy with laser focus on three pillars to capitalize on a +\$500B TAM



Key Metrics | Q3 FY20¹

Grew revenue, expanded gross margin, and grew installed base



1 Adjusted for discontinued operations for all periods

2 Non-GAAP measure – see Financial Tables for reconciliation of GAAP to Non-GAAP

3 GAAP measure

4 Includes cash, cash equivalents, and short-term investments

- Please refer to the financial tables at the back of this presentation and Telenav's Investor Relations website for the latest SEC filings

Performance Overview Breakdown | Q3 FY20¹

Substantial product and services revenue growth

Telenav Total Company

Revenue

\$64.5 million

+33% y/y, -13% q/q

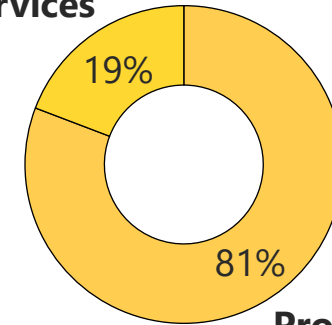
Gross profit

\$29.0 million

45% of revenue, +1.5 pts y/y, -9.4 pts q/q

Revenue Mix

Services



Product

Product

Revenue

\$52.1 million

+25% y/y, -15% q/q

Gross profit

\$24.4 million

47% of revenue, +3.3 pts y/y, -10.1 pts q/q

Key Highlights

- Delivered a solid revenue quarter while expanding gross margins
- Total revenue of \$64.5M, up 33% Y/Y; Gross Margin of 45% up 1.5pts Y/Y
- Product revenue of \$52.1M, up 25% Y/Y; Gross Margin of 47% up 3.3pts Y/Y
- Services revenue of \$12.4M up 82% Y/Y; Gross Margin of 37% down 6.0pts Y/Y
- Services business represented 19% of the overall revenue mix

Services

Revenue

\$12.4 million

+82% y/y, +0% q/q

Gross profit

\$4.5 million

37% of revenue, -6.0 pts y/y, -4.3 pts q/q

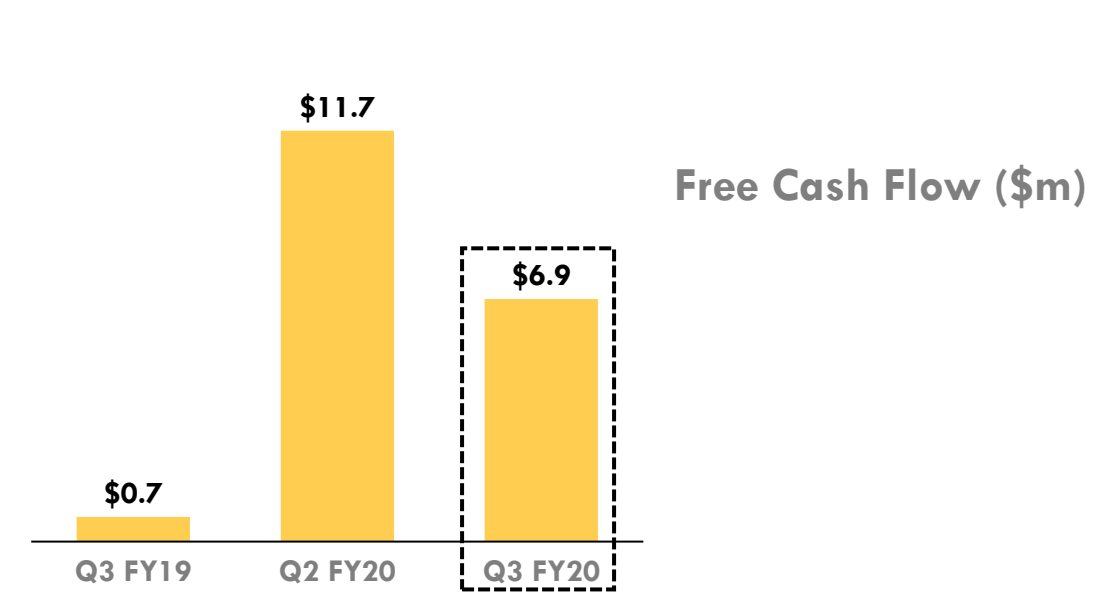
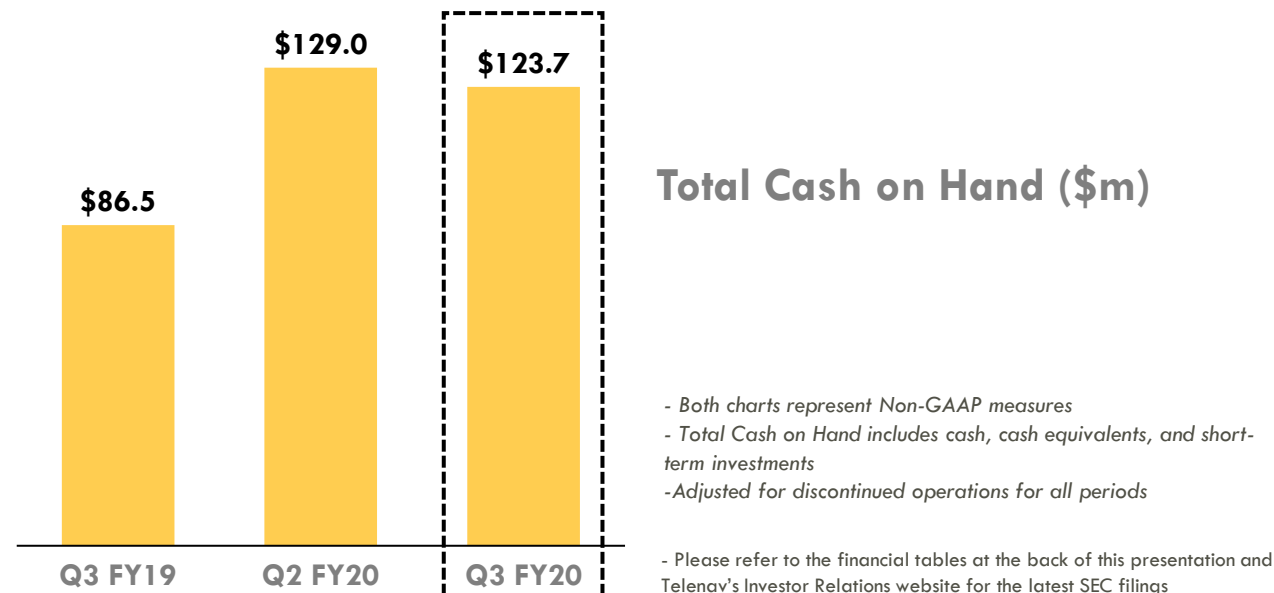
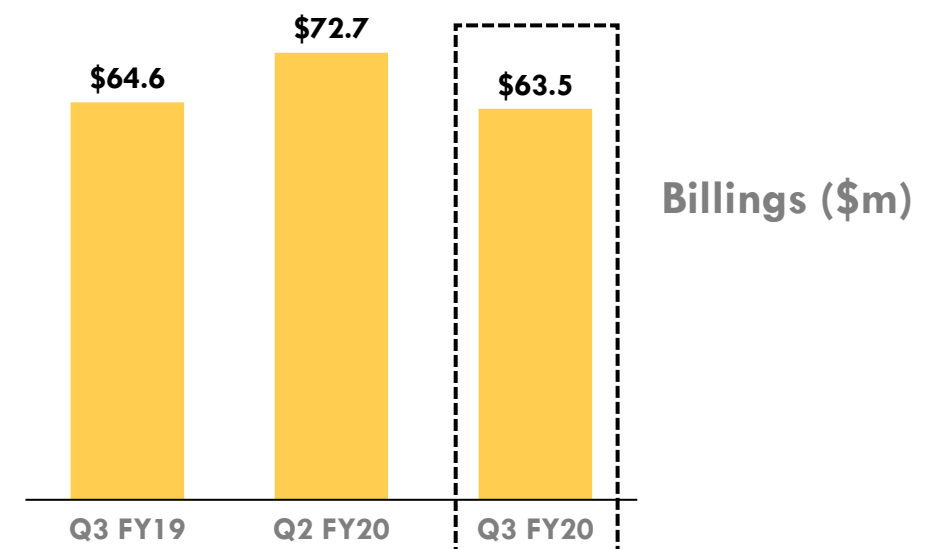
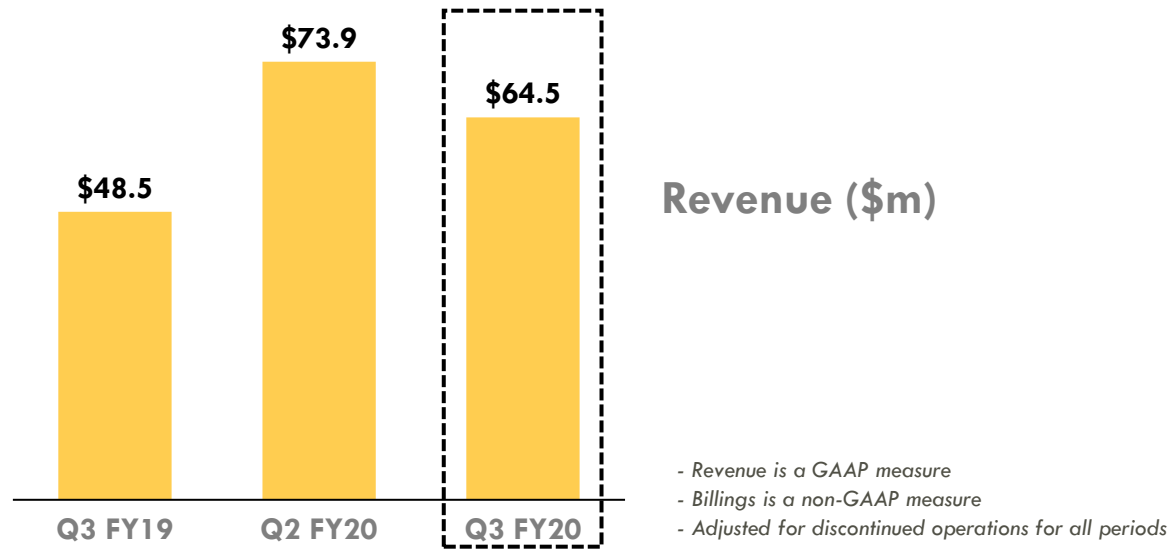
All measures above are GAAP

¹ Adjusted for discontinued operations for all periods

- Please refer to the financial tables at the back of this presentation and Telenav's Investor Relations website for the latest SEC filings

Key Financial Metrics | YoY, QoQ

Significant year-over-year growth in revenue, total cash on hand, and free cash flow





Q4 FY20

Q4 FY20 | Areas of Focus

Immediate to Short term Opportunities

- **Win New OEMs**
- **Increase our share of wallet** within our existing customers
- **VIVID as an embedded platform with OEMs**
- **In-Car Commerce** – huge opportunity, and we are just getting started with our first customer win
- **Aftermarket with our all-in-one VIVID solution** to cater the untapped millions of cars in the aftermarket channel

Operational Discipline & Cost Controls

- **Restrict external hiring**
- **Restrict contractor renewals**
- **Scrutinize all discretionary spend**
- Several other initiatives in the works to **further control costs**
- **IT transformation** to drive operational efficiencies and productivity gains

Q4 FY20 Outlook | Not Guiding

- While TNAV remains optimistic about a recovery from the Covid-19 impact, it is unclear how aggressively the OEMs open plants around the globe, and further uncertainty exists with how fast the plants will ramp up unit volumes
- Until we understand more from the OEMs related to plant re-openings, production ramp schedules and their impact on unit volumes, **TNAV has determined not to provide guidance for Q4 FY20**



Q3 FY20 Financial Tables

Telenav, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except par value)
(unaudited)

	<u>March 31,</u>	<u>June 30,</u>		<u>March 31,</u>	<u>June 30,</u>
	2020	2019		2020	2019
Assets			Liabilities and stockholders' equity		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 16,476	\$ 27,275	Trade accounts payable	\$ 24,082	\$ 16,061
Short-term investments	107,273	72,203	Accrued expenses	36,208	48,899
Accounts receivable, net of allowances of \$6 and \$7 at March 31, 2020 and June 30, 2019, respectively	41,926	69,781	Operating lease liabilities	3,161	-
Restricted cash	1,541	1,950	Deferred revenue	43,841	31,270
Deferred costs	29,744	18,752	Income taxes payable	537	800
Prepaid expenses and other current assets	3,477	3,784	Liabilities of discontinued operations	-	3,373
Assets of discontinued operations, non-current	-	6,330	Total current liabilities	107,829	100,403
Total current assets	200,437	200,075	Deferred rent, non-current	-	1,266
Property and equipment, net	5,411	5,583	Operating lease liabilities, non-current	5,785	-
Operating lease right-of-use assets	7,909	-	Deferred revenue, non-current	99,361	103,865
Deferred income taxes, non-current	1,081	998	Other long-term liabilities	667	811
Goodwill and intangible assets, net	14,255	15,701	Liabilities of discontinued operations, non-current	-	30
Deferred costs, non-current	52,954	61,050	Commitments and contingencies	-	-
Other assets	33,504	1,414	Stockholders' equity:		
Assets of discontinued operations, non-current	-	12,194	Preferred stock, \$0.001 par value: 50,000 shares authorized; no shares issued or outstanding	-	-
Total assets	<u>\$ 315,551</u>	<u>\$ 297,015</u>	Common stock, \$0.001 par value: 600,000 shares authorized; 47,288 and 46,911 shares issued and outstanding at March 31, 2020 and June 30, 2019, respectively	47	47
			Additional paid-in capital	189,387	182,349
			Accumulated other comprehensive loss	(2,004)	(1,477)
			Accumulated deficit	(85,521)	(90,279)
			Total stockholders' equity	101,909	90,640
			Total liabilities and stockholders' equity	<u>\$ 315,551</u>	<u>\$ 297,015</u>

Telenav, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2020	2019	2020	2019
Revenue:				
Product	\$ 52,106	\$ 41,723	\$ 169,639	\$ 124,050
Services	12,390	6,817	35,361	20,902
Total revenue	<u>64,496</u>	<u>48,540</u>	<u>205,000</u>	<u>144,952</u>
Cost of revenue:				
Product	27,664	23,532	86,087	72,135
Services	7,859	3,917	20,009	11,762
Total cost of revenue	<u>35,523</u>	<u>27,449</u>	<u>106,096</u>	<u>83,897</u>
Gross profit	28,973	21,091	98,904	61,055
Operating expenses:				
Research and development	21,617	19,322	61,997	55,580
Sales and marketing	2,166	2,167	6,246	5,535
General and administrative	6,403	5,523	20,118	16,694
Legal settlements and contingencies	-	-	-	650
Total operating expenses	<u>30,186</u>	<u>27,012</u>	<u>88,361</u>	<u>78,459</u>
Income (loss) from operations	(1,213)	(5,921)	10,543	(17,404)
Other income, net	1,088	581	2,245	2,703
Income (loss) from continuing operations before provision for income taxes	(125)	(5,340)	12,788	(14,701)
Provision for income taxes	505	194	1,121	1,036
Equity in net (income) loss of equity method investees	103	-	(694)	-
Income (loss) from continuing operations	(733)	(5,534)	12,361	(15,737)
Discontinued operations:				
Income (loss) from operations of Advertising business, net of tax	-	(1,947)	832	(3,895)
Loss from sale of Advertising business	-	-	(4,874)	-
Loss on discontinued operations	-	(1,947)	(4,042)	(3,895)
Net income (loss)	<u>\$ (733)</u>	<u>\$ (7,481)</u>	<u>\$ 8,319</u>	<u>\$ (19,632)</u>
Basic income (loss) per share:				
Income (loss) from continuing operations	\$ (0.02)	\$ (0.12)	\$ 0.26	\$ (0.35)
Loss on discontinued operations	-	(0.04)	(0.08)	(0.09)
Net income (loss)	<u>\$ (0.02)</u>	<u>\$ (0.16)</u>	<u>\$ 0.17</u>	<u>\$ (0.43)</u>
Diluted income (loss) per share:				
Income (loss) from continuing operations	\$ (0.02)	\$ (0.12)	\$ 0.25	\$ (0.35)
Loss on discontinued operations	-	(0.04)	(0.08)	(0.09)
Net income (loss)	<u>\$ (0.02)</u>	<u>\$ (0.16)</u>	<u>\$ 0.17</u>	<u>\$ (0.43)</u>
Weighted average shares used in computing income (loss) per share				
Basic	47,902	45,585	48,053	45,347
Diluted	<u>47,902</u>	<u>45,585</u>	<u>49,022</u>	<u>45,347</u>

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

	Nine Months Ended March 31,			Nine Months Ended March 31,	
	2020	2019		2020	2019
Operating activities			Investing activities		
Net income (loss)	\$ 8,319	\$ (19,632)	Purchases of property and equipment	(1,320)	(956)
Loss on discontinued operations	4,042	3,895	Purchases of short-term investments	(67,347)	(31,044)
Income (loss) from continuing operations	12,361	(15,737)	Purchases of long-term investments	(9,500)	-
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			Proceeds from sales and maturities of short-term investments	31,789	34,214
Stock-based compensation expense	5,189	5,611	Net cash provided by (used in) investing activities	(46,378)	2,214
Depreciation and amortization	2,685	2,982	Financing activities		
Operating lease amortization net of accretion	2,153	-	Proceeds from exercise of stock options	8,390	1,356
Accretion of net premium on short-term investments	157	(15)	Tax withholdings related to net share settlements of restricted stock units	(1,230)	(1,831)
Unrealized gain on non-marketable equity investments	-	(1,260)	Repurchase of common stock	(9,353)	(1,303)
Equity in net income of equity method investees	(694)	-	Net cash used in financing activities	(2,193)	(1,778)
Gain on sale of intellectual property and workforce to Grab	(45)	-	Effect of exchange rate changes on cash, cash equivalents and restricted cash	(343)	(401)
Non-cash revenue associated with grant of perpetual license to Grab	(5,831)	-	Net increase (decrease) in cash, cash equivalents and restricted cash, continuing operations	(7,233)	6,224
Other	(38)	(22)	Net cash used in discontinued operations	(3,975)	(3,154)
Changes in operating assets and liabilities:			Cash, cash equivalents and restricted cash, beginning of period	29,225	20,099
Accounts receivable	28,334	(11,581)	Cash, cash equivalents and restricted cash, end of period	\$ 18,017	\$ 23,169
Deferred income taxes	(110)	209	Supplemental disclosure of cash flow information		
Deferred costs	(2,924)	(13,934)	Income taxes paid, net	\$ 1,626	\$ 730
Prepaid expenses and other current assets	1,463	(162)	Non-cash investing: Investment in Market Media LLC acquired in exchange for sale of Advertising business	\$ 15,600	\$ -
Other assets	(21)	(123)	Non-cash sale of assets to Grab in exchange for equity investment and software	\$ 7,012	\$ -
Trade accounts payable	7,913	12,020	Cash flow from discontinued operations:		
Accrued expenses and other liabilities	(13,910)	(1,728)	Net cash used in operating activities	\$ (3,569)	\$ (3,154)
Income taxes payable	(252)	160	Net cash used in financing activities	(406)	-
Deferred rent	-	488	Net cash transferred from continuing operations	3,975	3,154
Operating lease liabilities	(2,791)	-	Net change in cash and cash equivalent from discontinued operation	-	-
Deferred revenue	8,042	29,281	Cash and cash equivalent of discontinued operations, beginning of period	-	-
Net cash provided by operating activities	41,681	6,189	Cash and cash equivalent of discontinued operations, end of period	\$ -	\$ -
			Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheets		
			Cash and cash equivalents	\$ 16,476	\$ 21,254
			Restricted cash	1,541	1,915
			Total cash, cash equivalents and restricted cash	\$ 18,017	\$ 23,169

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

Reconciliation of Revenue to Billings

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2020	2019	2020	2019
Revenue	\$ 64,496	\$ 48,540	\$ 205,000	\$ 144,952
Adjustments:				
Change in deferred revenue	(969)	16,047	8,067	29,281
Billings	<u>\$ 63,527</u>	<u>\$ 64,587</u>	<u>\$ 213,067</u>	<u>\$ 174,233</u>

Telenav, Inc.
Unaudited Reconciliation of Non-GAAP Adjustments
(in thousands)
Reconciliation of Deferred Revenue to Change in Deferred Revenue
Reconciliation of Deferred Costs to Change in Deferred Costs

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2020	2019	2020	2019
Deferred revenue, end of period	\$ 143,202	\$ 103,819	\$ 143,202	\$ 103,819
Deferred revenue, beginning of period	144,171	87,772	135,135	74,538
Change in deferred revenue	<u>\$ (969)</u>	<u>\$ 16,047</u>	<u>\$ 8,067</u>	<u>\$ 29,281</u>
Deferred costs, end of period	\$ 82,698	\$ 72,359	\$ 82,698	\$ 72,359
Deferred costs, beginning of period	81,763	65,465	79,802	58,425
Change in deferred costs ⁽¹⁾	<u>\$ 935</u>	<u>\$ 6,894</u>	<u>\$ 2,896</u>	<u>\$ 13,934</u>

⁽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 map updates and provisioning of services such as hosting, monitoring, customer support and, for certain customers, additional period content and associated technology costs.

Telenav, Inc.
Unaudited Reconciliation of Non-GAAP Adjustments
(in thousands)
Reconciliation of Net Income (Loss) to Adjusted EBITDA

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2020	2019	2020	2019
Net income (loss)	\$ (733)	\$ (7,481)	\$ 8,319	\$ (19,632)
Loss on discontinued operations	-	1,947	4,042	3,895
Income (loss) from continuing operations	(733)	(5,534)	12,361	(15,737)
Adjustments:				
Legal settlement and contingencies	-	-	-	650
Stock-based compensation expense	1,959	1,688	5,189	5,611
Depreciation and amortization expense	829	966	2,685	2,982
Other income, net	(1,088)	(581)	(2,245)	(2,703)
Provision for income taxes	505	194	1,121	1,036
Equity in net (income) loss of equity method investees	103	-	(694)	-
Adjusted EBITDA	\$ 1,575	\$ (3,267)	\$ 18,417	\$ (8,161)

Telenav, Inc.
Unaudited Reconciliation of Non-GAAP Adjustments
(in thousands)
Reconciliation of Net Income (Loss) to Free Cash Flow

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2020	2019	2020	2019
Net income (loss)	\$ (733)	\$ (7,481)	\$ 8,319	\$ (19,632)
Loss on discontinued operations	-	1,947	4,042	3,895
Income (Loss) from continuing operations	(733)	(5,534)	12,361	(15,737)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Change in deferred revenue ⁽¹⁾	(994)	16,047	8,042	29,281
Change in deferred costs ⁽²⁾	(963)	(6,894)	(2,924)	(13,934)
Changes in other operating assets and liabilities	11,904	(5,019)	20,626	(717)
Other adjustments ⁽³⁾	(2,046)	2,630	3,576	7,296
Net cash provided by operating activities	7,168	1,230	41,681	6,189
Less: Purchases of property and equipment	(242)	(511)	(1,320)	(956)
Free cash flow	\$ 6,926	\$ 719	\$ 40,361	\$ 5,233

⁽¹⁾ Consists of product royalties, customized software development fees, service 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.