



Telenav | *Transforming Life on the Go*

Telenav, Inc. (NASDAQ: TNAV)
Fourth Quarter and Fiscal 2020 Conference Call
August 12, 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 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; 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 Ford's announcement regarding Garmin and the possibility that Ford and other OEMs may transition additional business to other platforms and providers, such as Google Automotive Services; 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; the Company's dependence on a limited number of automobile manufacturers and tier ones for a substantial portion of its revenue, such as Ford and GM; reductions in demand for automobiles in general and specifically for Ford and GM vehicles; potential impacts of automobile manufacturers and tier ones, in particular Ford and GM, 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.

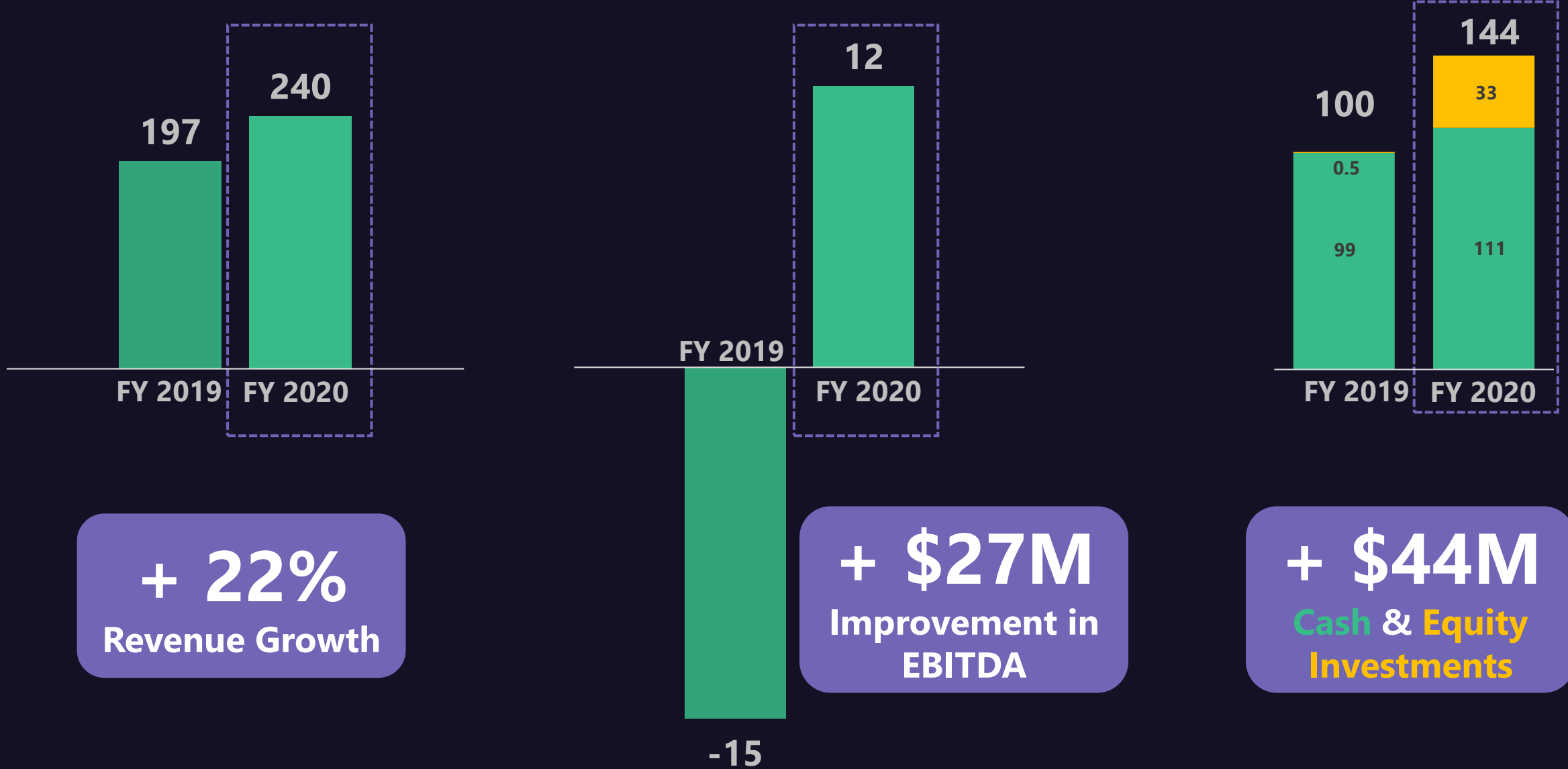
Billings equal GAAP revenue recognized plus the change in deferred revenue from the beginning to the end of the applicable period. In connection with its presentation of the change in deferred revenue, Telenav has provided a similar presentation of the change in the related deferred costs. Such deferred 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 and may require additional services 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. 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. 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 its core operating performance and trends, to prepare and approve its annual budget and to develop short- and long-term operational plans. In particular, Telenav believes that the exclusion of the expenses eliminated 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 its 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 Financial Metrics | Strong Fiscal Year 2020



Evolving Landscape | Our Response

**Improving
OEM Outlook
from Q4**

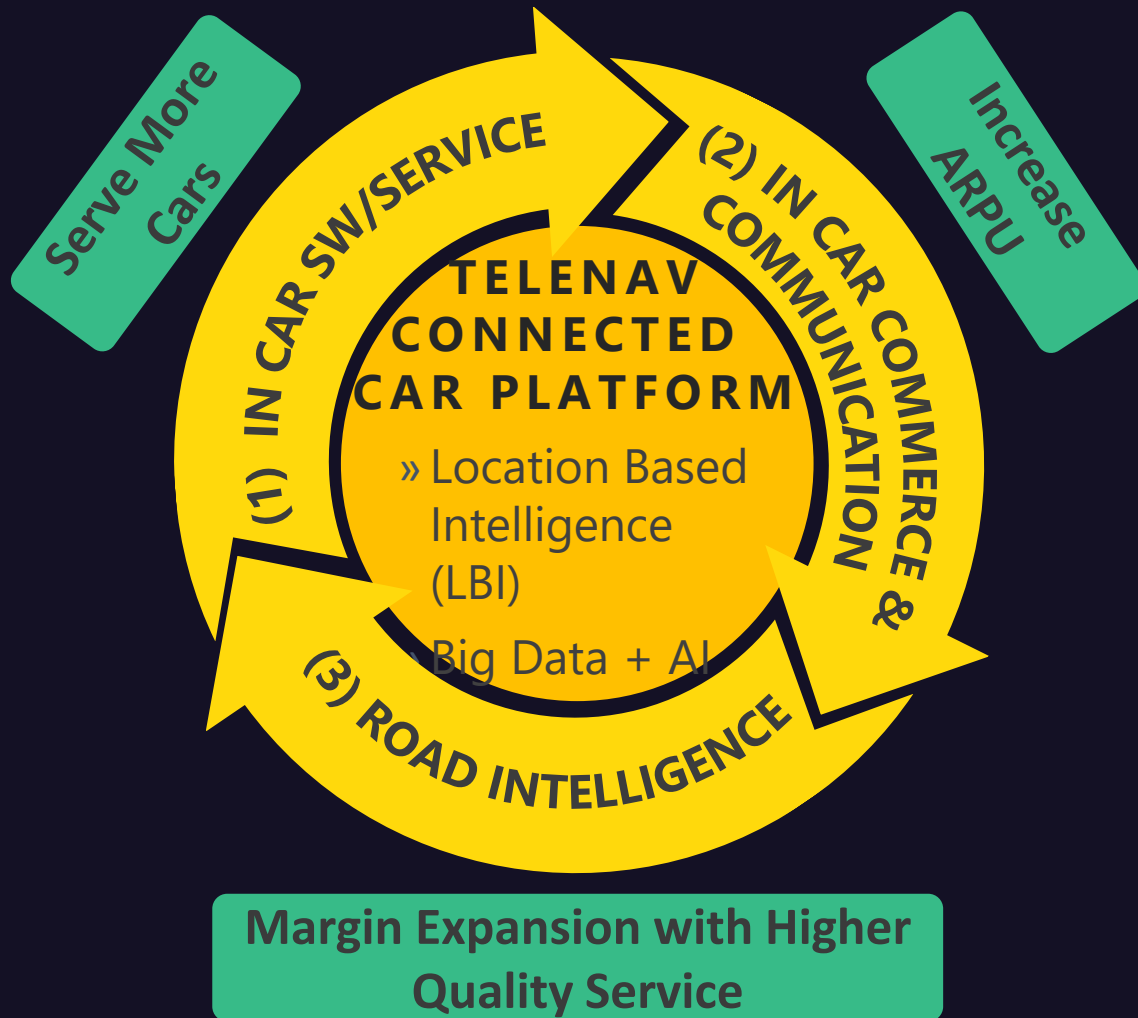
**Pandemic
Response &
Cost Efficiency**

**Team
Resilience &
Will to Win**



Connected Car Platform Strategy | Build, Acquire & Partner

Building momentum via our flywheel strategy, focusing on 3 growth engines to capture +\$500B* TAM



**\$500 Billion
Connected Car
Market**



* Source: McKinsey Report--Monetizing Car Data, Sept. 2016

In-Car Software and Service

- » Ford launched SYNC4 - F-150, Bronco
- » Won two new Chinese OEM awards
 - » SAIC - Largest OEM in China
 - » Xpeng Motors – Leading EV OEM
- » VIVID platform advancement & beta testing
- » Investment in video platform company for fleets



VIVID



In-Car Commerce and Communication

- » Continued to develop ICC; launch with Japanese OEM expected in 2H FY21
- » Increased investment in Motion Auto Insurance
 - › rapid increase in market coverage
 - › continues to scale at an accelerated pace
- » InMarket Media continues to grows at double digit %



motion auto
insurance

in|market

Road Intelligence

- » Partnership with Grab to enhance Open Street Maps (OSM)
- » Exploring other road intelligence / ride hailing deals deal across the globe



2021 Focus Areas

- » Drive flywheel momentum with:
 - » Organic initiatives
 - » Inorganic opportunities
- » Strive for operational excellence & continue the journey
- » Build great culture





Q4 and FY20 Financial Overview



Key Messages | Q420 & FY20

Outstanding FY20 financial performance despite significant Covid-19 impact on Q420

1 Significant impact of Covid-19 & OEM shutdowns on Q420

- » Q420 Revenue of \$35M down 32% Y/Y
- » Q420 EBITDA of -\$6.4M up \$0.9M Y/Y

2 Despite all the headwinds in Q320 and Q420, excellent performance in FY20

- » FY20 Revenue of \$240M up 22% vs FY19
- » FY20 EBITDA of \$12M up \$27M Y/Y

3 \$111M in cash, strong position even after a challenging quarter

- » Equity investments made in multiple companies of approx. \$33M
- » \$144M in cash and equity investments represent approximately 55% of TNAV's Market Cap at end of quarter

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

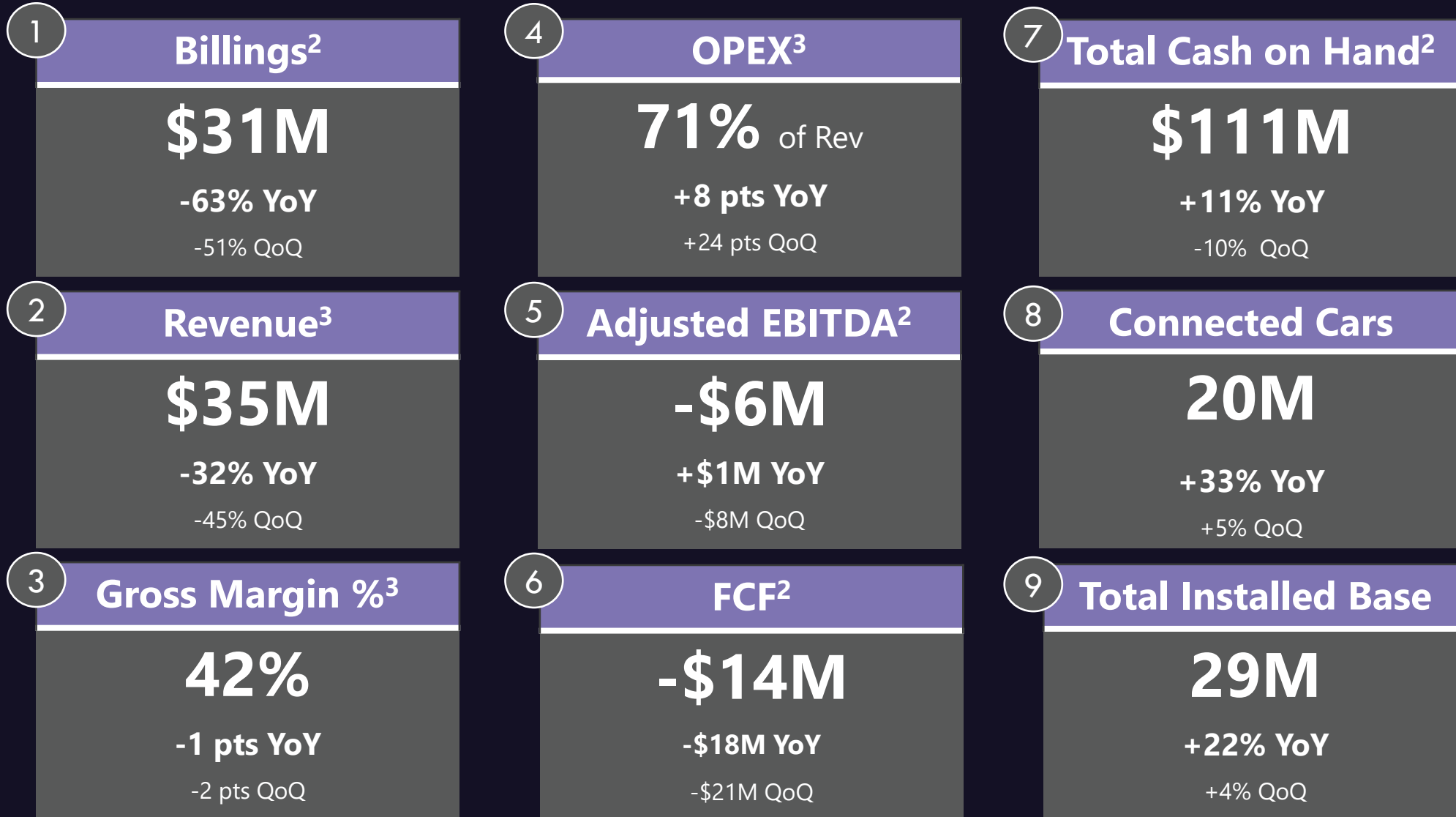
- » Awarded two new deals with Chinese OEMs, SAIC and Xpeng
- » Completed investment in Waylens, a video platform service company for fleets
- » Increased investment in Motion Auto as we continue to partner and drive our in-car insurance solution forward


COVID-19

- » While impact was significant in Q420, near-to-mid term outlook continues to stabilize & improve
- » TNAV workforce proved their resilience & adaptability one more time, all projects on track without any disruption



Key Metrics | Q4 FY20¹

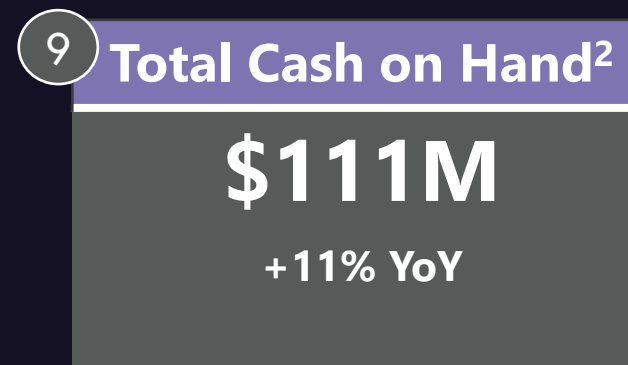
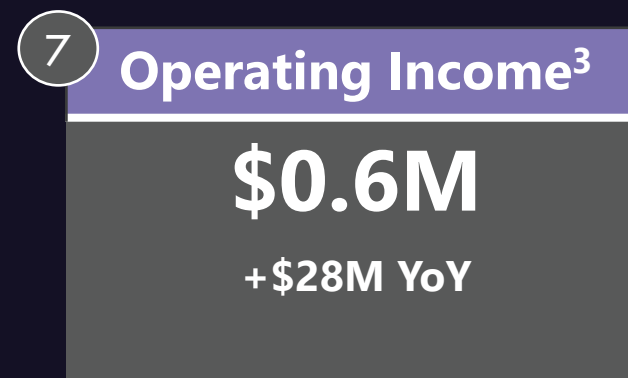
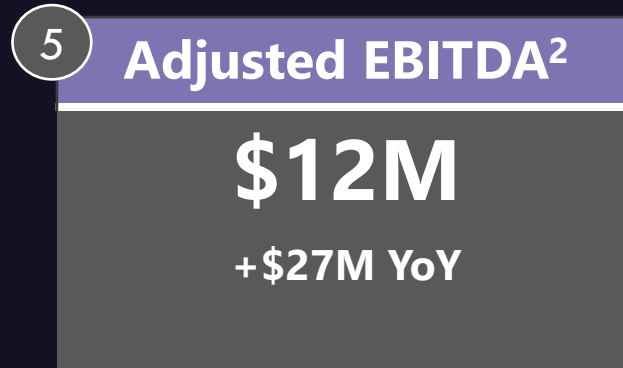
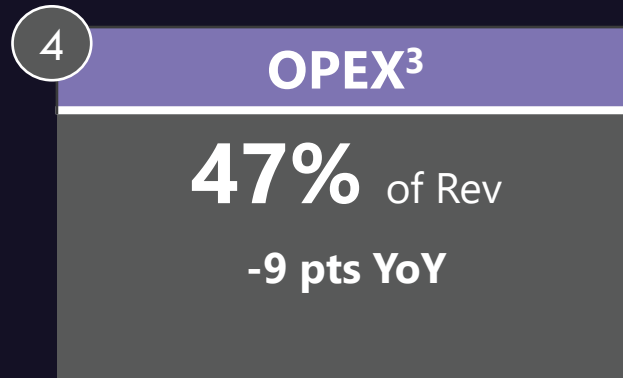
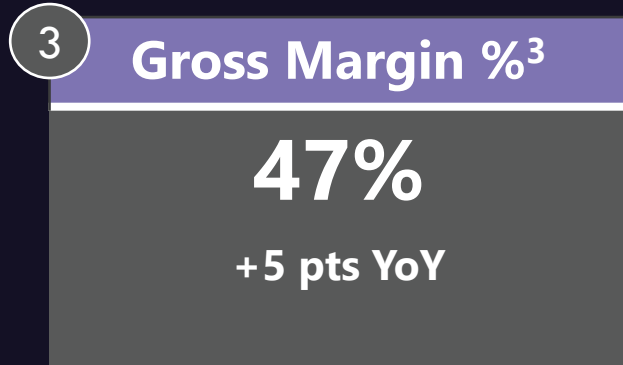
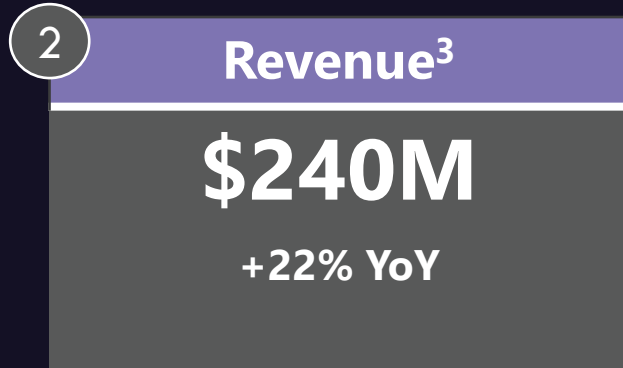
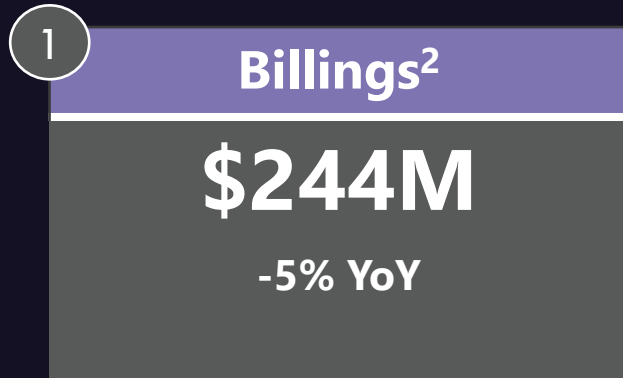



 1 Adjusted for discontinued operations for all periods

2 Non-GAAP measure

3 GAAP measure

Key Metrics | FY20¹



 1 Adjusted for discontinued operations for all periods
2 Non-GAAP measure
3 GAAP measure

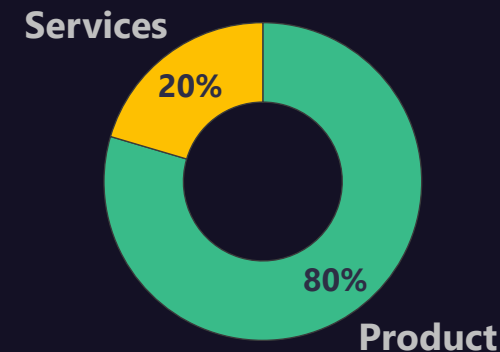
Performance Overview Breakdown | FY20¹

Substantial revenue growth Y/Y in both product and services

Telenav Total Company

Revenue \$240.4 million +22% y/y	Gross profit \$113.9 million 47% of revenue, +4.9 pts y/y
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Revenue Mix



Product

Revenue \$191.3 million +13% y/y	Gross profit \$92.2 million 48% of revenue, +5.9 pts y/y
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Services

Revenue \$49.1 million +75% y/y	Gross profit \$21.7 million 44% of revenue, +0.9 pts y/y
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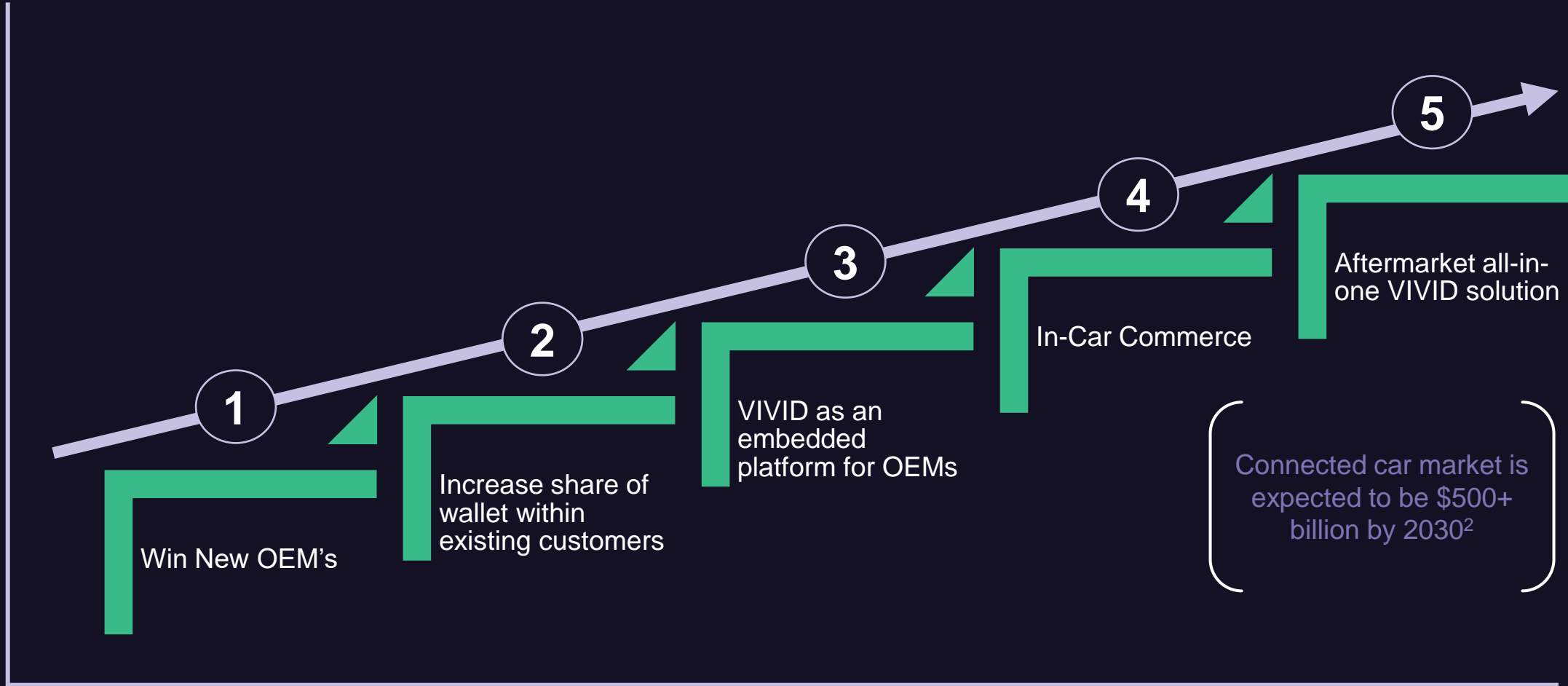
Key Highlights

- Significant year-over-year growth in revenue with increased services revenue mix
- Total revenue of \$240.4M, up 22% Y/Y; Gross Margin of 47% up 4.9pts Y/Y
- Services business represented 20% of the overall revenue mix
- Operating Profit turned positive in fiscal 20 at \$0.6 million, compared with a loss of \$(27.2) million in Fiscal 2019
- GAAP net loss for fiscal 2020 was \$(0.9) million, compared with a loss of \$(32.5) million for fiscal 2019

▲ All measures above are GAAP
1 Adjusted for discontinued operations for all periods

Growth Opportunities | Short to Medium Term

Huge navigation & infotainment market opportunity with sizable market segments to address



¹ <http://www.automotivebusiness.com.br/abinteligencia/pdf/TheDigitalDriveReport-January2018.pdf>

² McKinsey Report--Monetizing Car Data, Sept. 2016, ** <https://www.statista.com/statistics/233743/vehicle-sales-in-china/>

FY21 | Focus on Operational Discipline

Operational Discipline & Cost Controls

- » Single digit reduction in Workforce
- » Reduce contractor spend
- » Minimize discretionary spend
- » Execute on labor location strategy
- » Several other initiatives in the works to further control costs
- » **IT transformation** to drive operational efficiencies and productivity gains



FY21 OpEx

**Mid to High single
digit decline Y/Y**





Q1 FY21 Outlook



Q1 FY21 Outlook

Guidance (as of August 12, 2020)	(dollars in millions)
Revenue	\$57.0 to \$59.0
Gross margin %	43% to 45%
Operating expenses	\$27.0 to \$29.0
Net income	\$(3.0) to \$(1.0)
Adjusted EBITDA*	\$0.0 to \$2.0

- All measures above are GAAP except where denoted by a * (Non-GAAP)



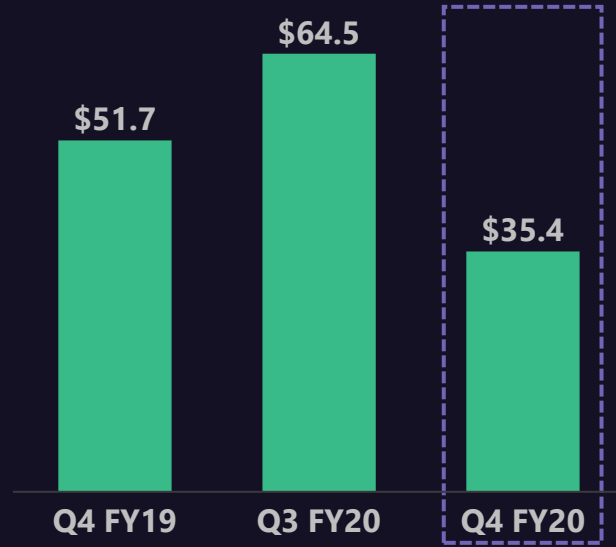


Q4 Appendix and FY20 Financial Tables



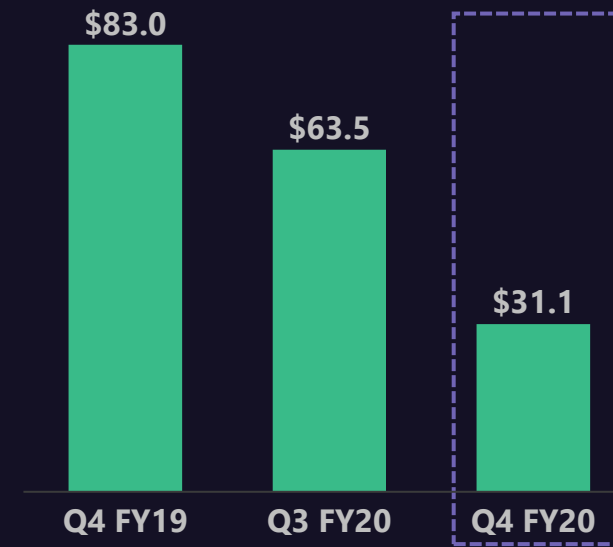
Key Financial Metrics | YoY, QoQ

Year-over-year growth in total cash on hand despite Covid-19

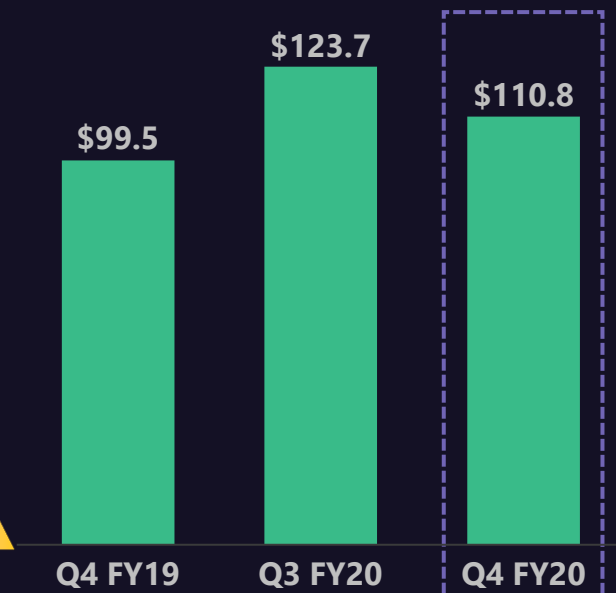


Revenue (\$m)

- Revenue is a GAAP measure
- Billings is a non-GAAP measure
- Adjusted for discontinued operations for all periods



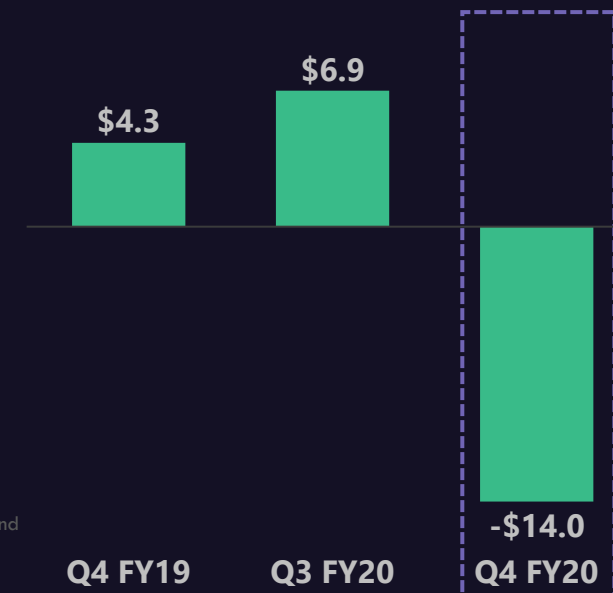
Billings (\$m)



Total Cash on Hand (\$m)

- Both charts represent Non-GAAP measures
- Total Cash on Hand includes cash, cash equivalents, and short-term investments
- 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



Free Cash Flow (\$m)

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

	June 30,			June 30,	
	2020	2019		2020	2019
Assets			Liabilities and stockholders' equity		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 20,518	\$ 27,275	Trade accounts payable	\$ 12,291	\$ 16,061
Short-term investments	90,315	72,203	Accrued expenses	36,210	48,899
Accounts receivable, net of allowances of \$5 and \$7 at June 30, 2020 and 2019, respectively	34,542	69,781	Operating lease liabilities	2,786	-
Restricted cash	1,494	1,950	Deferred revenue	37,973	31,270
Deferred costs	26,121	18,752	Income taxes payable	715	800
Prepaid expenses and other current assets	4,505	3,784	Liabilities of discontinued operations	-	3,373
Assets of discontinued operations	-	6,330	Total current liabilities	89,975	100,403
Total current assets	177,495	200,075	Deferred rent, non-current	-	1,266
Property and equipment, net	4,319	5,583	Operating lease liabilities, non-current	5,191	-
Operating lease right-of-use assets	7,067	-	Deferred revenue, non-current	100,970	103,865
Deferred income taxes, non-current	1,515	998	Other long-term liabilities	645	811
Goodwill and intangible assets, net	14,255	15,701	Liabilities of discontinued operations, non-current	-	30
Deferred costs, non-current	54,548	61,050	Commitments and contingencies	-	-
Other assets	34,552	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	\$ 293,751	\$ 297,015	Common stock, \$0.001 par value: 600,000 shares authorized; 47,342 and 46,911 shares issued and outstanding at June 30, 2020 and 2019, respectively	47	47
			Additional paid-in capital	192,170	182,349
			Accumulated other comprehensive loss	(477)	(1,477)
			Accumulated deficit	(94,770)	(90,279)
			Total stockholders' equity	96,970	90,640
			Total liabilities and stockholders' equity	\$ 293,751	\$ 297,015



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

	Three Months Ended		Fiscal Year Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Revenue:				
Product	\$ 21,614	\$ 44,569	\$ 191,253	\$ 168,619
Services	13,737	7,134	49,098	28,036
Total revenue	<u>35,351</u>	<u>51,703</u>	<u>240,351</u>	<u>196,655</u>
Cost of revenue:				
Product	12,943	25,110	99,030	97,245
Services	7,392	4,142	27,401	15,904
Total cost of revenue	<u>20,335</u>	<u>29,252</u>	<u>126,431</u>	<u>113,149</u>
Gross profit	15,016	22,451	113,920	83,506
Operating expenses:				
Research and development	17,259	23,023	79,256	78,603
Sales and marketing	2,034	2,049	8,280	7,584
General and administrative	5,704	7,117	25,822	23,811
Legal settlements and contingencies	-	50	-	700
Total operating expenses	<u>24,997</u>	<u>32,239</u>	<u>113,358</u>	<u>110,698</u>
Income (loss) from operations	(9,981)	(9,788)	562	(27,192)
Other income, net	765	213	3,010	2,916
Income (loss) from continuing operations before provision for income taxes	(9,216)	(9,575)	3,572	(24,276)
Provision for income taxes	215	340	1,336	1,376
Equity in net income of equity method investees	(182)	-	(876)	-
Income (loss) from continuing operations	<u>(9,249)</u>	<u>(9,915)</u>	<u>3,112</u>	<u>(25,652)</u>
Discontinued operations:				
Income (loss) from operations of Advertising business, net of tax	-	(2,941)	832	(6,836)
Loss from sale of Advertising business	-	-	(4,874)	-
Loss on discontinued operations	<u>-</u>	<u>(2,941)</u>	<u>(4,042)</u>	<u>(6,836)</u>
Net loss	<u>\$ (9,249)</u>	<u>\$ (12,856)</u>	<u>\$ (930)</u>	<u>\$ (32,488)</u>
Basic income (loss) per share:				
Income (loss) from continuing operations	\$ (0.20)	\$ (0.21)	\$ 0.07	\$ (0.56)
Loss on discontinued operations	-	(0.06)	(0.08)	(0.15)
Net loss	<u>\$ (0.20)</u>	<u>\$ (0.28)</u>	<u>\$ (0.02)</u>	<u>\$ (0.71)</u>
Diluted income (loss) per share:				
Income (loss) from continuing operations	\$ (0.20)	\$ (0.21)	\$ 0.06	\$ (0.56)
Loss on discontinued operations	-	(0.06)	(0.08)	(0.15)
Net loss	<u>\$ (0.20)</u>	<u>\$ (0.28)</u>	<u>\$ (0.02)</u>	<u>\$ (0.71)</u>
Weighted average shares used in computing income (loss) per share				
Basic	<u>47,310</u>	<u>46,271</u>	<u>47,868</u>	<u>45,577</u>
Diluted	<u>47,310</u>	<u>46,271</u>	<u>48,761</u>	<u>45,577</u>



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

	Fiscal Year Ended June 30,			Fiscal Year Ended June 30,	
	2020	2019		2020	2019
Operating activities			Investing activities		
Net loss	\$ (930)	\$ (32,488)	Purchases of property and equipment	(933)	(1,398)
Loss on discontinued operations	4,042	6,836	Purchases of short-term investments	(80,673)	(45,816)
Income (loss) from continuing operations	3,112	(25,652)	Proceeds from sales and maturities of short-term investments	63,513	43,737
Adjustments to reconcile income (loss) from continuing operations to net cash provided by operating activities:			Purchases of long-term investments	(9,920)	-
Stock-based compensation expense	8,034	7,404	Net cash used in investing activities	(28,013)	(3,477)
Depreciation and amortization	3,430	3,678	Financing activities		
Operating lease amortization, net of accretion	2,998	-	Proceeds from exercise of stock options	8,432	8,853
Accretion of net premium on short-term investments	258	(30)	Repurchase of common stock	(9,353)	(1,303)
Equity in net (income) of equity method investees	(876)	-	Tax withholdings related to net share settlements of restricted stock units	(1,334)	(1,982)
Gain on sale of intellectual property and workforce to Grab	(45)	-	Net cash provided by (used in) financing activities	(2,255)	5,568
Non-cash revenue associated with grant of perpetual license to Grab	(5,831)	-	Effect of exchange rate changes on cash, cash equivalents and restricted cash	(241)	(478)
Unrealized gain on investments	-	(1,174)	Net increase (decrease) in cash, cash equivalents and restricted cash, continuing operations	(3,238)	12,510
Other	(361)	(32)	Net cash used in discontinued operations	(3,975)	(3,384)
Changes in operating assets and liabilities:			Cash, cash equivalents and restricted cash, beginning of period	29,225	20,099
Accounts receivable	35,698	(28,624)	Cash, cash equivalents and restricted cash, end of period	\$ 22,012	\$ 29,225
Deferred income taxes	(541)	(153)	Supplemental disclosure of cash flow information		
Deferred costs	(891)	(21,377)	Income taxes paid, net	\$ 2,153	\$ 1,128
Prepaid expenses and other current assets	435	(354)	Non-cash investing: Investment in inMarket Media, LLC acquired in exchange for sale of Advertising business	\$ 15,600	\$ -
Other assets	(249)	(177)	Non-cash sale of assets to Grab in exchange for equity investment and software	\$ 7,012	\$ -
Trade accounts payable	(3,875)	3,359	Non-cash transfer of non-marketable equity securities to short-term investments	\$ -	\$ 1,348
Accrued expenses and other liabilities	(13,941)	12,489	Cash flow from discontinued operations:		
Income taxes payable	(74)	583	Net cash used in operating activities	\$ (3,569)	\$ (3,384)
Deferred rent	-	360	Net cash used in financing activities	(406)	-
Operating lease liabilities	(3,763)	-	Net cash transferred from continuing operations	3,975	3,384
Deferred revenue	3,753	60,597	Net change in cash and cash equivalent from discontinued operations	-	-
Net cash provided by operating activities	27,271	10,897	Cash and cash equivalents of discontinued operations, beginning of period	-	-
			Cash and cash equivalents of discontinued operations, end of period	\$ -	\$ -
			Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheets		
			Cash and cash equivalents	\$ 20,518	\$ 27,275
			Restricted cash	1,494	1,950
			Total cash, cash equivalents and restricted cash	\$ 22,012	\$ 29,225



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

Reconciliation of Revenue to Billings

	Three Months Ended		Fiscal Year Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Revenue	\$ 35,351	\$ 51,703	\$ 240,351	\$ 196,655
Adjustments:				
Change in deferred revenue	(4,259)	31,316	3,808	60,597
Billings	<u>\$ 31,092</u>	<u>\$ 83,019</u>	<u>\$ 244,159</u>	<u>\$ 257,252</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		Fiscal Year Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Deferred revenue, end of period	\$ 138,943	\$ 135,135	\$ 138,943	\$ 135,135
Deferred revenue, beginning of period	143,202	103,819	135,135	74,538
Change in deferred revenue	<u>\$ (4,259)</u>	<u>\$ 31,316</u>	<u>\$ 3,808</u>	<u>\$ 60,597</u>
Deferred costs, end of period	\$ 80,669	\$ 79,802	\$ 80,669	\$ 79,802
Deferred costs, beginning of period	82,698	72,359	79,802	58,425
Change in deferred costs ⁽¹⁾	<u>\$ (2,029)</u>	<u>\$ 7,443</u>	<u>\$ 867</u>	<u>\$ 21,377</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 Loss to Adjusted EBITDA

	Three Months Ended		Fiscal Year Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Net loss	\$ (9,249)	\$ (12,856)	\$ (930)	\$ (32,488)
Loss on discontinued operations	-	2,941	4,042	6,836
Income (loss) from continuing operations	(9,249)	(9,915)	3,112	(25,652)
Adjustments:				
Legal settlements and contingencies	-	50	-	700
Stock-based compensation expense	2,845	1,793	8,034	7,404
Depreciation and amortization expense	745	696	3,430	3,678
Other income, net	(765)	(213)	(3,010)	(2,916)
Provision for income taxes	215	340	1,336	1,376
Equity in net (income) of equity method investees	(182)	-	(876)	-
Adjusted EBITDA	\$ (6,391)	\$ (7,249)	\$ 12,026	\$ (15,410)



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

	Three Months Ended		Fiscal Year Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Net loss	\$ (9,249)	\$ (12,856)	\$ (930)	\$ (32,488)
Loss on discontinued operations	-	2,941	4,042	6,836
Income (loss) from continuing operations	(9,249)	(9,915)	3,112	(25,652)
Adjustments to reconcile income (loss) from continuing operations to net cash provided by (used in) operating activities:				
Change in deferred revenue ⁽¹⁾	(4,289)	31,316	3,753	60,597
Change in deferred costs ⁽²⁾	2,033	(7,443)	(891)	(21,377)
Changes in other operating assets and liabilities	(6,936)	(11,800)	13,690	(12,517)
Other adjustments ⁽³⁾	4,031	2,550	7,607	9,846
Net cash provided by (used in) operating activities	(14,410)	4,708	27,271	10,897
Less: Purchases of property and equipment	387	(442)	(933)	(1,398)
Free cash flow	\$ (14,023)	\$ 4,266	\$ 26,338	\$ 9,499

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

⁽²⁾ Consist 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.

