UNITED STATES
SECURI TIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2016

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-36471

MobileIron, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**26-0866846**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

415 East Middlefield Road
Mountain View, CA 94043
(650) 919-8100

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock, par value $0.0001 per share	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"). Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐		Accelerated filer	☒
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2016, the aggregate market value of shares of common stock held by non-affiliates of the registrant was $144 million based on the number of shares held by non-affiliates as of June 30, 2016 and based on the closing sale price of the registrant's common stock as reported on the NASDAQ Stock Market on June 30, 2016 of $3.05 per share. Shares of common stock held by officers, directors and holders of more than 5% of the outstanding common stock have been excluded from this calculation because such person may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of outstanding shares of the registrant's common stock was 89,226,493 as of February 10, 2017.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the information called for by Part III of this Annual Report on Form 10-K, to the extent not set forth herein, are hereby incorporated by reference from registrant's definitive proxy statement for the 2016 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the end of the registrant's fiscal year ended December 31, 2016.

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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases you can identify these statements by forward-looking words such as "believe," "may," "will," "might," "estimate," "continue," "anticipate," "intend," "could," "should," "would," "project," "potentially," "predict," "plan," "outlook," "target," "expect," or similar expressions, or the negative or plural of these words or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- beliefs and objectives for future operations and growth;
- our business plan and our ability to effectively manage our expenses;
- our ability to timely and effectively scale and adapt our existing technology;
- our ability to innovate new products and bring them to market in a timely manner;
- our ability to expand internationally;
- our ability to attract new customers and further penetrate our existing customer base;
- our expectations concerning renewal rates for subscriptions and services by existing customers;
- our expectations concerning the mix of our sales of subscriptions and perpetual licenses;
- cost of revenue, including changes in costs associated with hardware, royalties, customer support, and data center operations;
- operating expenses, including changes in research and development, sales and marketing, and general and administrative expenses;
- our expectations concerning relationships with third parties, including channel partners;
- economic and industry trends or trend analysis;
- our expectation concerning the outcome of litigation; and
- the sufficiency of our existing cash and investments to meet our cash needs for at least the next 12 months.

These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those reflected in the forward-looking statements. These risks are not exhaustive. These statements are within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements appear throughout this Form 10-K and are statements regarding our intent, belief, or current expectations, primarily with respect to our business and related industry developments. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Form 10-K. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us and described in Part I, Item 1A, entitled "Risk Factors," and in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-K. We undertake no obligation to update any forward-looking statements for any reason to conform these statements to actual results or to changes in our expectations.

Item 1. Business

Overview

The current perimeter-based enterprise security model, which is based on locked-down desktop endpoints, enterprise-controlled networks, and company data that only sits behind a firewall, is being disrupted by the move to mobile and cloud services. Employees and lines-of-business, not IT, now choose the software and cloud services they need to do their jobs. Our solution provides enterprise security for this open, but complex, modern IT architecture.

We invented a purpose-built security platform for enterprises to secure business data in a modern IT architecture, while enabling employee personal data privacy and mobile device choice. The MobileIron Enterprise Mobility Management (EMM) solution is a mobile security platform that:

1) configures and delivers applications to smartphones, tablets, laptops and desktops running operating systems such as Android, iOS, macOS and Windows 10;
2) secures data-at-rest on these modern endpoints;
3) secures data-in-motion across the corporate network; and
4) secures access to back-end corporate networks and cloud services.

We believe that every modern endpoint, whether a smartphone, tablet, laptop, desktop, or IoT device, with access to enterprise data will require a solution like MobileIron's to secure that data.

Our platform has fostered a growing ecosystem of partners to enable our customers and their employees to leverage best-of-breed solutions rather than being locked into a particular vendor's solution. MobileIron enables employees to have ubiquitous access to the information they need in order to work productively anywhere.

Our business model is based on winning new customers, expanding sales and upselling new products within existing customers, and renewing subscriptions and software support agreements. Our sales team wins customers by working closely with our channel partners, which include resellers, service providers and system integrators. We have experienced rapid growth in our customer base, having sold our platform to over 13,500 cumulative customers since 2009, and our revenue has increased to $163.9 million in 2016. Our strategy is to enhance the value of our platform by introducing additional products and upselling these additional products to our customers. Our global customer support team focuses on enabling customer success, which is designed to lead to additional sales and renewals of subscription and software support agreements. In 2016, we generated over two-thirds of our gross billings from recurring sources (subscriptions and software support agreements). Our blended renewal rates, which are determined on a seat basis for software support and subscription agreements, exceeded 90% in 2016.

We offer our customers the flexibility to deploy our solution as a cloud service or as on-premises software. They can also choose from various pricing options, including subscription and perpetual licensing. We primarily target midsize and large enterprises across a broad range of industries including financial services, government, healthcare, legal, manufacturing, professional services, retail, technology and telecommunications. No single end user accounted for more than 5% of our total revenue in 2016. One reseller accounted for 15% of our revenue in 2016.

Platform Extensibility and Ecosystem

We continue to expand the breadth and depth of our ecosystem. Our platform is extensible on both the client side and server side. Customers, application vendors and technology vendors can leverage our technology to mobilize and secure their products, applications and content. As of December 31, 2016, our ecosystem had over 550 active technology partners who have released over 280 technology integrations.

Client-side: MobileIron AppConnect allows customers and application vendors to build applications that can be secured by MobileIron. These applications use the MobileIron AppConnect SDK or wrapper to become part of the secure MobileIron container on the device. The customer's IT administrator can then enforce application security policies to, for example, prevent data sharing with unauthorized applications or allow authentication with a single pin or password.

Server-side: MobileIron ServiceConnect APIs allow customers and security and infrastructure vendors to integrate their back-end services with the MobileIron solution. When combined, the common solutions provide increased security, better user experience, and business visibility through analytics. For example, network security vendors can use our security status information in order to make real-time decisions about whether a mobile device should be granted access to a secure corporate service. Mobile threat detection vendors can use our system to detect the presence of new applications and identify potentially harmful applications, so that IT departments can remediate as necessary.

Our Competitive Strengths

We pioneered many of the innovations in enterprise mobility. Our competitive differentiators are:

- *Modern security platform.* Our platform was purpose-built to address the rapidly-evolving modern security requirements of the enterprise. We continue to invest in providing enterprise class security for our customers. We have been positioned in the Leaders Quadrant of the Gartner Magic Quadrant for Enterprise Mobility Management Suites six years in a row [1]. We were the first company to receive Common Criteria certification against Version 2.0 of the Mobile Device Management Protection Profile from the National Information Assurance Partnership Protection Profile V2. Common Criteria is an internationally recognized set of guidelines (ISO/IEC 15408) used by governments, banks and other organizations to assess the security capabilities of technology products.

- *Customer adoption through global channel.* We have over 13,500 cumulative customers that have purchased our solution since 2009, with the majority of our sales to companies with over 1,000 employees. We believe that we are a leading player in EMM in government, financial services and healthcare, and have deployed to some of the most security conscious companies in those verticals. We have a strong global network of channel partners that drive customer and sales growth across all customer segments.

- *Ecosystem breadth.* Our ecosystem creates positive network effects for our business. We provide extensive product support for the operating system ecosystem – Apple, Google and Microsoft. Our AppConnect technology allows independent software vendors (ISVs) to build applications that can be secured and managed by our solution. Our ServiceConnect ecosystem allows our customers to deploy integrated workflows across mobile and traditional enterprise architecture. We believe that our best-of-breed ecosystem is a strong competitive advantage over the single stack lock-in of some of our competitors, and we believe that many customers choose our platform because of our strong ecosystem of technology partners.

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[1] *Gartner "Magic Quadrant for Enterprise Mobility Management Suites" by Rob Smith, Bryan Taylor, Chris Silva, Manjunath Bhat, Terrence Cosgrove, John Girard, June 8, 2016.

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- *Domain expertise.* We have a history of thought leadership and product innovation. We had been granted 40 EMM patents as of December 31, 2016, which we believe is more than any other EMM vendor. Many of these patents relate to technology pillars of our industry, such as application distribution and mobile data security. We believe successful mobile deployments require deep domain expertise, and we have such expertise.

- *World-class global customer success organization.* We believe that the success of our customers' mobile initiatives will drive expansion of their mobile deployments and, in turn, grow our business. Our global Customer Success organization provides technology support, implementation and best practices toolkits, education and online training, as well as strategic account management to build trusted customer relationships. We seek to build mobile industry expertise throughout the IT community by offering MobileIron certification programs to our customers and partners to help educate, train and certify individuals who work with our products and services.

- *Flexible deployment and pricing model.* We offer our customers the choice of using our platform either as a cloud service or as an on-premises solution. We offer pricing flexibility with subscription or perpetual licensing options, which allows a customer to pay for our platform through either its capital or operating budget.

Customers

Our customers include leading enterprises in a broad range of industries, including financial services, government, healthcare, legal, manufacturing, professional services, retail, technology and telecommunications. No single industry verticals accounted for more than 20% of our gross billings in the three year period ended 2016. Medium to large enterprises accounted for a majority of our gross billings. We have sold our products to over 13,500 customers globally, including more than 500 companies on the Forbes Global 2000 Leading Companies list, as of December 31, 2016. Our channel partners include resellers, service providers and system integrators. AT&T, Inc., as a reseller, accounted for approximately 15%, 16% and 20% of our total revenue in 2016, 2015 and 2014, respectively. No end user of our products accounted for more than 5% of our total revenue in 2016, 2015 or 2014.

Backlog

As is typical in the software industry, we expect a significant portion of our software license orders to be received in the last month of each quarter. We do not believe that our backlog at any particular time is meaningful because it has historically been immaterial relative to our total revenue and is not necessarily indicative of future revenue in any given period.

Sales and Marketing

We sell the vast majority of our products through indirect sales channels and maintain a sales force that works closely with our channel partners to develop sales opportunities. We have an outside sales force focused on large organizations and an inside sales teams focused on mid-sized organizations. Our channel team works with our service providers to address small to mid-sized organizations.

Our sales organization is supported by sales engineers with deep technical expertise and responsibility for pre-sales technical support and technical training of our channel partners. The sales organization has strong alignment with our Customer Success teams and acts as a liaison between our customers and our marketing and product development organizations, especially during the pre-sales phase. We believe this approach allows us to leverage the benefits of our sales channel and maintain communication with our customers. Our sales cycle ranges from a few weeks for small businesses to many months for large enterprises.

Channel Program

We work with mobile-focused channel partners who sell our platform to customers. We focus on building in-depth relationships with a number of solutions-oriented partners that have strong industry expertise. These channel partners include both traditional IT resellers as well as service providers. We operate a formal accreditation program for the sales and technical professionals of our channel partners.

Marketing

Our marketing efforts are focused on building our brand reputation, expanding market awareness of our solutions, driving customer demand and enabling our internal and extended (channel) sales teams.

Research and Development

We have invested significant time and financial resources in the development of our platform and believe that continued research and development is critical to our ongoing success. Research and development investments drive innovation, enterprise class mobile IT platform features and keep pace with the rapidly evolving mobile operating system and device ecosystem. We believe that innovation and timely development of new features and products are essential to meeting the needs of our customers and channel partners and improving our competitive position. In 2016, we, along with other EMM providers, formed the AppConfig Community in order to establish a common approach for enterprise app configuration and security based on OS native standards, including the extensive frameworks available in iOS, in order to enable developers and organizations to simplify app development and deployment and accelerate the adoption of business apps.

Research and development expense totaled $67.4 million, $61.9 million and $46.3 million in 2016, 2015 and 2014, respectively. We plan to continue to significantly invest in resources to conduct our research and development efforts.

Competition

We operate in a highly competitive industry that is characterized by constant change and innovation. Changes in the devices, operating systems, applications and technology landscape result in evolving customer requirements.

Our competitors fall into two primary categories:

- diversified technology companies such as Citrix, IBM, Microsoft, and VMware; and
- mobile specialists such as BlackBerry.

The principal competitive factors in our market include:

- product features, reliability, performance and effectiveness;
- price and total cost of ownership;
- depth of customer relationships;
- product extensibility and ability to integrate with other technology infrastructures;
- flexibility between cloud and on-premise deployment;
- mobile IT expertise and focus;
- channel depth and breadth;
- strength of sales and marketing efforts;

- brand awareness and reputation; and
- focus on customer service and success.

We believe we generally compete favorably with our competitors on the basis of these factors as a result of the our OS neutrality, focus on EMM and the native experience, our mobile IT expertise, the architecture, features and performance of our solution, our ecosystem, and our commitment to customer success. Many of our competitors have substantially greater financial and technical resources, stronger name recognition, larger sales and marketing budgets, broader distribution and more entrenched relationships with enterprise customers and prospects. For more information about the competitive risks we face, refer to Item 1A. “Risk Factors” included elsewhere in this Annual Report.

Intellectual Property

We protect our core technology and intellectual property by relying on federal, state, common law and international intellectual property rights, including patents, trade secrets, copyrights and trademarks. We also rely on confidentiality and contractual restrictions, including confidentiality and invention assignment agreements with our employees and contractors and confidentiality agreements with third parties.

We pursue registration of our patents, trademarks and domain names in the United States and certain locations outside the United States. We actively seek patent protection covering inventions originating from the Company and acquire patents we believe may be useful or relevant to our business. As of December 31, 2016, we owned 40 patents worldwide covering various innovations of our modern EMM technology.

Circumstances outside our control could pose a threat to our intellectual property rights. For example, effective intellectual property protection may not be available outside the United States. Also, the efforts we have taken to protect our proprietary rights may not be sufficient or effective.

Companies in the mobile and other technology industries or non-practicing entities may own large numbers of patents, copyrights and trademarks and may frequently request license agreements, threaten litigation or file suit against us based on allegations of infringement or other violations of intellectual property rights. We have faced, and expect to face in the future, suits or allegations that we have infringed the trademarks, copyrights, patents and other intellectual property rights of third parties, including those of our competitors and non-practicing entities. As we face increasing competition and as our business grows, we will likely face more claims of infringement.

Employees

As of December 31, 2016, we had 854 full-time employees, 332 of whom were primarily engaged in research and development, 288 of whom were primarily engaged in sales and marketing, 144 of whom were primarily engaged in customer success and 90 of whom were primarily engaged in administration and finance. 357 of these employees were located outside of the United States. In addition, as of December 31, 2016, we had 53 contractors. None of our United States employees are represented by a labor organization or are party to any collective bargaining arrangement. Employees in certain European countries have the benefits of collective bargaining arrangements at the national level. We have never had a work stoppage, and we consider our relationship with our employees to be good.

Segment and Geographic information

We conduct business globally. Our chief operating decision maker (Chief Executive Officer) reviews financial information presented on a consolidated basis accompanied by information about revenue by geographic region for purposes of allocating resources and evaluating financial performance. We have one business activity, and there are no segment managers who are held accountable for operations, operating results or plans for levels, components or types of products or services below the consolidated company level. Accordingly, we are considered to be a single reportable segment and operating unit structure.

Revenue by geographic region based on the billing address was as follows:

(in thousands)	Year Ended December 31, 2016	2015	2014
Revenue			
United States	$ 77,039	$ 74,235	$ 72,124
International	86,887	75,063	60,171
Total	$ 163,926	$ 149,298	$ 132,295

$1.3 million and $1.4 million, or 24% and 22%, as of December 31, 2016 and December 31, 2015, respectively, of our net Property and Equipment was attributable to our operations located in India. Substantially all other long-lived assets were attributable to operations in the United States

Facilities

Our principal executive offices are located in Mountain View, California and include three buildings totaling approximately 94,000 square feet under leases expiring from June 2017 to April 2023. We have additional office locations throughout the United States and in various international locations, including offices in the United Kingdom, Netherlands, Germany, Japan, Singapore and India.

We may add new facilities or expand existing facilities as we add employees, and we believe that suitable additional or substitute space will be available on commercially reasonable terms to meet our future needs.

Legal Proceedings

On May 1, 2015, a purported stockholder class action lawsuit was filed in the United States District Court for the Northern District of California against the Company and certain of its officers, captioned Panjwani v. MobileIron, Inc., et al. The action was purportedly brought on behalf of a putative class of all persons who purchased or otherwise acquired the Company's securities between February 13, 2015 and April 22, 2015. It asserted claims for violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934.The complaint sought, among other things, compensatory damages and attorney's fees and costs on behalf of the putative class. An amended complaint was filed on September 28, 2015. On February 22, 2016, the District Court issued an order granting MobileIron's motion to dismiss the amended complaint and on March 15, 2016 the Court dismissed the case. MobileIron paid no money to the plaintiffs or their attorneys in connection with the dismissal of the action.

On August 5, 2015, August 21, 2015 and August 24, 2015, purported stockholder class action lawsuits were filed in the Superior Court of California, Santa Clara County against the Company, certain of its officers, directors, underwriters and investors, captioned Schneider v. MobileIron, Inc., et al., Kerley v. MobileIron, Inc., et al. and Steinberg v. MobileIron, Inc., et al, which were subsequently consolidated under the case caption In re MobileIron Shareholder Litigation. The actions are purportedly brought on behalf of a putative class of all persons who purchased the Company's securities issued pursuant or traceable to the Company's registration statement and the June 12, 2014 initial public offering. The lawsuits assert claims for violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933. The complaint seeks among other things, compensatory damages and attorney's fees and costs on behalf of the putative class. On April 12, 2016, Plaintiffs filed a corrected consolidated complaint, which no longer names the underwriters or investors as defendants. On August 8, 2016 the Company filed a demurrer to the corrected consolidated complaint. The court overruled the demurrer on October 4, 2016. The Company intends to defend this litigation vigorously.

We continually evaluate uncertainties associated with litigation and record a charge equal to at least the minimum estimated liability for a loss contingency when both of the following conditions are met: (i) information available prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and (ii) the loss or range of loss can be reasonably estimated. If we determine that a loss is possible and a range of the loss can be reasonably estimated, we disclose the range of the possible loss in the Notes to the Consolidated Financial Statements. We evaluate, on a quarterly basis, developments in our legal matters that could affect the amount of liability that has been previously accrued, if any, and the matters and related ranges of possible

losses disclosed, and make adjustments and changes to our disclosures as appropriate. Significant judgment is required to determine both likelihood of there being and the estimated amount of a loss related to such matters. Until the final resolution of such matters, there may be an exposure to loss, and such amounts could be material. An estimate of a reasonably possible loss (or a range of loss) cannot be made in our lawsuits at this time.

Indemnification

Under the indemnification provisions of our standard sales related contracts, we agree to defend and/or settle claims brought by third parties against our customers alleging that the customer’s use of our software infringes the third party’s intellectual property right, such as a patent right. These indemnification obligations are typically not subject to limitation; however if it is commercially impractical for us to either procure the right for the customer to continue to use our software or modify our software so that it’s not infringing, we typically can terminate the customer agreement and refund the customer a portion of the license fees paid, prorated over the three year period from initial delivery. We also on occasion indemnify our customers for other types of third party claims. In addition, we indemnify our officers, directors, and certain key employees while they are serving in such capacities in good faith. Through December 31, 2016, we have not received any material written claim for indemnification.

Corporate Information

Our principal executive offices are located at 415 East Middlefield Road, Mountain View, CA 94043, and our telephone number is (650) 919-8100. Our website is www.mobileiron.com. The information posted on our website is not incorporated into this Annual Report on Form 10-K. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on our investor relations website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

You may also access all of our public filings through the SEC's website at www.sec.gov. Further, a copy of this Annual Report on Form 10-K is located at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330.

Item 1 A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties including those described below. If any of the following risks or others not specified below materialize, our business, financial condition and results of operations could be materially adversely affected. In that case, the trading price of our common stock could decline.

Risks Related to Our Business and Industry

We have a limited operating history, which makes it difficult to evaluate our prospects and future financial results and may increase the risk that we will not be successful.

As a result of our limited operating history, our ability to forecast our future operating results is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. We have encountered and expect to continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly changing markets. If our assumptions regarding these uncertainties are incorrect or change in reaction to changes in our markets, or if we do not manage or address these risks successfully, our results of operations could differ materially from our expectations, and our business could suffer. Any success that we may experience in the future will depend, in large part, on our ability to, among other things::

— retain and expand our customer base on a cost-effective basis;

— increase revenues from existing customers as they add users or devices;

— increase revenues from existing customers as they purchase additional solutions;

— successfully compete in our markets;

— continue to add features and functionality to our solutions to meet customer demand;

— gain market traction with our MobileIron cloud platform and our new apps such as MobileIron Access and MobileIron Bridge;

— continue to invest in research and development and bring new products to market;

— scale our engineering and internal business operations in an efficient and cost-effective manner;

— scale our global Customer Success organization to make our customers successful in their mobile IT deployments;

— continue to expand our solutions across mobile and modern operating systems and device platforms;

— hire, integrate and retain professional and technical talent.

— make our service provider partners successful in their deployments of our solutions and technology;

— successfully expand our business domestically and internationally; and

— successfully protect our intellectual property and defend against intellectual property infringement claims.

We have had net losses each year since our inception and may not achieve or maintain profitability in the future.

We have incurred net losses each year since our inception, including net losses of $67.2 million, $84.5 million and $61.9 million in 2016, 2015 and 2014, respectively. As of December 31, 2016, our accumulated deficit was $342.4 million. Our revenue growth has slowed over recent periods, and we may not be able to sustain or increase our growth or achieve or sustain profitability in the future. Revenue growth has slowed, and may additionally slow or revenue may decline, for a number of reasons, including, but not limited to our customers' and/or prospective customers' failure to

widely deploy mobile apps within their businesses, increasing and entrenched competition, changes in pricing model, customers' failure to renew or expand their deployments of our software, product and billing model mix shift, a decrease in size or growth of the mobile IT market, or any failure to capitalize on market opportunities. In addition, we plan to continue to invest for future growth, in part by making additional investments in research and development, and as a result, we do not expect to be profitable for the foreseeable future. In addition, we will need to increase operating efficiency, which may be challenging given our operational complexity, the expenses outlined above, and expenses associated with being a public company. As a result of these increased expenditures, we will have to generate and sustain increased revenues to achieve future profitability. We may incur significant losses in the future for a number of reasons, including without limitation the other risks and uncertainties described in this Annual Report on Form 10-K. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays and other unknown factors that may result in losses in future periods. If these losses exceed our expectations or our revenue growth expectations are not met in future periods, our financial performance will be harmed.

Our operating results may fluctuate significantly, which makes our future results difficult to predict and could cause our operating results to fall below expectations or our guidance.

Our quarterly operating results have fluctuated in the past and may fluctuate significantly in the future. The timing and size of sales of our solutions makes our revenue highly variable and difficult to predict and can result in significant fluctuations in our revenue from period to period. Historically, a substantial portion of our revenue has been generated from sales of software solutions sold as perpetual licenses to large enterprise companies, which tend to close near the end of a given quarter. Further, our customers' and prospective customers' buying patterns and sales cycles can vary significantly from quarter to quarter and are not subject to an established pattern over the course of a quarter. Accordingly, at the beginning of a quarter, we have limited visibility into the level of sales that will be made in that quarter. If expected revenue at the end of any quarter is reduced or delayed for any reason, we may not be able to reduce our costs sufficiently to compensate for an unexpected shortfall in revenue, and even a small shortfall in revenue could disproportionately and adversely affect our operating margin, operating results or other key metrics for a given quarter.

Our operating results may fluctuate due to a variety of other factors, many of which are outside of our control, and any of which may cause our stock price to fluctuate. In addition to other risks listed in this "Risk Factors" section, factors that may affect our operating results include, but are not limited to:

— the inherent complexity, length and associated unpredictability of our sales cycles for our solutions;

— the extent to which our customers and prospective customers delay or defer purchase decisions in a quarter, particularly in the last few weeks of the quarter, which is when we typically complete a large portion of our sales for a quarter;

— our ability to develop and release in a timely manner new solutions, features and functionality that meet customer requirements;

— changes in pricing due to competitive pricing pressure or other factors;

— reductions and reprioritizations in customers' IT budgets and delays in the purchasing cycles of our customers and prospective customers;

— variation in sales channels or in mix of solutions sold, including the mix of solutions sold on a perpetual license versus a subscription or monthly recurring contract, or MRC, basis;

— the timing of recognizing revenue in any given quarter as a result of revenue recognition accounting rules, including the extent to which revenue from sales transactions in a given period may not be recognized until a future period or, conversely, the satisfaction of revenue recognition rules in a given period resulting in the recognition of revenue from transactions initiated in prior periods;

— changes in our mix of revenue as a result of our different deployment options and licensing models and the ensuing revenue recognition effects;

— the effect of litigation;

— changes in foreign currency exchange rates; and

— general economic conditions in our domestic and international markets.

The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. You should not rely on our past results as an indication of our future performance.

If our customers do not place significant follow-on orders to deploy our solutions widely throughout their companies, or if they do not renew with us or if they do not purchase additional solutions, our future revenue and operating results will be harmed.

In order to increase our revenues we must continually grow our customer base and increase the depth and breadth of the deployments of our solutions with our existing customers. While customers may initially purchase a relatively modest number of licenses, it is important to our revenue growth that they later expand the use of our software on substantially more devices or for more users throughout their business. However, we have experienced a slowdown in new perpetual license orders. We also need to upsell—to sell additional solutions—to the same customers. Our strategy also depends on our existing customers renewing their software support or subscription agreements with us. Because of the number of participants, consolidation in the mobile IT market and competing priorities within customers' IT budgets, customers may delay making initial purchase orders or expanding orders as they take into account the evolving mobile IT landscape. Also, if we do not develop new solutions, features and functionality that meet our customers' needs, they may not place upsell orders or expand orders. The rate at which our customers purchase additional solutions depends on a number of factors, including the relative prioritization of the IT budget allocated to mobile projects versus other IT projects, perceived need for additional solutions, features or functionality, the reliability of our solutions and other competitive factors, such as pricing and competitors' offerings. If our efforts to sell additional licenses to our customers and to upsell additional solutions to our customers are not successful, our business may suffer. In addition, we have entered into enterprise license arrangements with certain large customers under which they pay an amount up front and in turn can deploy an unlimited number of devices in a certain period, thereby lowering potential future addional orders.

Further, existing customers that purchase our solutions have no contractual obligation to purchase additional solutions after the initial subscription or contract period, and given our limited operating history, we are unable to accurately predict our customer expansion or renewal rates. Our customers' expansion and renewal rates may decline or fluctuate as a result of a number of factors, including the level of their satisfaction with our solutions or our customer support, customer budgets and the pricing and breadth of our solutions compared with the solutions offered by our competitors, any of which may cause our revenue to grow more slowly than expected, if at all. Competition from larger companies has in the past and may in the future lengthen the renewal process and require us to recompete for renewal business.

For smaller or simpler deployments, the switching costs and time are relatively minor compared to traditional enterprise software deployments and a customer may decide not to renew with us and switch to a competitor's offerings. Accordingly, we must invest significant time and resources in providing ongoing value to our customers. If these efforts fail, or if our customers do not renew for other reasons, or if they renew on terms less favorable to us, our revenue may decline and our business will suffer.

We compete in rapidly evolving markets and must develop new solutions and enhancements to our existing solutions. If we fail to predict and respond rapidly to emerging technological trends and our customers' changing needs, we may not be able to remain competitive. In addition, we may not generate positive returns on our research and development investments, which may harm our operating results.

Our markets are characterized by rapidly changing technology, changing customer needs, evolving operating system standards and frequent introductions of new offerings. To succeed, we must effectively anticipate, and adapt in a

timely manner to, customer and multiple operating system requirements and continue to develop or acquire new solutions and features that meet market demands and technology trends. Likewise, if our competitors introduce new offerings that compete with ours or incorporate features that are not available in our solutions, we may be required to reposition our solutions or introduce new solutions in response to such competitive pressure. We may not have access to or have adequate notice of new operating system developments, and we may experience unanticipated delays in developing new solutions and cloud services or fail to meet customer expectations for such solutions. If we fail to timely develop and introduce new solutions or enhancements that respond adequately to new challenges in the mobile IT market, our business could be adversely affected, especially if our competitors are able to more timely introduce solutions with such increased functionality.

We have invested significant time and financial resources in the development of our platforms and infrastructure and believe that we must continue to dedicate substantial resources to our research and development efforts to maintain our competitive position. Developing our products is expensive, and the investment in product development may not generate additional revenue in the near-term or at all. The research and development of new technologically advanced products is also a complex and uncertain process requiring high levels of innovation and investment, as well as the accurate forecasts of technology, market trends and consumer needs. Our failure to successfully develop new and improved products, services and technologies may reduce our future growth and profitability and may adversely affect our business, results and financial condition.

We have a primary back-end technology platform that can be used as a cloud service or deployed on premise and a second back-end platform that is purpose-built as a cloud-only large scale, multi-tenant platform. We must continually invest in both platforms, and the existence of two back-end technology platforms makes engineering more complex and expensive and may introduce compatibility challenges. We have made significant investments in the cloud-only platform and have not yet gained substantial market traction with the cloud-only platform. Should our MobileIron cloud-only platform fail to achieve substantial market traction, we would lose the value of our investment and our business and operating results may be harmed.

Further, we may be required to commit significant resources to developing new solutions before knowing whether our investments will result in solutions that the market will accept. We are in the process of phasing out our older cloud-based product in favor of MobileIron Cloud, our newer and more scalable cloud-only platform. The failure to successfully market MobileIron Cloud as a replacement and improvement to our older cloud-based product or the failure of our customers and prospective customers to adopt MobileIron Cloud for any reason could result in a decline in our revenue.

These risks are greater in the mobile IT market because our software is deployed on phones and tablets that run on different operating systems such as iOS, Android and Windows, and these multiple operating systems change frequently in response to consumer demand. As a result, we may need to release new software updates at a much greater pace than a traditional enterprise software company that supports only traditional PCs. We may experience technical design, engineering, marketing and other difficulties that could delay or prevent the development, introduction or marketing of new solutions and enhancements on both of our technology platforms. As a result, we may not be successful in modifying our current solutions or introducing new ones in a timely or appropriately responsive manner, or at all. If we fail to address these changes successfully, our business and operating results could be materially harmed.

Finally, all of our additional solutions require customers to use our MobileIron platform, whether deployed on-premise or through our cloud service. As such, virtually all of our revenue depends on the continued adoption and use of our MobileIron platform. If customers and prospective customers decided to stop using or purchasing the MobileIron platform, our product strategy would fail and our business would be harmed.

An increasing portion of our sales has been generated from subscription, including MRC, licenses, which involves certain risks.

An increasing portion of our sales has been generated from subscription, including MRC, licenses. This mix shift towards subscription licensing, presents a number of risks to us. For example, arrangements entered into on a subscription basis generally delay the timing of revenue recognition and often require the incurrence of up-front costs, which can be significant. Subscription revenues are recognized over the subscription period, which is typically

12 months. MRC revenue is recognized monthly on the basis of active users or devices and thus will fluctuate from month to month. We receive no revenue or billings on MRC at the time the deal is booked. As a result, even if customer demand increases, our revenues will not increase at the same rate as in prior periods, or may decline. Customers in a subscription arrangement may elect not to renew their contractual arrangement with us upon expiration, or they may attempt to renegotiate pricing or other contract provisions on terms that are less favorable to us. We recognize a substantial portion of our subscription revenues over the term of the subscription agreement; however, we incur upfront costs, such as sales commissions, related to acquiring such customers. Therefore, as we add customers in a particular year, our immediate costs to acquire customers may increase significantly relative to revenues recognized in that same year, which could result in increased losses or decreased profits in that period. Service providers that operate on an MRC billing model typically report to us in arrears on a monthly basis the number of actual users or devices deployed, and then we generate invoices based on those reports. Therefore, invoicing and collection logistics often result in a longer collection cycle, which negatively affects our cash flow. In addition, under an MRC billing model, the service provider typically has the contractual and business relationship with the customer, and thus we typically depend more heavily on the service provider partner for both customer acquisition and support under this billing model. To the extent that service providers bundle our solution with their offerings and price aggressively, it could result in an increase in MRC billings. We may attempt to mitigate these risks by converting service providers or customers from MRC to perpetual or other licensing arrangements, which may reduce the long term value of the customer relationship.

We are in a highly competitive market, and competitive pressures from existing and new companies may harm our business, revenues, growth rates and market share. In addition, there has been consolidation in our market, and a number of our current or potential competitors have longer operating histories, greater brand recognition, larger customer bases and significantly greater resources than we do.

Our market is intensely competitive, and we expect competition to increase in the future from established competitors, consolidations and new market entrants. Our major competitors include Blackberry, Citrix, IBM, Microsoft and VMware. A number of our historical competitors have been purchased by large corporations. For example, AirWatch was acquired by VMware and Good Technology was acquired by Blackberry. These large corporations have longer operating histories, greater name recognition, larger and better established customer bases, more channel partners, and significantly greater financial, technical, sales, marketing and other resources than we have. Consolidation is expected to continue in our industry. As a result of consolidation, our competitors may be able to adapt more quickly to new technologies and changes in customer requirements, devote greater resources to the promotion and sale of their solutions, initiate or withstand substantial price competition, and/or develop and expand their products and features more quickly than we can. In addition, certain of our competitors may be able to leverage their relationships with customers based on an installed base of solutions or to incorporate functionality into existing solutions to gain business in a manner that discourages customers from including us in competitive bidding processes, evaluating and/or purchasing our solutions. They have done this in the past, and may in the future do this, by selling at zero or negative margins, through solution bundling or through enterprise license deals. Some potential customers, especially Forbes Global 2000 Leading Companies, have already made investments in, or may make investments in, substantial personnel and financial resources and established deep relationships with these much larger enterprise IT vendors, which may make them reluctant to evaluate our solutions or work with us regardless of solution performance or features. Potential customers may prefer to purchase a broad suite of solutions from a single provider, or may prefer to purchase mobile IT solutions from an existing supplier rather than a new supplier, regardless of performance or features.

We expect competition to intensify in the future as new and existing competitors introduce new solutions into our market. In addition, some of our competitors have entered into partnerships or other strategic relationships to offer a more comprehensive solution than they individually had offered. We expect this trend to continue as companies attempt to strengthen or maintain their market positions in an evolving industry. This competition has resulted in the past and could in the future result in increased pricing pressure, increased sales and marketing expenses, or harm to our market share, any of which could harm our business. Competitors' offerings may in the future have better performance or features, lower prices and/or broader acceptance than our solutions. Competitors' products could also include new technologies, which could render our existing solutions obsolete or less attractive to customers, or be bundled with legacy enterprise security and management products as a "one-stop-shop" offering, which certain customers with large installed bases of those legacy products may prefer. If we fail to keep up with technological changes or to convince our

customers and potential customers of the value of our solutions, our business, operating results and financial condition could be materially and adversely affected.

Changes in features and functionality by operating system providers and mobile device manufacturers could cause us to make short-term changes in engineering focus or product development or otherwise impair our product development efforts or strategy, increase our costs, and harm our business.

Our platform depends on interoperability with operating systems, such as those provided by Apple, Google and Microsoft, as well as device manufacturers. Because mobile and other modern operating systems are released more frequently than legacy PC operating systems, and we typically have limited advance notice of changes in features and functionality of operating systems and mobile devices, we may be forced to divert resources from our preexisting product roadmap in order to accommodate these changes. As a result of this limited advance notice, we also have a short time to implement and test changes to our product to accommodate these new features, which increases the risk of product defects. In addition, if we fail to enable IT departments to support operating system upgrades upon release, our business and reputation could suffer. This could disrupt our product roadmap and cause us to delay introduction of planned solutions, features and functionality, which could harm our business.

Operating system providers have included, and may continue to include, features and functionality in their operating systems that are comparable to certain of our solutions, features and/or functionality, thereby making our platform less valuable. The inclusion of, or the announcement of an intent to include, functionality perceived to be similar to that offered by our mobile IT solutions in mobile or other modern operating systems may have an adverse effect on our ability to market and sell our solutions. Even if the functionality offered by mobile operating system providers is more limited than our solutions, a significant number of potential customers may elect to accept such limited functionality in lieu of purchasing our solutions. Furthermore, some of the features and functionality in our solutions require interoperability with operating system APIs, and if operating system providers decide to restrict our access to their APIs, that functionality would be lost and our business could be impaired. Finally, we have entered into contractual arrangements with operating systems providers and/or mobile device manufactures, under which we are obligated to certain development priorities, which can further limit our engineering flexibility.

A failure of our product strategy could harm our business.

Our product and business strategy is highly dependent on our existing and potential customers' continued adoption of our solutions, features and functionality for not only mobile application and mobile content management, but also our newer products in cloud security (MobileIron Access), and desktop security (MobileIron Bridge). Slow adoption of customer-built mobile business applications for iOS, Android and Windows would slow the need for and adoption of our platform for mobile application management and security because if customers are not deploying business apps other than email they may be content to continue using more basic MDM offerings and not see the value in our more advanced mobile application management and data security capabilities. Customers' preference for mobile applications could also shift to browser-based applications that can run on any mobile device through a web browser, which would reduce the value of our mobile application containerization solution. In addition, operating system providers could act in ways that could harm our mobile content and apps product strategy. For example, Microsoft released Office 365 and is bundling certain mobile device management capabilities with Office 365 in an attempt to dissuade customers from using EMM solutions other than Microsoft. If this strategy succeeds, the value of our own mobile content management solution and the value of our ecosystem of collaboration and storage partners may diminish. If our product strategy around any of these features or new products fails or is not as successful as we hope for these or other reasons, the value of our investment would be lost and our results of operations would be harmed.

We have experienced substantial turnover, and the loss of key personnel or an inability to attract, retain and motivate qualified personnel may impair our ability to expand our business.

Our success is substantially dependent upon the continued service and performance of our senior management team and key technical, marketing, sales and operations personnel. Over the last two years, we have experienced substantial turnover in our sales, engineering and executive teams, and this could continue in the future. The replacement of any members of our senior management team or other key personnel likely would involve significant time and costs and may harm our business, operating results and financial condition. Our future success also depends, in

part, on our ability to continue to attract, integrate and retain highly skilled personnel, in particular engineers and sales personnel. Competition for highly skilled personnel is frequently intense, especially in the San Francisco Bay Area, where we have a substantial presence and need for highly skilled personnel, including, in particular, engineers. We must offer competitive compensation and opportunities for professional growth in order to attract and retain these highly skilled employees. Failure to successfully attract, integrate or retain qualified personnel to fulfill our current or future needs may negatively impact our growth.

If we are not able to scale our business and manage our expenses, our operating results may suffer.

We have expanded, decreased and/or relocated specific functions over time in order to scale efficiently, including a July 2016 restructuring to improve our cost structure and help scale our business. Our need to scale our business has placed, and will continue to place, a significant strain on our administrative and operational business processes, infrastructure, facilities and other resources. Our ability to manage our operations will require significant expenditures and allocation of valuable management resources to improve internal business processes and systems, including investments in automation. Further international expansion may also be required for our continued business growth, and managing any international expansion will require additional resources and controls. If our operations infrastructure and business processes fail to keep pace with our business and customer requirements, customers may experience disruptions in service or support or we may not scale the business efficiently, which could adversely affect our reputation and adversely affect our revenues. There is no guarantee that we will be able to continue to develop and expand our infrastructure and business processes at the pace necessary to scale the business, and our failure to do so may have an adverse effect on our business. If we fail to efficiently expand our engineering, operations, cloud infrastructure, IT and financial organizations and systems, or if we fail to implement or maintain effective internal business processes, controls and procedures, our costs and expenses may increase more than we planned or we may fail to execute on our product roadmap or our business plan, any of which would likely seriously harm our business, operating results and financial condition.

A security breach of our cloud service infrastructure or a disruption of our cloud service availability for any reason could result in liabilities, lost business and reputational harm.

In connection with providing our cloud service to customers, we obtain access to certain sensitive data, such as employees' names, registration credentials, mobile device ID, geolocation of last device check-in, business email addresses, mobile phone numbers, business contact information and the list of applications installed on the mobile devices. Any security breach of the systems used to provide the cloud service, whether through third-party action or employee error or malfeasance, could result in damage, loss, misuse or theft of such data. A breach could also give rise to litigation or require us to incur financial and operational expenses in connection with fulfillment of certain indemnity obligations to our cloud service customers and settling or defending claims made against us. Techniques used to sabotage or obtain unauthorized access to information processing systems change frequently. In addition, they generally are not recognized until launched against a target. As a result, we may be unable to anticipate these techniques or to implement adequate preventative or mitigation measures in a timely manner. Because our software is designed to enable IT administrators to secure and manage sensitive data transmitted to or stored on employees' mobile devices, the publicity associated with an actual or perceived breach of our cloud service infrastructure would likely result in particular reputational damage, as well as loss of potential sales and existing customers. In addition, unexpected increases in demand at one customer may affect the overall service in unanticipated ways and may cause a disruption in service for other customers of this platform. We have experienced, and may in the future experience, disruptions, outages and other performance problems with our cloud service. These problems may be caused by a variety of factors, including, but not limited to, infrastructure changes, human or software errors, viruses, malicious code, denial of service or other security attacks, fraud, spikes in customer usage and interruption or loss of critical third party hosting, power or Internet connectivity services. If we sustain disruptions of our cloud services for any reason, our reputation, business and results of operations would be seriously harmed.

Defects in our solutions could harm our business, including as a result of customer dissatisfaction, data breaches or other disruption, and subject us to substantial liability.

Because the mobile IT market involves multiple operating platforms, we provide frequent incremental releases of solution updates and functional enhancements. Such new versions frequently contain undetected errors when first

introduced or released. We have often found defects in new releases of our solutions, and new errors in our existing solutions may be detected in the future. Defects in our solutions may also result in vulnerability to security attacks, which could result in claims by customers and users for losses that they sustain.

Because our customers use our solutions for important aspects of their business, any errors, defects, disruptions in service or other performance problems with our solutions could hurt our reputation and may damage our customers' businesses. In certain instances, our customers have stopped using or failed to expand use of, our solutions as a result of defects, and this may happen in the future. In addition, customers may delay or withhold payment to us, elect not to renew and make warranty claims or other claims against us. In addition, we rely on positive customer experience in order to sell additional products to other customers or sell to new customers. Defects or disruptions in our solution could result in reputational harm and loss of future sales. In addition, regardless of the party at fault, errors of these kinds divert the attention of our engineering personnel from our development efforts, damage our reputation and the reputation of our solutions, cause significant customer relations problems and can result in product liability claims.

Security breaches and other disruptions of our information systems could significantly impair our operations, compromise our ability to conduct our business and deliver our products and services, and result in significant data losses, theft of our intellectual property, significant liability, damage to our reputation and loss of current and future business.

We rely on our IT systems for almost all of our business operations, including internal operations, product development, sales and marketing, and communications with customers and other business partners. The secure processing, maintenance and transmission of both our own sensitive information and our customers' data is critical to our operations and business strategy. Despite our security measures, our information technology systems and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any cyber security attack could result in the damage, loss, theft or misappropriation of our proprietary information or our customers' data and/or cause interruptions of our internal business operations or the delivery of our solutions to customers. Because the techniques used by unauthorized persons to access or sabotage networks change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques or readily detect or take remedial action against an attack. Further, if unauthorized access or sabotage remains undetected for an extended period of time, the effects of such breach could be exacerbated. We also depend on our employees to handle confidential data appropriately and deploy our information resources in a secure fashion that does not expose our network systems to security breaches and the loss of data. Any breach as a result of cyber criminals or employee malfeasance or error could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Our insurance may not be sufficient to cover all of our losses from any future breaches of our systems. We have also outsourced a number of our business functions to third parties, and thus our business operations also depend, in part, on their cybersecurity measures. Any unauthorized access, disclosure or other loss of information could result in legal claims or proceedings, investigations by law enforcement or regulatory bodies, liability under laws that protect the privacy of personal information, regulatory penalties, and could disrupt our operations and the solutions we provide to customers, and damage our reputation, which could adversely affect our business.

Disruptions of the third-party data centers that host our cloud service could result in delays or outages of our cloud service and harm our business.

We currently host our cloud service from third-party data center facilities operated by several different providers located around the world, such as Equinix and Amazon Web Services. Any damage to, or failure of, our cloud service that is hosted by these third parties, whether as a result of our actions, actions by the third-party data centers, actions by other third parties, or acts of God, could result in interruptions in our cloud service and/or the loss of data. While the third-party hosting centers host the server infrastructure, we manage the cloud services through our site reliability engineering team and need to support version control, changes in cloud software parameters and the evolution of our solutions, all in a multi-OS environment. As we continue to add data centers and capacity in our existing data centers, we may move or transfer our data and our customers' data. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of our service. In some cases, we have entered into contractual service level commitments to maintain uptime of at least 99.9% for our cloud services platform and if we or our third-party data center facilities fail to meet these service level commitments, we may have to issue service credits to these customers. Impairment of, or interruptions in, our cloud services may reduce our subscription revenues, subject us to claims and

litigation, cause our customers to terminate their subscriptions and adversely affect our subscription renewal rates and our ability to attract new customers. Our business will also be harmed if our customers and potential customers believe our services are unreliable.

We do not control, or in some cases have limited control over, the operation of the data center facilities we use, and they are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct, and to adverse events caused by operator error. We cannot rapidly switch to new data centers or move customers from one data center to another in the event of any adverse event. Despite precautions taken at these facilities, the occurrence of a natural disaster, an act of terrorism or other act of malfeasance, a decision to close the facilities without adequate notice, or other unanticipated problems at these facilities could result in lengthy interruptions in our service and the loss of customer data and business.

The prices of our solutions may decrease or we may change our licensing or subscription renewal programs or bundling arrangements, which may reduce our revenue and adversely impact our financial results.

The prices for our solutions may decline for a variety of reasons, including competitive pricing pressures, discounts, a change in our mix of solutions toward subscription, enterprise-wide licensing arrangements, bundling of solutions, features and functionality by us or our competitors, potential changes in our pricing, anticipation of the introduction of new solutions, or promotional programs for customers or channel partners. Competition and consolidation continue to increase in the markets in which we participate, and we expect competition to further increase in the future, leading to increased pricing pressures. Larger competitors with more diverse product lines may reduce the price of solutions or services that compete with ours or may bundle their solutions with other solutions and services. Furthermore, we anticipate that the sales prices and gross profits for our solutions will decrease over product life cycles. If we are unable to increase sales to offset any decline in our prices, our business and results of operations would be harmed.

We continually re-evaluate our licensing programs and subscription renewal programs, including specific license models and terms and conditions. We have in the past implemented, and could in the future implement, new licensing programs and subscription renewal programs or bundling arrangements, including promotional programs or specified enhancements to our current and future solutions, enterprise licensing arrangements, discounted pricing and/or conversion of service providers or customers from one billing model to another. Depending on the nature of the change, such changes could result in deferring revenue recognition regardless of the date of the initial shipment or licensing of our solutions. Changes to our licensing programs and subscription renewal programs, including the timing of the release of enhancements, upgrades, maintenance releases, the term of the contract, discounts, promotions and other factors, could impact the timing of the recognition of revenue for our solutions, related enhancements and services and could adversely affect our operating results and financial condition.

Our ability to sell our solutions is highly dependent on the quality of our support, which is made complex by the requirements of mobile IT. Our failure to deliver high quality support would have a material adverse effect on our sales and results of operations.

Once our solutions are deployed, our customers depend on our support organization or that of our channel partners to resolve any issues relating to our solutions. Our failure to provide effective support has in the past, and could in the future, adversely affect our ability to sell our solutions or increase the number of licenses sold to existing customers. Our customer support is especially critical because the mobile IT market requires relatively frequent software releases. Mobile IT requires a complex set of features, functionality and controls, which makes support critical and difficult. In addition, we target companies on the Forbes Global 2000 Leading Companies list, many of whom have complex networks and require higher levels of support than smaller customers. As customers deploy more licenses and purchase a broader array of our solutions, the complexity and difficulty of our support obligations increase. If we fail to meet the requirements of the larger customers, it may be more difficult to increase our deployments either within our existing Forbes Global 2000 Leading Companies list or other customers or with new Forbes Global 2000 Leading Companies list customers. We face additional challenges in supporting our non-U.S. customers, including the need to rely on channel partners to provide support.

We rely substantially on channel partners for the sale and distribution of our solutions and, in some instances, for the support of our solutions. A loss of certain channel partners, a decrease in revenues from certain of these channel partners or any failure in our channel strategy could adversely affect our business.

A substantial portion of our sales are through channel partners – either telecommunications carriers, which we call service providers, or other resellers – and thus we depend on our channel partners and on our channel partner strategy for the vast majority of our revenue. Our international resellers often enter into agreements directly with our mutual customers to host the software and provide other value-added services, such as IT administration.

Our service provider partners often provide support to our customers and enter into similar agreements directly with our mutual customers to host the software and/or provide other value-added services. Our agreements and operating relationships with our service provider partners are complex and require a significant commitment of internal time and resources. In addition, our service provider partners are large corporations with multiple strategic businesses and relationships, and thus our business may not be significant to them in the overall context of their much larger enterprise. Even if the service provider partner considers us to be an important strategic relationship, internal processes at these large partners are sometimes difficult and time-consuming to navigate. Thus, any loss of a major channel partner or failure of our channel strategy could adversely affect our business. AT&T, as a reseller, is our largest service provider partner and was responsible for 15% of our total revenue for the year ended December 31, 2016.

Our agreements with AT&T and our other channel partners are non-exclusive and most of our channel partners have entered, and may continue to enter, into strategic relationships with our competitors. Our channel partners may terminate their respective relationships with us with limited or no notice and with limited or no penalty, pursue other partnerships or relationships, or attempt to develop or acquire solutions or services that compete with our solutions. If our channel partners do not effectively market and sell our solutions, if they choose to place greater emphasis on solutions of their own or those offered by our competitors, or if they fail to provide adequate support or otherwise meet the needs of our customers, our ability to grow our business and sell our solutions may be adversely affected. The loss of our channel partners, in particular AT&T, the failure to recruit additional channel partners, or any reduction or delay in sales of our solutions by our channel partners could materially and adversely affect our results of operations.

We have made a variety of changes to our North American channel strategy which can cause confusion among our existing resellers. In addition, we have sold and may in the future sell directly to end-user customers, which may adversely affect our relationship with our channel partners.

Our sales cycles for large enterprises are often long, unpredictable and expensive. As a result, our sales and revenue are difficult to predict and may vary substantially from period to period, which may cause our operating results to fluctuate significantly.

Our sales efforts involve educating our customers about the use and benefits of our solutions, including the technical capabilities of our solutions and the business value of our solutions. Many of our large customers have very complex IT systems, mobile environments and data privacy and security requirements. Accordingly, many of these customers undertake a significant evaluation process, which frequently involves not only our solutions, but also those of our competitors, and has resulted in lengthy sales cycles. We spend substantial time, money and effort on our sales activities without any assurance that our efforts will produce any sales. In addition, purchases of our solutions are frequently subject to budget constraints, multiple approvals, lengthy contract negotiations and unplanned administrative, processing and other delays. Moreover, the evolving nature of the mobile IT market may lead prospective customers to postpone their purchasing decisions pending adoption of technology by others or pending potential consolidation in the market. As a result of our lengthy sales cycle, it is difficult to predict whether and when a sale will be completed, and our operating results may vary significantly from quarter to quarter. Even if sales are completed, the revenues we receive from these customers may not be sufficient to offset our upfront investments.

We seek to sell our solutions to large enterprises. Sales to and support of these types of enterprises involve risks that could harm our business, financial position and results of operations.

Our growth strategy is dependent, in part, upon increasing sales of our solutions to large enterprises. Sales to large customers involve risks that may not be present (or that are present to a lesser extent) with sales to smaller entities. These risks include:

— more complicated network requirements, which result in more difficult and time-consuming implementation processes;

— more intense and time-consuming customer support practices;

— increased purchasing power and leverage held by large customers in negotiating contractual arrangements with us;

— more customer-favorable contractual terms, including penalties;

— longer sales cycles and the associated risk that substantial time and resources may be spent on a potential customer that ultimately elects not to purchase our solution or purchases fewer licenses than we had anticipated;

— closer relationships with, and dependence upon, large technology companies that offer competitive solutions;

— an RFP process that may favor incumbent or larger technology companies;

— increased reputational risk as a result of data breaches or other problems involving high profile customers; and

— more pressure for discounts.

If we are unable to increase sales of our solutions to large enterprises while mitigating the risks associated with serving such customers, our business, financial position and results of operations may suffer.

Our failure to comply with privacy and data protection laws could have a material adverse effect on our business.

Personal privacy and data protection have become significant issues in the United States, Europe and elsewhere where we offer our solutions. We collect contact and other personal or identifying information from our customers, and our customers increasingly use our cloud services to store and process personal information and other regulated data. We also maintain personal data of our employees in connection with our HR and benefits administration and share that information with third party payroll and benefits providers.

Many federal, state and foreign government bodies and agencies have adopted or are considering adopting laws and regulations regarding the collection, use, disclosure and retention of personal information, with which we must comply. The variety, complexity and changing nature of the privacy law landscape worldwide is challenging. If our solutions fail to adequately separate personal information and to maintain the security of enterprise applications and data, the market perception of the effectiveness of our solutions could be harmed, employee adoption of mobile initiatives could be slowed, we could lose potential sales and existing customers, and we could incur significant liabilities.

If any of our customers or prospective customers decide not to purchase our software as a result of this regulatory uncertainty, our revenues could decline and our business could suffer. Any inability to adequately address privacy concerns, whether valid or not, or to comply with applicable privacy or data protection laws, regulations and privacy standards, could result in additional cost and liability to us, damage our reputation, inhibit sales of our solutions and harm our business. Furthermore, the attention garnered by the National Security Agency’s bulk intelligence collection programs may result in further concerns surrounding privacy and technology products, which could harm our business.

The failure of third parties to comply with privacy and data security laws could harm our business.

The regulatory framework for privacy issues worldwide is currently evolving and is likely to remain uncertain for the foreseeable future, in particular as it relates to cloud computing vendors. Our existing contractual provisions may not protect us from claims for data loss or regulatory noncompliance made against cloud computing providers with whom we contract. Any failure by us or our channel partners or cloud computing vendors to comply with posted privacy policies, other privacy-related or data protection laws and regulations, or the privacy commitments contained in contracts could result in legal or regulatory proceedings and/or fines, which could harm our business and reputation.

Employee adoption of mobile initiatives depends on the credible and clear separation of enterprise applications and data and personal information on the device, as well as the privacy of such data. For our customers, it is also essential to maintain the security of enterprise data properly while retaining the native experience users expect. While we contractually obligate our customers to make the required disclosures and gain the required consents from their employees in order to comply with applicable law regarding the processing of personally identifiable information that the employer may access, we do not control whether they in fact do so, and in some jurisdictions such employee consent may not be enforceable. Any claim by an employee that his or her employer had not complied with applicable privacy laws in connection with the deployment and use of our software on the employee's mobile device could harm our reputation and business and subject us to liability, whether or not warranted.

We may acquire other businesses which could require significant management attention, disrupt our business, dilute stockholder value and adversely affect our operating results.

As part of our business strategy, we may make investments in complementary companies, solutions or technologies. We may not be able to find suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals. In addition, if we are unsuccessful at integrating such acquisitions or developing the acquired technologies, the revenue and operating results of the combined company could be adversely affected. We have in the past and could in the future record impairment losses in connection with acquisitions. Further, the integration of an acquired company typically requires significant time and resources, and we may not be able to manage the process successfully. We may not successfully evaluate or utilize the acquired technology or personnel or accurately forecast the financial impact of an acquisition transaction, including accounting charges. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could adversely affect our financial condition or the value of our common stock. The sale of equity or issuance of debt to finance any such acquisitions could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations.

We have indemnity obligations under our contracts with our customers and channel partners, which could have a material adverse effect on our business.

The mobile industry has been characterized by substantial patent infringement lawsuits. In our agreements with customers and channel partners, we typically agree to indemnify them for losses related to, among other things, claims by third parties of intellectual property infringement and sometimes data breaches resulting in the compromise of personal data. If any such indemnification obligations are triggered, we could face substantial liabilities or be forced to make changes to our solutions or terminate our customer agreements and refund monies. In addition, provisions regarding limitation of liability in our agreements with customers or channel partners may not be enforceable in some circumstances or jurisdictions or may not protect us from claims and related liabilities and costs. We maintain insurance to protect against certain types of claims associated with the use of our solutions, but our insurance may not adequately cover any such claims. In addition, even claims that ultimately are unsuccessful could result in expenditures of and divert management's time and other resources. Furthermore, any legal claims from customers and channel partners could result in reputational harm and the delay or loss of market acceptance of our solutions.

A portion of our revenues are generated by sales to heavily regulated organizations and governmental entities, which are subject to a number of challenges and risks.

Some of our customers are either in highly regulated industries or are governmental entities and may be required to comply with more stringent regulations in connection with the implementation and use of our solutions. Selling to these entities can be highly competitive, expensive and time consuming, often requiring significant upfront time and expense without any assurance that we will successfully complete a sale or that the organization will deploy our solution at scale. Highly regulated and governmental entities often require contract terms that differ from our standard arrangements and impose compliance requirements that are complicated, require preferential pricing or "most favored nation" terms and conditions, or are otherwise time-consuming and expensive to satisfy. If we are unable to gain any required federal clearance or certificate in a timely manner, or at all, we would likely be prohibited from selling to particular federal customers. In addition, government demand and payment for our solutions and services may be impacted by public sector budgetary cycles and funding authorizations, particularly in light of U.S. budgetary challenges, with funding reductions or delays adversely affecting public sector demand for our solutions. The additional costs associated with providing our solutions to governmental entities and highly regulated customers could harm our margins. Moreover, changes in the underlying regulatory conditions that affect these types of customers could harm our ability to efficiently provide our solutions to them and to grow or maintain our customer base.

If our solutions do not interoperate with our customers' IT infrastructure, sales of our solutions could be negatively affected.

Our solutions need to interoperate with our customers' existing IT infrastructures, which have varied and complex specifications. As a result, we must attempt to ensure that our solutions interoperate effectively with these different, complex and varied back-end environments. To meet these requirements, we have and must continue to undertake development and testing efforts that require significant capital and employee resources. We may not accomplish these development efforts quickly or cost-effectively, or at all. If our solutions do not interoperate effectively, orders for our solutions could be delayed or cancelled, which would harm our revenues, gross margins and reputation, potentially resulting in the loss of existing and potential customers. The failure of our solutions to interoperate effectively within the enterprise environment may divert the attention of our engineering personnel from our development efforts and cause significant customer relations problems. In addition, if our customers are unable to implement our solutions successfully, they may not renew or expand their deployments of our solutions, customer perceptions of our solutions may be impaired and our reputation and brand may suffer.

Although technical problems experienced by users may not be caused by our solutions, our business and reputation may be harmed if users perceive our solutions as the cause of a device failure.

The ability of our solutions to operate effectively can be negatively impacted by many different elements unrelated to our solutions. For example, a user's experience may suffer from an incorrect setting in his or her mobile device, an issue relating to his or her employer's corporate network or an issue relating to the underlying mobile operating system, none of which we control. Even though technical problems experienced by users may not be caused by our solutions, users often perceive the underlying cause to be a result of poor performance of our solution. This perception, even if incorrect, could harm our business and reputation.

Our customers may exceed their licensed device or user count, and it is sometimes difficult to collect payments as a result of channel logistics, which could harm our business, financial position and results of operations.

Our customers license our solutions on either a per-device or per-user basis. Because we sell the vast majority of our solutions through channel partners, and in some cases multiple tiers of channel partners, the logistics of collecting payments for excess usage can sometimes be time-consuming. We may also encounter difficulty collecting accounts receivable and could be exposed to risks associated with uncollectible accounts receivable. Economic conditions may impact some of our customers' ability to pay their accounts payable. If we are unable to collect from our customers for their excess usage or otherwise or if we have to write down our accounts receivable, our revenues and operating results would suffer.

If the market for our solutions shrinks or does not continue to develop as we expect, our growth prospects may be harmed.

The success of our business depends on the continued growth and proliferation of mobile and other modern IT infrastructure as an increasingly important computing platform for businesses. Our business plan assumes that the demand for mobile and other modern IT solutions and the deployment of business apps on mobile devices will increase. However, the mobile IT market has slowed and may not develop as quickly as we expect, or at all, and businesses may not continue to elect to utilize mobile IT solutions as an advanced business platform. This market for our solutions may not develop for a variety of reasons, including that larger, more established companies will enter the market or that mobile operating system companies will offer substantially similar functionality or that companies may not deploy business apps at scale and thus may be satisfied with less advanced technologies. Accordingly, demand for our solutions may not continue to develop as we anticipate, or at all, and the growth of our business and results of operations may be adversely affected. In addition, because we derive substantially all of our revenue from the adoption and use of our platform, a decline or slowing growth in the mobile IT market would harm the results of our business operations more seriously than if we derived significant revenue from a variety of other products and services.

Our estimates of market opportunity and forecasts of market growth may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, we cannot assure you our business will grow at similar rates, if at all.

Growth forecasts are subject to significant uncertainty and are based on assumptions and estimates, which may not prove to be accurate. Forecasts relating to our market opportunity and the expected growth in the mobile IT market and other markets may prove to be inaccurate. Even if these markets experience the forecasted growth, we may not grow our business at similar rates, or at all. Our growth will be affected by many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties.

Seasonality may cause fluctuations in our revenue.

We believe there are significant seasonal factors that may cause us to record higher revenue in some quarters compared with others. We believe this variability is largely due to our customers’ budgetary and spending patterns, as many customers spend the unused portions of their discretionary budgets prior to the end of their fiscal years. For example, we have historically recorded our highest level of total revenue in our fourth quarter, which we believe corresponds to the fourth quarter of a majority of our customers. In addition, the type of budget (operating versus capital) available to a customer may affect its decision to purchase a perpetual license or a subscription license. In addition, our rapid growth rate in 2012 through 2014 may have made seasonal fluctuations more difficult to detect. As our rate of growth has slowed, seasonal or cyclical variations in our operations may become more pronounced, and our business, results of operations and financial position may be adversely affected.

Economic or political uncertainties or downturns could materially adversely affect our business.

Economic downturns or uncertainty could adversely affect our business operations or financial results. Negative conditions in the general economy and political sphere both in the United States and abroad, including conditions resulting from financial and credit market fluctuations and terrorist attacks on the United States, Europe, Asia Pacific or elsewhere, could cause a decrease in corporate spending on enterprise software in general and negatively affect the rate of growth of our business. Economic downturns or economic and/or political uncertainty make it difficult for our customers and us to forecast and plan future business activities accurately, and they could cause our customers to reevaluate their decision to purchase our products, which could delay and lengthen our sales cycles, or to deprioritize the portion of their IT budget focused on mobility. We cannot predict the timing, strength or duration of any economic slowdown, economic or political instability or recovery, generally or within any particular industry or geography. If the economic conditions of the general economy or industries in which we operate worsen from present levels, our business operations and financial results could be adversely affected.

Our business is subject to the risks of earthquakes, fire, floods and other natural catastrophic events, and to interruption by manmade problems such as network security breaches, computer viruses or terrorism.

Our corporate headquarters are located in the San Francisco Bay Area, a region known for seismic activity. A significant natural disaster, such as an earthquake, fire or flood, occurring near our headquarters could have a material adverse impact on our business, operating results and financial condition. Despite the implementation of network security measures, our networks also may be vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering. In addition, natural disasters, acts of terrorism or war could cause disruptions in our or our customers' businesses or the economy as a whole. We also rely on information technology systems to communicate among our workforce and with third parties. Any disruption to our communications or systems, whether caused by a natural disaster or by manmade problems, such as power disruptions, could adversely affect our business.

If we are unable to implement and maintain effective internal controls over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

As a public company, we are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act) requires that we furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. Management's assessment needs to include disclosure of any material weaknesses identified in our internal controls over financial reporting. Our independent registered public accounting firm will not be required to attest to the effectiveness of our internal controls over financial reporting until our first annual report required to be filed with the Securities and Exchange Commission, or SEC, following the date we are no longer an "emerging growth company," as defined in the JOBS Act. We currently continue to qualify as an "emerging growth company," as defined in the JOBS Act, and our independent registered public accounting firm is not required to attest to the effectiveness of our internal controls over financial reporting for the year ended December 31, 2016. Implementation of internal controls over financial reporting can be time-consuming, costly and complicated. If we have a material weakness in our internal controls over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. If we identify material weaknesses in our internal controls over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner, if we are unable to assert that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, and the market price of our common stock could be negatively affected. In addition, we could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

If our estimates relating to our critical accounting policies are based on assumptions or judgments that change or prove to be incorrect, our operating results could fall below expectations of financial analysts and investors, resulting in a decline in our stock price.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, assumptions and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of financial analysts and investors, resulting in a decline in our stock price. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to revenue recognition, stock-based compensation and income taxes.

Impairment of goodwill and other intangible assets would result in a decrease in earnings.

Current accounting rules require that goodwill and other intangible assets with indefinite useful lives no longer be amortized, but instead be tested for impairment at least annually. These rules also require that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and

reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events and circumstances considered in determining whether the carrying value of amortizable intangible assets and goodwill may not be recoverable include, but are not limited to, significant changes in performance relative to expected operating results, significant changes in the use of the assets, significant negative industry or economic trends, or a significant decline in our stock price and/or market capitalization for a sustained period of time. To the extent such evaluation indicates that the useful lives of intangible assets are different than originally estimated, the amortization period is reduced or extended and the quarterly amortization expense is increased or decreased. Any impairment charges or changes to the estimated amortization periods could have a material adverse effect on our financial results.

Risks Related to Our Intellectual Property

We have been sued by third parties for alleged infringement of their proprietary rights and may be sued in the future.

There is considerable patent and other intellectual property development activity in our industry. Our success depends in part on not infringing the intellectual property rights of others. From time to time, our competitors or other third parties have claimed, and we expect they will continue in the future to claim, that we are infringing their intellectual property rights, and we may be found to be infringing such rights.

For example, in December 2015, we and Good Technology announced the settlement of our three year mutual global patent litigation between us. The settlement included a narrow, non-material license agreement between us and Good Technology and a mutual dismissal of claims.

In the future, we may receive additional claims that our solutions infringe or violate the claimant's intellectual property rights. However, we may be unaware of the intellectual property rights of others that may cover some or all of our solutions. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our solutions, or require that we comply with other unfavorable terms. If any of our customers are sued, we would in general be required to defend and/or settle the litigation on their behalf. In addition, if we are unable to obtain licenses or modify our solutions to make them non-infringing, we might have to refund a portion of perpetual license fees paid to us and terminate those agreements, which could further exhaust our resources. In addition, we may pay substantial settlement amounts or royalties on future solution sales to resolve claims or litigation, whether or not legitimately or successfully asserted against us. Even if we were to prevail in the actual or potential claims or litigation against us, any claim or litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and key personnel from our business operations. Such disputes, with or without merit, could also cause potential customers to refrain from purchasing our solutions or otherwise cause us reputational harm.

We have been sued by non-practicing entities, or NPEs, for patent infringement in the past and may be sued by NPEs in the future. While we have settled such litigation in the past, these lawsuits, with or without merit, require management attention and can be expensive.

If we are unable to protect our intellectual property rights, our competitive position could be harmed or we could be required to incur significant expenses to enforce our rights.

Our ability to compete effectively is dependent in part upon our ability to protect our proprietary technology. We protect our proprietary information and technology through licensing agreements, third-party nondisclosure agreements and other contractual provisions, as well as through patent, trademark, copyright and trade secret laws in the United States and similar laws in other countries. There can be no assurance that these protections will be available in all cases or will be adequate to prevent our competitors from copying, reverse engineering or otherwise obtaining and using our technology, proprietary rights or solutions. The laws of some foreign countries, including countries in which our solutions are sold, may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. In addition, third parties may seek to challenge, invalidate or circumvent our patents, trademarks, copyrights and trade secrets, or applications for any of the foregoing. There can be no assurance that our competitors will not independently develop technologies that are substantially

equivalent or superior to our technology or design around our proprietary rights. In each case, our ability to compete could be significantly impaired.

To prevent substantial unauthorized use of our intellectual property rights, it may be necessary to prosecute actions for infringement and/or misappropriation of our proprietary rights against third parties. Any such action could result in significant costs and diversion of our resources and management's attention, and there can be no assurance that we will be successful in such action.

Furthermore, many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce their intellectual property rights than we do. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property.

Our use of open source software could impose limitations on our ability to commercialize our solutions.

Our solutions contain software modules licensed for use from third-party authors under open source licenses, including the GNU Public License, the GNU Lesser Public License, the Apache License and others. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use. If we combine our proprietary solutions with open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary solutions to the public or offer our solutions to users at no cost. This could allow our competitors to create similar solutions with lower development effort and time and ultimately could result in a loss of sales for us.

The terms of many open source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our solutions. In such event, we could be required to seek licenses from third parties in order to continue offering our solutions, to re-engineer our solutions or to discontinue the sale of our solutions in the event re-engineering cannot be accomplished on a timely basis, any of which could materially and adversely affect our business and operating results.

Risks Related to Our International Operations

Our international operations expose us to additional business risks, and failure to manage these risks may adversely affect our international revenue.

We derive a significant portion of our revenues from customers outside the United States. For the year ended December 31, 2016, 2015 and 2014 53%, 50%, and 45% of our revenue, respectively, was attributable to our international customers, primarily those located in Europe. As of December 31, 2016, approximately 42% of our employees were located abroad.

We expect that our international activities will be dynamic over the foreseeable future as we continue to pursue opportunities in international markets, which will require significant management attention and financial resources. Therefore, we are subject to risks associated with having worldwide operations.

We have a limited history of marketing, selling and supporting our solutions internationally. As a result, we must hire and train experienced personnel to staff and manage our foreign operations. To the extent that we experience difficulties in recruiting, training, managing and retaining an international staff, and specifically staff related to sales and engineering, we may experience difficulties in foreign markets. In addition, business practices in the international markets that we serve may differ from those in the United States and may require us to include non-standard terms in customer contracts, such as extended warranty terms. To the extent that we may enter into customer contracts in the future that include non-standard terms related to payment, warranties or performance obligations, our operating results

may be adversely affected. International operations are subject to other inherent risks, and our future results could be adversely affected by a number of factors, including:

— difficulties in executing an international channel partners strategy;

— burdens of complying with a wide variety of foreign laws, including heightened concerns and legal requirements relating to data and privacy;

— economic or political instability and security concerns in countries outside the United States in which we operate or have customers ;

— unfavorable contractual terms or difficulties in negotiating contracts with foreign customers or channel partners as a result of varying and complex laws and contractual norms;

— difficulties in providing support and training to channel partners and customers in foreign countries and languages;

— heightened risks of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results or result in fines and penalties;

— difficulties and costs of attracting and retaining employees and managing foreign operations

— import restrictions and the need to comply with export laws;

— difficulties in protecting intellectual property;

— difficulties in enforcing contracts and longer accounts receivable payment cycles;

— the effect of foreign exchange fluctuations on the competitiveness of our prices;

— potentially adverse tax consequences;

— the increased cost of terminating employees in some countries; and

— variability of foreign economic, political and labor conditions.

As we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and manage effectively these and other risks associated with our international operations. Our failure to manage any of these risks successfully could harm our international operations and reduce our international sales, adversely affecting our business, operating results and financial condition.

We rely on channel partners to sell our solutions in international markets, the loss of which could materially reduce our revenue.

We sell our solutions in international markets almost entirely through channel partners. We believe that establishing and maintaining successful relationships with these channel partners is, and will continue to be, critical to our financial success. Recruiting and retaining qualified channel partners and training them to be knowledgeable about our solutions requires significant time and resources. In some countries, we rely on a sole or very few channel partners and thus the loss of the channel partner could have a significant impact on our sales and support in those countries. To develop and expand our distribution channel, we must continue to scale and improve our processes and procedures that support our channel, including investment in systems and training. In particular, foreign-based service provider partners are large and complex businesses, and we may have difficulty negotiating and building successful business relationships with them.

In addition, existing and future channel partners will only partner with us if we are able to provide them with competitive offerings on terms that are commercially reasonable to them. If we fail to maintain the quality of our solutions or to update and enhance them or to offer them at competitive discounts, existing and future channel partners may elect to partner with one or more of our competitors. In addition, the terms of our arrangements with our channel partners must be commercially reasonable for both parties. If we are unable to reach agreements that are beneficial to both parties, then our channel partner relationships will not succeed. In addition, international channel partners often rely on business models that favor our on premises product over our cloud product because in the former, the channel partner may host and manage the software for, and provide additional administrative, support, training and other services to, the mutual customer for additional fees. This situation could impede sales of our cloud product in certain international markets.

If we fail to maintain relationships with our channel partners, fail to develop new relationships with other channel partners in new markets, fail to manage, train or incentivize existing channel partners effectively, or fail to provide channel partners with competitive solutions on terms acceptable to them, or if these partners are not successful in their sales efforts, our revenue may decrease and our operating results could suffer.

We have no long-term contracts or minimum purchase commitments with any of our channel partners, and our contracts with channel partners do not prohibit them from offering solutions that compete with ours, including solutions they currently offer or may develop in the future and incorporate into their own systems. Some of our competitors may have stronger relationships with our channel partners than we do, and we have limited control, if any, as to whether those partners sell our solutions, rather than our competitors' solutions, or whether they devote resources to market and support our competitors' solutions, rather than our solutions. Our failure to establish and maintain successful relationships with channel partners could materially adversely affect our business, operating results and financial condition.

Failure to comply with the U.S. Foreign Corrupt Practices Act and similar laws associated with our activities outside the United States could subject us to penalties and other adverse consequences.

A significant portion of our revenues is and will continue to be from jurisdictions outside of the United States. As a result, we are subject to the U.S. Foreign Corrupt Practices Act, or FCPA, which generally prohibits U.S. companies and their intermediaries from making payments to corrupt foreign officials for the purpose of obtaining or keeping business or otherwise obtaining favorable treatment, and requires companies to maintain adequate record-keeping and internal accounting practices to accurately reflect the transactions of the company. The FCPA applies to companies, individual directors, officers, employees and agents. Under the FCPA, we may be held liable for actions taken by strategic or local partners or representatives. In addition, the government may seek to hold us liable for successor liability FCPA violations committed by companies that we acquire.

In many foreign countries, particularly in countries with developing economies, including many countries in which we operate, it may be a local custom that businesses operating in such countries engage in business practices that are prohibited by the FCPA or other similar laws and regulations. Although we have contractual provisions in our agreements with channel partners that require them to comply with the FCPA and similar laws, we have not engaged in formal FCPA training of our channel partners. Our channel partners could take actions in violation of our policies, for which we may be ultimately held responsible. Our development of infrastructure designed to identify FCPA matters and monitor compliance is at an early stage. If we or our intermediaries fail to comply with the requirements of the FCPA or other anti-corruption laws, governmental authorities in the U.S. or elsewhere could seek to impose civil and/or criminal penalties, which could have a material adverse effect on our business, results of operations, financial conditions and cash flows.

We are subject to export controls, and our customers and channel partners are subject to import controls.

Certain of our solutions are subject to U.S. export controls and may be exported to certain countries outside the U.S. only by first obtaining an export license from the U.S. government, or by utilizing an existing export license exception, or after clearing U.S. government agency review. Obtaining the necessary export license or accomplishing a U.S. government review for a particular export may be time-consuming and may result in the delay or loss of sales opportunities. Furthermore, U.S. export control laws and economic sanctions prohibit the shipment of certain solutions

to U.S. embargoed or sanctioned countries, governments and persons. If we were to fail to comply with U.S. export law requirements, U.S. customs regulations, U.S. economic sanctions or other applicable U.S. laws, we could be subject to substantial civil and criminal penalties, including fines, incarceration for responsible employees and managers and the possible loss of export or import privileges. U.S. export controls, sanctions and regulations apply to our channel partners as well as to us. Any failure by our channel partners to comply with such laws, regulations or sanctions could have negative consequences, including reputational harm, government investigations and penalties.

In addition, various countries regulate the import of certain encryption and other technology by requiring an import permit, authorization, pre-classification, import certification and/or an import license. Some countries have enacted laws that could limit our customers' ability to implement our solutions in those countries.

Changes in our solutions or changes in export and import regulations may create delays in the introduction of our solutions into international markets, prevent our customers with international operations from deploying our solutions globally or, in some cases, prevent the export or import of our solutions to certain countries, governments or persons altogether. In addition, any change in export or import regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our solutions by, or in our decreased ability to export or sell our solutions to, existing or potential customers with international operations. Any decreased use of our solutions or limitation on our ability to export or sell our solutions would likely adversely affect our business, financial condition and operating results.

Risks Related to Ownership of Our Common Stock

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.

In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change net operating losses, or NOLs, to offset future taxable income. Our existing NOLs may be subject to limitations arising from previous ownership changes. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. For these reasons, we may not be able to utilize a material portion of the NOLs reflected on our balance sheet, even if we attain profitability.

The price of our common stock has been and may continue to be weak, and you could lose all or part of your investment.

The trading price of our common stock has declined since our Initial Public Offering, and the shares are thinly traded. The trading price of our common stock depends on a number of factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance.

Since shares of our common stock were sold at our initial public offering, our stock price has ranged from as low as $2.56 to as high as $12.96 through December 31, 2016. These fluctuations could cause you to lose all or part of your investment in our common stock, because you might be unable to sell your shares at or above the price you paid. Factors that could cause fluctuations in the trading price of our common stock include the following:

- failure to meet quarterly guidance with regard to revenue, billings, cash flow breakeven or other key metrics;
- price and volume fluctuations in the overall stock market from time to time;
- volatility in the market prices and trading volumes of high technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;

- sales of shares of our common stock by us or our stockholders;
- failure of financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- announcements by us or our competitors of new products or new or terminated significant contracts, commercial relationships or capital commitments;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our operating results;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any major change in our management;
- general economic conditions and slow or negative growth of our markets; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events.

In addition, broad market and industry factors may seriously affect the market price of our common stock, regardless of our actual operating performance. In addition, in the past, following periods of volatility in the overall market and the market prices of particular companies' securities, securities class action litigation has often been instituted against these companies. Litigation of this type has been instituted against us, and could result in substantial costs and a diversion of our management's attention and resources.

For example, on May 1, 2015, a purported stockholder class action lawsuit was filed in the United States District Court for the Northern District of California against the Company and certain of its officers, captioned Panjwani v. MobileIron, Inc., et al. The action was purportedly brought on behalf of a putative class of all persons who purchased or otherwise acquired the Company's securities between February 13, 2015 and April 22, 2015. It asserted claims for violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934.The complaint sought, among other things, compensatory damages and attorney's fees and costs on behalf of the putative class. An amended complaint was filed on September 28, 2015. On February 22, 2016, the District Court issued an order granting MobileIron's motion to dismiss the amended complaint and on March 15, 2016 the Court dismissed the case. MobileIron paid no money to the plaintiffs or their attorneys in connection with the dismissal of the action.

On August 5, 2015, August 21, 2015 and August 24, 2015, purported stockholder class action lawsuits were filed in the Superior Court of California, Santa Clara County against the Company, certain of its officers, directors,

underwriters and investors, captioned Schneider v. MobileIron, Inc., et al., Kerley v. MobileIron, Inc., et al. and Steinberg v. MobileIron, Inc., et al, which were subsequently consolidated under the case caption In re MobileIron Shareholder Litigation. The actions are purportedly brought on behalf of a putative class of all persons who purchased the Company's securities issued pursuant or traceable to the Company's registration statement and the June 12, 2014 initial public offering. The lawsuits assert claims for violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933. The complaint seeks among other things, compensatory damages and attorney's fees and costs on behalf of the putative class. On April 12, 2016, Plaintiffs filed a corrected consolidated complaint, which no longer names the underwriters or investors as defendants. On August 8, 2016 the Company filed a demurrer to the corrected consolidated complaint. The court overruled the demurrer on October 4, 2016. The Company intends to defend this litigation vigorously.

If financial or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts or the content and opinions included in their reports. If any of the analysts who cover us issue an adverse or misleading opinion regarding our stock price, our stock price would likely decline. Financial analysts have in the past ceased coverage of our stock or published adverse reports, and this may recur in the future. Any cessation of coverage or adverse reports would likely cause our stock price or trading volume to decline.

Insiders continue to have substantial control over our company, which could limit your ability to influence the outcome of key transactions, including a change of control.

Our directors, executive officers and each of our stockholders who own greater than 5% of our outstanding common stock and their affiliates, in the aggregate, own approximately 42% of the outstanding shares of our common stock as of December 31, 2016. As a result, these stockholders, if acting together, will be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of our company, could deter certain public investors from purchasing our common stock and might ultimately affect the market price of our common stock.

We have in the past failed, and may in the future fail, to meet our publicly announced guidance or other expectations about our business and future operating results, which has in the past caused, and would in the future cause, our stock price to decline.

We have provided and may continue to provide guidance about our business and future operating results as part of our press releases, conference calls or otherwise. In developing this guidance, our management must make certain assumptions and judgments about our future performance. Our business results may vary significantly from such guidance due to a number of factors, many of which are outside of our control, and which could adversely affect our operations and operating results. Furthermore, if our publicly announced guidance of future operating results fails to meet expectations of securities analysts, investors or other interested parties, the price of our common stock would decline.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

As a public company, we are or will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of the NASDAQ Global Stock Market and other applicable securities rules and regulations. Compliance with these rules and regulations may further increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results.

Being a public company has made it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These and other factors, including the decline in our stock price and the other risks described in this "Risk Factors" section, could also make it more difficult for us to attract and retain qualified executive officers and qualified members of our board of directors, particularly to serve on our audit committee and compensation committee.

We are an "Emerging Growth Company," and any decision on our part to comply only with certain reduced disclosure requirements applicable to Emerging Growth Companies could make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act enacted in April 2012, and, for as long as we continue to be an "emerging growth company," we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies, but not to "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will remain an "emerging growth company" until the earliest to occur of (i) the last day of the year in which we have more than $1.0 billion in annual revenue; (ii) the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; (iii) the date on which we have issued, in any three-year period, more than $1.0 billion in non-convertible debt securities; and (iv) the last day of the year ending after the fifth anniversary of the completion of our initial public offering. We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and our stock price may be more volatile. For the year ending December 31, 2016, we continue to qualify as an "emerging growth company" as defined in the JOBS Act.

Our future capital needs are uncertain, and we may need to raise additional funds in the future. If we require additional funds in the future, those funds may not be available on acceptable terms, or at all.

We may need to raise substantial additional capital in the future to:

— fund our operations;

— continue our research and development;

— develop and commercialize new solutions; or

— acquire companies, in-licensed solutions or intellectual property.

Our future funding requirements will depend on many factors, including:

— market acceptance of our solutions;

— the cost of our research and development activities;

— the cost of defending and resolving litigation or other legal disputes;

— the cost and timing of establishing additional sales, marketing and distribution capabilities;

— the cost and timing of establishing additional technical support capabilities;

— the effect of competing technological and market developments; and

— the market for different types of funding and overall economic conditions.

We may require additional funds in the future, and we may not be able to obtain those funds on acceptable terms, or at all. If we raise additional funds by issuing equity securities, our stockholders may experience dilution. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. Any debt or additional equity financing that we raise may contain terms that are not favorable to us or our stockholders.

If we do not have, or are not able to obtain, sufficient funds, we may have to delay development or commercialization of our solutions. If we are unable to raise adequate funds, we may have to liquidate some or all of our assets, or delay, reduce the scope of or eliminate some or all of our development programs. We also may have to reduce marketing, customer support or other resources devoted to our solutions or cease operations. Any of these actions could harm our operating results.

Sales of substantial amounts of our common stock in the public markets, or the perception that these sales might occur, could reduce the price that our common stock might otherwise attain and may dilute your voting power and your ownership interest in us.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales could occur, could adversely affect the market price of our common stock and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate. Based on the total number of outstanding shares of our common stock as of December 31, 2016, we have 89,066,031 shares of common stock outstanding, excluding any potential exercises of our outstanding stock options and vesting of RSUs.

In the future, we may issue additional shares of common stock, or securities with convertible features into our common stock, from time to time in connection with our employee equity plans, financings, acquisitions and investments or otherwise.

In February 2016, our Compensation Committee approved the issuance of 1,653,371 shares of common stock under our 2015 Non-Executive Bonus Plan. No shares were issued under our 2015 Executive Bonus Plan. For 2016, we implemented two stock-settled bonus plans, one for executives and one for non-executives, which will result in the issuance of additional shares of common stock in the first quarter of 2017. On January 31, 2017, our Compensation Committee approved a recommendation for an increase of 1,200,000 shares reserved for issuance under our 2014 Employee Stock Purchase Plan, or ESPP, for subsequent consideration and approval by our Board of Directors and submission to a vote of our stockholders for approval at our next annual meeting. The issuance of shares of common stock under RSUs, future bonus programs, or our ESPP could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline.

Certain provisions in our charter documents and under Delaware law could limit attempts by our stockholders to replace or remove our board of directors or current management and limit the market price of our common stock.

Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. These provisions include the following:

— our board of directors has the right to elect directors to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;

— our stockholders may not act by written consent or call special stockholders' meetings; as a result, a holder, or holders, controlling a majority of our capital stock would not be able to take certain actions other than at annual stockholders' meetings or special stockholders' meetings called by the board of directors, the chairman of the board, the chief executive officer or the president;

— our certificate of incorporation prohibits cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;

— stockholders must provide advance notice and additional disclosures in order to nominate individuals for election to the board of directors or to propose matters that can be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company; and

— our board of directors may issue, without stockholder approval, shares of undesignated preferred stock; the ability to issue undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us.

As a Delaware corporation, we are also subject to certain Delaware anti-takeover provisions. Under Delaware law, a corporation may not engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, the board of directors has approved the transaction. Our board of directors could rely on Delaware law to prevent or delay an acquisition of our company.

Our executive officers are entitled to accelerated vesting of their stock options pursuant to the terms of their employment arrangements under certain conditions following a change of control of the Company. In addition to the arrangements currently in place with some of our executive officers, we may enter into similar arrangements in the future with other officers. Such arrangements could delay or discourage a potential acquisition of the Company.

Our financial results may be adversely affected by changes in accounting principles applicable to us.

Generally accepted accounting principles in the United States ("U.S. GAAP") are subject to interpretation by the Financial Accounting Standards Board ("FASB"), the SEC, and other various bodies formed to promulgate and interpret appropriate accounting principles. For example, in May 2014, the FASB issued accounting standards update No. 2014-09 (Topic 606), Revenue from Contracts with Customers, which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. We will be required to implement this guidance in the first quarter of our fiscal year 2018. We have not yet determined the effect of the standard on our ongoing financial reporting. Implementation of this new standard could have a significant effect on our financial results, and any difficulties in implementing these pronouncements could cause us to fail to meet our financial reporting obligations, which could result in regulatory discipline and h arm investors' confidence in us.

Item 1 B. Unresolved Staff Comments

None.

Item 2. Properties

Our principal executive offices are located in Mountain View, California and include three buildings totaling approximately 94,000 square feet under leases expiring from June 2017 to April 2023. We have additional office locations throughout the United States and in various international locations, including offices in the United Kingdom, Germany, Netherlands, Japan, Singapore and India.

We may add new facilities or expand existing facilities as we add employees, and we believe that suitable additional or substitute space will be available on commercially reasonable terms to meet our future needs.

Item 3. Legal Proceedings

The information set forth under "Litigation" in Note 13 contained in the "Notes to Consolidated Financial Statements" in Item 8, "Financial Statements and Supplementary Data," of Part II of this Annual Report on Form 10-K is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

Part I I

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Reverse Stock Split

On May 27, 2014, we amended and restated our amended and restated certificate of incorporation to effect a seven-for-five reverse stock split of our common stock and convertible preferred stock. On the effective date of the reverse stock split, (i) each seven shares of outstanding convertible preferred stock and common stock was reduced to five shares of convertible preferred stock and common stock, respectively; (ii) the number of shares of common stock issuable under each outstanding option to purchase common stock was proportionately reduced on a seven-for-five basis; (iii) the exercise price of each outstanding option to purchase common stock was proportionately increased on a seven-for-five basis; and (iv) corresponding adjustments in the per share conversion prices, dividend rates and liquidation preferences of the convertible preferred stock were made. All of the share and per share information referenced throughout this Annual Report on Form 10-K have been retroactively adjusted to reflect this reverse stock split.

Issuance of Common Stock and Use of Proceeds

In June 2014, we closed our initial public offering, or IPO, in which we sold 12,777,777 shares of common stock at a price to the public of $9.00 per share including 1,666,666 shares of common stock sold pursuant to the full exercise of the underwriters' over-allotment option. The aggregate offering price for shares sold in the offering was approximately $115 million. The offer and sale of all of the shares in the IPO were registered under the Securities Act pursuant to a registration statements on Form S-1 (File Nos. 333-195089), which were declared or became effective on June 12, 2014. The offering commenced as of June 12, 2014 and did not terminate before all of the securities registered in the registration statement were sold. Morgan Stanley & Co. LLC, Goldman, Sachs & Co., Deutsche Bank Securities, Barclays, Raymond James, Stifel, Nomura and Blackstone Capital Markets acted as the underwriters. We raised approximately $102.9 million in net proceeds after deducting underwriting discounts and commissions of approximately $8.0 million and other offering expenses of approximately $4.1 million. Upon the closing of the initial public offering, all shares of our outstanding convertible preferred stock automatically were converted into 49,646,975 shares of common stock.

There has been no material change in the planned use of proceeds from our IPO as described in our final prospectus filed with the SEC on June 12, 2014 pursuant to Rule 424(b). We invested a portion of the funds received in registered money market funds and fixed income investments.

Market Information

Our common stock, $0.0001 par value per share, is listed on the NASDAQ Global Select Market under the symbol "MOBL" and began public trading on June 12, 2014.

Price Range for our Common Stock

The following table sets forth the reported high and low sales prices of our common stock for the periods indicated, as regularly quoted on The NASDAQ Global Select Market:

	High	Low
Fiscal 2016 Quarters:		
Fourth Fiscal Quarter	$ 4.50	$ 2.60
Third Fiscal Quarter	$ 3.69	$ 2.56
Second Fiscal Quarter	$ 4.78	$ 2.78
First Fiscal Quarter	$ 4.55	$ 3.01
Fiscal 2015 Quarters:		
Fourth Fiscal Quarter	$ 4.66	$ 2.97
Third Fiscal Quarter	$ 6.03	$ 2.81
Second Fiscal Quarter	$ 9.68	$ 5.69
First Fiscal Quarter	$ 10.15	$ 8.17

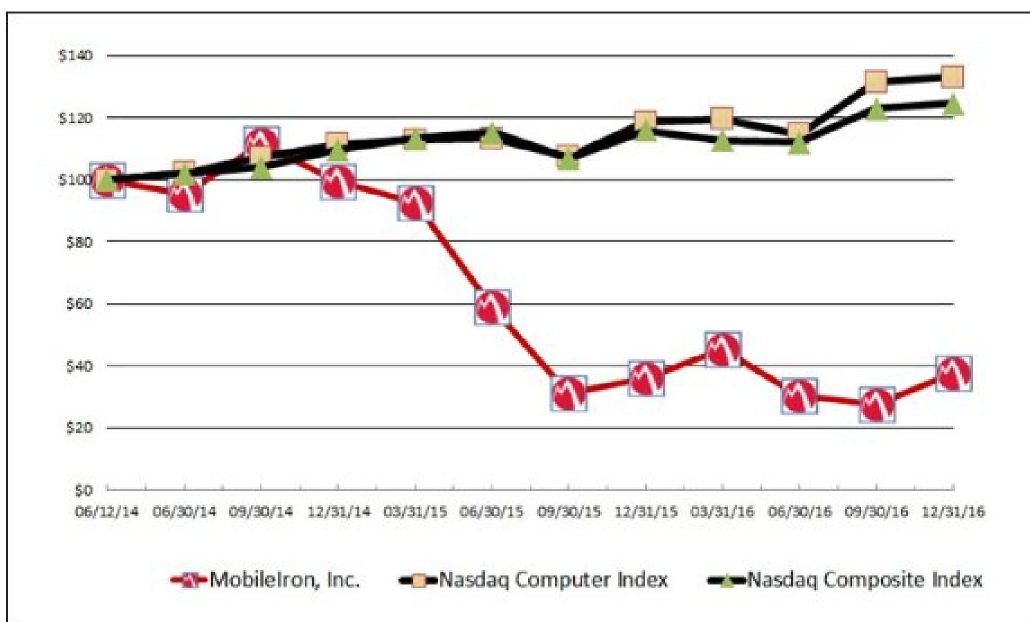
Holders of Record and Dividends

As of February 10, 2017, there were 59 holders of record of our common stock. Because many of our shares are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders. We have never declared or paid, and do not anticipate declaring or paying in the foreseeable future, any cash dividends on our capital stock. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors, subject to applicable laws, and will depend on then existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant .

Stock Performance Graph and Cumulative Total Return

The following graph compares the cumulative total return attained by stockholders on our common stock relative to the cumulative total returns of the NASDAQ Composite Index (^IXIC) and NASDAQ Computer Index (^IXCO). The graph tracks the performance of a $100 investment in our common stock and in each of the indices (with the reinvestment of all dividends) from June 12, 2014 to December 31, 2016. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

MobileIron, Inc. Comparison of Total Return Performance



Company/Index	Base Period 6/12/14	6/30/14	9/30/14	12/31/14	3/30/15	6/30/15	9/30/15	12/31/15	3/30/16	6/30/16	9/30/16	12/31/16
MobileIron, Inc.	$ 100.00	$ 95.20	$ 111.40	$ 99.60	$ 92.60	$ 59.10	$ 31.00	$ 36.10	$ 45.20	$ 30.50	$ 27.50	$ 37.50
Nasdaq Computer Index	100.00	102.93	108.07	111.55	112.96	113.19	107.50	118.49	119.51	114.78	131.51	133.03
Nasdaq Composite Index	100.00	102.58	104.56	109.55	113.37	115.36	106.87	115.83	112.65	112.02	122.88	124.52

Unregistered Sales of Equity Securities

During the year ended December 31, 2016, we did not repurchase any of the shares subject to repurchase.

The majority of restricted stock units are subject to vesting. The underlying shares of common stock are issued when the restricted stock units vest. The majority of participants choose to participate in automatic sales program to satisfy their applicable tax withholding requirements. We do not treat the shares sold pursuant to this automatic sales program as common stock repurchases (see Note 11 to the Condensed Consolidated Financial Statements).

Securities Authorized for Issuance under Equity Compensation Plans

See Item 12 of Part III of this Annual Report on Form 10-K regarding information about securities authorized for issuance under our equity compensation plan.

Item 6. Selected Financial Data

The following selected historical financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," our financial statements, and the related notes appearing in Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K to fully understand factors that may affect the comparability of the information presented below.

The statement of operations data for 2016, 2015, 2014, 2013 and 2012 and the balance sheet data as of December 31, 2016, 2015, 2014, 2013 and 2012 are derived from our audited financial statements appearing in Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K. The statement of operations data for 2013 and 2012 and the balance sheet data as of December 31, 2014, 2013 and 2012 is derived from audited financial

statements not included in this Annual Report on Form 10-K. Our historical results are not necessarily indicative of the results to be expected in the future.

(in thousands, except per share data)	Year ended December 31, 2016	2015	2014	2013	2012
Consolidated Statement of Operations Data:					
Revenue					
Perpetual license	$ 45,775	$ 53,512	$ 66,816	$ 69,810	$ 26,251
Subscription	61,357	48,080	30,227	15,085	5,617
Software support and services	56,794	47,706	35,252	20,679	9,022
Total revenue	163,926	149,298	132,295	105,574	40,890
Cost of revenue					
Perpetual license	2,658	2,881	4,448	3,327	1,930
Subscription	8,297	7,181	5,719	3,684	2,998
Software support and services	19,412	18,115	13,868	9,489	6,742
Restructuring charge	181	—	—	—	—
Total cost of revenue [1]	30,548	28,177	24,035	16,500	11,670
Gross profit	133,378	121,121	108,260	89,074	29,220
Operating expenses					
Research and development [1]	67,398	61,871	46,278	36,400	23,773
Sales and marketing [1]	101,757	105,520	99,870	68,309	45,979
General and administrative [1]	29,695	36,037	22,400	12,081	7,223
Restructuring charge	871	1,049	—	—	—
Amortization of intangible assets	—	—	782	208	52
Impairment of in-process research and development	—	—	—	3,925	—
Total operating expenses	199,721	204,477	169,330	120,923	77,027
Operating loss	(66,343)	(83,356)	(61,070)	(31,849)	(47,807)
Other (income) expense - net	(145)	274	302	396	137
Loss before income taxes	(66,198)	(83,630)	(61,372)	(32,245)	(47,944)
Income tax expense	982	852	517	252	(1,433)
Net loss	$ (67,180)	$ (84,482)	$ (61,889)	$ (32,497)	$ (46,511)
Net loss per share, basic and diluted	$ (0.78)	$ (1.07)	$ (1.30)	$ (3.27)	$ (6.04)
Weighted-average shares used to compute net loss per share, basic and diluted	85,845	78,755	47,517	9,953	7,696

(1) Amounts include stock-based compensation expense as follows:

(in thousands)	Year ended December 31, 2016	2015	2014	2013	2012
Stock-Based Compensation Expense:					
Cost of revenue	$ 3,043	$ 2,774	$ 1,353	$ 327	$ 173
Research and development	11,728	10,607	5,980	5,238	2,565
Sales and marketing	10,474	9,508	5,930	1,893	1,063
General and administrative	9,144	5,902	3,363	931	483
Total stock-based compensation expense	$ 34,389	$ 28,791	$ 16,626	$ 8,389	$ 4,284

(in thousands)	As of December 31, 2016	2015	2014	2013	2012
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 54,043	$ 47,234	$ 104,287	$ 73,573	$ 38,692
Short-term and long-term investments	$ 36,184	$ 51,670	$ 36,089	$ —	$ —
Working capital	$ 49,585	$ 66,568	$ 90,448	$ 49,054	$ 13,132
Total assets	$ 153,106	$ 161,114	$ 191,842	$ 111,259	$ 71,454
Total deferred revenue	$ 88,076	$ 69,875	$ 54,174	$ 40,751	$ 45,500
Short-term borrowings	$ —	$ —	$ —	$ 4,300	$ —
Convertible preferred stock	$ —	$ —	$ —	$ 160,259	$ 102,552
Accumulated deficit	$ (342,385)	$ (275,205)	$ (190,723)	$ (128,834)	$ (96,337)
Total stockholders' equity (deficit)	$ 40,817	$ 68,139	$ 115,094	$ (109,825)	$ (87,421)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those contained in or implied by any forward-looking statements. Factors that could cause or contribute to these differences include those under "Risk Factors" included in Part I, Item 1A or in other parts of this report.

The current perimeter-based enterprise security model, which is based on locked-down desktop endpoints, enterprise-controlled networks, and company data that only sits behind a firewall, is being disrupted by the move to mobile and cloud services. Employees and lines-of-business, not IT, now choose the software and cloud services they need to do their jobs. Our solution provides enterprise security for this open, but complex, modern IT architecture.

We invented a purpose-built security platform for enterprises to secure business data in a modern IT architecture, while enabling employee personal data privacy and mobile device choice. The MobileIron Enterprise Mobility Management (EMM) solution is a mobile security platform that:

1) configures and delivers applications to smartphones, tablets, laptops and desktops running modern operating systems such as Android, iOS, macOS and Windows 10;
2) secures data-at-rest on these modern endpoints;
3) secures data-in-motion across the corporate network; and
4) secures access to back-end corporate networks and cloud services.

We believe that every modern endpoint, whether a smartphone, tablet, laptop, desktop, or IoT device, with access to enterprise data will require a solution like MobileIron's to secure that data.

Our platform has fostered a growing ecosystem of partners to enable our customers and their employees to leverage best-of-breed solutions rather than being locked into a particular vendor's solution. MobileIron enables employees to have ubiquitous access to the information they need in order to work productively anywhere.Our business model is based on winning new customers, expanding sales and upselling new products within existing customers, and renewing subscriptions and software support agreements. We have sold our platform to over 13,500 cumulative customers since 2009, and our revenue has increased to $163.9 million in 2016. Our global customer support team focuses on enabling customer success, which is designed to lead to additional sales and renewals of subscription and software support agreements. In 2016, we generated over two-thirds of our gross billings from recurring sources (subscriptions and software support agreements). Our blended renewal rates, which are determined on a seat basis for software support and subscription agreements, exceeded 90% in 2016.

We offer our customers the flexibility to deploy our solution as a cloud service or as on-premises software. They can also choose from various pricing options, including subscription and perpetual licensing. We primarily target midsize and large enterprises across a broad range of industries including financial services, government, healthcare, legal, manufacturing, professional services, retail, technology and telecommunications. No single end user accounted for more than 5% of our total revenue in 2016. One reseller accounted for 15% of our revenue in 2016.

Subscription revenue is an increasing portion of our revenue. When we sell our solutions on a subscription basis, we offer 12 months or longer terms and bill in advance, or certain service providers often operate under a monthly recurring charge, or MRC, model. In the MRC model, revenue and billings are based on active devices or users of the service provider's customer and are reported to us by the service provider on a monthly basis over time and billed by us one month in arrears. Thus, under the MRC model , we receive no billings or revenue for MRC at the time the deal is booked, but instead the MRC is billed and revenue is recognized each month based on active usage. Unlike one-year term subscriptions, MRC is not reflected in deferred revenue. This important difference between MRC billings and perpetual and term subscription billings can lead to significant variability of billings in a given quarter depending on the type of billing model that the customer chooses and the overall mix of billing types for all customers within a quarter. Over time, we may see variability in the MRC revenue and billings trends, as customers choose to switch between MRC and prepaid billing models, or as a result of the timing of operators usage reporting and other factors.

Our total revenue was $163.9 million, $149.3 million and $132.3 million in 2016, 2015 and 2014 , respectively, representing a growth rate of 10% from 2015 to 2016 and 13% from 2014 to 2015. Growth in recognized revenue slowed relative to the prior year primarily due to a continuing shift in favor of subscription revenue and a slowdown in perpetual license orders.

Revenue from subscription and perpetual licenses represented 37% and 28%, respectively, of total revenue in 2016. The balance, constituting 35% of total revenue in 2016, was software support and services revenue which consists primarily of revenue from agreements to provide software upgrades and updates, as well as technical support, to customers with perpetual software licenses. This represents a continuing mix shift in favor of subscription, and software support and services revenue, as we recognized 32% of our total revenue from subscriptions, 36% from perpetual licenses and 32% from software support and services in 2015, and 23% of our total revenue from subscriptions, 50% from perpetual licenses and 27% from software support and services in 2014. Our MRC revenue, included in our reported subscription revenue, comprised approximately 15%, 14% and 9% of total revenue in 2016, 2015 and 2014, respectively .

Our perpetual license revenue was $45.8 million, $53.5 million and $66.8 million in 2016, 2015 and 2014, respectively, representing a decrease of 14% from 2015 to 2016 and 20% from 2014 to 2015 . The decline in perpetual license revenue was primarily due to a decrease in demand for our perpetual licenses and to a mix shift in favor of software licenses priced as subscriptions rather than perpetual licenses. The decline in perpetual license revenue from 2014 to 2015 was also attributable to a decrease of $3.4 million from 2014 to 2015 in revenue recognized from licenses that were delivered prior to 2013, for which the revenue is being recognized ratably over the contractual terms of the related software support agreements due to lack of VSOE for software support and services prior to January 1, 2013.

Our subscription revenue was $61.4 million, $48.1 million and $30.2 million in 2016, 2015 and 2014, respectively, representing growth of 28% from 2015 to 2016 and 59% from 2014 to 2015 . While we expect subscription revenue to increase as new and existing customers continue to purchase software subscription licenses, we also expect potential quarterly volatility in both billings and revenue as a result of mix changes between perpetual, term subscription and MRC transactions.

Our software support and services revenue was $56.8 million, $47.7 million and $35.3 million in 2016, 2015 and 2014, respectively, representing growth of 19% from 2015 to 2016 and 35% from 2014 to 2015. The growth rate of support and services revenue is primarily dependent on growth in our installed base of customers that purchase recurring software support.

Our gross billings were $182.1 million, $165.0 million and $145.7 million in 2016, 2015 and 2014, respectively, representing growth rates of 10% from 2015 to 2016 and 13% from 2014 to 2015. The slowing of gross billings growth in 2016 was due to the same reasons as noted above for revenue. See “Key Metrics and Non-GAAP Financial Information” for more information and a reconciliation of gross billings to total revenue.

We sell a significant portion of our products through our channel partners, including resellers, service providers and system integrators . Our sales force develops sales opportunities and works closely with our channel partners to sell our solutions. We have a high touch sales force focused on large organizations, inside sales teams focused on mid-sized enterprises and sales teams that work with service providers that focus on smaller businesses. We prioritize our internal sales and marketing efforts on large organizations because we believe that they represent the largest potential opportunity.

We believe that our market opportunity is large, and sales to customers outside of the United States will remain a significant opportunity for future growth. In 2016, 2015 and 2014, 53%, 50% and 45% of our total revenue, respectively, was generated from customers located outside of the United States, primarily those located in Europe. International market trends that may affect sales of our products and services include heightened concerns and legal requirements relating to data security and privacy, the importance of execution on our international channel partner strategy, the importance of recruiting and retaining sufficient international personnel, the effect of exchange rates, and political and financial market instability.

In 2016, while we increased our spending to support the development of our product, we reduced sales and marketing and general and administrative spending. However, we continued to incur a net loss. We have incurred net losses of $67.2 million, $84.5 million and $61.9 million in 2016, 2015 and 2014, respectively. As a result of this, we do not expect to be profitable for the foreseeable future under our current operating plan. Future profitability is dependent on revenue growth, which may be challenging for a number of reasons including possible continued mix shift towards subscription licensing, increasing and entrenched competition, changes in our pricing model, our ability to continue to develop and evolve our products or any failure to capitalize on market opportunities. In addition, we will need to increase operating efficiency, which may be challenging given our operational complexity.

In 2015, we incurred $10.5 million in litigation expense, almost all of which related to our patent litigation with Good Technology, which we settled in November 2015. The settlement included a mutual dismissal of all claims and an immaterial license agreement.

In June 2014, we completed our initial public offering, or our IPO, in which we issued and sold 12,777,777 shares of common stock, including 1,666,666 million shares of common stock sold pursuant to the full exercise of the underwriters' over-allotment option, at a price of $9.00 per share. We received aggregate proceeds of $107.0 million from the sale of shares of common stock, net of underwriters' discounts and commissions, but before deducting offering expenses of approximately $4.1 million.

Key Metrics and Non-GAAP Financial Information

To supplement our financial results presented on a GAAP basis, we provide investors with certain non-GAAP financial measures, including gross billings, recurring billings, recurring revenue, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating loss, non-GAAP operating margin, non-GAAP net loss, and non-GAAP net loss per share. These non-GAAP financial measures exclude stock-based compensation, the amortization of intangible assets, and restructuring charges. Beginning 2016, we no longer exclude perpetual license revenue recognized from licenses delivered prior to 2013 from our non-GAAP financial measures and we have adjusted our non-GAAP financial measures tables accordingly. Perpetual license revenue recognized from licenses delivered prior to 2013 was $1.8 million and $5.2 million in 2015 and 2014, respectively.

Stock-based compensation expenses

In our non-GAAP financial measures, we have excluded the effect of stock-based compensation expenses. Stock-based compensation expenses will recur in future periods.

Amortization of intangible assets

In our non-GAAP financial measures, we have excluded the effect of amortization of intangible assets. Amortization of intangible assets is significantly affected by the timing and size of our acquisitions. Amortization of intangible assets will recur in future periods.

Restructuring charges

In our non-GAAP financial measures, we have excluded the effect of the severance and other expenses related to our reduction in workforce. Restructuring charges may recur in the future; however, the timing and amounts are difficult to predict.

Non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating loss, non-GAAP operating margin, non-GAAP net loss, and non-GAAP net loss per share

We believe that the exclusion of stock-based compensation expense, the amortization of intangible assets, and restructuring charges and from gross profit, gross margin, operating loss, operating margin, net loss, and net loss per share provides useful measures for management and investors because stock-based compensation, the amortization of intangible assets and restructuring charges have been and can continue to be inconsistent in amount from period to period. We believe the inclusion of these items makes it difficult to compare periods and understand the growth and performance of our business. In addition, we evaluate our business performance and compensate management based in part on these non-GAAP measures. There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with GAAP, may be different from non-GAAP financial measures used by our competitors and exclude expenses that may have a material impact on our reported financial results. Further, stock-based compensation expense has been and will continue to be for the foreseeable future a significant recurring expense in our business and an important part of the compensation provided to our employees. Similarly, amortization of intangible assets has been and will continue to be a recurring expense.

Gross and recurring billings, recurring revenue and free cash flow

Our non-GAAP financial measures also include: ***gross billings*** , which we define as total revenue plus the change in deferred revenue in a period; ***recurring billings*** , which we define as total revenue less perpetual license, hardware, and professional services revenue plus the change in deferred revenue for subscription and software support arrangements in a period, adjusted for nonrecurring perpetual license billings; ***recurring revenue*** , which we define as total revenue less perpetual license, hardware, professional services and perpetual amounts recorded as subscription or software support revenue in multiple elements arrangements; and ***free cash flow*** , which we define as cash used in operating activities less the amount of property and equipment purchased. We consider ***gross billings*** to be a useful metric for management and investors because subscription billings, excluding MRC, and software support and services billings drive deferred revenue, which is an important indicator of future revenue. Similarly, we consider ***recurring billings*** and ***recurring revenue*** to be useful metrics because they are important indicators of the portion of our business that we would expect to recur each year. There are a number of limitations related to the use of ***gross, recurring billings*** and ***recurring revenue*** . First, ***gross and recurring billings*** include amounts that have not yet been recognized as revenue. Second, our calculation of ***gross and recurring billings*** may be different from other companies that report similar financial measures. Third, ***recurring revenue*** excludes perpetual license amounts recognized from multiple elements arrangements that we record as subscription or software support revenue in our GAAP statements of operations and that perpetual license amount is based on invoice value, not fair value, although we believe invoice value approximates the fair value of the element. Fourth, in the MRC model, revenue and billings are based on active devices or users of the service provider's customer and are billed to us by the service provider on a monthly basis over time and one month in arrears. Thus, under the MRC model , we receive no billings or revenue for MRC at the time the deal is booked, but instead the MRC is billed and revenue is recognized each month based on active usage. Unlike term subscriptions, MRC is not reflected in deferred revenue. This important difference between MRC billings and perpetual and term subscription billings can lead to significant variability of billings in a given quarter depending on the type of billing model that the customer chooses and the overall mix of billing types for all customers within a quarter. We compensate for these limitations by providing specific information regarding GAAP revenue and evaluating gross and ***recurring billi*** ngs and ***recurring revenue*** together with revenue calculated in accordance with GAAP. Management believes that information regarding ***free cash flow*** provides investors with an important perspective on the cash available to invest in our business and fund ongoing operations. However, our calculation of ***free cash flow*** may not be comparable to similar measures used by other companies.

We believe these non-GAAP financial measures are helpful in understanding our past financial performance and our future results. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared

in accordance with GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business, and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on certain of these non-GAAP measures.

We monitor the following non-GAAP financial measures:

	For the year ended December 31,		
(in thousands, except percentages and per share data)	**2016**	**2015**	**2014**
Gross billings	$ 182,127	$ 164,999	$ 145,718
Year-over-year percentage increase	10 %	13 %	—
Recurring billings	$ 131,773	$ 107,485	$ 78,601
Percentage of gross billings	72 %	65 %	54 %
Year-over-year percentage increase	23 %	37 %	—
Recurring revenue	$ 113,414	$ 90,563	$ 60,777
Percentage of total revenue	69 %	61 %	46 %
Year-over-year percentage increase	25 %	49 %	—
Non-GAAP gross profit	$ 137,218	$ 124,765	$ 110,261
Non-GAAP gross margin	83.7 %	83.6 %	83.3 %
Non-GAAP operating loss	$ (30,286)	$ (52,646)	$ (43,014)
Non-GAAP operating margin	(18.5)%	(35.3)%	(32.5)%
Non-GAAP net loss	$ (31,123)	$ (53,772)	$ (43,833)
Non-GAAP loss per share	$ (0.36)	$ (0.68)	$ (0.92)
Free cash flow	$ (14,659)	$ (52,265)	$ (39,688)

Reconciliation of Non-GAAP Financial Measures

The following tables reconcile the most directly comparable GAAP financial measure to each of the non-GAAP financial measures discussed above.

	For the year ended December 31,		
	2016	2015	2014
(in thousands, except percentages and per share data)			
Gross billings reconciliation:			
Total revenue	$ 163,926	$ 149,298	$ 132,295
Total deferred revenue, end of period (1)	88,076	69,875	54,174
Less: Total deferred revenue, beginning of period	(69,875)	(54,174)	(40,751)
Total change in deferred revenue	18,201	15,701	13,423
Gross billings	$ 182,127	$ 164,999	$ 145,718
Recurring billings reconciliation:			
Total revenue	$ 163,926	$ 149,298	$ 132,295
Less: Perpetual license revenue	(45,775)	(53,512)	(66,816)
Less: Professional services revenue	(2,811)	(3,165)	(2,404)
Subscription and software support deferred revenue, end of period (1)	85,612	67,267	49,194
Less: Subscription and software support deferred revenue, beginning of period	(67,267)	(49,194)	(30,468)
Total change in subscription and software support deferred revenue	18,345	18,073	18,726
Less: Adjustments (2)	(1,912)	(3,209)	(3,200)
Recurring billings	$ 131,773	$ 107,485	$ 78,601
Recurring revenue reconciliation:			
Total revenue	163,926	149,298	132,295
Less: Perpetual license revenue	(45,775)	(53,512)	(66,816)
Less: Professional services revenue	(2,811)	(3,165)	(2,404)
Less: Perpetual license recorded over the term of subscription or software support (3)	(1,926)	(2,058)	(2,298)
Recurring revenue:	$ 113,414	$ 90,563	$ 60,777
Non-GAAP gross profit reconciliation:			
Gross profit	$ 133,378	$ 121,121	$ 108,260
Add: Stock-based compensation expense	3,043	2,774	1,353
Add: Amortization of intangible assets	616	870	648
Add: Restructuring charge	181	—	—
Non-GAAP gross profit	$ 137,218	$ 124,765	$ 110,261
Non-GAAP gross margin reconciliation:			
GAAP gross margin: GAAP gross profit over GAAP total revenue	81.4 %	81.1 %	81.8 %
GAAP to non-GAAP gross margin adjustments	2.3 %	2.5 %	1.5 %
Non-GAAP gross margin	83.7 %	83.6 %	83.3 %
Non-GAAP operating loss reconciliation:			
GAAP operating loss	$ (66,343)	$ (83,356)	$ (61,070)
Add: Stock-based compensation expense	34,389	28,791	16,626
Add: Amortization of intangible assets	616	870	1,430
Add: Restructuring charge	1,052	1,049	—
Non-GAAP operating loss	$ (30,286)	$ (52,646)	$ (43,014)
Non-GAAP operating margin reconciliation:			
GAAP operating margin: GAAP operating profit over GAAP total revenue	(40.5)%	(55.8)%	(46.2)%
GAAP to non-GAAP operating margin adjustments	22.0 %	20.5 %	13.7 %
Non-GAAP operating margin	(18.5)%	(35.3)%	(32.5)%
Non-GAAP net loss reconciliation:			
GAAP net loss	$ (67,180)	$ (84,482)	$ (61,889)
Add: Stock-based compensation expense	34,389	28,791	16,626
Add: Amortization of intangible assets	616	870	1,430
Add: Restructuring charge	1,052	1,049	—
Non-GAAP net loss	$ (31,123)	$ (53,772)	$ (43,833)
Non-GAAP net loss per share reconciliation:			
GAAP net loss per share	$ (0.78)	$ (1.07)	$ (1.30)
Add: Stock-based compensation expense per share	0.40	0.37	0.35
Add: Amortization of intangible assets per share	0.01	0.01	0.03
Add: Restructuring charge per share	0.01	0.01	—
Non-GAAP net loss per share	$ (0.36)	$ (0.68)	$ (0.92)
Free cash flow:			
Net cash used in operating activities	$ (11,729)	$ (48,535)	$ (36,569)
Purchase of property and equipment	(2,930)	(3,730)	(3,119)
Free cash flow	$ (14,659)	$ (52,265)	$ (39,688)

(1) Our deferred revenue consists of amounts that have been invoiced but that have not yet been recognized as revenue as of the period end, including subscription, software support and service revenue paid for in advance by the customer that is recognized ratably over the contractual service period.

(2) Includes nonrecurring perpetual license billings that consist of the Deferred Portion arising from undelivered elements of perpetual license arrangements and billings classified under Bundled Arrangements. See Note 1 entitled "Summary of Significant Accounting Policies—Revenue Recognition" in Item 8, "Financial Statements and Supplementary Data," of Part II of this Annual Report on Form 10-K for a description of Deferred Portion and Bundled Arrangements.

(3) Perpetual amounts recorded as subscription or software revenue in multiple elements arrangements, where undelivered elements do not have VSOE.

Factors Affecting our Performance

Market Adoption of Enterprise Mobility

We are affected by the pace at which enterprises adopt mobility into their business processes and purchase and expand a mobile security platform. Because our prospective customers often do not have a separate budget for mobile security products, we invest in marketing efforts to increase market awareness, educate prospective customers and drive adoption of our platform. The degree to which prospective customers recognize the mission-critical need for mobile security solutions and deploy mobile apps to enhance employee productivity will determine the customer demand for our solutions. We believe our rate of growth will also be positively correlated to the importance prospective customers place on securing their mobile data.

Customer Preference for Best-of-Breed vs. Suite

We believe we are the best-of-breed platform in our industry. Many of our competitors sell EMM or mobile security as a component of a broader suite. We believe the degree to which prospective customers view our value proposition as differentiated and mobile security as essential versus a "nice to have" will determine the customer demand for our solutions.

Investment in our Ecosystem

We have invested, and intend to continue to invest, in expanding the breadth and depth of our ecosystem. We expect to invest in research and development to enhance the application and technology integration capabilities of our platform. We are also enhancing our solution to allow native apps written to operating systems specifications to be seamlessly integrated. The degree to which we expand our base of ecosystem partners will increase the value of our platform for our customers, which could lead to an increased number of new customers as well as renewals and follow-on sales opportunities.

Ability to Improve and Grow Our Worldwide Sales Channels

We have invested, and intend to continue to invest, in improving our sales operations to drive additional revenue and support the growth of our customer base. We work with our channel partners to identify and acquire new customers as well as pursue follow-on sales opportunities. We need to further leverage our channel by training existing and new partners to independently sell and support our products. Newly-hired sales personnel typically require several months to become productive and turnover of productive sales personnel can inhibit our billings and revenue growth. All of these factors will influence timing and overall levels of sales productivity, impacting the rate at which we will be able to acquire customers to drive revenue growth.

Expansion and Upsell within Existing Customer Base

After the initial sale to a new customer, we focus on expanding our relationship with such customer to sell additional licenses and subscriptions. To increase our revenue, it is important that our customers expand device license count and purchase additional products. Additional sales lead to increased revenue over the lifecycle of a customer relationship and can significantly increase the return on our sales and marketing investments. Accordingly, our revenue growth will depend in part on the degree to which our expansion and upsell sales strategy is successful.

Mix of Subscription and Perpetual Revenue

We offer our solutions on both a subscription and perpetual pricing model. We are seeing broader market acceptance of our subscription licensing model from new customers. We expect the proportion of subscription revenue to our total revenue to increase over time and there may be significant increases or decreases on a quarterly basis. In addition, in arrangements where perpetual and on premise term licenses are sold together, revenue is recognized ratably over the contractual term. Depending on our product development plans, situations in which perpetual licenses must be recognized as revenue ratably may increase in the future. Because subscription revenue is recognized ratably over the duration of the related contracts, increases in total revenue will lag any increase in subscription or combined arrangements.

Ability to Scale Operations

We plan to continue to invest for future growth, in part by making selective investments in research and development and, to a lesser degree, in sales and marketing. We will continue to incur significant accounting, legal and other expenses in order to comply with rules and regulations associated with being a public company. At the same time, we will need to increase our operating efficiency, which may be challenging given our rate of technology change, operational complexity, and expenses associated with being a public company.

Components of Operating Results

Revenue

Perpetual license revenue

Perpetual license revenue primarily relates to revenue from on premise perpetual licenses. From time to time, we enter into multiple element arrangements with customers in which a customer purchases our software with an appliance. Appliance revenues are also included in perpetual license revenue and constitute less than 10% of total revenue in 2016, 2015 and 2014.

Subscription revenue

Subscription revenue is generated primarily from subscriptions to our on-premise term licenses, arrangements where perpetual and term license subscriptions are bundled together, and subscriptions to our cloud service. These revenues are recognized ratably over the subscription period or term. While most of our subscriptions have at least a one-year commitment, we also recognize in this category MRC, which is revenue from month-to-month subscription arrangements that are typically sold through service providers and billed on a monthly basis, one month in arrears. Except for MRC, we typically bill subscriptions annually in advance.

Software support and services revenue

Software support and services revenue includes recurring revenue from agreements to provide software upgrades and updates, as well as technical support, to customers with perpetual software licenses. Revenue related to software support is recognized ratably over the support term. Software support and services revenue also includes revenue from professional services, consisting of implementation consulting services and training of customer personnel.

Cost of Revenue

Perpetual license

Our cost of perpetual license revenue consists of cost of third-party software royalties, appliances and amortization of intangible assets.

Subscription

Our cost of subscription revenue primarily consists of costs associated with our data center operations for our cloud service, our global Technical Support organization and third-party software royalties. Cloud service data center costs primarily consist of third-party hosting facilities, telecommunication and information technology costs. Global Customer Success organization and data center operations costs primarily consist of salaries, benefits, stock-based compensation, depreciation, and facilities.

Software support and service

Our software support and services cost of revenue primarily consists of costs associated with our global Customer Success organization, including our customer support, professional services, customer advocacy and training teams. These costs consist of salaries, benefits, stock-based compensation, depreciation, facilities and information technology costs.

Gross Margin

Gross margin, or gross profit as a percentage of total revenue, has been and will continue to be affected by various factors, including mix between large and small customers, mix of products sold, mix between perpetual and subscription licenses, timing of revenue recognition and the extent to which we expand our global Customer Success organization and data center operations, including costs associated with third-party hosting facilities, and stock-based compensation expense associated with grants of equity awards. We expect our gross margins to fluctuate over time depending on the factors described above.

Operating Expenses

Personnel costs are the most significant component of operating expenses and consist of salaries, benefits, bonuses, stock-based compensation and with regard to sales and marketing expense, sales commissions. While operating expenses, exclusive of stock-based compensation expense, may fluctuate as a percentage of total revenue from period to period, we expect them to decrease over the long term as a percentage of total revenue. Stock-based compensation expense may fluctuate depending on the size and timing of restricted stock unit grants and stock-settled bonus plans, if any.

Research and Development Expenses

Research and development costs are expensed as incurred. Research and development expense consists primarily of personnel costs. Research and development expense also includes costs associated with contractors and consultants, equipment and software to support our development and quality assurance teams, facilities and information technology. While our research and development expense, exclusive of stock-based compensation expense, may fluctuate as a percentage of total revenue over the short term, we expect it to decrease as a percentage of total revenue over the long term.

Sales and Marketing Expenses

Sales and marketing expense consists primarily of personnel costs, including sales commissions. We expense commissions up-front at the time of the sale. Sales and marketing expense also includes costs associated with third-party events, lead generation campaigns, promotional and other marketing activities, as well as travel, equipment and software depreciation, consulting, information technology and facilities. While our sales and marketing expense, exclusive of stock-based compensation expense, may fluctuate as a percentage of total revenue over the short term, we expect it to decrease as a percentage of total revenue over the long term.

General and Administrative Expenses

General and administrative expense consists of personnel costs, travel, information technology, facilities and professional services fees. General and administrative personnel include our executive, finance, human resources and legal organizations. Professional services fees consist primarily of litigation, other legal, accounting and consulting

costs. While our general and administrative expense, exclusive of stock-based compensation expense, may fluctuate as a percentage of total revenue over the short term, we expect it to decrease as a percentage of total revenue over the long term.

Restructuring Charges

Restructuring charges consist of severance and other costs associated with reducing our workforce to align our cost structure with our expected growth rate.

Amortization of Intangible Assets

Our amortization of intangible assets consists of amortization of noncompete covenants.

Other (Income) Expense — Net

Other (income) expense, net consists primarily of the effect of exchange rates on our foreign currency-denominated asset and liability balances and interest income earned on our cash and cash equivalents and fixed income securities. All translation adjustments are recorded as foreign currency gains (losses) in the consolidated statements of operations. Interest income was insignificant for all periods presented.

Income Tax Expense

Income tax expense consists primarily of income taxes in foreign jurisdictions in which we conduct business. Due to our history of losses, we maintain a full valuation allowance for deferred tax assets including net operating loss carry-forwards, research and development tax credits, capitalized research and development and other book versus tax differences.

Consolidated of Results of Operations

The following tables summarize our results of operations for the periods presented and as a percentage of our total revenue for those periods. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Year ended December 31,		
	2016	2015	2014
Revenue			
Perpetual license	$ 45,775	$ 53,512	$ 66,816
Subscription	61,357	48,080	30,227
Software support and services	56,794	47,706	35,252
Total revenue	163,926	149,298	132,295
Cost of revenue (1)			
Perpetual license	2,658	2,881	4,448
Subscription	8,297	7,181	5,719
Software support and services	19,412	18,115	13,868
Restructuring charge	181	—	—
Total cost of revenue	30,548	28,177	24,035
Gross profit	133,378	121,121	108,260
Operating expenses:			
Research and development (1)	67,398	61,871	46,278
Sales and marketing (1)	101,757	105,520	99,870
General and administrative (1)	29,695	36,037	22,400
Restructuring charge	871	1,049	—
Amortization of intangible assets	—	—	782
Total operating expenses	199,721	204,477	169,330
Operating loss	(66,343)	(83,356)	(61,070)
Other (income) expense - net	(145)	274	302
Loss before income taxes	(66,198)	(83,630)	(61,372)
Income tax expense	982	852	517
Net loss	$ (67,180)	$ (84,482)	$ (61,889)
Net loss per share, basic and diluted	$ (0.78)	$ (1.07)	$ (1.30)
Weighted-average shares used to compute net loss per share, basic and diluted	85,845	78,755	47,517

(1) Amounts include stock-based compensation expense as follows:

	Year ended December 31,		
	2016	2015	2014
Contra-revenue	$ —	$ —	$ 123
Cost of revenue	3,043	2,774	1,353
Research and development	11,728	10,607	5,980
Sales and marketing	10,474	9,508	5,930
General and administrative	9,144	5,902	3,363
Total	$ 34,389	$ 28,791	$ 16,749

	Year ended December 31,		
	2016	2015	2014
Revenue			
Perpetual license	28 %	36 %	50 %
Subscription	37	32	23
Software support and services	35	32	27
Total revenue	100	100	100
Cost of revenue			
Perpetual license	2	2	3
Subscription	5	5	4
Software support and services	12	12	11
Restructuring charge	—	—	—
Total cost of revenue	19	19	18
Gross profit	81	81	82
Operating expenses:			
Research and development	41	41	35
Sales and marketing	62	71	75
General and administrative	18	24	17
Restructuring charge	1	1	—
Amortization of intangible assets	—	—	1
Total operating expenses	122	137	128
Operating loss	(41)	(56)	(46)
Other (income) expense - net	—	—	—
Loss before income taxes	(41)	(56)	(46)
Income tax expense	—	1	—
Net loss	(41) %	(57) %	(46) %

Years Ended December 31, 2016, 2015 and 2014

Revenue

				Change			
(in thousands,	Year Ended December 31,			2016 vs 2015		2015 vs 2014	
except percentages)	2016	2015	2014	Amount	%	Amount	%
Perpetual	$ 45,775	$ 53,512	$ 66,816	$ (7,737)	(14)%	$ (13,304)	(20)%
Subscription	61,357	48,080	30,227	13,277	28 %	17,853	59 %
Software support and services	56,794	47,706	35,252	9,088	19 %	12,454	35 %
Total revenue	$ 163,926	$ 149,298	$ 132,295	$ 14,628	10 %	$ 17,003	13 %
Percentage of total revenue							
Perpetual	28 %	36 %	50 %				
Subscription	37	32	23				
Software support and services	35	32	27				
	100 %	100 %	100 %				

(in thousands, except percentages)	For the year ended December 31, 2016 Amount	2016 % of Total Revenue	2015 Amount	2015 % of Total Revenue	2014 Amount	2014 % of Total Revenue	Change 2016 vs 2015 Amount	2016 vs 2015 %	2015 vs 2014 Amount	2015 vs 2014 %
Revenue										
United States	$ 77,039	47 %	$ 74,235	50 %	$ 72,124	55 %	$ 2,804	4 %	$ 2,111	3 %
International	86,887	53 %	75,063	50 %	60,171	45 %	11,824	16 %	14,892	25 %
Total revenue	$ 163,926	100 %	$ 149,298	100 %	$ 132,295	100 %	$ 14,628	10 %	$ 17,003	13 %

Comparison of 2016 and 2015

Perpetual license revenue decreased $7.7 million in 2016 compared to 2015, primarily due to a shift in favor of software licenses priced as subscriptions, a slowdown in perpetual license orders and a $1.6 million decrease in revenue recognized from licenses that were delivered prior to 2013, but for which the revenue is being recognized ratably over the contractual terms of the related software support agreements due to lack of VSOE for software support and services prior to January 1, 2013.

Subscription revenue increased $13.3 million, or 28%, in 2016 compared to 2015, due to increased sales of solutions sold under either a cloud-based delivery model or a subscription term license for our on premise software products. The increase in subscription revenue also included an increase in MRC revenue from $21.1 million in 2015 to $24.5 million in 2016.

Software support and services revenue increased $9.1 million, or 19%, in 2016 compared to 2015, primarily as a result of an increased installed base of customers that pay recurring software support.

Revenue from international sales increased 16% in 2016 compared to 2015 due to an increase in the adoption of our products and an increased cumulative installed base of customers partially offset by a decrease in revenue recognized from perpetual licenses delivered prior to 2013, as noted above.

Revenue from U.S. sales increased 4% in 2016 compared to 2015 due to an increase in the adoption of our products and an increased cumulative installed base of customers, partially offset by the mix shift from perpetual to subscription, a slowdown in perpetual license orders, and less revenue being recognized from licenses delivered prior to 2013.

Revenue from AT&T, as a reseller, was 15% of total revenue in 2016 compared with 16% in 2015. No other customer accounted for 5% or more of total revenue in 2016 and 2015.

Comparison of 2015 and 2014

Perpetual license revenue decreased $13.3 million in 2015 compared to 2014, primarily due to a shift in favor of software licenses priced as subscriptions, including MRC, a slowdown in perpetual license orders and a $3.4 million decrease in revenue recognized from licenses that were delivered prior to 2013, but for which the revenue is being recognized ratably over the contractual terms of the related software support agreements due to lack of VSOE for software support and services prior to January 1, 2013.

Subscription revenue increased $17.9 million, or 59%, in 2015 compared to 2014, due to increased sales of solutions sold under either a cloud-based delivery model or a subscription term license for our on premise software products. The increase in subscription revenue also included an increase in MRC revenue from $12.6 million in 2014 to $21.1 million in 2015.

Software support and services revenue increased $12.5 million, or 35%, in 2015 compared to 2014, primarily as a result of an increased installed base of customers that pay recurring software support.

Revenue from international sales increased 25% in 2015 compared to 2014 due to an increase in the adoption of our products and an increased cumulative installed base of customers partially offset by a decrease in revenue recognized from perpetual licenses delivered prior to 2013, as noted above.

Revenue from U.S. sales increased 3% in 2015 compared to 2014 due to an increase in the adoption of our products and an increased cumulative installed base of customers, partially offset by the mix shift from perpetual to subscription, including MRC, a slowdown in perpetual license orders, and less revenue being recognized from licenses delivered prior to 2013.

Revenue from AT&T, as a reseller, was 16% of total revenue in 2015 compared with 20% in 2014. No other customer accounted for 5% or more of total revenue in 2015 and 2014.

Cost of Revenue and Gross Margin

	For the year ended December 31,						Change			
	2016		2015		2014		2016 vs 2015		2015 vs 2014	
(in thousands, except percentages)	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	%	Amount	%
Cost of revenue:										
Perpetual license	$ 2,658	2 %	$ 2,881	2 %	$ 4,448	3 %	$ (223)	(8)%	$ (1,567)	(35)%
Subscription	8,297	5 %	7,181	5 %	5,719	4 %	1,116	16 %	1,462	26 %
Software support and services	19,412	12 %	18,115	12 %	13,868	11 %	1,297	7 %	4,247	31 %
Restructuring charge	181	— %	—	— %	—	— %	181	100 %	—	—
Total cost of revenue	$ 30,548	19 %	$ 28,177	19 %	$ 24,035	18 %	$ 2,371	8 %	$ 4,142	17 %
Gross profit	$ 133,378		$ 121,121		$ 108,260		$ 12,257	10 %	$ 12,861	12 %
Gross margin		81 %		81 %		82 %				

Comparison of 2016 and 2015

Total cost of revenue increased $2.4 million, or 8%, in 2016 compared to 2015. Perpetual license cost of revenue decreased $223,000, or 8%, primarily due to a decrease in royalty expense and intangible assets amortization, partially offset by costs associated with a modest increase in sales of our hardware appliances. Subscription cost of revenue increased $1.1 million, or 16%, due to an increase in data center operations and Global Customer Success organization expenses. Software support and services cost of revenue increased $1.3 million, or 7%, primarily due to an increase in Global Customer Success organization expense. Global Customer Success and data center operations expenses increased as a result of increases in payroll-related expense as we increased headcount, professional services expense to supplement our Global Customer Success team, and facilities and infrastructure expense. The $181,000 restructuring charge in 2016 resulted from workforce reductions designed to align our spending with our expected growth rate. Our gross margin in 2016 was approximately flat compared to 2015.

Comparison of 2015 and 2014

Total cost of revenue increased $4.1 million, or 17%, in 2015 compared to 2014. Perpetual license cost of revenue decreased $1.6 million, or 35%, primarily due to a decrease in sales of our hardware appliances and a decrease in royalties. Subscription cost of revenue increased $1.5 million, or 26%, due to an increase in Global Customer Success organization expense and other third-party costs. Software support and services cost of revenue increased $4.2 million, or 31%, due to an increase in our global Customer Success organization expense, which included $3.7 million of increases in salaries, associated payroll taxes, and fringe benefit costs as well as an approximately $1.4 million increase in stock-based compensation expense. The decrease in gross margin in 2015 compared to 2014 was primarily due to the unfavorable impact of the decrease in revenue that was recognized from perpetual licenses that were delivered prior to 2013 and due to increase in stock-based compensation by $1.3 million. Excluding the impact of the reduction in VSOE-related revenue, gross margin was 81% in 2015 and 2014.

Operating Expenses

(in thousands, except percentages)	For the year ended December 31, 2016 Amount	2016 % of Total Revenue	2015 Amount	2015 % of Total Revenue	2014 Amount	2014 % of Total Revenue	Change 2016 vs 2015 Amount	2016 vs 2015 %	Change 2015 vs 2014 Amount	2015 vs 2014 %
Operating expenses:										
Research and development	$ 67,398	41 %	$ 61,871	41 %	$ 46,278	35 %	$ 5,527	9 %	$ 15,593	34 %
Sales and marketing	101,757	62 %	105,520	71 %	99,870	75 %	(3,763)	(4)%	5,650	6 %
General and administrative	29,695	18 %	36,037	24 %	22,400	17 %	(6,342)	(18)%	13,637	61 %
Restructuring charge	871	1 %	1,049	1 %	—	— %	(178)	(17)%	1,049	100 %
Amortization of intangible assets	—	— %	—	— %	782	1 %	—	— %	(782)	(100)%
Total operating expenses	$ 199,721	122 %	$ 204,477	137 %	$ 169,330	115 %	$ (4,756)	(2)%	$ 35,147	21 %

Comparison of 2016 and 2015

Research and development expense increased $5.5 million, or 9%, in 2016 compared to 2015, primarily due to an increase in personnel costs of $2.6 million as we increased our development headcount to support continued investment in our product and service offerings. This includes an increase in stock-based compensation expense of $1.1 million, which was driven primarily by our stock-settled bonus program and restricted stock unit grants, partially offset by declining expense from stock options. Facilities and other infrastructure expense increased by $2.3 million to support the increased headcount in research and development and also reflects office rent increases in the U.S. and India. Professional fees increased by $442,000 to support product development initiatives.

Sales and marketing expense decreased $3.8 million, or 4%, in 2016 compared to 2015, primarily due to decreases in personnel costs of $3.0 million. Personnel costs decreased due to a decrease in payroll and payroll related expenses of $3.9 million, off-set by an increase of $966,000 for stock-based compensation expense, driven primarily by restricted stock unit grants and our stock-settled bonus program, partially offset by declining expense from stock options. The headcount reduction completed in the third quarter of 2015, a more measured approach to hiring and replacing personnel since then, and a reduction in medical benefit costs were the primary reasons for the personnel costs decrease. Travel-related expense decreased $2.1 million, due to cost reduction initiatives implemented in the third quarter of 2015 that we sustained through 2016. The decrease in payroll-related and travel expenses was partially offset by an increase in professional fees of $827,000 to support sales and marketing and an increase in third-party marketing-related expense of $530,000 as we devoted more resources to field marketing programs and events.

General and administrative expense decreased $6.3 million, or 18%, in 2016 compared to 2015, primarily due to a $9.7 million decrease in litigation legal fees due to our settlement of patent litigation in 2015, partially offset by an increase in personnel costs of $3.5 million. The increase in personnel costs includes an increase in stock-based compensation expense of $3.3 million, which was driven primarily by our stock-settled bonus program and restricted stock unit grants. In addition, professional fees decreased $649,000 due to lower recruiting expense, and facilities and infrastructure expenses increased by $302,000.

Restructuring charges were $1.1 million in 2016 ($181,000 in cost of revenue and $871,000 in operating expenses) and $1.0 million in 2015. The restructuring charges resulted from workforce reductions designed to align our spending with our expected growth rate.

Comparison of 2015 and 2014

Research and development expense increased $15.6 million, or 34%, in 2015 compared to 2014, primarily due to an increase in personnel costs of $10.7 million as we increased our development headcount to support continued investment in our product and service offerings. This expense also includes an increase in stock-based compensation expense of $4.6 million. The stock-based compensation expense increase was driven primarily by stock-settled bonus expense, associated with a new bonus program in 2015, restricted stock unit grants and our 2014 Employee Stock Purchase Plan, or ESPP, which was introduced in mid-2014 after our IPO, but was partially offset by a reduction in

expense associated with restricted stock held by employees who terminated in 2014. Facilities and other infrastructure expenses increased by $3.4 million to support the increased headcount in research and development. Support of headcount growth was also the primary reason for increases in facilities and infrastructure expenses in the other functional areas. In order to accommodate headcount growth we entered into several new office leases in 2015. Professional fees increased by $1.2 million, as we supplemented our development resources.

Sales and marketing expense increased $5.7 million, or 6%, in 2015 compared to 2014, primarily due to an increase in personnel costs of $3.6 million. While average sales and marketing headcount was higher in 2015 than 2014, we reduced our sales and marketing personnel in the second half of 2015 to better align our cost structure with our slower billings growth. Personnel costs include an increase of $4.0 million in salaries and an increase of $3.6 million for stock-based compensation expense, offset by a $4.0 million decrease in commissions and other payroll-related expenses. The stock-based compensation expense increase was driven primarily by restricted stock unit grants and the ESPP. Professional fees increased by $895,000 due to recruiting fees and contractors supporting our sales team in non-U.S. locations. Travel-related expense increased $494,000 as a result of increased travel requirements of our larger sales team. Our third-party marketing-related expense increased $451,000 as we invested in events, demand generation, public relations, marketing infrastructure, and various other programs to expand our customer base and maintain and grow relationships with our existing customers.

General and administrative expense increased $13.6 million, or 61%, in 2015 compared to 2014, primarily due to increases in personnel costs of $5.2 million and litigation and other professional fees expense of $7.7 million. Personnel costs include an increase in stock-based compensation expense of $2.5 million. The stock-based compensation expense increase was driven primarily by stock-settled bonus expense, restricted stock unit grants and the ESPP. Litigation and other professional fees increased $7.7 million primarily as a result of our patent litigation trial in California in July 2015 and extensive pre-trial work in other jurisdictions. We settled the global patent litigation with Good Technology in November 2015. The settlement included a mutual dismissal of all claims and an immaterial license agreement. Facilities and infrastructure expense for our general and administrative personnel increased by $681,000.

We recorded a $1.0 million restructuring charge in 2015 as part of a workforce reduction. The workforce reduction was designed to reduce our cost structure and align our spending with our billings growth rate.

We recorded no amortization of intangible assets in operating expenses in 2015 compared to $782,000 in 2014 as our noncompete covenants intangible asset became fully amortized in 2014.

Other (Income) Expense—Net

	For the year ended December 31,			Change			
(in thousands,				2016 vs 2015		2015 vs 2014	
except percentages)	2016	2015	2014	Amount	%	Amount	%
Other (income) expense—net	$ (145)	$ 274	$ 302	$ (419)	(153)%	$ (28)	(9)%

Other (income) expense—net was primarily comprised of interest income and gains or losses from foreign currency transactions and the translation of foreign-denominated balances to the U.S. dollar. Interest income was $454,000 in 2016 and $238,000 in 2015. We recorded foreign exchange losses of $339,000, $518,000 and $304,000 in 2016, 2015 and 2014, respectively.

Income Tax Expense

	For the year ended December 31,			Change			
(in thousands,				2016 vs 2015		2015 vs 2014	
except percentages)	2016	2015	2014	Amount	%	Amount	%
Income tax expense	$ 982	$ 852	$ 517	$ 130	15 %	$ 335	65 %

Income tax expense was $982,000, $852,000 and $517,000 in 2016, 2015 and 2014, respectively. The increase in income tax expense was due to an increase in foreign income taxes on profits realized by our foreign subsidiaries as we expanded internationally, most significantly in India. We have a full valuation allowance on our deferred tax assets.

Quarterly Results of Operations

The following table sets forth our unaudited quarterly statements of operations data for the last eight fiscal quarters. The information for each of these quarters has been prepared on the same basis as the audited annual financial statements included elsewhere in this annual report and, in the opinion of management, includes all adjustments, which includes only normal recurring adjustments, necessary for the fair statement of the results of operations for these periods. This data should be read in conjunction with our audited consolidated financial statements and related notes included elsewhere in this annual report. These quarterly operating results are not necessarily indicative of our operating results for any future period.

We do not believe that inflation had a material effect on our business, financial condition or results of operations in the last three fiscal years. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

	Three Months Ended							
(in thousands, except share and per share data)	**December 31, 2016**	**September 30, 2016**	**June 30, 2016**	**March 31, 2016**	**December 31, 2015**	**September 30, 2015**	**June 30, 2015**	**March 31, 2015**
Revenue								
Perpetual license	$ 14,313	$ 11,311	$ 9,783	$ 10,368	$ 15,462	$ 13,644	$ 12,347	$ 12,059
Subscription	16,361	15,570	14,803	14,623	14,413	12,253	11,217	10,197
Software support and services	14,798	14,685	14,295	13,016	13,171	12,104	11,193	11,238
Total revenue [(1)]	45,472	41,566	38,881	38,007	43,046	38,001	34,757	33,494
Cost of revenue								
Perpetual license	518	652	629	859	910	745	627	599
Subscription	2,113	2,202	2,199	1,783	1,815	1,939	1,688	1,739
Software support and services	4,721	4,774	5,289	4,628	4,815	4,889	4,254	4,157
Restructuring charges	—	181	—	—				
Total cost of revenue [(1)]	7,352	7,809	8,117	7,270	7,540	7,573	6,569	6,495
Gross profit	38,120	33,757	30,764	30,737	35,506	30,428	28,188	26,999
Operating expenses								
Research and development [(1)]	16,213	16,238	18,019	16,927	16,503	16,968	14,899	13,501
Sales and marketing [(1)]	24,843	24,001	27,246	25,668	24,822	25,856	29,037	25,805
General and administrative [(1)]	6,921	6,961	8,265	7,548	8,065	10,469	9,105	8,398
Restructuring charges	—	871	—	—	—	1,049	—	—
Total operating expenses	47,977	48,071	53,530	50,143	49,390	54,342	53,041	47,704
Operating loss	(9,857)	(14,314)	(22,766)	(19,406)	(13,884)	(23,914)	(24,853)	(20,705)
Other (income) expense - net	39	(19)	(30)	(135)	138	(2)	16	122
Loss before income taxes	(9,896)	(14,295)	(22,736)	(19,271)	(14,022)	(23,912)	(24,869)	(20,827)
Income tax expense	310	298	198	176	392	183	144	133
Net loss	$ (10,206)	$ (14,593)	$ (22,934)	$ (19,447)	$ (14,414)	$ (24,095)	$ (25,013)	$ (20,960)
Net loss per share, basic and diluted	$ (0.12)	$ (0.17)	$ (0.27)	$ (0.23)	$ (0.18)	$ (0.30)	$ (0.32)	$ (0.27)
Weighted-average shares used to compute net loss per share, basic and diluted	88,335	86,713	85,317	82,977	80,748	79,373	78,198	76,990

(1) Amounts include stock-based compensation expense as follows:

	Three Months Ended							
(in thousands)	**December 31, 2016**	**September 30, 2016**	**June 30, 2016**	**March 31, 2016**	**December 31, 2015**	**September 30, 2015**	**June 30, 2015**	**March 31, 2015**
Stock-Based Compensation Expense:								
Cost of revenue	$ 851	$ 747	$ 1,055	$ 390	$ 846	$ 1,055	$ 443	$ 430
Research and development	2,606	2,709	3,812	2,601	2,898	3,832	2,149	1,728
Sales and marketing	2,056	2,307	2,992	3,119	2,894	2,586	2,193	1,835
General and administrative	2,210	2,109	2,686	2,139	1,780	1,812	1,167	1,143
Total stock-based compensation expense	$ 7,723	$ 7,872	$ 10,545	$ 8,249	$ 8,418	$ 9,285	$ 5,952	$ 5,136

Seasonality

There are seasonal factors that may cause us to record higher revenue in some quarters compared to others. We believe this variability is largely due to our customers' budgetary and spending patterns, as many customers spend the unused portions of their discretionary budgets prior to the end of their fiscal years. For example, we have historically recorded our highest level of revenue in our fourth quarter, which we believe corresponds to the fourth quarter of a majority of our customers.

Liquidity and Capital Resources

	As of December 31,		
(in thousands)	**2016**	**2015**	**2014**
Cash and cash equivalents	$ 54,043	$ 47,234	$ 104,287
Short term-investments	36,184	49,576	13,869
Long-term investments	—	2,094	22,220
Total cash, cash equivalents and investments	$ 90,227	$ 98,904	$ 140,376

				Change			
	For the year Ended December 31,			2016 vs 2015		2015 vs 2014	
(in thousands, except percentages)	**2016**	**2015**	**2014**	**Amount**	**%**	**Amount**	**%**
Net cash used in operating activities	$ (11,729)	$ (48,535)	$ (36,569)	$ 36,806	(76)%	$ (11,966)	33 %
Net cash provided by (used in) investing activities	$ 12,567	$ (19,679)	$ (39,873)	$ 32,246	(164)%	$ 20,194	(51)%
Net cash provided by financing activities	$ 5,971	$ 11,161	$ 107,156	$ (5,190)	(47)%	$ (95,995)	(90)%

At December 31, 2016, we had cash and cash equivalents of $54.0 million, the significant majority of which are held in the United States. At December 31, 2016, we had short-term investments of $36.2 million. In the twelve months ended December 31, 2016, we purchased $79.1 million of investment securities and received $94.6 million from maturities of investment securities.

In the fourth quarter of 2014, we began to invest a portion of our IPO proceeds from cash and cash equivalents in fixed income securities, including commercial paper, corporate debt securities and obligations of U.S. government agencies.

In addition, we have a revolving line of credit with a financial institution with potential borrowing capacity to $18.5 million that expires in August 2017. We are required to maintain an adjusted quick ratio (defined as the ratio of current assets to current liabilities minus deferred revenue) of at least 1.25. As of December 31, 2016, we had no borrowings outstanding under this revolving loan facility and we were in compliance with our loan covenants.

Prior to our IPO, we financed our operations primarily through private sales of equity securities. In June 2014, we raised, net of offering costs, $102.9 million in our initial public offering. We believe that our existing cash and cash equivalents will be sufficient to meet our anticipated cash needs for at least the next 12 months. Our future capital requirements will depend on many factors including our growth rate, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced products and services offerings, the continuing market acceptance of our products, any future acquisition and similar transactions and the proportion of our perpetual versus subscription sales. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, operating results and financial condition may be adversely affected.

Cash Used in Operating Activities

Our primary source of cash from operating activities has been from cash collections from our customers. We expect cash inflows from operating activities to be affected by increases in sales and the timing of collections. Our primary use of cash from operating activities has been for personnel costs. We expect cash outflows from operating activities to be affected by increases in personnel costs as we grow our business. Cash used in operating activities was $11.7 million, $48.5 million and $36.6 million in 2016, 2015 and 2014, respectively.

In 2016, we used $11.7 million of cash in operating activities primarily as a result of the net loss incurred in the year. While we increased our spending in research and development, we reduced spending in general and administrative and sales and marketing compared to 2015 in an effort to align our expenses with our revenue. Our net loss decreased from $84.5 million in 2015 to $67.2 million in 2016 as we decreased our operating expenses 2% to $199.7 million and increased our cost of revenue 8% to $30.5 million while increasing our revenue 10% to $163.9 million. The net loss included non-cash charges of $38.5 million, primarily due to stock-based compensation and depreciation expense, compared to $32.9 million in 2015. Changes in operating assets and liabilities, as sources of cash, consisted of an $18.2 million increase in deferred revenue that was partially offset by an increase in accounts receivable of $1.2 million .

In 2015, we used $48.5 million of cash in operating activities primarily as a result of addition of headcount in research and development, customer success, data center operations, investment in marketing programs, increase of our general and administrative headcount and litigation legal expense. We incurred a net loss of $84.5 million in 2015 as we increased our operating expenses 21% to $204.5 million and increased our cost of revenue 17% to $28.2 million. The net loss included non-cash charges of $32.9 million, primarily due to stock-based compensation, depreciation and intangible asset amortization expense. Changes in operating assets and liabilities, net of acquisitions, as sources of cash, consisted of a $15.7 million favorable increase in deferred revenue that was partially offset by an increase in accounts receivable of $8.1 million, a $5.0 million unfavorable change in accounts payable, accrued expenses and other long-term liabilities and an increase in other current and noncurrent assets of $932,000.

In 2014, we used $36.6 million of cash in operating activities primarily as a result of our expansion of our sales organization, investment in marketing programs, and the addition of headcount in research and development, customer success, data center operations and our general and administrative teams. We incurred a net loss of $61.9 million in 2015 as we increased our operating expenses 40% to $169.3 million and increased our cost of revenue 46% to $24.0 million. The net loss included non-cash charges of $20.5 million, primarily due to stock-based compensation, depreciation and intangible asset amortization expense. Changes in operating assets and liabilities, net of acquisitions, as sources of cash, consisted of a $13.4 million favorable increase in deferred revenue and a $2.9 million favorable change in accounts payable, accrued expenses and other long-term liabilities that were partially offset by increases in accounts receivable of $10.6 million and other current and noncurrent assets of $835,000.

Cash Provided by (Used in) Investing Activities

Our investing activities have consisted of purchases of property and equipment, a business and technology and other assets. We expect to continue to make such purchases to support the growth of our business.

Cash provided by investing activities of $12.6 million in 2016 consisted of $94.6 million received from maturities of investment securities that was partially offset by of our purchase of $79.1 million of short-term investments. In addition, we purchased $2.9 million of property and equipment. We purchased equipment to expand, refresh and improve our infrastructure, to support growth, and to outfit new office facilities.

Cash used in investing activities was $19.7 million and $39.9 million, in 2015 and 2014, respectively. In 2014, we purchased $60.9 million of short and long-term investments, partially offset by $45.0 million received from maturities of investment securities. In addition, we purchased $3.7 million of property and equipment. We purchased equipment to expand our data centers and infrastructure to support growth and to outfit new office facilities. In 2014, we purchased $36.1 million of short and long-term investments. In addition, we purchased $3.1 million of equipment and software and paid $650,000 to purchase intellectual property. Property and equipment purchases were primarily to support our employee growth and expand our data centers.

Cash Provided by Financing Activities

Our financing activities have consisted of proceeds from our IPO, the issuance of convertible preferred stock, the exercise of stock options and ESPP, and borrowings and repayments under our revolving line of credit.

In 2016, our financing activities provided $6.0 million of cash. We received $4.3 million from employees who participated in our ESPP and $1.6 million from the exercise of stock options.

In 2015, our financing activities provided $11.2 million of cash. We received $5.4 million from employees who participated in our ESPP and $5.8 million from the exercise of stock options.

In 2014, our financing activities provided $107.2 million of cash. Cash from financing activities in 2014 included proceeds from our IPO of $107.0 million, net of underwriting discounts and commissions, $2.0 million of proceeds from the issuance of convertible preferred stock, $2.3 million from the exercise of stock options as well as $4.3 million of cash received from employees related to our ESPP, partially offset by a net $4.3 million repayment of borrowings from our revolving line of credit and $4.1 million in payments of IPO offering costs.

Contractual Obligations and Commitments

The following table summarizes our contractual commitments and obligations as of December 31, 2016:

(In thousands)	Total	Less Than 1 year	1-3 years	3-5 years	More Than 5 years
Operating lease obligations	$ 26,804	$ 5,778	$ 9,762	$ 7,385	$ 3,879
Purchase obligations	3,031	3,031	—	—	—
Total	$ 29,835	$ 8,809	$ 9,762	$ 7,385	$ 3,879

We lease our office facilities under noncancelable operating lease agreements expiring between 2017 and 2023.

As of December 31, 2016, our net unrecognized tax benefits including interest and penalties were $5.3 million, $5.2 million of which are netted against deferred tax assets. At this time, we are unable to make a reasonably reliable estimate of the timing of payments in individual years in connection with these tax liabilities; therefore, such amounts are not included in the above contractual obligation table.

Off-Balance-Sheet Arrangements

Through December 31, 2016, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Segment Information

We have one primary business activity and operate in one reportable segment.

Concentration

In 2016, AT&T accounted for approximately 16% of our revenue (including 1% as an end customer). In 2015, AT&T accounted for approximately 17% of our revenue (including 1% as an end customer). Our agreements with this reseller were made in the ordinary course of our business and may be terminated with or without cause by either party with advance notice. Although we believe we would experience some short term disruption in the distribution of our products, subscriptions and services if these agreements were terminated, we believe such termination would not have a material adverse effect on our financial results and alternative resellers and other channel partners exist to deliver our products to our end customers.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Actual results may differ from these estimates. To the extent that there are material differences between these estimates and our actual results, our future financial statements will be affected.

The critical accounting policies requiring estimates, assumption and judgments that we believe have the most significant impact on our consolidated financial statements as described below. Our senior management has discussed the development, selection and disclosure of these estimates, assumptions and judgments with our audit committee. For further information on all of our significant accounting policies, see Note 1 entitled "Description of Business and Significant Accounting Policies" in Part II, Item 8 "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Revenue Recognition

We derive revenue principally from software-related arrangements consisting of perpetual software licenses, post-contract customer support for such licenses, or PCS or software support, including when and if available updates, and professional services such as consulting and training services. We also offer our software as term-based licenses and cloud-based arrangements. In addition, we install our software on servers that we ship to customers.

We consider following to be key accounting policy elections and estimates in our revenue recognition:

(i) Determining VSOE of fair value and best estimate of selling price, or BESP, of fair value used to allocate revenue between the elements of multiple elements arrangements requires significant judgment. As of January 1, 2013, we determined that we had sufficient history to establish VSOE of fair value for PCS and professional services. Prior to January 1, 2013, we did not have VSOE of fair value for our software-related undelivered elements due to a limited history of stand-alone sales transactions and inconsistency in pricing. We established VSOE of fair value when we had a substantial majority of stand-alone sales transactions of software support and services pricing within a narrow pricing band. In our VSOE analysis, we generally include stand-alone sales transactions completed during a rolling 12 month period unless a shorter period is appropriate due to changes in our pricing structure. Because we did not achieve pricing consistency for our products, including product subscription and cloud-based services, we use the residual method to allocate revenue in multiple element arrangement within scope of *ASC 985-605 Software Revenue Recognition* and BESP to allocate the revenue in multiple element arrangement within scope of *ASC 605 Revenue recognition* ;

(ii) Determining whether collection of customer receivables is probable may require significant judgment. We assess collection on customer-by-customer and deal-by-deal basis and assess such factors as history of payments, financial condition, and payment terms;

(iii) Generally, sales made through resellers are fulfilled to the end customer and processed in the same period. Inventory of the licenses held by the resellers was immaterial for all periods presented;

(iv) We consider our resellers our customers and recognize revenue based on the price charged to resellers; and

(v) Sales commissions and other incremental costs to acquire contracts are expensed as incurred and are recorded in sales and marketing expense.

Goodwill and Intangible Assets with Indefinite Lives

We record the excess of the acquisition purchase price over the fair value of the tangible and identifiable intangible assets acquired as goodwill. We perform an impairment test of our goodwill in the third quarter of our fiscal year, or more frequently if indicators of potential impairment arise. We have a single reporting unit and consequently evaluate goodwill for impairment based on an evaluation of the fair value of the Company as a whole. We record purchased intangible assets at their respective estimated fair values at the date of acquisition. Purchased intangible assets are being amortized using the straight-line method over their remaining estimated useful lives, which range from three to five years. We evaluate the remaining useful lives of intangible assets on a periodic basis to determine whether events or circumstances warrant a revision to the remaining estimated amortization period. We evaluated our goodwill for impairment in 2016 and 2015 and observed no impairment indicators.

We also review our indefinite lived intangible assets for impairment. We have determined that our intangible assets have not been impaired in 2016.

Stock-Based Compensation

Stock-based compensation costs related to restricted stock and stock options granted to employees are measured at the date of grant based on the estimated fair value of the award, net of estimated forfeitures. We estimate the grant date fair value, and the resulting stock-based compensation expense, using the Black-Scholes option-pricing model. We recognize compensation costs for awards with service and performance vesting conditions on an accelerated method under the graded vesting method over the requisite service period of the award. For stock awards with no performance condition, we recognize compensation costs on a straight-line basis over the requisite service period of the award, which is generally the vesting term of four years.

Key assumptions used in determining the fair value of our stock option grants are estimated as follows:

- ***Risk-Free Interest Rate.*** We base the risk-free interest rate used in the Black-Scholes valuation model on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term of the options for each option group.

- ***Expected Term*** . The expected term represents the period that our stock-based awards are expected to be outstanding. We have opted to use the simplified method for estimating the expected term, which calculates the expected term as the average time-to-vesting and the contractual life of the options.

- ***Volatility*** . We determine the price volatility factor based on the historical volatilities of our peer group as we did not have sufficient trading history for our common stock.

- ***Dividend Yield*** . The expected dividend assumption is based on our current expectations about our dividend policy. We currently do not expect to issue any dividends.

- ***Forfeiture Rate*** . The forfeiture rate is calculated on expected employee turnover. We have applied the same forfeiture rate to our entire employee population.

The fair value of the employee stock options was estimated using the following assumptions for the periods presented:

	Year ended December 31,		
	2016	**2015**	**2014**
Expected dividend yield	—	—	—
Risk-free interest rate	1.4% - 1.5%	1.6% - 1.8%	1.7% - 2.1%
Expected volatility	42%	43% - 45%	48% - 56%
Expected life (in years)	6.1	5.5 - 6.1	5.6 - 6.5

The fair value of the rights to acquire stock under our ESPP was estimated using the following assumptions for the periods presented:

	Year ended December 31,		
	2016	2015	2014
Expected dividend yield		—	—
Risk-free interest rate	0.5% - 0.7%	0.1% - 0.7%	0.1% - 0.5%
Expected volatility	34% - 41%	34% - 35%	47% - 49%
Expected life (in years)	0.5 - 2.0	0.5 - 2.0	0.7 - 2.2

We estimate the fair value of the rights to acquire stock under our ESPP using the Black-Scholes option pricing formula. Our ESPP typically provides for consecutive 24 month offering periods, consisting of four tranches. We recognize compensation expense on an accelerated-graded basis over the employee's requisite service period. We account for the fair value of restricted stock units, or RSUs, using the closing market price of our common stock on the date of grant. RSUs typically vest ratably on a quarterly basis over one to four years.

Stock-based compensation expense associated with our stock-settled bonus program is recognized on a straight-line basis over the required service period and the expense is evaluated each quarter based on our company's performance relative to the metrics that determine the bonus pool.

In 2016, 2015 and 2014, stock-based compensation expense was $34.4 million, $28.8 million and $16.6 million, respectively. As of December 31, 2016, we had approximately $41.2 million of total unrecognized stock-based compensation expense, net of related forfeiture estimates.

Income Taxes

We account for income taxes in accordance with ASC Topic 740, Income Taxes, under which deferred tax liabilities and assets are recognized for the expected future tax consequences of temporary differences between financial statement carrying amounts and the tax basis of assets and liabilities and net operating loss and tax credit carryforwards. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

We currently have a full valuation allowance against our U.S. net deferred tax assets of $117.8 million as of December 31, 2016. We continue to monitor the relative weight of positive and negative evidence of future profitability in relevant jurisdictions. When evidence indicating that it becomes more likely than not that the tax asset may be utilized, the allowance will be released.

Recent Accounting Pronouncements

For discussion on recent accounting pronouncements, see "Summary of Significant Accounting Policies" under Note 1 "Description of Business and Significant Accounting Policies" included in Item 8, "Financial Statements and Supplementary Data" of Part II of this Annual Report on Form 10-K.

Item 7 A. Quantitative and Qualitative Disclosures about Market Risk

Foreign Currency Exchange Risk

Our sales contracts are currently primarily denominated in U.S. dollars. A portion of our operating expenses are incurred outside the United States and are denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the British Pound, Indian Rupee and Euro. In 2015 and 2016, our operating expenses benefitted from the increase in the value of the U.S. dollar versus the Euro and other foreign currencies. If, in 2017 or future years, the U.S. dollar declines in value versus the Euro, British Pound, Indian Rupee or other currencies, our operating expenses will increase. Approximately 18% of our 2016 expenses were denominated in foreign currencies. The effect of a hypothetical 10% change in foreign currency exchange rates applicable to our business would have a material impact on our consolidated financial statements. To date, we have not engaged in any hedging strategies. As our international operations grow or if we more frequently enter into sales

contracts denominated in foreign currencies, we will reassess our approach to managing our risk related to fluctuations in currency rates.

Additionally, fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our statement of operations. To date, foreign currency transaction gains and losses have not been material to our financial statements.

Interest Rate Risk

We had cash, cash equivalents and fixed income investments of $90.2 million and $98.9 million as of December 31, 2016 and 2015, respectively, consisting of bank deposits, money market funds, corporate debt securities, commercial paper and securities and obligations of U.S. government agencies.

We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. By policy, we limit the amount of credit exposure to any one issuer and our investments are held with capital preservation as the primary objective.

Our cash equivalents and investments are subject to market risk due to changes in interest rates.

Due to increases in interest rates, we may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates. However, because we classify our investments as “held-to-maturity”, no gains or losses are recognized due to changes in interest rates unless such securities are sold prior to maturity or declines in value are determined to be other-than-temporary. We believe that we do not have any material exposure to changes in the fair value of our investment portfolio as a result of changes in interest rates. Declines in interest rates, however, will reduce future investment income, if any. For instance the effect of a hypothetical 50 basis point increase or decrease in interest rates would result in a change of approximately $180,000 to our annual interest income.

Item 8. Financial Statements and Supplementary Data

The Selected Financial Data information contained in Item 6 of Part II hereof is hereby incorporated by reference into this Item 8 of Part II of this Form 10-K.

MobileIron, Inc.
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Report of Independent Registered Public Accounting Fir m

Board of Directors and Stockholders of MobileIron, Inc.
Mountain View, California

We have audited the accompanying consolidated balance sheets of MobileIron, Inc. and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, convertible preferred stock and stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of MobileIron, Inc. and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

San Jose, California
February 14, 2017

MOBILEIRON, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	December 31,	
	2016	**2015**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 54,043	$ 47,234
Short-term investments	36,184	49,576
Accounts receivable, net of allowance for doubtful accounts of $433 and $628 at December 31, 2016 and December 31, 2015, respectively	43,755	42,674
Prepaid expenses and other current assets	6,131	4,809
TOTAL CURRENT ASSETS	140,113	144,293
Long-term investments	—	2,094
Property and equipment—net	5,503	6,572
Intangible assets—net	645	1,261
Goodwill	5,475	5,475
Other assets	1,370	1,419
TOTAL ASSETS	$ 153,106	$ 161,114
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 701	$ 2,551
Accrued expenses	21,674	19,196
Deferred revenue-current	68,153	55,978
TOTAL CURRENT LIABILITIES	90,528	77,725
Long-term liabilities:		
Deferred revenue-noncurrent	19,923	13,897
Other long-term liabilities	1,838	1,353
TOTAL LIABILITIES	112,289	92,975
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock, $0.0001 par value, 300,000,000 shares authorized, 89,066,031 shares and 81,326,237 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively	9	8
Additional paid-in capital	383,193	343,336
Accumulated deficit	(342,385)	(275,205)
TOTAL STOCKHOLDERS' EQUITY	40,817	68,139
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 153,106	$ 161,114

See accompanying notes to the consolidated financial statements

MOBILEIRON, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Year ended December 31,		
	2016	**2015**	**2014**
Revenue			
Perpetual license	$ 45,775	$ 53,512	$ 66,816
Subscription	61,357	48,080	30,227
Software support and services	56,794	47,706	35,252
Total revenue	163,926	149,298	132,295
Cost of revenue			
Perpetual license	2,658	2,881	4,448
Subscription	8,297	7,181	5,719
Software support and services	19,412	18,115	13,868
Restructuring charge	181	—	—
Total cost of revenue	30,548	28,177	24,035
Gross profit	133,378	121,121	108,260
Operating expenses:			
Research and development	67,398	61,871	46,278
Sales and marketing	101,757	105,520	99,870
General and administrative	29,695	36,037	22,400
Restructuring charge	871	1,049	—
Amortization of intangible assets	—	—	782
Total operating expenses	199,721	204,477	169,330
Operating loss	(66,343)	(83,356)	(61,070)
Other (income) expense - net	(145)	274	302
Loss before income taxes	(66,198)	(83,630)	(61,372)
Income tax expense	982	852	517
Net loss	$ (67,180)	$ (84,482)	$ (61,889)
Net loss per share, basic and diluted	$ (0.78)	$ (1.07)	$ (1.30)
Weighted-average shares used to compute net loss per share, basic and diluted	85,845	78,755	47,517

See accompanying notes to the consolidated financial statements

MOBILEIRON, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS ’ EQUITY (DEFICIT)
(In thousands, except share and per share data)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders’ Equity (Deficit)
	Shares	Amount	Shares	Amount			
BALANCE—December 31, 2013	49,446,072	$ 160,259	11,008,283	$ 2	$ 19,007	$ (128,834)	$ (109,825)
Issuance of common stock for stock option exercises	—	—	1,044,087	—	2,280	—	2,280
Vesting of early exercised stock options and restricted stock	—	—	1,400,259	—	669	—	669
Issuance of Series F preferred stock at $9.9550 per share—net of issuance costs of $6	200,903	1,994	—	—	—	—	—
Stock-based compensation	—	—	—	—	16,749	—	16,749
Conversion of preferred stock for initial public offering	(49,646,975)	(162,253)	49,646,975	5	162,248	—	162,253
Issuance of common stock for initial public offering, net of issuance costs of $4,076	—	—	12,777,777	1	102,874	—	102,875
Purchase of Averail Corporation	—	—	276,463	—	1,982	—	1,982
Net loss	—	—	—	—	—	(61,889)	(61,889)
BALANCE—December 31, 2014	—	$ —	76,153,844	$ 8	$ 305,809	$ (190,723)	$ 115,094
Issuance of common stock for stock option exercises, net of repurchases	—	—	2,776,221	—	5,846	—	5,846
Vesting of early exercised stock options and restricted stock	—	—	198,564	—	246	—	246
Issuance of common stock for pursuant to the Employee Stock Purchase Plan	—	—	1,273,147	—	7,359	—	7,359
Vesting of restricted stock units	—	—	924,461	—	—	—	—
Stock-based compensation	—	—	—	—	24,076	—	24,076
Net loss	—	—	—	—	—	(84,482)	(84,482)
BALANCE—December 31, 2015	—	$ —	81,326,237	$ 8	$ 343,336	$ (275,205)	$ 68,139
Issuance of common stock for stock option exercises, net of repurchases	—	—	1,040,902	—	2,468	—	2,468
Vesting of early exercised stock options	—	—	9,957	—	43	—	43
Issuance of common stock pursuant to the Employee Stock Purchase Plan			1,799,341	—	4,851	—	4,851
Issuance of common stock pursuant to the Employee Stock-Settled Bonus Plan	—	—	1,653,371	1	5,638	—	5,639
Vesting of restricted stock units			3,236,223	—	—	—	—
Stock-based compensation	—	—	—	—	26,857	—	26,857
Net loss	—	—	—	—	—	(67,180)	(67,180)
BALANCE—December 31, 2016	—	$ —	89,066,031	$ 9	$ 383,193	$ (342,385)	$ 40,817

See accompanying notes to the consolidated financial statements

MOBILEIRON, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year ended December 31,		
	2016	**2015**	**2014**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (67,180)	$ (84,482)	$ (61,889)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock-based compensation expense	34,389	28,791	16,749
Depreciation	3,348	2,757	2,215
Amortization of intangible assets	616	870	1,430
Amortization of premium (accretion) of investment securities	(14)	368	—
Provision for doubtful accounts	77	150	54
Loss on disposal of equipment	99	—	21
Changes in operating assets and liabilities:			
Accounts receivable	(1,158)	(8,148)	(10,605)
Other current and noncurrent assets	(447)	(932)	(835)
Accounts payable	(1,297)	1,414	(12)
Accrued expenses and other long-term liabilities	1,637	(5,024)	2,881
Deferred revenue	18,201	15,701	13,422
Net cash used in operating activities	(11,729)	(48,535)	(36,569)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(2,930)	(3,730)	(3,119)
Proceeds from maturities of investment securities	94,631	44,964	—
Purchase of investment securities	(79,134)	(60,913)	(36,104)
Purchase of intellectual property	—	—	(650)
Net cash provided by (used in) investing activities	12,567	(19,679)	(39,873)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Amount drawn from revolving line of credit	—	—	3,300
Repayments of revolving line of credit	—	—	(7,600)
Proceeds from the issuance of convertible preferred stock-net of cash issuance costs	—	—	1,994
Proceeds from initial public offering	—	—	106,950
Payment of offering costs related to initial public offering	—	—	(4,076)
Proceeds from Employee Stock Purchase Plan	4,332	5,406	4,280
Proceeds from exercise of stock options	1,639	5,755	2,308
Net cash provided by financing activities	5,971	11,161	107,156
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,809	(57,053)	30,714
CASH AND CASH EQUIVALENTS—Beginning of period	47,234	104,287	73,573
CASH AND CASH EQUIVALENTS—End of period	$ 54,043	$ 47,234	$ 104,287
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for income taxes	$ 1,021	$ 595	$ 271
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING ACTIVITIES RELATED TO ACQUISITIONS			
Fair value of assets acquired	$ —	$ —	$ 2,276
Liabilities assumed	$ —	$ —	$ (294)
Issuance of common stock	$ —	$ —	$ (1,982)
SUPPLEMENTAL DISCLOSURES OF NONCASH FINANCING ACTIVITIES:			
Value of shares issued under the 2015 Non-Executive Bonus Plan	$ 5,639	$ —	$ —
Value of shares issued under the Employee Stock Purchase Plan	$ 4,851	$ 7,359	$ —
Purchase of property and equipment recorded in accounts payable	$ —	$ 554	$ —
Tenant improvement allowance recorded in property and equipment and liabilities	$ —	$ 1,068	$ —
Offering costs recorded in accrued liabilities	$ —	$ —	$ 27

See accompanying notes to the consolidated financial statements

1. Description of Busines s and Significant Accounting Policies

Description of Business

MobileIron, Inc. and its wholly owned subsidiaries, collectively, the "Company", "we", "us" or "our", provides a purpose-built mobile IT platform that enables enterprises to manage and secure mobile applications, content and devices while providing their employees with device choice, privacy and a native user experience. We were incorporated in Delaware in July 2007 and are headquartered in Mountain View, California, with additional sales and support presence in North America, Europe, the Middle East, Asia and Australia.

Initial Public Offering

In June 2014, we completed our initial public offering, or our IPO, in which we issued and sold 12,777,777 shares of common stock, including 1,666,666 million shares of common stock sold pursuant to the full exercise of the underwriters' over-allotment option, at a price of $9.00 per share. We received aggregate proceeds of $107.0 million from the sale of shares of common stock, net of underwriters' discounts and commissions, but before deducting offering expenses of approximately $4.1 million. Upon the closing of the initial public offering, all shares of our outstanding convertible preferred stock automatically were converted into 49,646,975 shares of common stock.

Basis of Presentation and Consolidation

The accompanying audited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP, and include the accounts of our wholly owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

Stock Split

In May 2014, we amended and restated our amended and restated certificate of incorporation to effect a seven-for-five reverse stock split of our common stock and convertible preferred stock. On the effective date of the reverse stock split, (i) each seven shares of outstanding convertible preferred stock and common stock was reduced to five shares of convertible preferred stock and common stock, respectively; (ii) the number of shares of common stock issuable under each outstanding option to purchase common stock was proportionately reduced on a seven-for-five basis; (iii) the exercise price of each outstanding option to purchase common stock was proportionately increased on a seven-for-five basis; and (iv) corresponding adjustments in the per share conversion prices, dividend rates and liquidation preferences of the convertible preferred stock were made. All of the share and per share information referenced throughout this Annual Report on Form 10-K and notes to the consolidated financial statements have been retroactively adjusted to reflect this reverse stock split.

Foreign Currency Translation

Our reporting currency is the U.S. dollar. The functional currency of all our international operations is the U.S. dollar. All monetary asset and liability accounts are translated into U.S. dollars at the period-end rate, nonmonetary assets and liabilities are translated at historical exchange rates, and revenue and expenses are translated at the weighted-average exchange rates in effect during the period. Translation adjustments arising are recorded as foreign currency gains (losses) in the consolidated statements of operations. We recognized a foreign currency loss of approximately $339,000, $518,000 and $304,000 in 2016, 2015 and 2014, respectively, in other (income) expense—net in our consolidated statements of operations.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates include, but are not limited to, revenue recognition, stock-based compensation, goodwill, intangible assets and accounting for income taxes. Actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments that potentially subject us to a concentration of credit risk consist of cash, money market funds and fixed income investments. Although we deposit our cash with multiple financial institutions, our deposits, at times, exceed federally insured limits. We invest in fixed income securities that are of high-credit quality. Substantially all of our money market funds, or $15.0 million, are held in two funds that are rated "AAA."

We generally do not require collateral or other security in support of accounts receivable. Allowances are provided for individual accounts receivable when we become aware of a customer's inability to meet its financial obligations, such as in the case of bankruptcy, deterioration in the customer's operating results, or change in financial position. If circumstances related to customers change, estimates of the recoverability of receivables would be further adjusted. We also consider broader factors in evaluating the sufficiency of our allowances for doubtful accounts, including the length of time receivables are past due, significant one-time events and historical experience. Activity in our allowance for doubtful accounts was as follow (in thousands):

	Balance at Beginning of Period	Bad Debt Expense	Write-offs, Net of Recoveries	Balance at End of Period
Balance as of December 31, 2016	$ 628	77	(272)	$ 433
Balance as of December 31, 2015	$ 550	150	(72)	$ 628
Balance as of December 31, 2014	$ 492	54	4	$ 550

One reseller accounted for 16% (1% as an end customer), 17% (1% as an end customer) and 22% (2% as an end customer) of total revenue in 2016, 2015 and 2014, respectively. The same reseller accounted for 15% and 14% of net accounts receivable as of December 31, 2016 and 2015, respectively.

There were no other resellers or end-user customers that accounted for 10% or more as a percentage of our revenue or net accounts receivable for any period presented.

Segments

We have one reportable segment.

Summary of Significant Accounting Policies

Revenue Recognition

We derive revenue principally from software-related arrangements consisting of perpetual software licenses, post-contract customer support for such licenses, or PCS or software support, including when and if available updates, and professional services such as consulting and training services. We also offer our software as term-based licenses and cloud-based arrangements. In addition, we install our software on servers that we ship to customers.

We begin to recognize revenue when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been provided, (iii) the sales price is fixed or determinable, and (iv) collection of the related receivable is probable. If collection is not considered probable, revenue is recognized only upon collection.

Signed agreements, including by electronic acceptance, are used as evidence of an arrangement. Delivery is considered to occur when we provide a customer with a link and credentials to download our software. Delivery of a hardware appliance (an "appliance") is considered to occur when title and risk of loss has transferred to the customer, which typically occurs when appliances are delivered to a common carrier. Delivery of services occurs when performed.

Prior to January 1, 2013, we had not established vendor specific objective evidence, or VSOE, of fair value for any of the elements in our multiple-element arrangements. As of January 1, 2013, we determined that we had sufficient history to establish VSOE of fair value for PCS and professional services. Prior to January 1, 2013, we did not have VSOE of fair value for our software-related undelivered elements due to limited history of stand-alone sales transactions and inconsistency in pricing. We established VSOE of fair value when we had a substantial majority of stand-alone sales

transactions of software support and services pricing within a narrow pricing band. In our VSOE analysis, we generally include stand-alone sales transactions completed during a rolling 12 month period unless a shorter period is appropriate due to changes in our pricing structure.

We typically enter into multiple-element arrangements with our customers in which a customer may purchase a combination of software on a perpetual or subscription license, PCS, and professional services. The professional services are not considered essential to the functionality of the software. All of these elements are considered separate units of accounting. Our standard agreements do not include rights for customers to cancel or terminate arrangements or to return software to obtain refunds.

We use the residual method to recognize revenue when a perpetual license arrangement includes one or more elements to be delivered at a future date provided the following criteria are met: (i) VSOE of fair value does not exist for one or more of the delivered items but exists for all undelivered elements, (ii) all other applicable revenue recognition criteria are met and (iii) the fair value of all of the undelivered elements is less than the arrangement fee. VSOE of fair value is based on the normal pricing practices for those products and services when sold separately by us and contractual customer renewal rates for post-contract customer support services. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is recognized as revenue in the period in which it was earned. If evidence of the fair value of one or more undelivered elements does not exist, then the revenue is deferred and recognized when delivery of those elements occurs, or when fair value can be established, or ratably over the PCS period if the only undelivered element is PCS—we refer to these deferred revenue elements as the “Deferred Portion.”

Revenue from subscriptions to our on premise term licenses, arrangements where perpetual and subscriptions to our on premise term licenses are sold together, and subscriptions to our cloud service are recognized ratably over the contractual term for all periods presented and are included as a component of subscription revenue within our consolidated statements of operations. We refer to arrangements where perpetual and subscriptions to our on premise term licenses are sold together as “Bundled Arrangements.”

Occasionally, we enter into multiple-element arrangements with our customers in which a customer may purchase a combination of software on a perpetual or term basis, PCS, professional services, and appliances. We generally provide the appliances and software upon the commencement of the arrangement and provide software-related elements throughout the support period. We account for appliance-bundled arrangements under the revised accounting standard related to multiple-element arrangements, Accounting Standard Update, or ASU, No. 2009-13, *Multiple Element Arrangements* , and determine the revenue to be recognized based on the standard’s fair value hierarchy and then determine the value of each element in the arrangement based on the relative selling price of the arrangement. Amounts related to appliances are generally recognized upon delivery with the remaining consideration allocated to software and software-related elements, which are recognized as described elsewhere in this policy.

Revenue from PCS is recognized ratably over the support term and is included as a component of software support and service revenue within the consolidated statements of operations.

Revenue related to professional services is recognized upon delivery and is included as a component of software support and services revenue within the consolidated statements of operations.

Prior to establishing VSOE of fair value for PCS and professional services on January 1, 2013, we recognized revenue for multiple element software and software-related arrangements ratably from the date of service commencement over the contractual term of the related PCS arrangement. After January 1, 2013, the deferred revenue related to these arrangements continues to be recognized ratably over the remaining contractual term of the PCS arrangement. We recognized $1.8 million and $5.2 million of perpetual license revenue in 2015 and 2014, respectively, from sales made prior to January 1, 2013. In 2016, we recognized no significant revenue from sales made prior to January 1, 2013.

We allocated the revenue from all multiple-element arrangements entered into prior to the establishment of VSOE of fair value for our PCS and professional services to each respective revenue caption using our best estimate of value of each element based on the facts and circumstances of the arrangements, our go-to-market strategy, price list and

discounts from price list as applicable. We believe that the allocation between the revenue captions allows for greater transparency and comparability of revenue from period to period even though VSOE of fair value may not have existed at that time.

Appliance revenue was less than 10% of total revenue for all periods presented and is included as a component of perpetual license revenue within the consolidated statements of operations.

Historically, sales made through resellers were fulfilled directly to end users, and we recognized revenue when we delivered licenses to end users and all other revenue recognition criteria were met. Over time, however, our business has evolved and some of our operators, system integrators and other resellers have requested that we deliver licenses to them. In those instances we recognize revenue at the time that we deliver to our resellers and all other revenue recognition criteria are met; such resellers have no rights of return or exchange.

Shipping charges and sales tax billed to partners are excluded from revenue.

Sales commissions and other incremental costs to acquire contracts are also expensed as incurred and are recorded in sales and marketing expense.

For all arrangements, any revenue that has been deferred and is expected to be recognized beyond one year is classified as long-term deferred revenue in the consolidated balance sheets.

Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. As of December 31, 2016 and 2015, cash and cash equivalents consisted of cash deposited with banks, money market funds and investments that mature within three months of their purchase.

Held-To-Maturity Investments

We determine the appropriate classification of our fixed income investments at the time of purchase and reevaluate their classifications each reporting period. Investments are classified as held-to-maturity since the Company has positive intent and the ability to hold the securities to maturity. Held-to-maturity securities are stated at amortized cost.

Comprehensive Loss

Comprehensive loss includes all changes in equity (net assets) during a period from non-owner sources. In 2016, 2015 and 2014, there were no differences between net loss and comprehensive loss. Therefore, the consolidated statements of comprehensive loss have been omitted.

Net Loss per Share of Common Stock

Basic net loss per common share is calculated by dividing the net loss by the weighted-average number of common shares outstanding during the period, without consideration for potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of common shares and potentially dilutive securities outstanding for the period determined using the treasury-stock and if-converted methods. For purposes of the diluted net loss per share calculation, convertible preferred stock, unvested restricted stock, restricted stock units and stock options are considered to be potentially dilutive securities. Because we have reported a net loss for 2016, 2015 and 2014, the number of shares used to calculate diluted net loss per common share is the same as the number of shares used to calculate basic net loss per common share for those periods presented because the potentially dilutive shares would have been anti-dilutive if included in the calculation.

Software Development Costs Incurred in Connection with Software to be Sold or Marketed

The costs to develop new software products and enhancements to existing software products are expensed as incurred until technological feasibility has been established. We consider technological feasibility to have occurred when

all planning, designing, coding and testing have been completed according to design specifications. Once technological feasibility is established, any additional costs would be capitalized. We believe our current process for developing software is essentially completed concurrent with the establishment of technological feasibility, and accordingly, no costs have been capitalized.

Internal Use Software

We capitalize costs incurred during the application development stage related to our internally used software. Such costs are primarily incurred by third-party vendors and consultants. Costs related to preliminary project activities and post-implementation activities are expensed as incurred. Amounts capitalized in all periods presented were not significant.

All software development costs incurred in connection with our cloud offering, or SaaS, are also sold or marketed to partners or end customers, therefore we start capitalizing costs when technological feasibility is achieved. No costs were capitalized in any periods presented as we believe that our current process for developing software is essentially completed concurrent with the establishment of technological feasibility.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the property and equipment, determined to be three years for computers and equipment and software, five years for furniture and fixtures, and the lesser of the remaining lease term or estimated useful life for leasehold improvements. Expenditures for repairs and software support are charged to expense as incurred. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected as operating expenses in the consolidated statements of operations.

Goodwill and Intangible Assets

We record the excess of the acquisition purchase price over the fair value of the tangible and identifiable intangible assets acquired as goodwill. We perform an impairment test of our goodwill in the third quarter of our fiscal year, or more frequently if indicators of potential impairment arise. We have a single reporting unit and consequently evaluate goodwill for impairment based on an evaluation of the fair value of the Company as a whole. We record purchased intangible assets at their respective estimated fair values at the date of acquisition. Purchased intangible assets are being amortized using the straight-line method over their remaining estimated useful lives, which range from three to five years. We evaluate the remaining useful lives of intangible assets on a periodic basis to determine whether events or circumstances warrant a revision to the remaining estimated amortization period.

We have determined that our intangible assets have not been impaired during the years ended December 31, 2016, 2015 and 2014.

Long-Lived Assets with Finite Lives

Long-lived assets are reviewed for possible impairment whenever events or circumstances indicate that the carrying amount of these assets may not be recoverable. We evaluate the recoverability of each of our long-lived assets, including purchased intangible assets and property and equipment, by comparison of its carrying amount to the future undiscounted cash flows we expect the asset to generate. If we consider the asset to be impaired, we measure the amount of any impairment as the difference between the carrying amount and the fair value of the impaired asset.

Stock-Based Compensation

We use the estimated grant-date fair value method of accounting in accordance with Accounting Standards Codification, or ASC, Topic 718 *Compensation—Stock Compensation* . Fair value is determined using the Black-Scholes Model using various inputs, including our estimates of expected volatility, term and future dividends. We estimated the forfeiture rate in 2016, 2015 and 2014 based on our historical experience for annual grant years where the majority of the vesting terms have been satisfied. We recognize compensation costs for awards with service and performance vesting conditions and for our Employee Stock Purchase Plan, or ESPP, on an accelerated method over the requisite service period of the award. For stock options or restricted stock grants with no performance condition, we recognize compensation costs on a straight-line basis over the requisite service period of the award, which is generally the vesting term of four years.

Research and Development

Research and development, or R&D, costs are charged to expense as incurred.

Advertising

Advertising costs are expensed and included in sales and marketing expense when incurred. Advertising expense in 2016, 2015 and 2014 was $305,000, $256,000 and $526,000, respectively.

Income Taxes

We account for income taxes in accordance with ASC Topic 740, *Income Taxes* , under which deferred tax liabilities and assets are recognized for the expected future tax consequences of temporary differences between financial statement carrying amounts and the tax basis of assets and liabilities and net operating loss and tax credit carryforwards. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

We use a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. A tax position is recognized when it is more likely than not that the tax position will be sustained upon examination, including resolution of any related appeals or litigation processes. A tax position that meets the more-likely-than-not recognition threshold is measured at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement with a taxing authority. The standard also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure and transition.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, or FASB, or other standard setting bodies and adopted by us as of the specified effective date. Unless otherwise discussed, the impact of recently issued standards that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-13, Financial Instruments – Credit Losses – Measurement of Credit Losses on Financial Instruments, which introduces a model based on expected losses to estimate credit losses for most financial assets and certain other instruments. In addition, for available-for-sale debt securities with unrealized losses, the losses will be recognized as allowances rather than reductions in the amortized cost of the securities. The standard is effective for annual reporting

periods beginning after December 15, 2019, with early adoption permitted for annual reporting periods beginning after December 15, 2018. Entities will apply the standard's provisions by recording a cumulative-effect adjustment to retained earnings. We are evaluating the impact of the adoption on our consolidated balance sheet, results of operations, cash flows and disclosures.

In May 2014, the FASB, jointly with the International Accounting Standards Board, issued a comprehensive new standard on revenue recognition from contracts with customers. The standard's core principle is that a reporting entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying this new guidance to contracts within its scope, an entity will: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. Additionally, this new guidance will require significantly expanded disclosures about revenue recognition. As clarified by the FASB on July 9, 2015, provisions of this new standard are effective for annual reporting periods (including interim reporting periods within those annual periods) beginning after December 15, 2017. Early adoption is permitted for annual reporting periods (including interim reporting periods within those annual periods) beginning after December 15, 2016. Entities have the option of using either a full retrospective or a modified retrospective approach to adopt this new guidance. We currently plan to adopt the new standard effective January 1, 2018. We anticipate this standard will have a material impact on our consolidated financial statements. While we are continuing to assess all potential impacts of the standard, we believe the most significant impact relates to our accounting for subscriptions to our on-premise licenses, specifically, as under the new standard we expect to recognize revenue from those subscriptions predominantly at the time of billing rather than ratably over the license term. In addition, we expect accounting for commissions to be impacted significantly as we will capitalize and amortize most commissions under the new standard instead of expensing commissions as incurred. Due to the complexity of certain of our contracts, the revenue recognition treatment required under the new standard will be dependent on contract-specific terms.

In February 2016, the FASB finalized the Accounting Standard Update, or ASU, 2016-02, "Leases". ASU 2016-02 requires lessees to recognize the assets and liabilities on the balance sheet for the rights and obligations created by most leases (leases with the term of 12 months or longer) and continue to recognize expenses on the income statements over the lease term. It will also require disclosure designed to give financial statement users information on the amount, timing, and uncertainly of cash flows arising from leases. The guidance is effective for annual reporting periods beginning after December 15, 2018 and interim periods within those fiscal years. As a result of this new standard, we expect to record a lease commitment liability and corresponding asset for most of our leases. We will adopt ASU 2016-02 effective January 1, 2019.

In March 2016, the FASB issued new Accounting Standard Update, or ASU, 2016-09, "Improvements to Employee Share-Based Payment Accounting". ASU 2016-09 simplifies several aspects of the accounting for employee share-based payment transactions including the accounting for income taxes, forfeitures, statutory tax withholding requirements and classification in the statement of cash flows. Under the new standard, excess tax benefits and tax deficiencies are to be recognized as income tax expense or benefit in the income statement and the excess tax benefits and tax deficiencies are considered discrete items in the reporting period they occur and are not included in the estimate of an entity's annual effective tax rate. Excess tax benefits will be classified along with other cash flows related to income taxes as an operating activity. The ASU allows an entity to elect as an accounting policy either to continue to estimate the total number of awards that are expected to vest or account for forfeitures when they occur. The ASU modifies the current exception to liability classification of an award when an employer uses a net-settlement feature to withhold shares to meet the employer's minimum statutory tax withholding requirement. The guidance is effective for annual reporting periods beginning after December 15, 2016 and interim periods within those fiscal years. We will adopt all relevant provisions of this update in the first quarter of fiscal 2017. We do not expect, that adoption of this update will have a significant effect on our consolidated balance sheet, results of operations, cash flows or statement of shareholders equity because we have a full valuation allowance on our deferred tax assets but it will have an impact on our disclosures. As part of this adoption, we will make an accounting policy election to continue to estimate the total number of awards that are expected to vest.

2. Significant Balance Sheet Components

Property and Equipment —Property and equipment at December 31, 2016 and 2015 consisted of the following (in thousands):

	As of December 31,	
	2016	2015
Computers and appliances	$ 9,754	$ 7,908
Purchased software	2,297	2,220
Furniture and fixtures	1,477	1,338
Leasehold improvements	2,985	2,887
Total property and equipment	16,513	14,353
Accumulated depreciation and amortization	(11,010)	(7,781)
Total property and equipment—net	$ 5,503	$ 6,572

Accrued Expenses —Accrued expenses at December 31, 2016 and 2015 consisted of the following (in thousands):

	As of December 31,	
	2016	2015
Accrued commissions	$ 5,908	$ 4,181
Accrued stock-settled bonus	6,608	4,714
Accrued vacation	611	512
Employee Stock Purchase Plan liability	1,811	2,329
Other accrued payroll-related expenses	3,085	2,483
Other accrued liabilities	3,651	4,977
Total accrued expenses	$ 21,674	$ 19,196

Deferred Revenue —Current and noncurrent deferred revenue at December 31, 2016 and 2015 consisted of the following (in thousands):

	As of December 31,	
	2016	2015
Perpetual license	$ 404	$ 400
Subscription	35,495	25,013
Software support	50,117	42,254
Professional services	2,060	2,208
Total current and noncurrent deferred revenue	$ 88,076	$ 69,875

3. Fair Value Measurement

With the exception of our held-to-maturity fixed income investments, we report financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis in accordance with ASC 820 (formerly FASB Statement No. 157, *Fair Value Measurements*). ASC 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, we consider the principal or most advantageous market in which we would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions and credit risk.

ASC 820 also establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three levels. A financial instrument's categorization within the fair value hierarchy is based upon

the lowest level of input that is available and significant to the fair value measurement. ASC 820 establishes and prioritizes three levels of inputs that may be used to measure fair value:

- Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2—Inputs are quoted prices for similar assets and liabilities in active markets or inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly through market corroboration, for substantially the full term of the financial instruments.
- Level 3—Inputs are unobservable inputs based on our own assumptions used to measure assets and liabilities at fair value. The inputs require significant management judgment or estimation.

Our financial assets that are carried at fair value include cash and money market funds. We had no financial liabilities, or nonfinancial assets and liabilities that were required to be measured at fair value on a recurring basis, or that were measured at fair value as of December 31, 2016 or 2015.

Our financial instruments measured at fair market value as of December 31, 2016 and 2015 were as follows:

	As of December 31, 2016			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market funds	$ 15,003	$ —	$ —	$ 15,003
Corporate debt securities	—	10,738	—	10,738
Commercial paper	—	47,479	—	47,479
Total	$ 15,003	$ 58,217	$ —	$ 73,220

	As of December 31, 2015			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market funds	$ 18,850	$ —	$ —	$ 18,850
Corporate debt securities	—	28,520	—	28,520
Commercial paper	—	24,187	—	24,187
Securities and obligations of U.S. government agencies	—	12,426	—	12,426
Total	$ 18,850	$ 65,133	$ —	$ 83,983

4. Investments

Our portfolio of fixed income securities consists of commercial paper, corporate debt securities and securities and obligations of U.S. government agencies. All our investments in fixed income securities are classified as held-to-maturity. These investments are carried at amortized cost.

Our investments in fixed income securities as of December 31, 2016 and 2015 were as follows:

	As of December 31, 2016			
(in thousands)	**Amortized cost**	**Gains**	**Losses**	**Fair Value**
Corporate debt securities	$ 10,740	$ —	$ (2)	$ 10,738
Commercial paper	47,473	8	(2)	47,479
Total	$ 58,213	$ 8	$ (4)	$ 58,217

(in thousands)	As of December 31, 2015 Amortized cost	Gains	Losses	Fair Value
Corporate debt securities	$ 28,549	$ 1	$ (30)	$ 28,520
Commercial paper	24,187	1	(1)	24,187
Securities and obligations of U.S. government agencies	12,431	—	(5)	12,426
Total	$ 65,167	$ 2	$ (36)	$ 65,133

The following table summarizes the balance sheet classification of our investments:

(in thousands)	As of December 31, 2016	2015
Cash equivalents	$ 22,029	$ 13,499
Short-term investments	36,184	49,574
Long-term investments	—	2,094
Total investments	$ 58,213	$ 65,167

The gross amortized cost and estimated fair value of our held-to-maturity investments at December 31, 2016 and 2015 by contractual maturity are shown below. Actual maturities may differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties.

	As of December 31,			
	2016		2015	
(in thousands)	Gross Amortized Cost	Fair Value	Gross Amortized Cost	Fair Value
Due in one year or less	$ 58,213	$ 58,217	$ 63,073	$ 63,040
Due after one year through five years	—	—	2,094	2,093
Total	$ 58,213	$ 58,217	$ 65,167	$ 65,133

We monitor our investment portfolio for impairment on a periodic basis. In order to determine whether a decline in fair value is other-than-temporary, we evaluate, among other factors: the duration and extent to which the fair value has been less than the carrying value; our financial condition and business outlook, including key operational and cash flow metrics, current market conditions and future trends in our industry; our relative competitive position within the industry; and our intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in fair value. A decline in the fair value of the security below amortized cost that is deemed other-than-temporary is charged to earnings, resulting in the establishment of a new cost basis for the affected securities. In 2016, we had an insignificant amount of unrealized gains or losses, and we did not recognize any other-than-temporary impairments .

5. Acquisitions

In November 2014, we purchased developed technology for $650,000 to enhance our product portfolio, which we capitalized in intangible assets—net on the accompanying balance sheet and expect to amortize on a straight-line basis over its estimated useful life of three years.

In April 2014, we completed the acquisition of certain assets of Averail Corporation, or Averail, a privately-held content security-oriented software company, for 276,463 shares of common stock and the assumption of certain liabilities. The assets acquired will provide additional features in our Docs@Work product. Included in the total, 43,612 shares subject to a holdback provision for standard representations and warranties were released in October 2015. The aggregate purchase price of the transaction was approximately $2.0 million, net of liabilities assumed. In connection with this acquisition, 103,231 of these shares were distributed to entities affiliated with Storm Ventures, and 103,232 of these shares were issued to entities affiliated with Foundation Capital, subject to certain holdback provisions. The Storm Ventures entities and the Foundation Capital entities each collectively hold more than 5% of our capital stock. In addition, Tae Hea Nahm, an affiliate of Storm Ventures, serves on our board of directors and was a director of Averail prior to its acquisition. The aggregate value of the securities issued to our investors was approximately $1.5 million.

The total consideration for this transaction was approximately $2.0 million and consisted of the following (in thousands except share data):

Common stock issued (232,854 shares)	$ 1,670
Holdback common stock (43,612 shares)	312
Total consideration	$ 1,982

Transaction costs associated with the acquisition were $167,000, all of which we expensed in 2014, and are included in general and administrative expense in the accompanying consolidated statements of operations **.**

We accounted for the Averail acquisition as a business combination. The assets acquired and liabilities assumed were recorded at fair market value. The excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired was recorded as goodwill. The goodwill generated from this business combination was primarily related to value placed on the employee workforce and expected synergies. Goodwill for all acquisitions is not amortized and is not deductible for tax purposes.

The purchase price was allocated as follows (in thousands):

Technology – intangible asset	$ 1,600
Goodwill	676
Liabilities assumed	(294)
Net assets acquired	$ 1,982

The technology intangible asset is being amortized on a straight-line basis over a period of four years and is reported, net of accumulated amortization, in the accompanying consolidated balance sheets as of December 31, 2016 and 2015. Amortization expense related to the intangible asset was $400,000 in each of 2016 and 2015 and $300,000 in 2014, and was included in cost of revenue.

The amount of revenue and earnings from the acquisitions are included in the condensed consolidated statements of operations and pro forma results of operations for the acquisition have not been presented because the effect of the acquisition was not significant to our financial results.

6. Goodwill and Intangibles

The following table reflects intangible assets subject to amortization as of December 31, 2016 and 2015 (in thousands):

	December 31, 2016			
	Gross Carrying Amount	**Accumulated Amortization**	**Impairment**	**Net Book Value**
Technology	$ 3,080	$ (2,435)	—	$ 645
Total	$ 3,080	$ (2,435)	$ —	$ 645

	December 31, 2015			
	Gross Carrying Amount	**Accumulated Amortization**	**Impairment**	**Net Book Value**
Technology	$ 3,080	$ (1,819)	—	$ 1,261
Total	$ 3,080	$ (1,819)	$ —	$ 1,261

Amortization of the technology intangible assets was recorded in cost of revenue.

The weighted average remaining life of our intangible assets on December 31, 2016 was 1.1 years.

Estimated remaining intangible assets amortization expense for their remaining lives as follows (in thousands):

Year	
2017	545
2018	100
2019	—
Total	$ 645

At December 31, 2016, 2015 and 2014, the carrying value of goodwill was $5.5 million.

7. Restructuring Charges

We initiated business restructuring plans in 2015 and 2016 to reduce our cost structure through workforce reductions. These restructuring activities were substantially complete as of December 31, 2016.

The following table sets forth a summary of restructuring activities which took place during the years ended December 31, 2016 and 2015 (in thousands):

	Severance and Related Costs
Balance, December 31, 2014	$ —
Provision for restructuring charges	1,049
Cash payments	(1,049)
Balance, December 31, 2015	$ —
Provision for restructuring charges	1,052
Cash payments	(1,037)
Balance, December 31, 2016	$ 15

The remaining restructuring balance as of December 31, 2016 relates to employee severance, which we expect to pay by March 31, 2017.

8. Line of Credit

We have a $20.0 million revolving line of credit with a financial institution that can be used to (a) borrow for working capital and general business requirements, (b) issue letters of credit, and (c) enter into foreign exchange contracts. Amounts borrowed accrue interest at a floating per annum rate equal to the prime rate. A default interest rate shall apply during an event of default at a rate per annum equal to 5% above the otherwise applicable interest rate. The line of credit is collateralized by substantially all of our assets, except intellectual property, and requires us to comply with working capital, net worth and other covenants, including limitations on indebtedness and restrictions on dividend distributions, among others, and the borrowing capacity is limited to eligible accounts receivable. We are required to maintain an adjusted quick ratio (defined as the ratio of current assets to current liabilities minus deferred revenue) of at least 1.25.

In 2014, we withdrew $3.3 million and repaid $7.6 million under our line of credit. There were no outstanding amounts under the line of credit at December 31, 2016 and 2015.

In May 2015, we issued a letter of credit for $1.5 million as a security deposit for a new Mountain View facility lease thereby reducing the borrowing capacity under our line of credit to $18.5 million.

In July 2015, we amended our revolving line of credit and extended its maturity date to August 2017.

There were no other outstanding amounts under the line of credit at December 31, 2016 and 2015, we were in compliance with all financial covenants.

9. Preferred Stock

Upon completion of our IPO in June 2014, all shares of our issued and outstanding convertible preferred stock were automatically converted into 49,646,975 shares of common stock.

We amended and restated our certificate of incorporation in June 2014 to authorize the future issuance of up to 10,000,000 shares of convertible preferred stock. No shares of convertible preferred stock were issued and outstanding as of December 31, 2016.

In January 2014, we issued 200,903 shares of Series F for net cash proceeds of $2.0 million.

The following table summarizes information regarding our convertible preferred stock by class immediately prior to the IPO (in thousands, except share and per share data):

	Shares		Per share liquidation preference	Aggregate liquidation preference	Carrying value
	Authorized	Outstanding			
Series A	18,604,666	13,289,037	$ 0.70	$ 9,302	$ 9,222
Series B	16,225,758	11,589,825	0.95	10,977	10,929
Series C	13,281,250	9,486,602	1.79	17,000	16,860
Series D	6,550,505	4,678,927	4.27	20,000	19,945
Series E	6,429,159	4,592,244	9.96	45,716	45,596
Series F	8,414,493	6,010,340	9.96	59,833	59,701
Total	69,505,831	49,646,975		$ 162,828	$ 162,253

10. Common Stock

We were authorized to issue 300,000,000 shares of common stock with a par value of $0.0001 per share as of December 31, 2016 and 2015. Each share of common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends from funds available, when and if declared by the board of directors, subject to the approval and priority rights of holders of all classes of preferred stock outstanding.

As of December 31, 2016 and 2015, we reserved shares of common stock for issuance as follows:

	As of December 31,	
	2016	2015
Options outstanding	9,835,992	11,498,747
Unvested restricted stock units outstanding	10,474,975	7,832,962
Unvested early exercised stock options	2,471	12,428
Shares available for grant under the 2014 Equity Incentive Plan	4,199,415	6,672,236
Shares available for purchase under the Employee Stock Purchase Plan	575,974	1,561,929
Total	25,088,827	27,578,302

11. Share Based Awards

2008 Plan

The 2008 Stock Plan, or 2008 Plan, which expired on June 12, 2014, provided for the grant of incentive and nonstatutory stock options to employees, nonemployee directors and consultants of the Company. Options granted under the 2008 Plan generally become exercisable within three to four years following the date of grant and expire 10 years from the date of grant. When options are subject to our repurchase right, we may buy back any unvested shares at their original exercise price in the event of an employee’s termination prior to full vesting.

Our 2008 Plan was terminated following the date our 2014 Equity Incentive Plan, or the 2014 Plan, became effective. Any outstanding stock awards under our 2008 Plan will continue to be governed by the terms of our 2008 Plan and applicable award agreements.

2014 Equity Incentive Plan

Our board of directors adopted our 2014 Plan on April 17, 2014, and our stockholders subsequently approved the 2014 Plan on May 27, 2014. The 2014 Plan became effective on the date that our registration statement was declared effective by the SEC. The 2014 Plan is the successor to and continuation of our 2008 Plan. Upon the effective date of the 2014 Plan, no further grants can be made under our 2008 Plan.

Our 2014 Plan provides for the grant of incentive stock options, or ISOs, within the meaning of Section 422 of the Internal Revenue Code, or the Code, to our employees and our parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, or NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based stock awards, and other forms of equity compensation to our employees, directors and consultants. Additionally, our 2014 Plan provides for the grant of performance cash awards to our employees, directors and consultants.

The initial number of shares of our common stock available to be issued under our 2014 Plan was 8,142,857, which number of shares will be increased by any shares subject to stock options or other stock awards granted under the 2008 Plan that would have otherwise returned to our 2008 Plan (such as upon the expiration or termination of a stock award prior to vesting), not to exceed 16,312,202.

The number of shares of our common stock reserved for issuance under our 2014 Plan automatically increase on January 1 of each year, beginning on January 1, 2015 and continuing through and including January 1, 2024, by 5% of the total number of shares of our capital stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by our board of directors. On January 1, 2016, we increased the number of shares of common stock reserved for issuance under our 2014 Plan by 4,066,933 shares, which was 5% of the total number of capital stock outstanding at December 31, 2015.

Amended and Restated 2015 Inducement Plan

On December 20, 2015, our board of directors adopted our Amended and Restated 2015 Inducement Plan, or the Inducement Plan, to reserve 1,600,000 shares of our common stock to be used exclusively for grants of awards to individuals that were not previously employees or directors of the Company. The terms and conditions of the Plan are substantially similar to our stockholder-approved 2014 Plan. On January 5, 2016 our board of directors approved the amendment and restatement of the Inducement Plan to increase the share reserve under the Inducement Plan to 1,970,000 shares of our common stock. As of December 31, 2016 there were 1,970,000 options and restricted stock units outstanding under the Inducement Plan.

2014 Employee Stock Purchase Plan

Our board of directors adopted our 2014 Employee Stock Purchase Plan, or ESPP, on April 17, 2014, and our stockholders subsequently approved the ESPP on May 27, 2014. The ESPP became effective immediately upon the execution and delivery of the underwriting agreement related to our IPO. The purpose of the ESPP is to secure the services of new employees, to retain the services of existing employees and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. The ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code. The ESPP permits eligible employees to purchase our common stock through payroll deductions, which may not exceed 15% of the employee's base compensation. Stock may be purchased under the plan at a price equal to 85% of the fair market value of our common stock on either the first day of the offering or the last day of the applicable purchase period, whichever is lower.

As of December 31, 2016 and 2015 , approximately 575,974 and 1,561,929 shares of common stock were available for future issuance under our ESPP, respectively. The number of shares of our common stock reserved for issuance under our ESPP increase automatically each year, beginning on January 1, 2015 and continuing through and including January 1, 2024, by the lesser of (i) 1% of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year; (ii) 2,142,857 shares of common stock; or (iii) such lesser number as determined by our board of directors. Shares subject to purchase rights granted under our ESPP that terminate without

having been exercised in full will not reduce the number of shares available for issuance under our ESPP. On January 1, 2016, we increased the number of shares available for issuance under the ESPP by 813,386 shares, which was 1% of the total number of capital stock outstanding at December 31, 2015.

Restricted Stock and Restricted Stock Units

Restricted stock activity in 2014 and 2015 was as follows:

	Restricted Stock		
	Time - based shares	Time - and - performance based shares	Total shares
Unvested, December 31, 2013	886,718	1,031,902	1,918,620
Granted	16,294	—	16,294
Vested	(491,313)	(586,204)	(1,077,517)
Cancelled/Forfeited	(350,440)	(413,152)	(763,592)
Unvested, December 31, 2014	61,259	32,546	93,805
Granted	—	—	—
Vested	(41,137)	(32,546)	(73,683)
Cancelled/Forfeited	(20,122)	—	(20,122)
Unvested, December 31, 2015	—	—	—

No restricted stock was granted, vested or cancelled/forfeited in 2016.

For stock-based compensation expense, we measured the value of the restricted stock based on the fair value of our common stock on the date of grant. Our restricted stock grants were subject to service only or service and performance-based vesting conditions. We expensed the fair value of restricted stock grants with service only vesting conditions on a straight-line basis over the vesting period of the awards.

For restricted stock subject to service and performance conditions, we evaluated the probability of meeting the vesting conditions at the end of each reporting period to determine how much compensation expense to record. We amortized the fair value, net of estimated forfeitures, as stock-based compensation expense using the graded vesting method over the vesting periods of the awards. To the extent that actual results or updated estimates differed from our original estimates, the cumulative effect on current and prior periods of those changes was recorded in the period those estimates were revised.

In 2014 we began granting restricted stock units under our 2014 Plan. For stock-based compensation expense, we measure the value of the restricted stock units based on the fair value of our common stock on the date of grant. Our restricted stock unit grants are subject to service conditions and we expense the fair value of those shares on a straight-line basis over their vesting periods.

Our restricted stock unit activity for 2014, 2015 and 2016 was as follows:

	Restricted Stock Units	
	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested, December 31, 2013	—	$ —
Granted	480,456	9.45
Vested	—	—
Cancelled/Forfeited	(1,667)	9.18
Unvested, December 31, 2014	478,789	$ 9.45
Granted	9,932,561	6.92
Vested	(924,461)	8.36
Cancelled/Forfeitures	(1,653,927)	8.06
Unvested, December 31, 2015	7,832,962	$ 6.66
Granted	10,724,225	3.36
Vested	(4,889,594)	4.99
Cancelled/Forfeitures	(3,192,618)	5.39
Unvested, December 31, 2016	10,474,975	$ 4.45

Bonus Plans

In 2015, our board of directors approved the 2015 Executive Bonus Plan and 2015 Non-Executive Bonus Plan, or 2015 Bonus Plan, which provided for the issuance of shares of unrestricted common stock to employees based on meeting certain Company metrics.

We issued 1,653,371 shares of unrestricted common stock in the first quarter of 2016 based on amounts earned under the 2015 Non-Executive Bonus Plan. No shares were issued under the 2015 Executive Bonus Plan. Shares issued from the 2015 Non-Executive Bonus Plan reduced the 2014 Plan shares available for issuance.

In May 2016, our compensation committee approved the 2016 Executive Bonus Plan and 2016 Non-Executive Bonus Plan, or 2016 Bonus Plans, each effective as of January 1, 2016.

We recorded stock-based compensation expense related to the 2015 and 2016 Bonus Plans over the service period of eligible employees based on forecasted performance relative to the Company metrics. To the extent that updated estimates of bonus expense differed from original estimates, the cumulative effect on current and prior periods of those changes was recorded in the period those estimates were revised.

In 2015 we recorded $4.7 million of stock-based compensation expense under the 2015 Non-Executive Bonus Plan. In 2016 we recorded $6.6 million of stock-based compensation expense under the 2016 Bonus Plans and $923,000 under the 2015 Non-Executive Bonus Plan.

Stock Options

Stock option activity under the 2008 Plan, 2014 Plan and the Inducement Plan in 2014, 2015 and 2016 was as follows:

	Number of Shares Available for Issuance	Options Outstanding			
		Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (In thousands)
Balance—December 31, 2013	2,085,338	13,330,882	$ 2.90	8.38	$ 38,339
Authorized	9,913,915	—			
Stock options granted	(5,373,131)	5,373,131	6.97		
Restricted stock units granted	(480,456)	—			
Exercised (1)	—	(1,089,708)	2.27		
Stock options canceled	1,178,737	(1,178,737)	4.55		
Restricted stock units canceled	1,667	—			
Repurchased	66,088	—			
Balance—December 31, 2014	7,392,158	16,435,568	$ 4.15	7.83	$ 95,791
Authorized	5,418,242	—			
Stock options granted	(1,089,100)	1,089,100	6.95		
Restricted stock units granted	(9,932,561)	—			
Exercised	9,019	(2,817,915)	2.12		
Stock options canceled	3,208,006	(3,208,006)	5.61		
Restricted stock units canceled	1,653,927	—			
Repurchased	12,545	—			
Balance—December 31, 2015	6,672,236	11,498,747	$ 4.51	6.86	$ 6,256
Authorized	4,436,933	—			
Stock options granted	(1,316,200)	1,316,200	3.36		
Issuance of shares under 2016 Bonus Plans	(1,653,371)	—			
Restricted stock units granted	(9,070,854)	—			
Exercised	—	(1,040,902)	2.37		
Stock options canceled	1,938,053	(1,938,053)	5.46		
Restricted stock units canceled	3,192,618	—			
Balance—December 31, 2016	4,199,415	9,835,992	$ 4.39	6.23	$ 5,734
Vested and exercisable—December 31, 2016		7,023,833	$ 4.08		$ 5,210
Vested and expected to vest(2)—December 31, 2016		9,497,378	$ 4.37		$ 5,657

(1) Includes early exercises of 42,772 in 2014. In 2015 or 2016 no shares of common stock were issued for the exercise of common stock options prior to their vesting dates, or early exercises.

(2) Options expected to vest are net of an estimated forfeiture rate.

Additional information regarding options outstanding at December 31, 2016 is as follows :

	Options Outstanding			Options Exercisable	
Range of exercises	Number of Shares	Weighted-Average Remaining Contractual Term (Years)	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
$0.04 — $2.90	2,000,481	4.08	$ 1.19	2,000,481	$ 1.19
$3.08 — $3.70	2,883,203	7.14	3.54	1,618,203	3.70
$3.77 — $5.77	2,868,971	5.96	4.98	2,106,222	4.88
$6.20 — $10.80	2,027,512	7.26	7.73	1,266,344	7.58
$12.05 — $12.05	55,825	7.67	12.05	32,583	12.05
Outstanding at December 31, 2016	9,835,992	6.23	$ 4.39	7,023,833	$ 4.08

The aggregate pretax intrinsic value of vested options exercised in 2016, 2015 and 2014 was $1.4 million, $11.8 million and $5.4 million, respectively. The intrinsic value is the difference between the estimated fair value of the Company’s common stock at the date of exercise and the exercise price for in-the-money options. The weighted-average grant-date fair value of options granted in 2016, 2015 and 2014 was $1.42, $3.04 and $4.09 per share, respectively.

Our stock-based compensation expense was recorded in the following cost and expense categories (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Contra-revenue	$ —	$ —	$ 123
Cost of revenue	3,043	2,774	1,353
Research and development	11,728	10,607	5,980
Sales and marketing	10,474	9,508	5,930
General and administrative	9,144	5,902	3,363
Total	$ 34,389	$ 28,791	16,749

Determining Fair Value of Stock Options

The fair value of each grant of stock options was determined by us using the methods and assumptions discussed below. Each of these inputs is subjective and generally requires significant judgment to determine.

Expected Term— The expected term of stock options represents the weighted-average period the stock options are expected to be outstanding. For option grants that are considered to be “plain vanilla”, we have opted to use the simplified method for estimating the expected term as provided by the Securities and Exchange Commission. The simplified method calculates the expected term as the average of time-to-vesting and the contractual life of the options.

Expected Volatility— The expected stock price volatility assumption was determined by examining the historical volatilities of a group of industry peers, as we do not have a significant trading history for our common stock. We will continue to analyze our historical stock price volatility and expected term assumptions as more historical data for our common stock becomes available.

Risk-Free Interest Rate— The risk free rate assumption was based on the U.S. Treasury instruments with terms that were consistent with the expected term of our stock options.

Expected Dividend— The expected dividend assumption was based on our history and expectation of dividend payouts.

Forfeiture Rate— Forfeitures were estimated based on historical experience.

Fair Value of Common Stock— Prior to the IPO, the fair value of the shares of common stock underlying the stock options was historically been the responsibility of and determined by our board of directors. Because there was no public market for our common stock, the board of directors determined fair value of common stock at the time of grant of the option by considering a number of objective and subjective factors including independent third-party valuations of our common stock, sales of convertible preferred stock to unrelated third parties, operating and financial performance, the lack of liquidity of capital stock and general and industry specific economic outlook, amongst other factors. Following the closing of the IPO offering, the fair value of our common stock is determined based on the closing price of our common stock on the NASDAQ Global Select Market.

We used the Black-Scholes Model to estimate the fair value of our stock options granted to employees with the following weighted-average assumptions:

	Year ended December 31,		
	2016	2015	2014
Expected dividend yield	—	—	—
Risk-free interest rate	1.4% - 1.5%	1.6% - 1.8%	1.7% - 2.1%
Expected volatility	42%	43% - 45%	48% - 56%
Expected life (in years)	6.1	5.5 - 6.1	5.6 - 6.5

We used the Black-Scholes model to estimate the fair value of our Employee Stock Purchase Plan awards with the following assumptions:

	Year ended December 31,		
	2016	2015	2014
Expected dividend yield	—	—	—
Risk-free interest rate	0.5% - 0.7%	0.1% - 0.7%	0.1% - 0.5%
Expected volatility	34% - 41%	34% - 35%	47% - 49%
Expected life (in years)	0.5 - 2.0	0.5 - 2.0	0.7 - 2.2

As required by Topic 718 Compensation—Stock Compensation, we estimate expected forfeitures and recognize compensation costs only for those equity awards expected to vest. Our stock options granted are typically granted with vesting terms of 48 months.

The following table summarizes our unrecognized stock-based compensation expense as of December 31, 2016 net of estimated forfeitures:

	Unrecognized Stock-based Compensation Expense	Remaining Weighted-Average Recognition Period
	(in millions)	(in years)
Stock options	$ 4.6	2.2
Restricted stock units	35.3	2.9
ESPP	1.3	0.6
Total	$ 41.2	

Early Exercise of Common Stock

In 2014 we issued 42,772 shares of common stock for the exercise of common stock options prior to their vesting dates, or early exercises. In 2015 or 2016 no shares of common stock were issued for the exercise of common stock options prior to their vesting dates, or early exercises. Cash received from all such early exercises of stock options is recorded in accrued expenses on the consolidated balance sheets and reclassified to stockholders' equity as the options vest. The unvested shares are subject to our repurchase right at the original purchase price.

As of December 31, 2016 and 2015 there were 2,471 and 12,428 shares, respectively, legally outstanding, but not included within common stock outstanding for accounting purposes as a result of the exercise of common stock options which were not yet vested.

As of December 31, 2015, the aggregate price of shares subject to repurchase recorded in accrued expenses totaled $48,000. The aggregate price of shares subject to repurchase in accrued expenses as of December 31, 2016 was insignificant.

12. Employee Benefit Plan

We maintain a defined contribution 401(k) plan. The plan covers all full-time U.S. employees over the age of 21. Each employee can contribute up to $18,000 annually (with a $6,000 catch up contribution limit for employees aged 50 or older). We have the option to provide matching contributions, but have not done so to date.

13. Commitments and Contingencies

Operating Leases

We lease our office facilities under noncancelable agreements expiring between 2017 and 2023. Rent expense in 2016, 2015 and 2014 was $6.7 million, $4.7 million and $2.6 million. respectively. The aggregate future minimum lease payments under the agreements are as follows (in thousands):

Year	
2017	$ 5,778
2018	4,952
2019	4,810
2020	4,053
2021	3,332
Thereafter	3,879
Total	$ 26,804

Litigation

On May 1, 2015, a purported stockholder class action lawsuit was filed in the United States District Court for the Northern District of California against the Company and certain of its officers, captioned Panjwani v. MobileIron, Inc., et al. The action was purportedly brought on behalf of a putative class of all persons who purchased or otherwise acquired the Company's securities between February 13, 2015 and April 22, 2015. It asserted claims for violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The complaint sought, among other things, compensatory damages and attorney's fees and costs on behalf of the putative class. An amended complaint was filed on September 28, 2015. On February 22, 2016, the District Court issued an order granting MobileIron's motion to dismiss the amended complaint and on March 15, 2016 the Court dismissed the case. MobileIron paid no money to the plaintiffs or their attorneys in connection with the dismissal of the action

On August 5, 2015, August 21, 2015 and August 24, 2015, purported stockholder class action lawsuits were filed in the Superior Court of California, Santa Clara County against the Company, certain of its officers, directors, underwriters and investors, captioned Schneider v. MobileIron, Inc., et al., Kerley v. MobileIron, Inc., et al. and Steinberg v. MobileIron, Inc., et al, which were subsequently consolidated under the case caption In re MobileIron Shareholder Litigation. The actions are purportedly brought on behalf of a putative class of all persons who purchased the Company's securities issued pursuant or traceable to the Company's registration statement and the June 12, 2014 initial public offering. The lawsuits assert claims for violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933. The complaint seeks among other things, compensatory damages and attorney's fees and costs on behalf of the putative class. On April 12, 2016, Plaintiffs filed a corrected consolidated complaint, which no longer names the underwriters or investors as defendants. On August 8, 2016 the Company filed a demurrer to the corrected consolidated complaint. The court overruled the demurrer on October 4, 2016. The Company intends to defend this litigation vigorously.

We continually evaluate uncertainties associated with litigation and record a charge equal to at least the minimum estimated liability for a loss contingency when both of the following conditions are met: (i) information available prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and (ii) the loss or range of loss can be reasonably estimated. If we determine that a loss is possible and a range of the loss can be reasonably estimated, we disclose the range of the possible loss in the Notes to the Consolidated Financial Statements. We evaluate, on a quarterly basis, developments in our legal matters that could affect the amount of liability that has been previously accrued, if any, and the matters and related ranges of possible losses disclosed, and make adjustments and changes to our disclosures as appropriate. Significant judgment is required to determine both likelihood of there being and the estimated amount of a loss related to such matters. Until the final resolution of such matters, there may be an exposure to loss, and such amounts could be material. An estimate of a reasonably possible loss (or a range of loss) cannot be made in our lawsuits at this time.

Indemnification

Under the indemnification provisions of our standard sales related contracts, we agree to defend and/or settle claims brought by third parties against our customers alleging that the customer's use of our software infringes the third party's intellectual property right, such as a patent right. These indemnification obligations are typically not subject to limitation; however if it is commercially impractical for us to either procure the right for the customer to continue to use our software or modify our software so that it's not infringing, we typically can terminate the customer agreement and refund the customer a portion of the license fees paid, prorated over the three year period from initial delivery. We also on occasion indemnify our customers for other types of third party claims. In addition, we indemnify our officers, directors, and certain key employees while they are serving in such capacities in good faith. Through December 31, 2016, we have not received any material written claim for indemnification.

14. Segment Information

We conduct business globally. Our chief operating decision maker (Chief Executive Officer) reviews financial information presented on a consolidated basis accompanied by information about revenue by geographic region for purposes of allocating resources and evaluating financial performance. We have one business activity, and there are no segment managers who are held accountable for operations, operating results and plans for levels, components or types of products or services below the consolidated unit level. Accordingly, we are considered to be in a single reportable segment and operating unit structure.

Revenue by geographic region based on the billing address was as follows:

	Year ended December 31,		
(in thousands)	2016	2015	2014
Revenue			
United States	$ 77,039	$ 74,235	$ 72,124
International	86,887	75,063	60,171
Total	$ 163,926	$ 149,298	$ 132,295

We recognized revenue of $21.3 million, or 13% of total revenue, from customers with a billing address in Germany in 2016. No other country, outside of the United States, exceeded 10% of the total revenue in 2016. No country, outside of the United States, exceeded 10% of the total revenue in the year ended December 31, 2015 or 2014.

As of December 31, 2016 and 2015, $1.3 million and $1.4 million or 24% and 22%, respectively, of our net Property and Equipment was attributable to our operations located in India. Substantially all other long-lived assets were attributable to operations in the United States.

15. Net Loss per Share

The following table sets forth the computation of basic and diluted net loss per share for 2016, 2015 and 2014 (in thousands, except per share data):

	Year ended December 31,		
	2016	2015	2014
Numerator:			
Net loss	$ (67,180)	$ (84,482)	$ (61,889)
Denominator:			
Weighted–average shares outstanding	85,853	78,867	48,332
Less: weighted average shares subject to repurchase	(8)	(112)	(815)
Weighted–average shares used to compute basic and diluted net loss per share	85,845	78,755	47,517
Basic and diluted net loss per share	$ (0.78)	$ (1.07)	$ (1.30)

Basic net loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding for the period. Because we have reported a net loss for 2016, 2015 and 2014, the number of shares used to calculate diluted net loss per common share is the same as the number of shares used to calculate basic net loss per common share for those periods presented because the potentially dilutive shares would have been anti-dilutive if included in the calculation.

The following potentially dilutive securities outstanding have been excluded from the computation of diluted weighted-average shares outstanding because such securities have an antidilutive impact due to losses reported (in common stock equivalent shares):

	December 31,		
	2016	2015	2014
Options to purchase common stock and unvested restricted stock and restricted stock units	20,313,438	19,344,137	17,125,349

16. Income Taxes

Loss before income taxes consisted of the following (in thousands):

	Year ended December 31,		
	2016	2015	2014
United States	$ (67,402)	$ (84,595)	$ (61,733)
International	1,204	965	361
Total	$ (66,198)	$ (83,630)	$ (61,372)

A significant portion of our international income is earned by foreign branches of our United States parent corporation and thus is already subject to United States taxation. The income of our foreign branches has been included as part of the United States jurisdiction in the table above.

Income tax expense for 2016, 2015 and 2014, was composed of the following (in thousands):

	Year ended December 31,		
	2016	2015	2014
Current:			
Federal	$ —	$ —	$ —
State	22	26	25
Foreign	960	826	492
Total current income tax expense	$ 982	$ 852	$ 517

For 2016, 2015 and 2014, our effective tax rate differs from the amount computed by applying the statutory federal and state income tax rates to net loss before income tax, primarily as the result of changes in valuation allowance.

	Year ended December 31,		
	2016	2015	2014
Federal tax benefit at statutory rate	34.0 %	34.0 %	34.0 %
State tax benefit net of federal effect	4.4	2.2	2.8
Foreign taxes	(0.4)	(0.4)	(0.3)
Change in valuation allowance	(33.0)	(33.9)	(35.0)
Credits	1.8	1.5	1.9
Stock-based compensation	(8.0)	(4.1)	(3.5)
Non-deductible expenses and other	(0.3)	(0.4)	(0.7)
Effective tax rate	(1.5)%	(1.1)%	(0.8) %

Income tax expense for 2016, 2015 and 2014 relates to state minimum income tax, income tax on our earnings in foreign jurisdictions, and, in 2016 and 2015, withholding taxes on sales to customers in certain jurisdictions. A significant portion of our international income is earned by foreign branches of our United States parent corporation and thus is already subject to United States taxation. The income of our foreign branches has been included as part of the United States jurisdiction in the table above.

The components of net deferred tax assets at December 31, 2016 and 2015 consisted of the following (in thousands):

	As of December 31,	
	2016	2015
Deferred tax assets:		
Accruals and allowances	$ 8,862	$ 6,489
Gains on foreign exchange	81	127
Net operating loss carryforwards	81,623	64,674
Depreciation and amortization	6,489	7,413
R&D tax credits	10,461	7,969
Stock-based compensation	10,272	9,278
Valuation allowance	(117,788)	(95,950)
Net deferred tax assets	$ —	$ —

Our accounting for deferred taxes involves the evaluation of a number of factors concerning the realizability of our net deferred tax assets. We primarily considered such factors as our history of operating losses, the nature of our deferred tax assets and the timing, likelihood and amount, if any, of future taxable income during the periods in which those temporary differences and carryforwards become deductible. At present, we do not believe that it is more likely than not that the deferred tax assets will be realized; accordingly, a full valuation allowance has been established and no deferred tax asset is shown in the accompanying consolidated balance sheets.

As of December 31, 2016, we had net operating loss carryforwards of approximately $241.3 million and $101.7 million available to reduce future taxable income, if any, for both federal and state income tax purposes, respectively. The federal and state net operating loss carryforwards will expire at various dates beginning 2027 and 2017, respectively.

We had federal and California R&D tax credit carryforwards at December 31, 2016 of $8.4 million and $9.5 million, respectively. If not utilized, the federal R&D tax credit carryforward will expire in various portions beginning 2027. The California R&D tax credit can be carried forward indefinitely.

A limitation may apply to the use of the net operation loss and credit carryforwards, under provisions of the Internal Revenue Code that are applicable if we experience an “ownership change”. That may occur, for example, as a result of trading in our stock by significant investors as well as issuance of new equity. Should these limitations apply, the carryforwards would be subject to an annual limitation, resulting in a substantial reduction in the gross deferred tax

assets before considering the valuation allowance. Further, a portion of the carryforwards may expire before being applied to reduce future earnings.

As a result of certain realization requirements of ASC 718, the table of deferred tax assets and liabilities shown above does not include certain deferred tax assets as of December 31, 2016 and 2015 that arose directly from tax deductions related to equity compensation in excess of compensation recognized for financial reporting. Equity will be increased by $5.4 million if and when such deferred tax assets are ultimately realized. We use ASC 740 ordering when determining when excess tax benefits have been realized.

We follow the provisions of ASC 740-10, Accounting for Uncertainty in Income Taxes. ASC 740-10 prescribes a comprehensive model for the recognition, measurement, presentation and disclosure in financial statements of uncertain tax positions that have been taken or expected to be taken on a tax return. No non-current liability related to uncertain tax positions is recorded in the financial statements as the deferred tax assets have been presented net of these unrecognized tax benefits. At December 31, 2016 and 2015, our reserve for unrecognized tax benefits was approximately $5.3 million and $4.1 million, respectively. Due to the full valuation allowance at December 31, 2016, current adjustments to the unrecognized tax benefit will have no impact on our effective income tax rate; any adjustments made after the valuation allowance is released will have an impact on the tax rate. We do not anticipate any significant change in our uncertain tax positions within 12 months of this reporting date. We include penalties and interest expense related to income taxes as a component of other expense and interest expense, respectively, as necessary.

A reconciliation of the gross unrealized tax benefits is as follows (in thousands):

	Year ended December 31,		
	2016	**2015**	**2014**
Unrecognized tax benefits, beginning of year	$ 4,052	$ 2,794	$ 1,674
Gross increases—tax positions from prior periods	43	—	10
Gross increases—tax positions from current period	1,211	1,258	1,110
Unrecognized tax benefits, end of year	$ 5,306	$ 4,052	$ 2,794

We are subject to taxation in the United States and various states and foreign jurisdictions. As of December 31, 2016, the statute of limitations is open for all tax years from inception, that is, for the period from July 23, 2007 (date of inception) to December 31, 2016 and forward for federal, state and foreign tax purposes.

Item 9 . Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9 A. Controls and Procedures

Limitations on Effectiveness of Controls

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of December 31, 2016. The term "disclosure controls and procedures," as defined in Rule 13a-15 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and

reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide a reasonable assurance that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2016, our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act were (i) recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and (ii) accumulated and reported to our management, including our Chief Executive Officer and Chief Financial Officer to allow timely decisions regarding required disclosure.

Management's Report on Internal Controls

Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal controls over financial reporting are designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements in accordance with the GAAP, including those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the Company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our internal control over financial reporting as of December 31, 2016 based on the criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO framework).

Based on our assessment, we concluded that our internal control over financial reporting was effective as of December 31, 2016.

This Annual Report on Form 10-K does not include an audit or attestation report from our registered public accounting firm regarding our internal control over financial reporting. Our management's report was not subject to audit or attestation by our registered public accounting firm pursuant to rules of the SEC that permits us to provide only management's report in this annual report for so long as we remain an "emerging growth company" under the Jumpstart Our Business Startups Act.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9 B. Other Information

On February 10, 2017, the Board of Directors approved an option grant for Barry Mainz, our Chief Executive Officer. The option was comprised of 100,000 shares at $4.90 per share, which 1/48th of the shares subject to the option

vest and become exercisable monthly over 4 years measured from the one month period of February 10, 2017, subject to Mr. Mainz continued service with the Company.

The option for Mr. Mainz was approved pursuant to and in accordance with the terms and conditions of the Company's 2014 Equity Incentive Plan and the current form of option agreement, as previously filed with the Securities and Exchange Commission.

PART II I

Certain information required by Part III is omitted from this Annual Report on Form 10-K since we intend to file our definitive proxy statement for our 2017 annual meeting of stockholders, or the Definitive Proxy Statement, pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, not later than 120 days after December 31, 2016, and certain information to be included in the Definitive Proxy Statement is incorporated herein by reference

Item 10 . Directors, Executive Officers and Corporate Governance

Executive Officers and Directors

Information responsive to this Item with respect to executive officers and directors is incorporated herein by reference to the information from our 2017 Proxy Statement under the sections titled "Executive Officers," "Election of Directors," "Section 16(a) Beneficial Ownership Reporting Compliance" and "Information Regarding the Board of Directors and Corporate Governance."

Code of Conduct

As part of our system of corporate governance, our board of directors has adopted a code of business conduct and ethics. The code applies to all of our employees, officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions), agents and representatives, including our independent directors and consultants, who are not employees of ours, with regard to their MobileIron-related activities. Our code of business conduct and ethics is available on our website at www.mobileiron.com . We will post on our website any amendment to our code of business conduct and ethics, as well as any waivers of our code of business conduct and ethics, that are required to be disclosed by the rules of the SEC or the NASDAQ Stock Market.

Item 11 . Executive Compensation

Information responsive to this Item with respect to executive compensation is incorporated herein by reference to the information from our 2017 Proxy Statement under the section titled "Executive Compensation," "Director Compensation," "Summary Compensation Table," "Outstanding Equity Awards at Fiscal Year-End," and "Compensation Committee."

Item 12 . Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information responsive to this Item with respect to security ownership of certain beneficial owners and management is incorporated herein by reference to the information from our 2017 Proxy Statement under the section titled "Security Ownership of Certain Beneficial Owners and Management" and "Potential Payments and Acceleration of Equity upon Termination or Termination in Connection with a Change in Control." Information regarding our stockholder approved and non-approved equity compensation plans are incorporated by reference to the section entitled "Equity Compensation Plan Information

Item 13 . Certain Relationships and Related Transactions, and Director Independence

Information responsive to this item with respect to certain relationships and related transactions, and director independence is incorporated herein by reference to the information from our 2017 Proxy Statement under the section titled "Transactions with Related Persons" and "Independence of the Board of Directors."

Item 14. Principal Accountant Fees and Services

Information responsive to this item with respect to principal accountant fees and services is incorporated herein by reference to the information from our 2017 Proxy Statement under the section titled "Principal Accountant Fees and Services."

PART I V

Item 15 . Exhibits and Financial Statement Schedules

Documents filed as part of this report are as follows:

1. Consolidated Financial Statements:

   Our Consolidated Financial Statements are listed in the "Index to Consolidated Financial Statements" Under Part II, Item 8 of this report.

2. Financial Statement Schedules:

   Financial statement schedules have been omitted because they are not applicable or the required information is shown in the Consolidated Financial Statements or Notes to Consolidated Financial Statements included in Part II, Item 8 "Financial Statements and Supplementary Data" of this report.

3. Exhibits:

   The documents listed in the Exhibit Index of this report are incorporated by reference or are filed with this report, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

SIGNATURE S

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MOBILEIRON, INC.

By: /s/ Barry Mainz
Barry Mainz
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Simon Biddiscombe
Simon Biddiscombe
Chief Financial Officer
(Principal Financial Officer and Accounting Officer)

Dated: February 14, 2017

The undersigned directors and officers of MobileIron, Inc. (the “Company”), a Delaware corporation, hereby constitute and appoint Barry Mainz and Simon Biddiscombe, and each of them with full power to act without the other, the undersigned’s true and lawful attorney-in-fact, with full power of substitution and re-substitution, for the undersigned and in the undersigned’s name, place and stead in the undersigned’s capacity as an officer and/or director of the Company, to execute in the name and on behalf of the undersigned this Report and to file such Report, with exhibits thereto and other documents in connection therewith and any and all amendments thereto, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing necessary or desirable to be done and to take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required of, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact’s discretion.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below (and the above Powers of Attorney granted) by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Barry Mainz Barry Mainz	Chairman, President and Chief Executive Officer (Principal Executive Officer)	February 14, 2017
/s/ Simon Biddiscombe Simon Biddiscombe	Chief Financial Officer (Principal Financial Officer and Accounting Officer)	February 14, 2017
/s/ Kenneth Klein Kenneth Klein	Director	February 14, 2017
/s/ Aaref Hilaly Aaref Hilaly	Director	February 14, 2017
/s/ Matthew Howard Matthew Howard	Director	February 14, 2017
/s/ Frank Marshall Frank Marshall	Director	February 14, 2017
/s/ Tae Hea Nahm Tae Hea Nahm	Director	February 14, 2017
/s/ James Tolonen James Tolonen	Director	February 14, 2017
/s/ Robert Tinker Robert Tinker	Director	February 14, 2017

EXHIBIT INDEX

Exhibit Number	Description	Incorporated by Reference Exhibit Number	Filing	Filing Date	File No.	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation of MobileIron, Inc.	3.1	8-K	June 17, 2014	001-36471	
3.2	Amended and Restated Bylaws of MobileIron, Inc.	3.4	S-1/A	May 29, 2014	333-195089	
4.1	Reference is made to Exhibits 3.1 and 3.2 above					
4.2	Amended and Restated Investors' Rights Agreement, dated August 29, 2013	4.2	S-1	April 7, 2014	333-195089	
10.1 (1)	Amended and Restated MobileIron, Inc. 2014 Equity Incentive Plan	10.2	10-Q	July 29, 2016	001-36471	
10.2 (1)	Form of Option Agreement and Option Grant Notice for MobileIron, Inc. 2008 Stock Plan	10.4	S-1/A	May 29, 2014	333-195089	
10.3 (1)	Current Form of Option Agreement, Option Grant Notice, Notice of Option Exercise, Restricted Stock Unit Grant Notice and Restricted Stock Unit Award Agreement for MobileIron, Inc. 2014 Equity Incentive Plan.	10.1	10-Q	October 31, 2014	001-36471	
10.4 (1)	MobileIron, Inc. 2014 Employee Stock Purchase Plan	10.5	S-1/A	June 9, 2014	333-195089	
10.5 (1)	Amended and Restated MobileIron, Inc. 2015 Inducement Plan	10.2	10-Q	July 29, 2016	001-36471	
10.6 (1)	Form of Stock Option Grant Notice and Option Agreement under the MobileIron, Inc. 2015 Inducement Plan	10.2	8-K	January 6, 2016	001-36471	
10.7 (1)	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Award Agreement under the MobileIron, Inc. 2015 Inducement Plan	10.3	8-K	January 6, 2016	001-36471	
10.8†	Resale Agreement between MobileIron, Inc. and AT&T Services, Inc., dated April 22, 2010, as amended and supplemented	10.17	S-1/A	May 7, 2014	333-195089	

10.9	Amendment to Resale Agreement between MobileIron, Inc. and AT&T Services, Inc., dated April 4, 2016	10.6	10-Q	July 29, 2016	001-36471	
10.10	Lease Agreement, dated April 14, 2011 between MobileIron, Inc. and Renault & Handley Employees Investment Company	10.7	S-1	April 7, 2014	333-195089	
10.11	First Amendment to Lease Agreement, dated April 18, 2014 between the Registrant and Renault & Handley Middlefield Road Joint Venture, as successor to Renault & Handley Employees Investment Company	10.8	S-1/A	April 23, 2014	333-195089	
10.12	Lease Agreement, dated June 25, 2014, between MobileIron Inc. and Handley-Tittle Middlefield Joint Venture	10.8	10-Q	August 7, 2014	001-36471	
10.13	Lease between MobileIron, Inc., and WTA Middlefield LLC, dated May 14, 2015	10.1	8-K	May 20, 2015	001-36471	
10.14	Second Amendment to Lease, dated November 9, 2015, by and among the Company and Renault & Handley Middlefield Road Joint Venture	10.1	8-K	November 12, 2015	001-36471	
10.15 (1)	Form of Indemnity Agreement entered into between MobileIron, Inc. and each of its directors and its executive officers	10.6	S-1	April 7, 2014	333-195089	
10.16 (1)	Executive Employment Agreement effective January 6, 2016, between MobileIron, Inc. and Barry Mainz	10.4	8-K	January 6, 2016	001-36471	
10.17 (1)	At-Will Employment Agreement between MobileIron, Inc., and Simon Biddiscombe, dated April 30, 2015	10.1	8-K	May 12, 2015	001-36471	

10.18 (1)	Amended and Restated Severance Benefit Plan Participation Notice between MobileIron, Inc. and Simon Biddiscombe, dated August 28, 2015					X
10.19 (1)	Amendment to Employment Offer Letter and Severance Benefit Plan Participation Notice between MobileIron, Inc. and Simon Biddiscombe, dated October 25, 2016	10.1	10-Q	October 28, 2016	001-36471	
10.20 (1)	At-Will Employment Agreement between MobileIron, Inc. and Daniel Fields, dated December 29, 2015	10.31	10-K	February 23, 2016	001-36471	
10.21 (1)	Severance Benefit Plan Participation Notice between MobileIron, Inc. and Daniel Fields, dated December 29, 2015					X
10.22 (1)	At-Will Employment Agreement between MobileIron, Inc. and Laurel Finch, dated February 20, 2013					X
10.23 (1)	Employment offer letter between MobileIron, Inc. and Robert B. Tinker, dated December 20, 2007	10.10	S-1	April 7, 2014	333-195089	
10.24 (1)	Amendment to Employment Offer Letter between MobileIron, Inc. and Robert B. Tinker, dated March 12, 2008	10.11	S-1	April 7, 2014	333-195089	
10.25 (1)	Second Amendment to Employment Offer Letter between MobileIron, Inc. and Robert B. Tinker, dated March 12, 2008	10.12	S-1	April 7, 2014	333-195089	
10.26 (1)	Third Amendment to Employment Offer Letter between MobileIron, Inc. and Robert B. Tinker, dated March 12, 2008	10.13	S-1	April 7, 2014	333-195089	
10.27 (1)	Separation Agreement between MobileIron, Inc. and Robert B. Tinker, dated October 7, 2016					X

10.28 (1)	At-Will Employment Agreement between MobileIron, Inc. and Suresh Batchu, dated September 6, 2007					X
10.29 (1)	At-Will Employment Agreement between MobileIron, Inc. and Greig Patton, dated June 1, 2016	10.1	10-Q	July 29, 2016	001-36471	
10.30 (1)	At-Will Employment Agreement between MobileIron, Inc., and Damian Artt, dated September 14, 2015	10.4	10-Q	November 2, 2015	001-36471	
10.31 (1)	MobileIron, Inc. Severance Benefit Plan and Participation Notice	10.4	10-Q	May 4, 2015	001-36471	
10.32 (1)	MobileIron, Inc. 2016 Non- Executive Bonus Plan, as amended	10.4	10-Q	July 29, 2016	001-36471	
10.33 (1)	MobileIron, Inc. 2016 Executive Bonus Plan, as amended	10.5	10-Q	July 29, 2016	001-36471	
10.34 (1)	MobileIron, Inc. Amended and Restated Non-Employee Director Compensation Policy	10.3	10-Q	July 29, 2016	001-36471	
21.1	Subsidiaries of Registrant					X
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm					X
24.1	Power of Attorney (contained in signature page hereto)					X
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1 (2)	Certification of Chief Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X

99.1*	Amendments to Resale Agreement between MobileIron, Inc. and AT&T Services, Inc., various dates	99.1	8-K	February 6, 2016	001-36471	

EX—101.INS XBRL Instance Document

EX—101.SCH XBRL Taxonomy Extension Schema

EX—101.CAL XBRL Taxonomy Extension Calculation Linkbase

EX—101.DEF XBRL Taxonomy Extension Definition Linkbase

EX—101.LAB XBRL Taxonomy Extension Label Linkbase

EX—101.PRE XBRL Taxonomy Extension Presentation Linkbase

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† Certain portions of this exhibit are subject to a confidential treatment order. Omitted portions have been filed separately with the Securities and Exchange Commission.

* Confidential treatment requested as to certain portions of this exhibit, which portions are omitted and filed separately with the Securities and Exchange Commission.

(1) Management contract or compensation plan or arrangement.

(2) The certifications attached as Exhibit 32.1 accompany this Annual Report on Form 10-K pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed “filed” by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 10.18

MOBILEIRON, INC. SEVERANCE BENEFIT PLAN

AMENDED AND RESTATED PARTICIPATION NOTICE

To: Simon Biddiscombe

Date: August 28, 2015

This Amended and Restated Participation Notice under the MobileIron, Inc. Severance Benefit Plan (the " ***Amended Participation Notice*** ") serves to supersede and replace in its entirety that Participation Notice executed by you on or about May 10, 2015, pursuant to which you were initially designated as eligible to be_ a Participant in the MobileIron, Inc. Severance Benefit Plan. A copy of the Plan document is attached to this Amended Participation Notice. The terms and conditions of your participation in the Plan are as set forth in the Plan document and this Amended Participation Notice, which together constitute the Summary Plan Description for the Plan.

The table below designates the benefits you are eligible to receive pursuant to the Plan.

	Salary Continuation	Maximum Duration of COBRA Payment Period	Percentage of Outstanding Equity Awards That Will Accelerate
Qualifying Termination that is NOT a Change in Control Termination	12 months of your Monthly Base Salary	12 months	0%
Qualifying Termination that is a Change in Control Termination	12 months of your Monthly Base Salary	12months	100%

In the event that a Qualifying Termination that is not a Change in Control Termination occurs within the first eight (8) months following May 11, 2015, the Company will enter into a consulting agreement with you with a term that expires on February 28, 2016, during which term your outstanding equity awards will continue to vest in accordance with the provisions set forth in your equity award agreements, subject to your continued provision of consulting services. The continued vesting of your equity awards will be the sole consideration for the consulting agreement. If a Change in Control occurs on or before February 28, 2016 and your consultancy is terminated other than for Cause in connection with such Change in Control, you will receive acceleration of vesting for your outstanding equity awards that would have vested had your consultancy continued through February 28, 2016.

In addition to other terms defined in the Plan document, the definitions on Attachment A to this Amended Participation Notice are used to define the benefits to which you are entitled under the Plan.

By accepting participation in the Plan, you represent that you have either consulted your personal tax or financial planning advisor about the tax consequences of your participation in the Plan, or you have knowingly declined to do so. Please return to the Company a copy of this Amended Participation Notice signed by you and retain a copy of this Amended Participation Notice, along with the Plan.

/s/ Simon Biddiscombe
Name: Simon Biddiscombe
Title: Chief Financial Officer
Date:8/28/15

Exhibit 10.21

MOBILEIRON, INC. SEVERANCE BENEFIT PLAN PARTICIPATION NOTICE

To: Daniel Fields

You have been designated as eligible to be a Participant in the MobileIron, Inc. Severance Benefit Plan. A copy of the Plan document is attached to this Participation Notice. The terms and conditions of your participation in the Plan are as set forth in the Plan document and this Participation Notice, which together constitute the Summary Plan Description for the Plan.

The table below designates the benefits you are eligible to receive pursuant to the Plan.

	Salary Continuation	**Maximum Duration of COBRA Payment Period**	**Percentage of Outstanding Equity Awards That Will Accelerate**
Qualifying Termination that is *NOT* a Change in Control Termination	6 months of your Monthly Base Salary	6 months	0%
Qualifying Termination that is a Change in Control Termination	12 months of your Monthly Base Salary	12 months	100%

The definition of " *Constructive Termination* " for the purpose of this Participation Notice is hereby defined as follows:

" ***Constructive Termination*** " means the Participant resigns (resulting in a Separation from Service) because one of the following events or actions is undertaken without the Participant's written consent:

(i) a reduction of more than 20% or more in the Participant's annual base salary (unless pursuant to a salary reduction program applicable to all similarly situated employees);

(ii) a non-temporary relocation of the Participant's business office to a location that increases the Participant's one-way commute by more than 50 miles from the primary location at which the Participant performed duties at the time of Constructive Termination;

(iii) a material breach by the Company or any successor entity of the Plan or any employment agreement between the Company and the Participant; or

(iv) a material reduction of Participant's duties, authority or responsibilities relative to Participant's duties, authority or responsibilities as in effect immediately prior to such reduction, provided that such a "reduction" will not be deemed to occur if Participant's duties, authority and responsibilities with respect to the successor subsidiary or division of the parent entity following a Change in Control are substantially similar to Participant's duties, authority and responsibilities with respect to the business of the Company immediately prior to the Change in Control.

An event or action will not give the Participant grounds for Constructive Termination unless (A) the Participant gives the Company written notice within 30 days after the initial existence of the event or action that the Participant intends to resign in a Constructive Termination due to such event or action; (B) the event or action is not reasonably cured by the Company within 30 days after the Company receives written notice from the Participant; and (C) the Participant's Separation from Service occurs within 90 days after the end of the cure period.

In addition to other terms defined in the Plan document, the definitions on Attachment A to this Participation Notice are used to define the benefits to which you are entitled under the Plan.

By accepting participation in the Plan, you represent that you have either consulted your personal tax or financial planning advisor about the tax consequences of your participation in the Plan, or you have knowingly declined to do so.

Please return to the Company a copy of this Participation Notice signed by you and retain a copy of this Participation Notice, along with the Plan document, for your records.

/s/ Daniel Fields
(Signature)

Daniel Fields
(Print Name)

12/29/2015
(Date)

Attachment A

" ***Monthly Base Salary*** " means the Participant's monthly base salary in effect immediately prior to date of the Qualifying Termination, ignoring any reduction that forms the basis for Constructive Termination.

" ***Qualifying Termination*** " means a Change in Control Termination or any other Involuntary Termination Without Cause.

" ***Change in Control Termination*** " means (i) an Involuntary Termination Without Cause, or (ii) a Constructive Termination, in either case that occurs within the period starting three months prior to a Change in Control and ending on the first anniversary of the Change in Control.

" ***Involuntary Termination Without Cause*** " means a Participant's involuntary termination of employment by the Company, resulting in a Separation from Service, for a reason other than death, disability, or Cause.

" ***Cause*** " means any of the following events: (i) Participant's willful failure substantially to perform his or her duties and responsibilities to the Company; (ii) willful breach of any obligation under any written agreement with the Company that is not cured within 30 days of written notice to the Participant; (iii) Participant's deliberate violation of a Company policy, or commission of any felony or any act of fraud, embezzlement, dishonesty or any other willful misconduct, that has caused or is reasonably expected to result in material injury to the Company; or (iv) material unauthorized use, disclosure or misappropriation by Participant of any proprietary information, trade secret or other asset of the Company or entrusted to the Company by a third party.

Exhibit 10.22

February 20, 2013

Laurel Finch

Dear Laurel:

On behalf of Mobile Iron, Inc. (the "Company"), I am pleased to offer you the position of Vice President, General Counsel. Speaking for myself, as well as the other members of the Company's management team, we are all very impressed with your credentials and we look forward to your future success in this position.

The terms of your new full-time position with the Company are as set forth below:

1. **Position .**

(a) You will become the Vice President, General Counsel of the Company, working out of the Company's headquarters office. This is a full-time position. Your initial responsibilities will include but not be limited to (i) leading the legal commercial activities to enable the business, (ii) leading legal corporate activities such as corporate structuring, risk management, intellectual property or executing financings, (iii) working with the CEO and functional leads in making business decisions, (iv) providing guidance on business development activities, and (v) assuming a leadership position in the Company and exercising business judgment on the executive team for the Company. You will report to the CEO.

(b) You agree to the best of your ability and experience that you will at all times loyally and conscientiously perform all of the duties and obligations required of and from you pursuant to the express and implicit terms hereof, and to the reasonable satisfaction of the Company. During the term of your employment, you further agree that you will devote all of your business time and attention to the business of the Company, the Company will be entitled to all of the benefits and profits arising from or incident to all such work services and advice, you will not render commercial or professional services of any nature to any person or organization, whether or not for compensation, without the prior written consent of the Company, and you will not directly or indirectly engage or participate in any business that is competitive in any manner with the business of the Company. Nothing in this letter agreement will prevent you from accepting speaking or presentation engagements in exchange for honoraria or from serving on boards of charitable organizations, or from owning no more than one percent (1%) of the outstanding equity securities of a corporation whose stock is listed on a national stock exchange.

2. **Start Date .** Subject to fulfillment of any conditions imposed by this letter agreement, you will commence this new position with the Company on Monday February 25 2013 (the " Start Date ").

3. **Proof of Right to Work .** For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States Such documentation must be provided to us within three business days of your date of hire, or our employment relationship with you may be terminated.

4. **Compensation .** You will be paid at the rate of $ 18,333.33 per month (which is equivalent to $220,000 on an annualized basis), less payroll deductions and withholdings (the "Base Salary"), payable pursuant to the Company's regular payroll practices. The Base Salary will be reviewed annually as part of the Company's normal salary review process. Additionally, upon completion of a public market stock offering ("IPO") your Base Salary will change to $250,000 on an annualized basis. Should the company add an incentive plan for the executive team, the VP/General Counsel would be included in that incentive plan .

5. **Stock Option Grant .** In connection with the commencement of your employment and subject to the approval of the Company's Board of Directors, you will be granted an option to purchase 210,000 shares ("Option Shares") of Common Stock of the Company. The Option Shares will have an exercise price equal to the fair market value on the date of the grant. The Option Shares will vest at the rate of 25% of the shares on the twelve (12) month anniversary of your Vesting Commencement Date (as defined in your Stock Option Agreement, which date will be your Start Date, as defined above) and the remaining Option Shares will vest monthly thereafter at the rate of 1/48 of the total number of the Option Shares per month, until either your Option Shares are fully vested or your employment ends, whichever occurs first. The option will be subject to the terms of the Company's Stock Plan and the Stock Option Agreement betvveen you and the Company.

(a) **Change of Control Double Trigger** . Notwithstanding the provisions of the immediately preceding paragraph, in the event of a Change of Control (as defined below) and if, within eighteen (18) months following such a Change of Control (a) there is a Constructive Termination (as defined below) or (b) your employment is involuntarily terminated by Company (or a successor) other than for Cause (as defined below), the vesting of fifty percent (50%) of your then unvested Option Shares will be accelerated as of the date of such termination or Constructive Termination, provided that (i) if such Change of Control occurs within the first 18 months from your Start Date, the accelerated vesting shall be seventy-five percent (75%) of your then unvested Option Shares instead of the above fifty percent (50%) and (ii) in the event of such acceleration, the aggregate vested Option Shares (those previously vested together with those whose vesting was accelerated) shall be not less than seventy-five percent (75%) of the total Option Shares. As a condition to your receipt of such vesting acceleration, you are required to comply with your continuing obligations (including the return of any Company property) and resign from all positions you hold with the Company. In addition, as a condition of receiving the vesting acceleration under this Section 5(a), you will be required to execute, and allow to become effective, a standard form release agreement releasing any claims you may have against the Company (the " Release ") not later than fifty (50) days following your employment termination in the

form provided by the Company. Unless the Release is timely executed by you, is delivered to the Company, and becomes effective within the required period (the date on which the Release becomes effective, the " Release Date "), you will not receive any of the vesting acceleration provided for under this letter. In no event will vesting acceleration be provided to you until the Release becomes effective.

6. **Benefits .**

(a) **Insurance Benefits .** The Company will provide you with the opportunity to participate in the standard benefits plans currently available to other Company employees, subject to any eligibility requirements imposed by such plans.

(b) **Vacation; Sick Leave .** You will be entitled to paid time off according to the Company's standard policies.

7. **Confidential Information and Invention Assignment Agreement/Employee Handbook** . Your acceptance of this offer and commencement of employment with the Company is contingent upon your execution, and delivery to an officer of the Company, of the Company's Confidential Information and Invention Assignment Agreement, a copy of which is enclosed for your review and execution (the " Confidentiality Agreement "), prior to or on your Start Date.

As a Company employee, you will be expected to abide by Company rules and policies, and acknowledge in writing that you have read the Company's Employee Handbook.

8. **At-Will Employment .** Your employment with the Company will be on an "at will" basis, meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause or advance notice.

9. **No Conflicting Obligations .** You understand and agree that by accepting this offer of employment, you represent to the Company that your performance will not breach any other agreement to which you are a party and that you have not, and will not during the term of your employment with the Company, enter into any oral or written agreement in conflict with any of the provisions of this letter or the Company's policies. You are not to bring with you to the Company, or use or disclose to any person associated with the Company, any confidential or proprietary information belonging to any former employer or other person or entity with respect to which you owe an obligation of confidentiality under any agreement or otherwise. The Company does not need and will not use such information and we will assist you in any way possible to preserve and protect the confidentiality of proprietary information belonging to third parties. Also, we expect you to abide by any obligations to refrain from soliciting any person employed by or otherwise associated with any former employer and suggest that you refrain from having any contact with such persons until such time as any non-solicitation obligation expires.

10. **Background check:** This offer is contingent upon a background check clearance.

11. **Entire Agreement**. This letter, together with the Confidentiality Agreement, sets forth the entire agreement and understanding between you and the Company with respect to your employment and supersedes all prior agreements and promises made to you by anyone, whether oral or written, This letter (and your employment at will status) may not be modified or amended except by a written agreement, signed by an officer of the Company, although the Company reserves the right to modify unilaterally your work location, compensation, benefits, job title and duties, and reporting relationships. This letter will be governed by the laws of the State of California without regard to its conflict of laws provision.

13. **Definitions**.

a) **Cause.** For the purposes of this letter, "Cause" shall mean: any of the following: (A) gross dereliction of your duties or your repeated failure to perform one or more of your essential duties or responsibilities to the Company, (B) willful and gross misconduct which results in material injury to the Company, (C) willful and material violation of laws applicable to the Company which result in material injury to the Company, (D) embezzlement or theft of Company property, (E) material violation of the Confidentiality Agreement which result in material injury to the Company, (F) conviction of any felony, or (G) shutdown of the Company.

b) **Constructive Termination.** For the purposes of this letter, "Constructive Termination" means your resignation of your employment with the Company within sixty (60) days following the occurrence of any of the following without your written consent: (A) a reduction in your annual base compensation by more than 20% (except for a reduction in a similar percent applicable to all other members of the Company's senior management team) or (B) a reduction in your annual base compensation by more than 10% (up to 20%) that is not offset by a commensurate dollar for dollar increase in your annual target cash bonus (B) the requirement that you relocate more than 50 miles from the then-current Company headquarters

c) **Change of Control** means the occurrence of any of the following events:

i) The closing of a sale of all or substantially all of the assets of the Company; or

ii) The closing of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the

Company or such surviving entity outstanding immediately after such merger or consolidation; or

iII) Completion of a tender or exchange offer or other transaction or series of transactions (other than a financing transaction or financing transactions with venture capital firms primarily for the purpose of raising operating capital) resulting in less than a majority of the outstanding voting shares of the surviving corporation being held, immediately after such transaction or series of transactions, by the holders of the voting shares of the Company outstanding immediately prior to such transaction or series of transactions.

We are all delighted to be able to extend you this offer and look forward to working with you. To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me, along with a signed and dated copy of the Confidentiality Agreement. This offer will terminate if not accepted by you on or before 11pm PT February 21, 2013.

Very Truly Yours,

Moble Iron, Inc.

/s/ Robert B. Tinker
Hiring Manager Signature
CEO
Title
Feb. 20, 2013
Date

ACCEPTED AND AGREED

/s/ Laurel Finch
Employee Signature

2/20/13
Date

Attachment A: Confidential Information and Invention Assignment Agreement

Exhibit 10.27

MobileIron

October 4, 2016

Robert Tinker

Re: Separation Agreement

Dear Bob:

As discussed, this letter sets forth the terms of the separation agreement (the ***"Agreement")*** that Mobilelron, Inc. (the ***"Company")*** is offering to you.

1. Separation Date. Your last day of work with the Company and your employment termination date is December 1, 2016 (the ***"Separation Date")***.

2. Transition. During the period from the date of this Agreement through the Separation Date (the ***"Transition Period"),*** you will work principally from home under the direction of Barry Mainz. During the Transition Period, you will continue to comply with all of your contractual, statutory, and common law obligations to the Company.

3. Accrued Salary. On the Separation Date, the Company will pay you all accrued salary through the Separation Date, subject to standard payroll deductions and withholdings. You are entitled to receive this payment regardless of whether or not you sign this Agreement and the Release (as defined in Section 5 below).

4. Health Insurance; Other Benefits. Your current health insurance benefits will continue until the end of the month of your Separation Date, if you are currently enrolled in the health plan(s). To the extent permitted by the federal COBRA law or applicable state insurance laws (collectively, ***"COBRA"),*** and by the Company's current group health insurance policies, you will be eligible to continue your group health insurance benefits at your own expense and later to convert to an individual policy if you wish. You will be provided with a separate notice regarding your health insurance continuation rights under COBRA within the time period required by law. Your eligibility to continue as a participant in all other Company provided benefit plans will terminate on the Separation Date.

5. Severance Benefits. You are currently a participant in the Mobilelron, Inc. Executive Severance Plan (attached as Exhibit A-1), which along with the Participation Notice dated May 1, 2015 (attached as Exhibit A-2), is collectively the ***"Severance Plan."*** You and the Company agree that as of the date of this Agreement, your Qualifying Termination is an Involuntary Termination Without Cause (and not a Change in Control Termination), provided however that in accordance with the Severance Plan, if the Company closes a Change in Control on or before March 1, 2017, then your Qualifying Termination will instead be deemed to be a Change in Control Termination. Subject to your execution of the form of Release attached as an exhibit to the Severance Plan on or

within 45 days after the receipt of this letter (and your execution of an additional form of such Release on or within 45 days after your Separation Date), and your compliance with all applicable obligations under the Severance Plan and the Confidentiality and Invention Assignment Agreement between you and the Company attached as Exhibit B hereto (the ***"Confidentiality Agreement"***):

(a) The Company will make the applicable payments set forth under the headings Salary Continuation and Health Insurance Premiums in Section 2 of the Severance Plan and your Participation Notice (and in the event that your Qualifying Termination is later deemed a Change in Control Termination, you will receive the Accelerated Vesting described in Section 2 of the Severance Plan).

(b) The Termination Period (as defined in your option agreements) for your stock options that have vested as of the Separation Date (the ***"Vested Stock Options"***) shall be and hereby is amended such that the Vested Stock Options may be exercised until the earlier of: (a) any date set forth for the termination of options in connection with a Corporate Transaction as defined In Section 13(c) of the Company's 2008 Stock Plan, or (b) November 30, 2018 (the ***"Extended Exercise Period"***).

6. No Continued Vesting or Acceleration of Stock Options and RSUs In Absence of Change in Control. If the Company does not close a Change in Control prior to March 1, 2017, you acknowledge and agree that all unvested Stock Options and all unvested Company issued restricted stock units as of the Separation Date will lapse and be forfeited on the Separation Date and that you have no right, title, or interest in or to any shares of the capital stock of the Company under the stock option agreements issued to you or any other agreement (oral or written) or plan with the Company. Your option agreements and RSU agreements are hereby amended such that your options and RSUs will not continue vesting after your Separation Date as a result of any continued service as a member of the Board of Directors.

7. No Other Compensation or Benefits. You acknowledge that, except as expressly provided in this Agreement and the Severance Plan, you have not earned and will not receive from the Company any additional compensation, severance, or benefits on or after the Separation Date, with the exception of any vested right you may have under the express terms of a written ERISA-qualified benefit plan (e.g., 401(k) account).

8. Expense Reimbursements. You agree that, within thirty (30) days of the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice.

9. Return of Company Property. You acknowledge that on or about your Separation Date, you will execute and deliver the form of Termination Certificate attached to your Confidentiality Agreement, in which you will certify that you have returned to the Company all Company documents (and all copies thereof) and other Company property that was in your possession or control, including, but not limited to, Company files, notes, financial and operational information, customer lists and contact information, product and services information, research and development information, drawings, records, plans, forecasts, reports, payroll information, spreadsheets, studies, analyses, compilations of data, proposals, agreements, sales and marketing information, personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computers, facsimile machines, mobile telephones, tablets, servers and other handheld devices), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company and all reproductions thereof in whole or in part and in any medium. You agree that you have made a diligent search to

locate any such documents, property and information. In addition, if you have used any personally owned computer, server, or e-mail system to receive, store, review, prepare or transmit any confidential or proprietary data, materials or information of the Company, then within two (2) business days following the Separation Date, you must provide the Company with a computer-useable copy of such information and then permanently delete and expunge such confidential or proprietary information from those systems without retaining any reproductions (in whole or in part); and you agree to provide the Company access to your system, as requested, to verify that the necessary copying and deletion is done.

10. Nondisparagement. You agree not to disparage the Company or the Company's officers, directors, employees, shareholders, parents, subsidiaries, and affiliates, in any manner likely to be harmful to them or their business, business reputation or personal reputation, and the Company agrees (through its officers and directors) not to disparage you in any manner likely to be harmful to your business reputation or personal reputation; *provided that* both you and the Company may respond accurately and fully to any question, inquiry or request for information when required by legal process. Any breach by you of this Section shall be a material breach of this Agreement.

11. Cooperation and Assistance. You agree that you will not voluntarily provide assistance, information or advice, directly or indirectly (including through agents or attorneys), to any person or entity in connection with any claim or cause of action of any kind brought against the Company, nor shall you induce or encourage any person or entity to bring such claims. However, it will not violate this Agreement if you testify truthfully when required to do so by a valid subpoena or under similar compulsion of law. Further, you agree to voluntarily cooperate with the Company, if you have knowledge of facts relevant to any threatened or pending claim, investigation, audit or litigation against or by the Company, by making yourself reasonably available without further compensation for
Interviews with the Company or its legal counsel, preparing for and providing truthful and accurate deposition and trial testimony.

12. No Admissions. The promises and payments in consideration of this Agreement shall not be construed to be an admission of any liability or obligation by either party to the other party, and neither party makes any such admission.

13. Representations. You hereby represent that you have been paid all compensation owed and for all hours worked, you have received all the leave and leave benefits and protections for which you are eligible pursuant to the federal Family and Medical Leave Act, the California Family Rights Act, or otherwise, and you have not suffered any on-the-job Injury for which you have not already filed a workers' compensation claim.

14. Dispute Resolution. Before either party initiates this dispute resolution provision it/he must give the other party 30 days' notice in which to cure any alleged breach of this Agreement if a cure is possible for such breach. You and the Company agree that any and all disputes, claims, or causes of action, in law or equity, arising from or relating to the enforcement, breach, performance, interpretation, or execution of this Agreement, shall be resolved solely and exclusively, to the fullest extent permitted by law, by final, binding and confidential arbitration in San Jose, California conducted before a single arbitrator by Judicial Arbitration and Mediation Services, Inc. (***"JAMS"***) or its successor, under the then-applicable JAMS rules (which can be found at the following web address: http://www.jamsadr.com/rulesclauses). **By agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or by administrative proceeding.** The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision including the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall be authorized to determine if an issue is subject to this arbitration obligation, and to award any or all remedies that you or the Company would be entitled to seek in a court of law. The Company shall pay all costs and fees in excess of the amount of court fees that you would be required to incur if the dispute were filed or decided in a court of law. Nothing in this Agreement shall prevent either you or the Company from obtaining injunctive relief in court if necessary to prevent irreparable harm pending the conclusion of any arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and the state courts of any competent jurisdiction.

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15. Miscellaneous. This Agreement, the Confidentiality Agreement and the Severance Plan constitute the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to the subject matter hereof. Defined terms that are used herein and not defined herein shall have the meanings ascribed to them in the Severance Plan. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other agreements, promises, warranties or representations concerning its subject matter. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement Is determined to be invalid or unenforceable, in whole or in part, this determination shall not affect any other provision of this Agreement and the provision in question shall be modified so as to be rendered enforceable in a manner consistent with the intent of the parties insofar as possible under applicable law. This Agreement shall be construed and enforced In accordance with the laws of the State of California without regard to conflicts of law principles. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement, or rights hereunder, shall be in writing and shall not be deemed to be a waiver of any successive breach or rights hereunder. This Agreement may be executed in counterparts which shall be deemed to be part of one original, and facsimile and scanned image copies of signatures shall be equivalent to original signatures.

If this Agreement Is acceptable to you, please sign and date below and return the fully signed Agreement and Release to me within forty five (45) days after your receipt of this Agreement. The Company's offer of the Severance Benefit will automatically expire if we do not receive the fully signed Agreement and Termination Certification from you within this timeframe.

Sincerely,

MOBILEIRON, INC.

By: /s/ Jared Lucas

Jared Lucas
Chief People Officer
10/5/2016

UNDERSTOOD AND AGREED:

/s/ Bob Tinker
Robert Tinker
10/7/2016

Exhibit 10.28

September 5, 2007

Suresh Batchu

Dear Suresh:

On behalf of the Board of Directors of Mobile Iron, Inc., (the " Company "), I am pleased to extend an offer of employment to you as Vice President of Engineering reporting to the Company's CEO. Your primary duties will be to manage and provide leadership to the engineering organization of the Company, including but not limited to responsibilities such as assisting in developing a strategic business plan; developing and providing direction to the engineering team along with establishing inter-functional processes; establishing a Company "culture"; engineering resource planning, budgeting; developing hiring plans, establishing the development engineering environment, recruiting managerial staff and engineers, developing and managing technology partnerships; and securing capital financing.

1) **Compensation .**

   a) **Base Wage .** In this position you will earn a starting salary of $12,500 per month, which is equivalent to $150,000 on an annualized basis, subject to applicable tax withholding. After the Company closes a Series A Preferred Stock financing of $6 to $8m (the "Financing"), your cash compensation will be increased from $150K per year to $170K per year. Your salary will be payable in two equal payments per month pursuant to the Company's regular payroll policy.

   b) **Incentive Bonus** . In addition, you may be eligible for an incentive bonus for each fiscal year after the Financing. The bonus will be awarded based on criteria established by the CEO and the Company's Board of Directors. The determinations of the Company's Board of Directors with respect to your bonus will be final and binding.

2) **Employee Benefits.** The Company will provide you with the opportunity to participate in the standard benefits plans currently available to other similarly situated employees, subject to any eligibility requirements imposed by such plans.

3) **Restricted Stock.**

   a) You will be granted the right to purchase 500,000 shares (the "Shares") of Common Stock of the Company at a purchase price equal to $.001 per share (the "Purchase Price") pursuant to the terms of a restricted stock purchase agreement (the "Stock Purchase Agreement") to be entered into between the Company and you. The Company anticipates that the Shares should comprise 3% of the Company after completion of the $6 to $8m Financing.

b) Initially, 100% of the Shares will be subject to the Company's right to repurchase the Shares at the Purchase Price upon your termination of employment for any reason. A portion of the Shares will be released from the Company's repurchase option based upon your continued employment with the Company as follows: 3/48th of the Shares will be released on the three month anniversary of your Start Date (as defined below) and 1/48th of the Shares will be released at the end of each one-month period thereafter, subject to your continued employment with the Company. In addition, the Company will have a right of first refusal with respect to your resale of any Shares. The price at which the Company may exercise its right of first refusal will be equal to the price most recently set by the Board of Directors as the fair market value of the Company's Common Stock. The right of first refusal will terminate upon the closing of an initial public offering of the Company's Common Stock in which all outstanding shares of Preferred Stock are converted to Common Stock.

4) **Pre-employment Conditions** .

a) **Confidentiality Agreement** . Your acceptance of this offer and commencement of employment with the Company are contingent upon the execution, and delivery to an officer of the Company, of the Company's Confidential Information and Invention Assignment Agreement, a copy of which is enclosed for your review and execution (the " Confidentiality Agreement "), prior to or on your Start Date.

b) **Right to Work** . For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your Start Date, or our employment relationship with you may be terminated.

i) **Verification of Information** . This offer of employment is also contingent upon the successful verification of the information you provided to the Company during your application process, as well as a general background check performed by the Company to confirm your suitability for employment. By accepting this offer of employment, you warrant that all information provided by you is true and correct to the best of your knowledge, and you expressly release the Company from any claim or cause of action arising out of the Company's verification of such information. You have a right to review copies of any public records obtained by the Company in conducting this verification process unless you check the box below.

5) **No Conflicting Obligations** . You understand and agree that by accepting this offer of employment, you represent to the Company that your performance will not breach any other agreement to which you are a party and that you have not, and will not during the term of your employment with the Company, enter into any oral or written agreement in conflict with any of the provisions of this letter or the Company's policies. You are not to bring with you to the Company, or use or disclose to any person associated with the Company, any confidential or proprietary information belonging to any former employer or other person or entity with respect to which you owe an obligation of confidentiality under any agreement or

otherwise. The Company does not need and will not use such information and we will assist you in any way possible to preserve and protect the confidentiality of proprietary information belonging to third parties. Also, we expect you to abide by any obligations to refrain from soliciting any person employed by or otherwise associated with any former employer and suggest that you refrain from having any contact with such persons until such time as any non-solicitation obligation expires.

6) **General Obligations** . As an employee, you will be expected to adhere to the Company's standards of professionalism, loyalty, integrity, honesty, reliability and respect for all. Please note that the Company is an equal opportunity employer. The Company does not permit, and will not tolerate, the unlawful discrimination or harassment of any employees, consultants, or related third parties on the basis of sex, race, color, religion, age, national origin or ancestry, marital status, veteran status, mental or physical disability or medical condition, sexual orientation, pregnancy, childbirth or related medical condition, or any other status protected by applicable law. Any questions regarding this EEO statement should be directed to Human Resources.

7) **Severance** .

a) **General Terms** . In no way limiting the Company's policy of employment at-will (as described below), if your employment is terminated by the Company without Cause (as defined below), and other than as a result of your death or disability, the Company will offer certain severance benefits to you as described below. As a condition to your receipt of such benefits, you are required to comply with your continuing obligations (including the return of any Company property), resign from all positions you hold with the Company, and execute the Company's standard form of release agreement releasing any claims you may have against the Company.

i) If your employment is terminated by the Company other than for Cause (as defined below), as a severance benefit, you will be entitled to continuation of your base salary for a period of one (1) month, less all applicable deductions and withholdings.

ii) Notwithstanding the provisions of the immediately preceding paragraph and paragraph 3 above, in the event of a Change of Control (as defined below) and if, within twelve (12) months following such a Change of Control (a) there is a Constructive Termination (as defined below) or (b) your employment is terminated other than for Cause (as defined below), you will also be entitled to the vesting of fifty percent (50%) of the Shares to be accelerated as of the date of termination or Constructive Termination.

iii) As further consideration, if you elect continued group medical insurance coverage pursuant to COBRA or Cal-COBRA (as applicable) in connection with a Constructive Termination as described in clause (ii) above or a termination other than for Cause, the Company will reimburse you for the applicable premiums for you and your eligible dependents for the first one (1) month of such coverage.

8) **At-Will Employment.** Employment with the Company is for no specific period of time. Your employment with the Company will be on an "at will" basis, meaning that either you or

the Company may terminate your employment at any time for any reason or no reason, without further obligation or liability, except as set forth above. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time-to-time, this policy of at-will employment is the entire agreement as to the duration of your employment and may only be modified in an express written agreement signed by you and another officer of the Company specifically authorized by the Board of Directors to make such change.

9) **Definitions** .

a) **Cause.** For the purposes of this letter, "Cause" shall mean:

i) your repeated failure to perform one or more of your essential duties and responsibilities to the Company;
ii) gross dereliction of your duties which continues after written notice from the Company's CEO or Board of Directors, specifying in reasonable detail the tasks which must be accomplished and a timeline for their accomplishment to avoid termination for Cause;
iii) your material violation of any Company policy;
iv) your commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company;
v) your unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company;
vi) your willful breach of any of your obligations under any written agreement or covenant with eh Company, or your conviction of a felony; or
vii) a shutdown of the Company.

b) **Constructive Termination** shall be deemed to have occurred if you resign within 30 days after the occurrence of one of the following events without your consent: (a) there is a material diminution in your duties and responsibilities (other than a change of title), (b) your office is relocated more than fifty (50) miles from your office location at the time of the Change of Control, or (c) there is a material reduction in your salary or benefits.

c) **Change of Control** means the occurrence of any of the following events:

i) The closing of a sale of all or substantially all of the assets of the Company; or
ii) The closing of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

iii) Completion of a tender or exchange offer or other transaction or series of transactions resulting in less than a majority of the outstanding voting shares of the surviving corporation being held, immediately after such transaction or series of transactions, by the holders of the voting shares of the Company outstanding immediately prior to such transaction or series of transactions.

We are delighted to be able to extend you this offer and look forward to working with you. To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me, along with a signed and dated original copy of the Confidentiality Agreement, on or before September 5, 2007. The Company requests that you begin work in this new position on or before September 24, 2007. Please indicate the date (either on or before the aforementioned date) on which you expect to begin work in the space provided below. This letter, together with the Confidentiality Agreement, sets forth the entire agreement regarding your employment with the Company and supersedes any prior representations or agreements, whether written or oral. This letter will be governed by the laws of California, without regard to its conflict of laws provisions. This letter may not be modified or amended except by a written agreement, signed by you and an officer of the Company: provided, however, that the Company reserves the right to modify unilaterally your job title, duties or reporting relationships, subject to the provisions of Section 7(a)(ii).

Very truly yours,
Mobile Iron, Inc.

/s/ Ajay Mishra
Title: For and On Behalf of the Board of Directors

ACCEPTED AND AGREED:

By: /s/ Suresh Batchu
Suresh Batch
9/6/07
Date

_______I hereby waive my right to receive any public records as described above.

Anticipated Start Date: 9/24/07

Attachment A: Confidential Information and Invention Assignment Agreement

Attachment A

Confidential Information and Invention Assignment Agreement

EXHIBIT 21.1

SUBSIDIARIES OF MOBILEIRON, INC.

The following is a list of MobileIron, Inc.'s subsidiaries including their jurisdiction of incorporation as of December 31, 2016:

Subsidiaries	Jurisdiction of Incorporation
MobileIron International, Inc.	Delaware, U.S.A.
MobileIron India Software Private Limited	India

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-196762, 333-207742 and 333-211057 on Form S-8 of our report dated February 14, 2017, relating to the consolidated financial statements of MobileIron, Inc. and its subsidiaries appearing in this Annual Report on Form 10-K of MobileIron, Inc. for the year ended December 31, 2016.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
February 14, 2017

Exhibit 31.1

I, Barry Mainz, certify that:

1. I have reviewed this Annual Report on Form 10-K of MobileIron, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2017

/s/ Barry Mainz
Barry Mainz
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

I, Simon Biddiscombe, certify that:

1. I have reviewed this Annual Report on Form 10-K of MobileIron, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date February 14, 2017

/s/ Simon Biddiscombe

Simon Biddiscombe
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Barry Mainz, President and Chief Executive Officer (Principal Executive Officer) of MobileIron, Inc. (the "Company"), and Simon Biddiscombe, Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, each hereby certifies that, to the best of his or her knowledge:

1. The Company's Annual Report on Form 10-K for the period ended December 31, 2016 (the "Annual Report"), to which this Certification is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act, and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned have set their hands hereto as of the 14th day of February, 2017.

/s/ Barry Mainz	/s/ Simon Biddiscombe
Barry Mainz	Simon Biddiscombe
President and Chief Executive	Chief Financial Officer
(Principal Executive Officer)	(Principal Financial and Accounting Officer)

"This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of MobileIron, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing."