



*Canaccord Genuity 39<sup>th</sup> Annual  
Growth Conference*

*August 2019*

# Safe Harbor Statement

This presentation includes "forward-looking statements" within the meaning of the U.S. federal securities laws. Statements in this news release that are not statements of historical fact and that concern future results from operations, financial position, economic conditions, product releases and any other statement that may be construed as a prediction of future performance or events, including financial projections and growth in various products are forward-looking statements that speak only as of the date made and which involve known and unknown risks, uncertainties and other factors which may, should one or more of these risks uncertainties or other factors materialize, cause actual results to differ materially from those expressed or implied by such statements. These factors and risks include risks associated with Ignite adoption among existing customers (including the impact of possible delays with major carrier and OEM partners in the roll out for mobile phones deploying Ignite); actual mobile device sales and sell-through where Ignite is deployed is out of our control; new customer adoption and time to revenue with new carrier and OEM partners is subject to delays and factors out of our control; risks associated with fluctuations in the number of Ignite slots across US carrier partners; the challenges, given the Company's comparatively small size, to expand the combined Company's global reach, accelerate growth and create a scalable, low-capex business model that drives EBITDA (as well as Adjusted EBITDA); varying and often

unpredictable levels of orders; the challenges inherent in technology development necessary to maintain the Company's competitive advantage such as adherence to release schedules and the costs and time required for finalization and gaining market acceptance of new products; changes in economic conditions and market demand; rapid and complex changes occurring in the mobile marketplace; pricing and other activities by competitors; derivative and warrant liabilities on our balance sheet will fluctuate as our stock price moves and will also produce changes in our income statement; these fluctuations and changes might materially impact our reported GAAP financials in an adverse manner, particularly if our stock price were to rise; technology management risk as the Company needs to adapt to complex specifications of different carriers and the management of a complex technology platform given the Company's relatively limited resources; and other risks including those described from time to time in Digital Turbine's filings on Forms 10-K and 10-Q with the Securities and Exchange Commission (SEC), press releases and other communications. You should not place undue reliance on these forward-looking statements. The Company does not undertake to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

# Agenda

Real-Time Update

Company Overview

Market Dynamics

Mobile Delivery Platform

Financial Results

Q & A

# Real-Time Update – Key Developments

## Strong Results in the Just-Reported Fiscal Q1 as Penetration Story Unfolds

- ❑ Exceeded consensus estimates with record-high revenue, gross profit, non-GAAP net income and Adjusted EBITDA in the June quarter reported earlier this week\*
- ❑ Revenue and Non-GAAP gross profit growth accelerated to 38% and 78%, respectively, on a year-over-year basis, helping to drive a 25x improvement in Adjusted EBITDA and more than \$4 million in free cash flow
- ❑ Strong advertiser demand and added product functionalities continue to drive higher revenue-per-device ("RPD") with U.S.-based partners – Y/Y RPD was up more than 30% in the U.S.
- ❑ Mobile Delivery Platform has been installed on more than 300 million devices globally, and was installed on more than 30 million devices during the June quarter, representing an all-time high, yet just ≈10% of the addressable global Android smartphone market

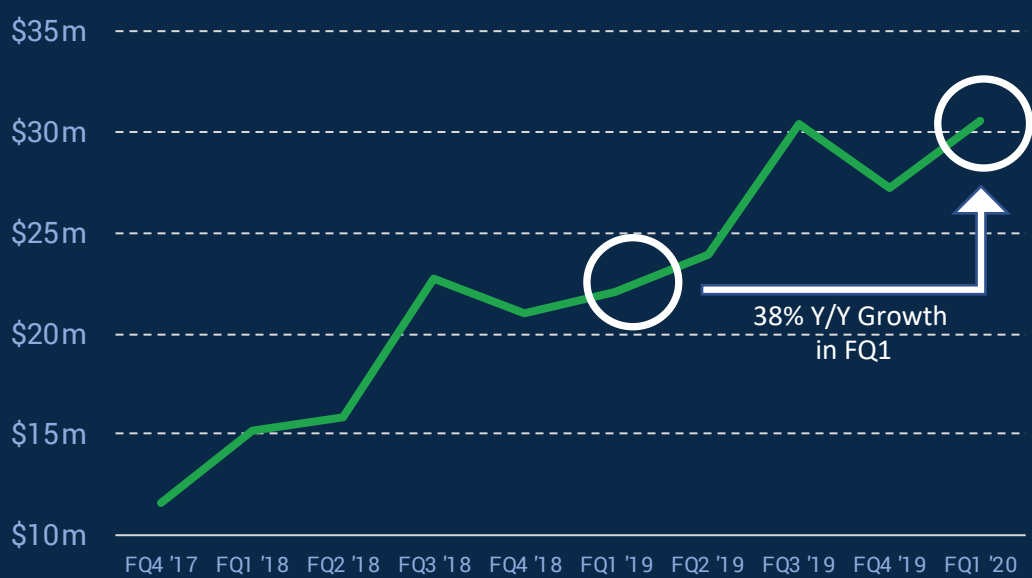
## Continuing Platform Momentum with Additional Partners and Large, Multinational Advertisers

- ❑ Commercially launched global partnership with Samsung on a growing number of devices across Europe and Latin America
- ❑ Currently in advanced discussions with numerous additional tier-one OEMs and global operators
- ❑ Seeing increased interest and spend from Fortune 100 brands on Digital Turbine Platform

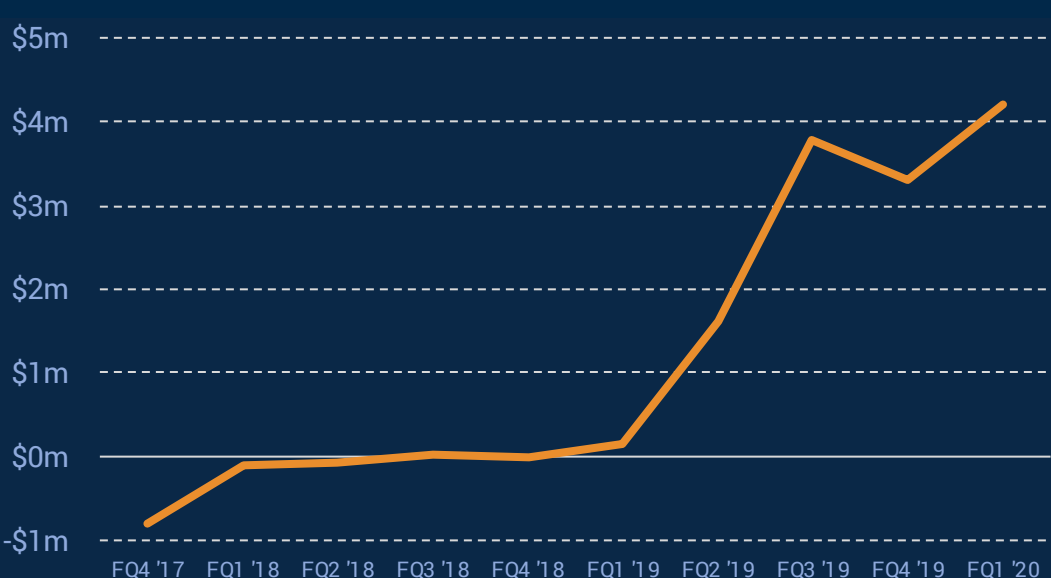
\*Please see footnotes on slide #18 for definitions of select Non-GAAP financial measures.

# Rapid and Efficient Growth

Revenue



Adjusted EBITDA



\*Adjusted EBITDA is calculated as GAAP net income/(loss) excluding the following cash and non-cash expenses: interest expense, foreign exchange transaction loss/(gain), income tax Provision/(benefit), depreciation and amortization, stock-based compensation expense, the change in fair value of derivatives and warrants that are recorded related to the September 2016 convertible notes offering, other income / (expense), and a loss on extinguishment of debt.

# Company Operating at Global Scale

**40+**

Partnerships with mobile operators and OEMs

**+2.3B**

Apps preloaded globally across devices

**300M+**

Devices installed with Digital Turbine software

**150+**

Countries with active campaign

**+10M**

Additional new devices per month

**70%**

Of the top grossing apps on Google Play work with us

**Austin, TX**

Digital Turbine headquarters

**Durham, Mumbai, Singapore, Tel Aviv**

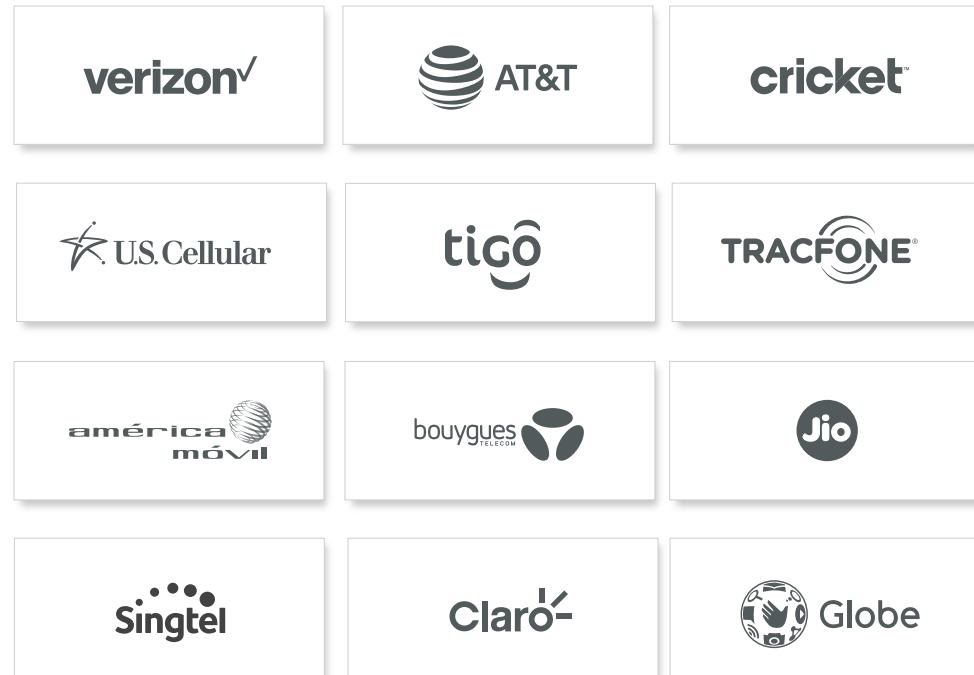
Global offices

**Publicly Traded**

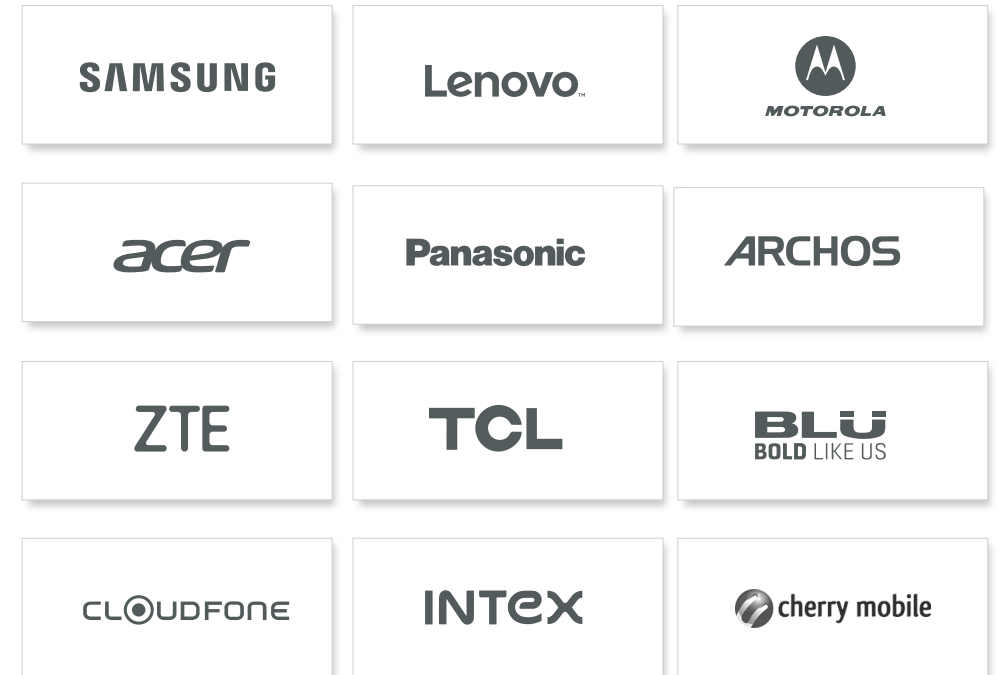
NASDAQ Ticker - APPS

# Platform Validated by Market Leaders

## Operators



## OEMs



# Market Dynamics



## Apps are Ingrained in our Lives

3.5 M apps in Google Play Store while average user has 30 apps on device using 10 per day



## Time Spent in Apps

Users in the US averaged 2+ hours per day in time spent in apps (or over one month per year)



## App Install Market

Global App Install Market estimated to be \$15B today with App Store revenue forecasted to be \$100B by 2020



## Rise of Fraud

The rising cost of fraud per quarter for mobile app marketers is estimated \$700-\$800M per quarter



## Duopoly

The 'duopoly' of FB/Google saw digital advertising market share drop for first time in 2018



## Operators & OEMs

Despite control over the homescreen, Operators and OEM's a small fraction of Global App Install Market today



# Mobile Delivery **PLATFORM**

**Install**

**Recommend**

**Notify**

**Engage**

**Advertise**

**Monetize**

# Digital Turbine Platform



## Setup Wizard

Opt-in app recommendations



## Dynamic Installs

Seamless app delivery



## Smart Folder

Organized, contextual recommendations



## Notifications

Increase engagement



## BYOD/ Open Market

Reach new customers



## Single Tap Installs

Frictionless app installs



## Media Hub

Increase engagement

# Growth Drivers

Multiple levers to drive accelerated growth



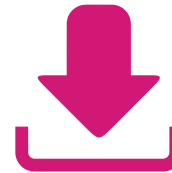
New Products

x



More Devices

x



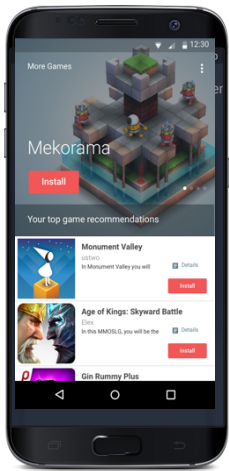
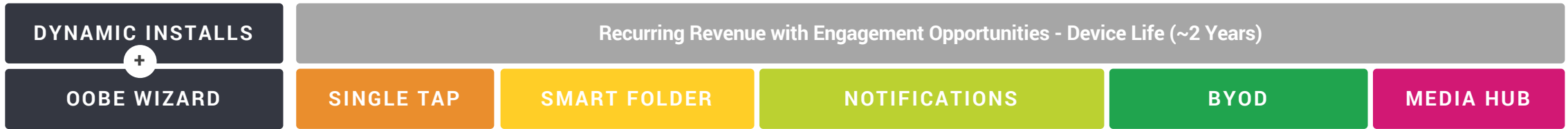
Advertiser Demand

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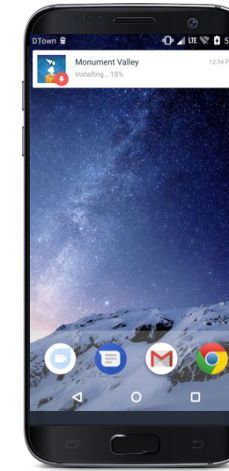
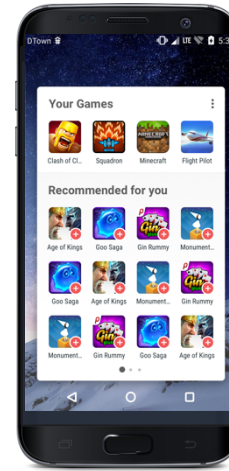
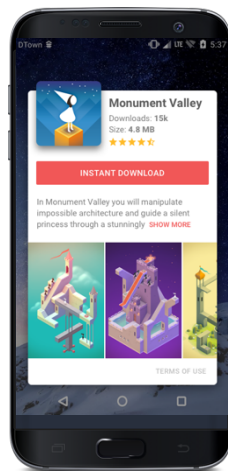


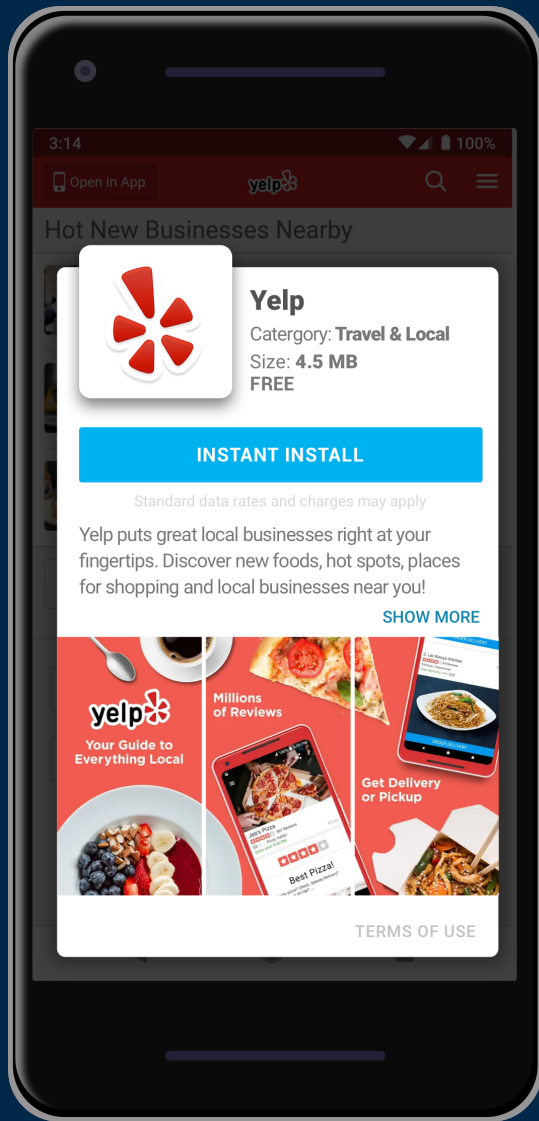
Platform Network Effects

# Expansion of Product Portfolio Driving New Revenue Streams



Device Activation (Day 1)





## PRODUCTS

# Single Tap Installs™

Frictionlessly install apps from mobile ads.

### Better User Experience

Users stay in the mobile web experience and are not redirected. With Single Tap Installs, users are notified of the app install progress.

### Improved Conversions

Single Tap Installs reduce friction and improve web to app conversion rates by up to 30%. Multiple gateways, such as notifications and homescreen/app tray icons ensure app engagement.

### Comprehensive & Customizable Solution

Unlike other ad solutions, Single Tap Installs work on all browsers including OEM defaults (Samsung). A customizable module provides flexibility to A/B test screenshots, descriptions, and two user flows.

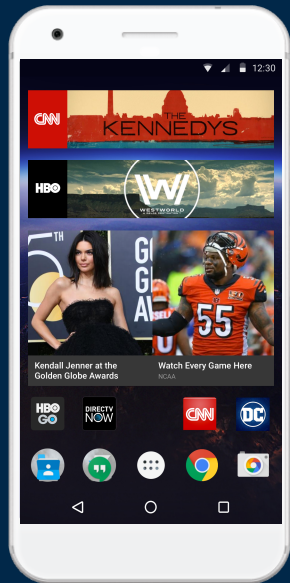
### Easy to Implement

Plugs natively into any call-to-action. Simply place Single Tap deeplink where you include a tracking link. Installs are server to server. Digital Turbine's technology supports existing MMP attribution methods.

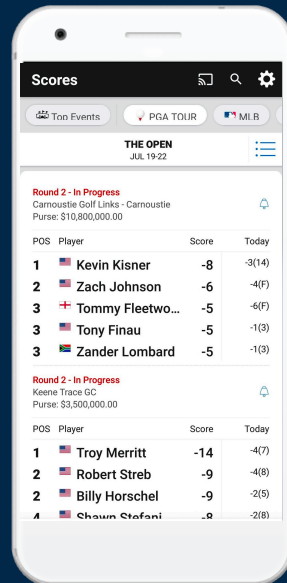
# Mobile Media Hub

Rich, personalized media content for a valuable and engaging user experience

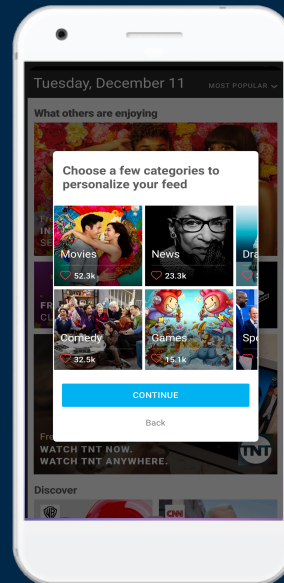
Video



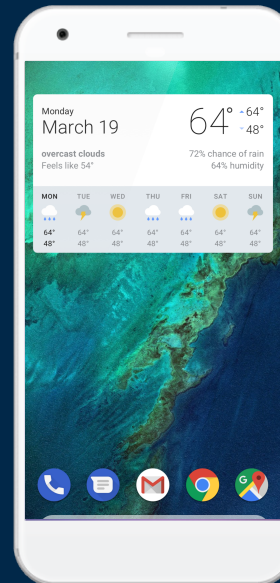
Sports



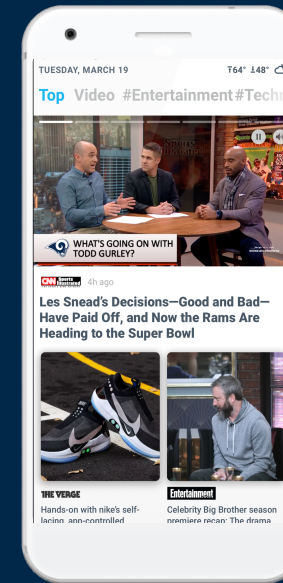
Entertainment



Weather



News



Revenue generation with each click

Branded and whitelabel options available

Reach new users and your existing base

Light weight and configurable

## MORE DEVICES

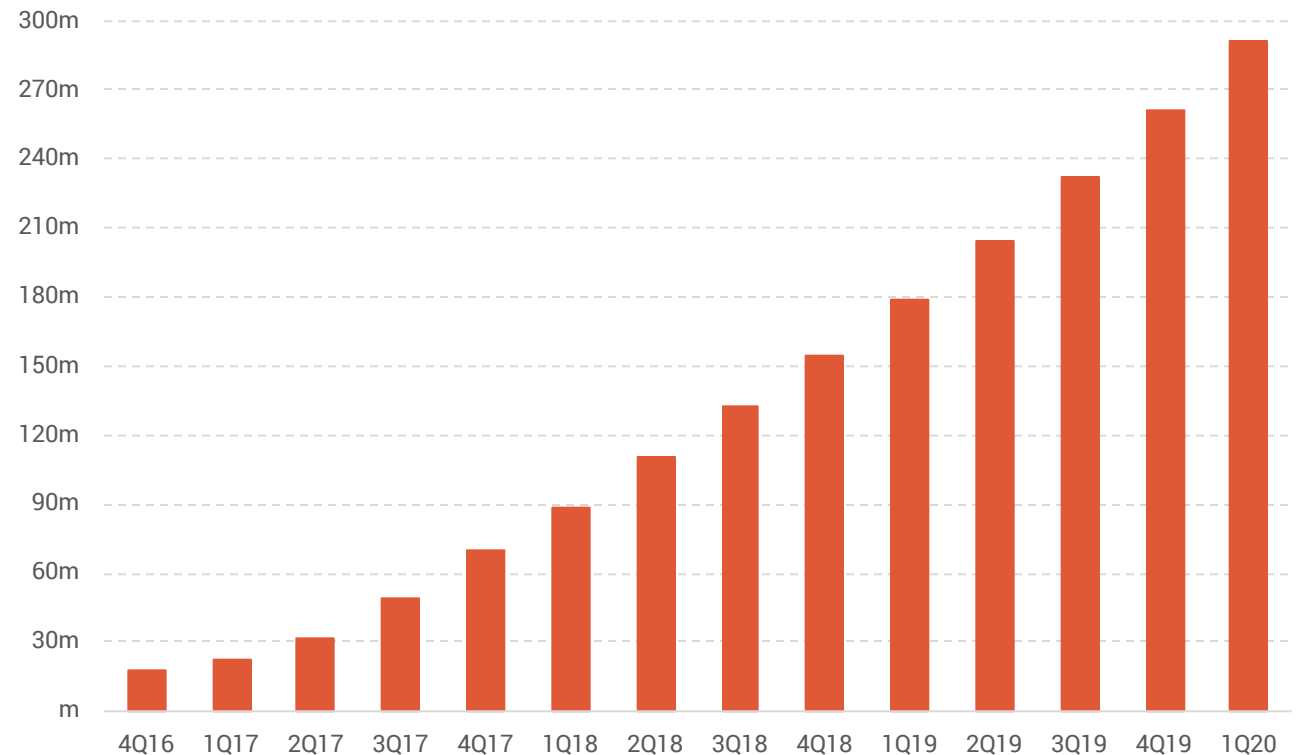
# Growing Installed Base

Our Mobile Delivery Platform has now been **installed on more than 300 million total devices** to date and was installed on more than 30 million new devices worldwide during the June quarter

## Device Growth Drivers

- Market Share Expanding, but Still <10% Total Smartphone Penetration
- OEM/Unlocked “BYOD” Opportunity
- Growth of International Markets

## Cumulative Ignite-Installed Devices

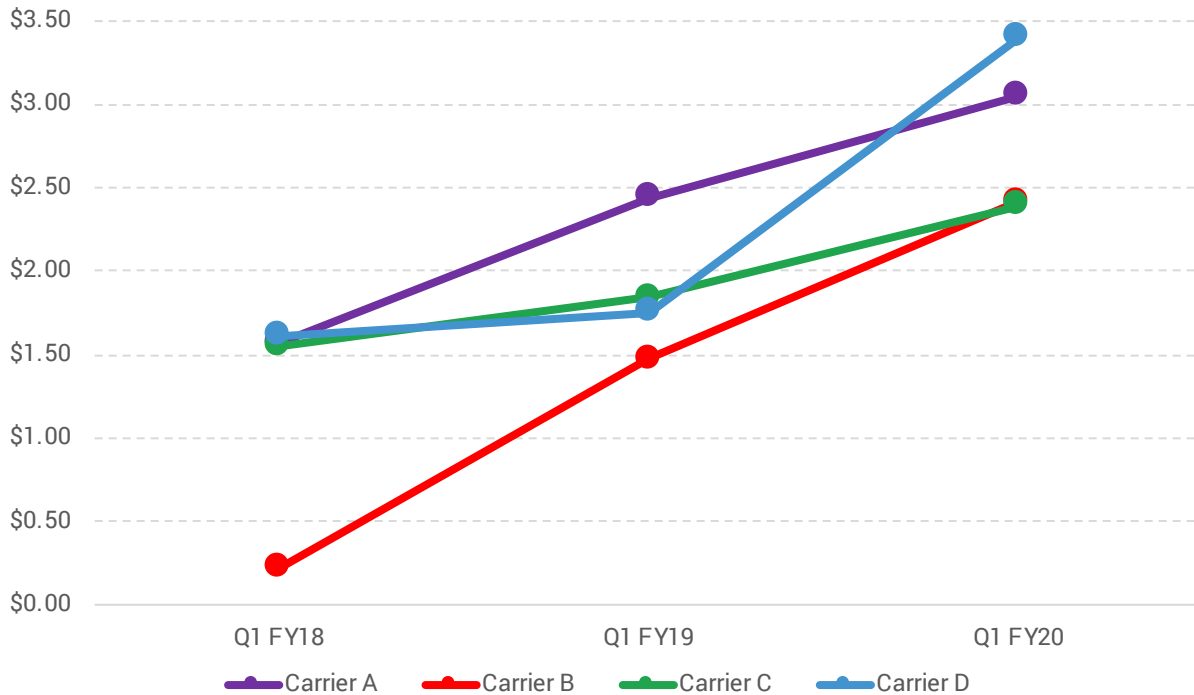


ADVERTISER DEMAND

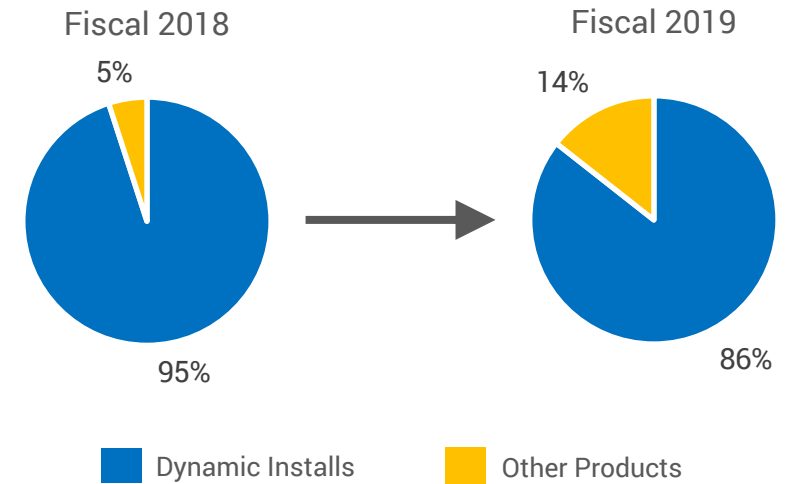
# Strong RPD Trajectory With Strategic Partners

Robust advertiser demand, along with increased contribution from new products, drove **a greater than 30% Y/Y increase in the average revenue-per-device** with U.S.-based partners in the June quarter

Revenue-Per-Device Trends with Leading U.S. Carrier Partners



Revenue Breakdown By Product



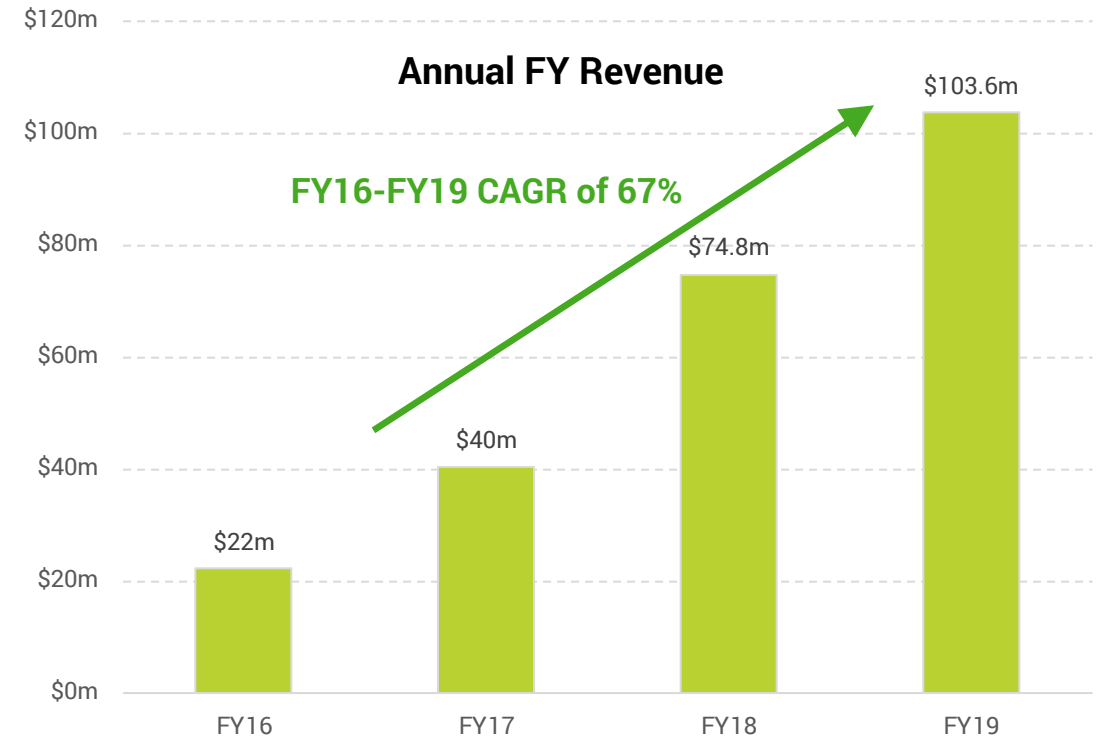
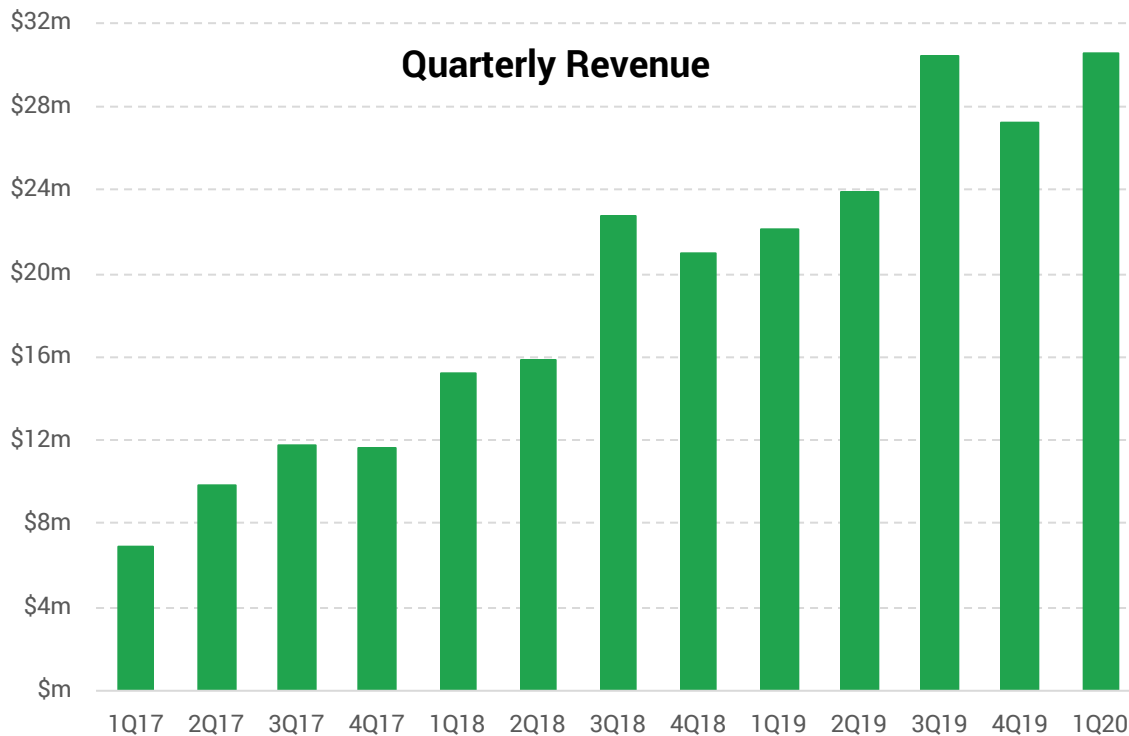
Nearly 300% Growth in Other Product Revenue Y/Y



## PLATFORM NETWORK EFFECTS

# Strong Revenue Growth

Mobile Delivery Platform\* revenue growth accelerated to 38% year-over-year in the just-reported June quarter and has grown at an overall compounded annual growth rate of greater than 67% over the past 3 fiscal years



• Formerly referred to as Operators & OEMs ("O&O") revenue

## PLATFORM NETWORK EFFECTS

# Operating Model Leverage

Revenue and gross profit grew 38% and 78%, respectively, in the June quarter on cash operating expense growth of 20%, driving EBITDA growth and showcasing the inherent operating leverage in the model

(in millions)	Fiscal Q1 '19	Fiscal Q1 '20	Change Y/Y
Revenue	\$22.1	\$30.6	38%
Non-GAAP Gross Profit <sup>1</sup>	\$6.9	\$12.3	78%
Cash Operating Expenses <sup>2</sup>	\$6.7	\$8.1	20%
Adjusted EBITDA <sup>3</sup>	\$0.2	\$4.2	25x
Adjusted EBITDA Margin	0.7%	13.8%	+1300bp

<sup>1</sup>Non-GAAP Gross Profit is defined as GAAP gross profit adjusted to exclude the effect of the amortization of intangibles and depreciation of software.

<sup>2</sup>Cash operating expenses are defined as GAAP operating expenses less stock-based compensation and depreciation.

<sup>3</sup>Adjusted EBITDA is calculated as GAAP net income/(loss) excluding the following cash and non-cash expenses: interest expense, foreign exchange transaction loss/(gain), income tax benefit, depreciation and amortization, stock-based compensation expense, the change in fair value of derivatives and warrants that are recorded related to the September 2016 convertible notes offering, other income / (expense), and a loss on extinguishment of debt.

# Strengthened Balance Sheet

Positive free cash flow generation, along with the full conversion of convertible notes and paydown of short-term debt has resulted in **a vastly improved balance sheet with zero debt**

(in millions)	June 30, 2017	June 30, 2018	June 30, 2019
Cash & Cash Equivalents	\$6.3	\$8.6	\$16.2
Convertible Notes O/S (Face Value)	\$16.0	\$5.7	\$0.0
Other Debt (Face Value)	\$2.3	\$1.6	\$0.0
Net Cash/(Debt) Position	(\$11.9)	\$1.3	\$16.2

 **digital turbine | Investment Highlights**

- ▶ **Highly-scalable platform** business model uniquely positioned in high growth, \$100 billion mobile advertising market
- ▶ **40+ long-term agreements** with top-tier global partners including Verizon, AT&T, Samsung, America Movil and Reliance Jio
- ▶ **Powered >2 billion app preloads** for thousands of advertisers and access to more than one billion mobile subscribers globally
- ▶ **38% revenue growth and 78% gross profit growth** in FQ1 contributed to higher operating margins and free cash flow
- ▶ Increasingly diverse revenue mix rapidly shifting to **higher margin revenue** streams amid expanding global market opportunity
- ▶ Several current and impending **high-profile partner** launches and promising business development pipeline
- ▶ Experienced management team and board with a **track record** of outstanding business growth at various carriers and technology companies including Verizon, AT&T, Sprint, Nextel, Yahoo, First Data and Sony