

digital turbine®

30th Annual ROTH Conference
March 2018



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

- Company Overview
- Market Dynamics
- Mobile Delivery Platform
- Operational & Financial Update
- Q&A



Platform validated by market leaders

Partnered with **30+**
mobile operators & OEMs

Ignite has delivered over
1,100,000,000
app preloads

Ignite is installed on
130,000,000+
devices

Operators



OEMs

































Active campaigns in over
150+ countries

Adding over
7,500,000
new devices per month

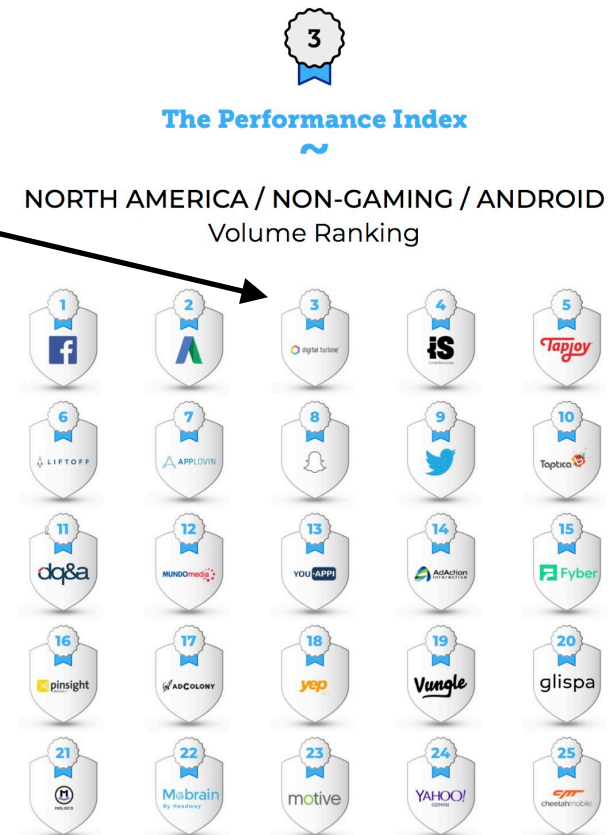
Pay performs more than
8,000,000
transactions per year

We work with over 300 premier advertisers and agencies delivering thousands of unique apps including 70 of the top 100 grossing apps on Google Play

Travel				Retail			
Social				Music			
Real Estate				Entertainment			
Finance				Gaming			
Shopping				Agency			

Industry Statistics Highlight the Growing Influence of Digital Turbine's Platform

- Digital Turbine currently ranks #3, trailing only Facebook and Google, in the AppsFlyer rankings for “fraud-free” non-gaming app installs on Android devices in North America.
- With added reach internationally via partnerships with the likes of America Movil in Latin America and Reliance Jio in India, Digital Turbine moved up to #4 in AppsFlyer’s universal rankings for non-gaming app installs on all Android devices worldwide.
- While improvement in non-gaming rankings reflects a concerted effort to recruit more brand advertisers, Digital Turbine also moved up in the rankings for gaming-related app installs, both globally and in North America, during 2017.



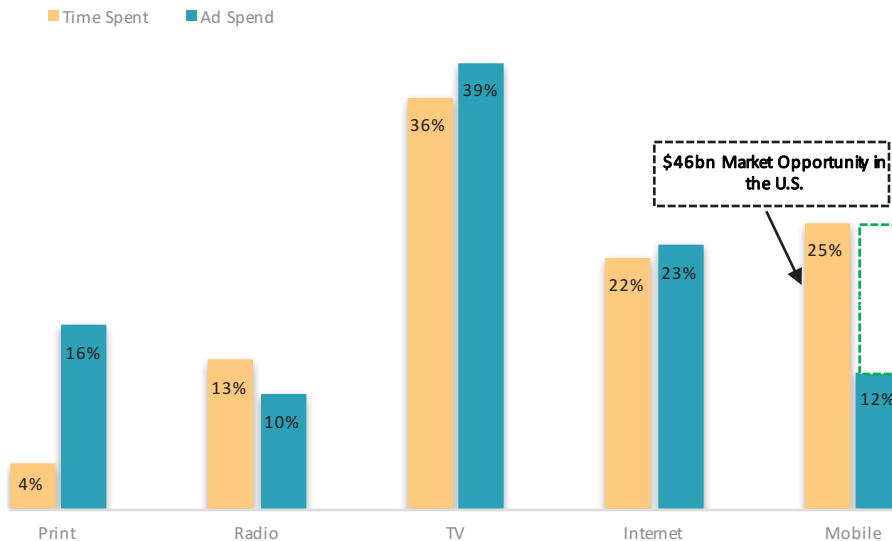
Source: AppsFlyer Performance Index, March 2018

Smartphones and Apps are the Technology Ecosystem of Our Time

Digital Turbine is uniquely positioned to capitalize on this growing market opportunity

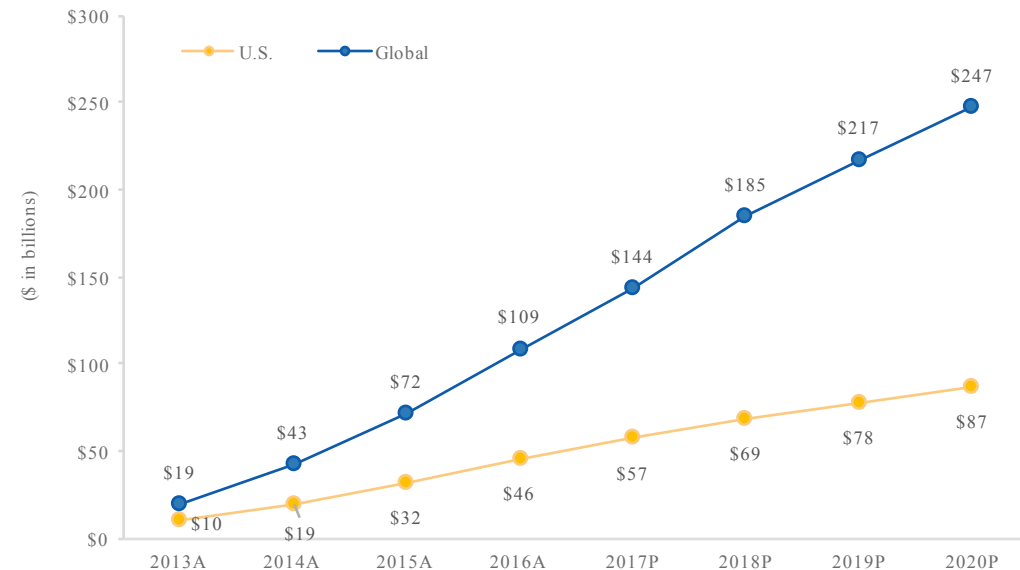
- 1.49 billion smartphones shipped globally in 2016, with Android's overall market share reaching 85 percent
- The “App Economy” is here to stay – 80%+ of content consumed on smartphones is through apps
- Global mobile advertising market surpassed \$100 billion in 2016, with the U.S. accounting for \$46 billion
 - Facebook is driving approximately \$5.2 billion in quarterly mobile ad revenue, with a significant portion from app install ads

The Mobile Ad Spend Gap



Source: Strategy Analytics, Gartner, Statista, KPCB.

Global Mobile Advertising Market





Evolving Market Dynamics

1

Rise of open market

Increased number of customers buying off contract and from non-carrier locations.

2

Cracks in duopoly

Advertisers looking to diversify spend due to market concentration concerns and fraud fears.

3

Operators are diversifying their business model

Looking for ways to grow new revenue streams, leverage their assets and connect content to customers.

4

Intense Operator and OEM competition

OEMs are increasingly competing with carriers.
Carriers looking to take control of the customer experience.




5

App discoverability increasingly difficult

The number of apps in stores, increased digital ad fraud, and the high level of noise has made app discoverability increasingly difficult. Advertisers looking for new ways to directly reach customers.
End customers seeking native, frictionless, 'on-demand' experience.

Digital Turbine: Building Connections and Facilitating Transactions

Solving problems and creating opportunities for all parties in today's app economy

	 End Customers	 Advertisers	 Operators & OEMs
Problem	App discovery & app install friction	Profitable user acquisition	Cut out of the app economy
The Digital Turbine Solution	<ul style="list-style-type: none">▪ Promote app discovery and foster improved conversion rates▪ Enhance/personalize the overall end-user experience by frictionlessly delivering more relevant content via proprietary data analytics engine	<ul style="list-style-type: none">▪ Target and acquire new customers with unique home screen access▪ Provide measurable tracking data to maximize campaign ROI	<ul style="list-style-type: none">▪ Improve profit margins by more effectively monetizing valuable “beachfront” app property▪ Actively engage with subscribers to deliver a richer user experience (no longer a “dumb pipe”)

Digital Turbine Mobile Delivery Platform

Modular platform delivers comprehensive solutions tailored to customer need

Monetization

grow revenue through DT's one-stop campaign management

Pay Integration

Of carrier billing into app

Additional Screens

IoT, TVs, Auto, Tablets, etc.

Operational Efficiency

easily deliver and manage your owned and operated apps

Insight

improved customer insight and targeting

Frictionless Installs

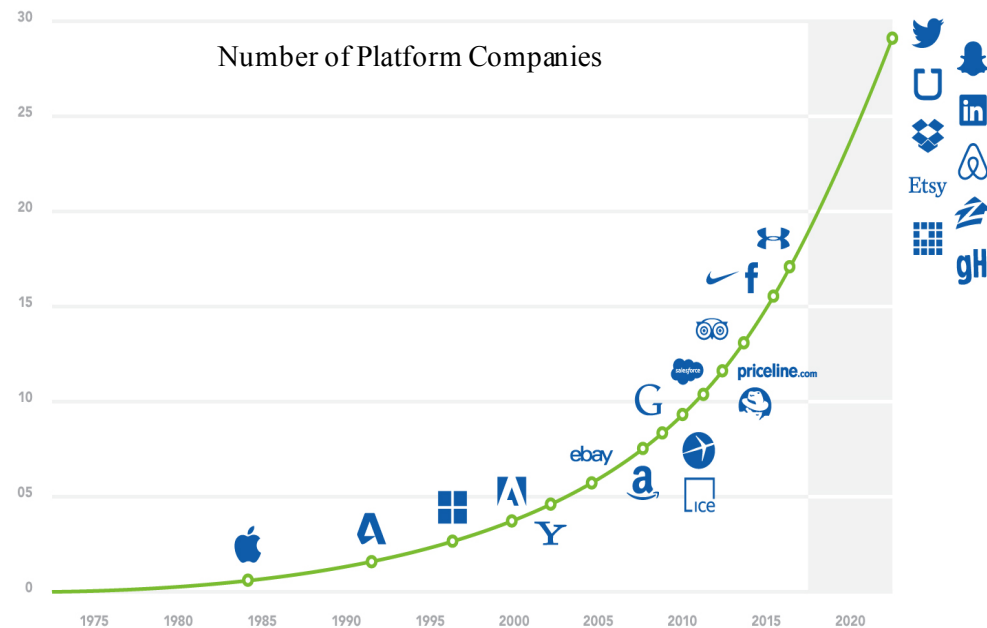
'Single-Tap' app installs



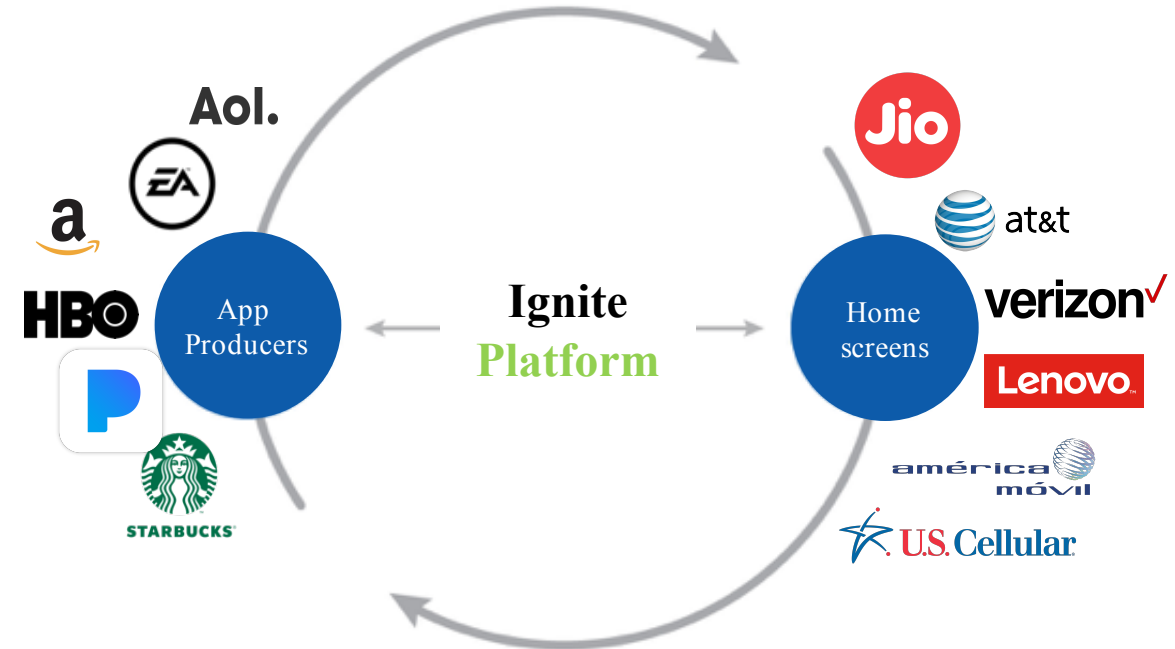
Media

one-stop campaign management

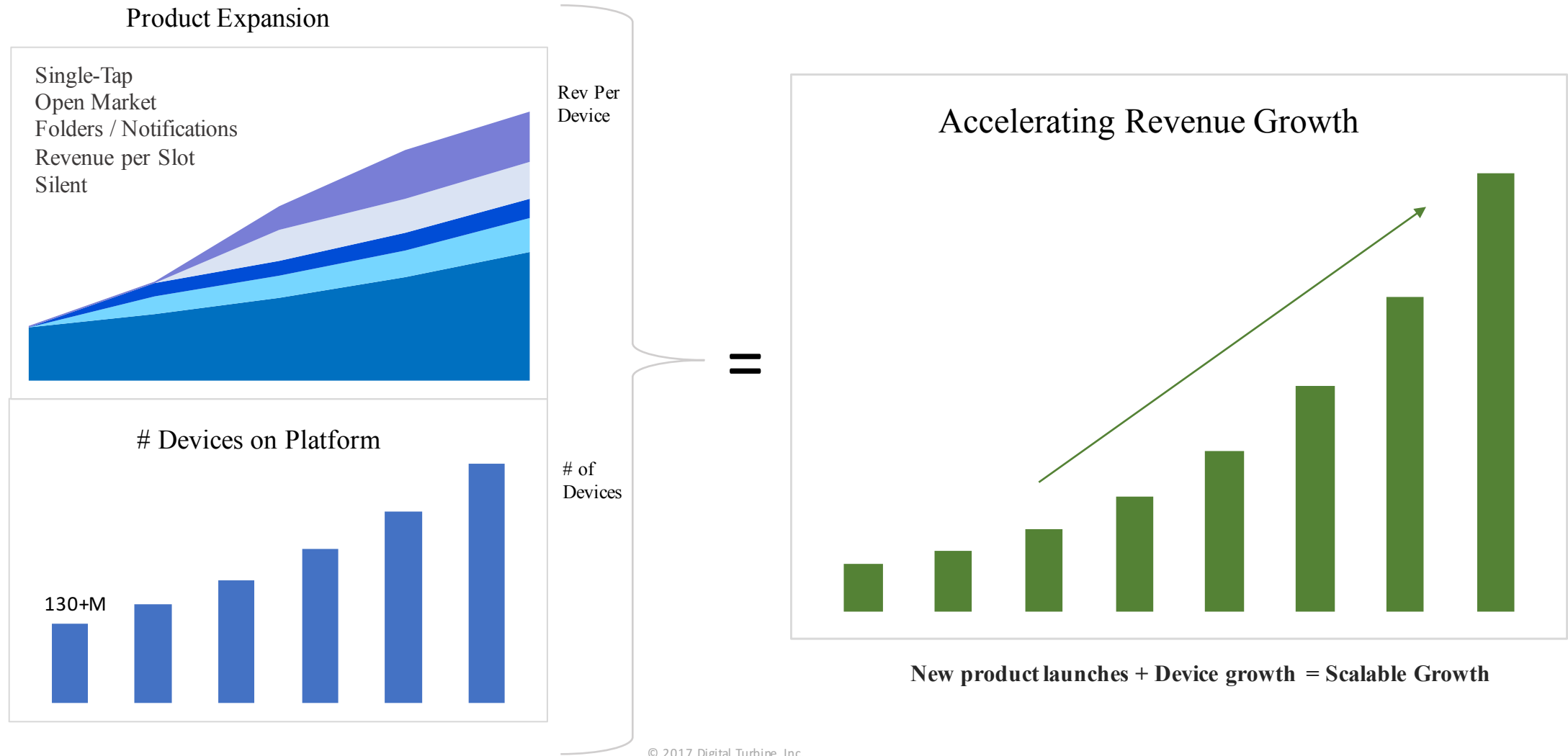
Platform businesses drive more shareholder value



Source: applicoinc.com_2016



Product expansion + Device Growth = Scalable Revenue Growth



Operational Update

Strong O&O Revenue Growth Amid Growing Advertiser Demand & Expanding Mobile Platform Opportunity

- Total revenue reached a record of \$38.0 million in fiscal Q3 (December) driven by **“O&O” revenue growth of 93% Y/Y**
 - Ignite has now been **installed on more than 130 million total devices** to date; Ignite was installed on more than 23 million devices in the December quarter alone
 - Ignite has been successfully deployed on the Samsung S8 and Note 8 with key carriers, including Verizon, AT&T/Cricket, and America Movil
 - “Same-store” bid rate and revenue-per-slot increases showcase **strengthening demand for unique homescreen access**
- New platform initiatives are **expanding the addressable market opportunity** by generating additional sources of high-margin revenue while enhancing the end user experience
 - **‘Single-Tap’ is now live** with North American operators and a large social media platform; Single-Tap promotes higher conversion rates and enhances the end-user experience by enabling frictionless app installs
 - Multiple new revenue streams on the platform yield a **higher profit-per-device opportunity**
- **Promising business development pipeline**, as evidenced by recent partnership announcements and impending launches
 - Recently announced agreement with Qualcomm designed to help foster incremental global opportunity with OEMs and unlocked devices
 - Several high-profile launches, including T-Mobile and Tracfone, are expected to begin to contribute in fiscal 2019

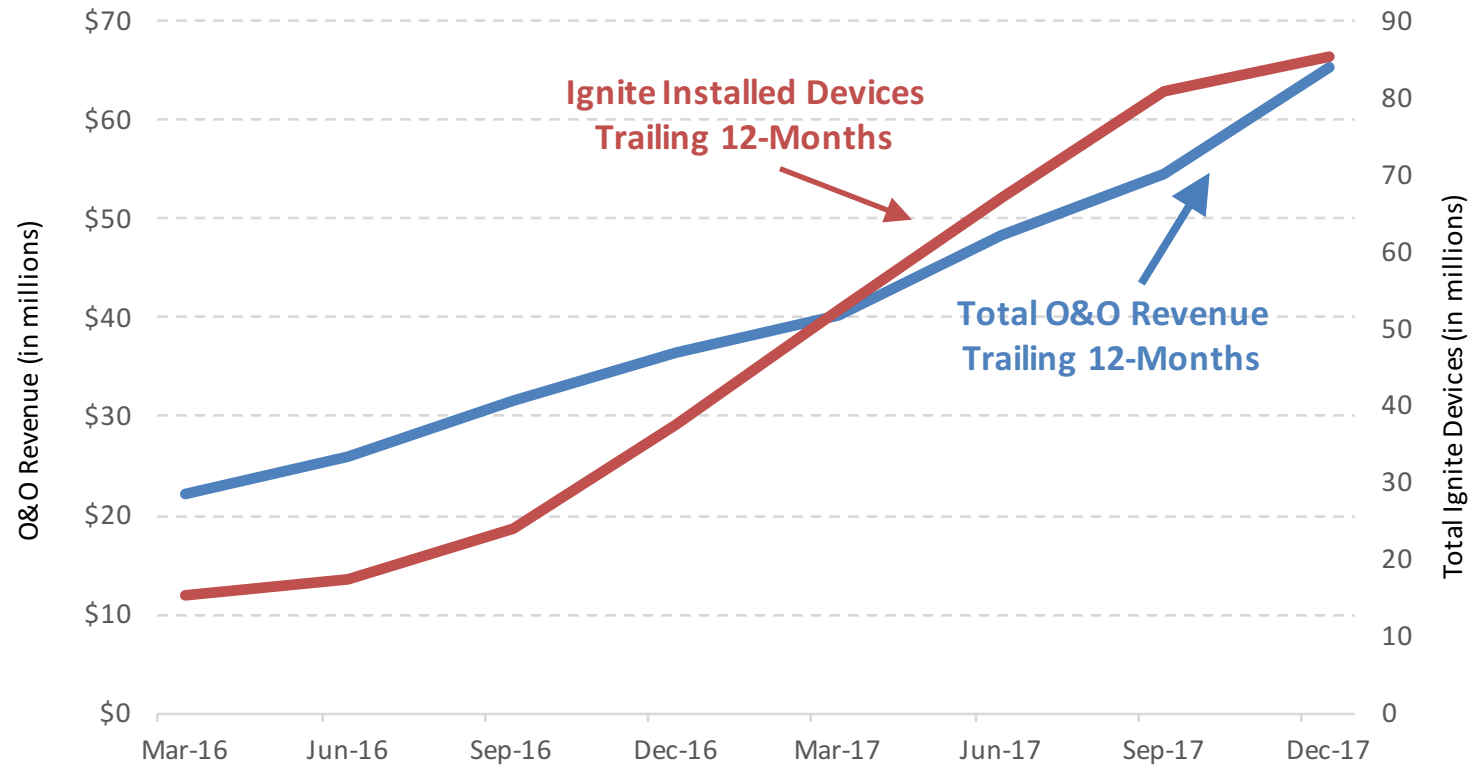
Financial Update

Positive Free Cash Flow* and Strengthened Balance Sheet

- Strong O&O revenue growth and a strategically-realigned cost structure led to **positive free cash flow* in the December quarter**
 - Non-GAAP gross profit* increased 96% Y/Y in fiscal Q3, while cash operating expenses* increased 23% Y/Y, demonstrating the **inherent leverage in the platform business model**
 - Non-GAAP gross margin* increased to 27% in Q3 of fiscal 2018, up from 24% in Q3 of fiscal 2017, as a result of an **evolving mix shift toward higher-margin O&O business**
 - **Free cash flow* totaled \$1.4 million for the December quarter**
- Cash & cash equivalents increased to \$6.9 million at December quarter-end, up \$1.0 million as compared to September quarter-end, despite the paydown of \$0.6 million on the credit facility during the quarter
- The notional value of convertible notes outstanding has been reduced via the conversion of approximately \$10 million of convertible notes to date, thus further reducing leverage on the balance sheet
- Guidance calls for **continued positive cash flow generation in the current March quarter**
 - Adjusted EBITDA* and free cash flow* are expected to be positive in fiscal Q4 and for the full-year fiscal 2018

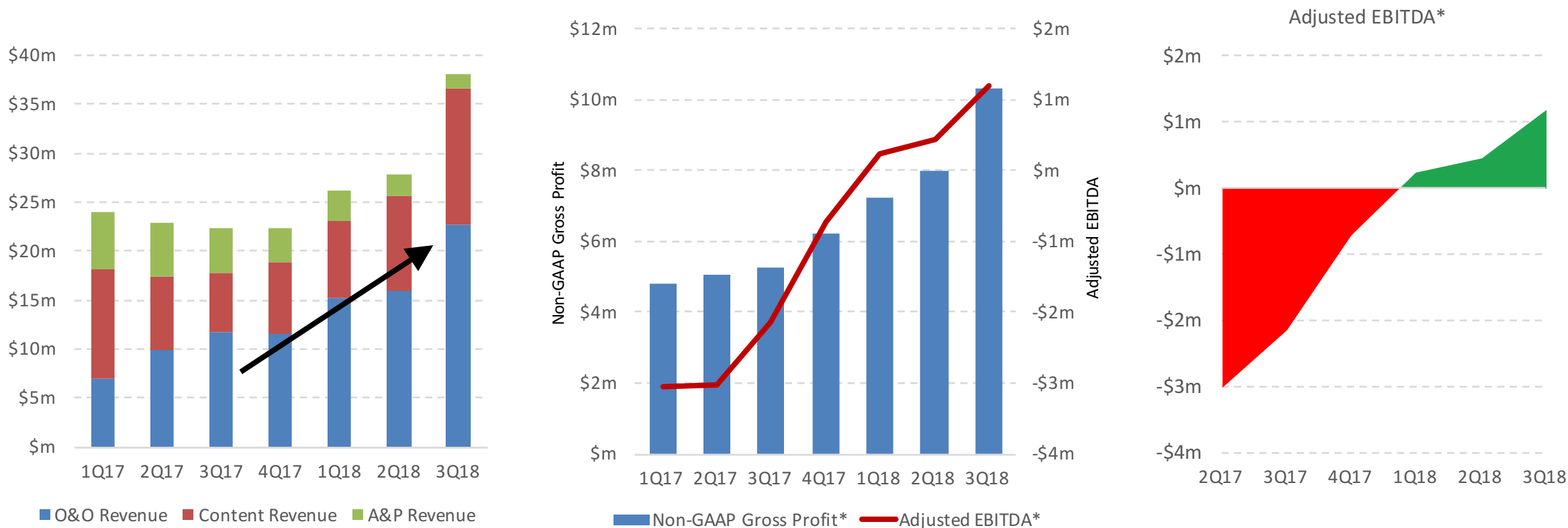
O&O Revenue Growth Being Driven by Proliferation of Ignite

Ignite has been successfully installed on more than 130 million devices to date and is currently being installed at a rate of approximately 100 million new devices per year



Evolving Mix Shift Toward Higher Margin O&O Revenue; Scalable Business Model

O&O revenue of \$22.7 million in fiscal Q3 (December) increased more than 90% Y/Y and now represents 60% of total revenue, helping to drive expansion in gross profit and cash flow profitability



Management Team and Board of Directors

Management Team

- Bill Stone, *CEO*
 - Bill was previously SVP at QUALCOMM Inc. He has served as CEO/President of multiple startups and has extensive experience in carrier relations, mobile, content, marketing and distribution, having held executive positions at several carriers such as Verizon, Vodafone, and AirTouch.
- Barrett Garrison, *EVP & CFO*
 - Barrett served as the Chief Financial Officer of Competitor Group, Inc., a media and event company in the active lifestyle industry,; the Chief Financial Officer of Netspend, a division of TSYS Company, a leading financial technology company
- Daphna Steinmetz, *CTO*
 - Daphna was previously CTO of ThetaRay, VP Strategy and Innovation at Amdocs, Chief Innovation Officer at Comverse, and on the board of Amobee (sold to Singtel).
- Nick Montes, *EVP Global Business Development*
 - Nick served as President of Logia Mobile USA, CEO of Viva Vision, and spent 10 years in senior level sales and marketing positions with Verizon Wireless.
- Jon Mooney, *Head of Asia Pacific*
 - Jon was founder and COO of MIA prior to its acquisition by Digital Turbine in 2013. He worked previously at T-Mobile and Telstra in Europe and Asia Pacific.

Board of Directors

- Rob Deutschman
 - Chairman of the Board
 - Managing Director at Cappello Capital
 - Former Managing Director at Saybrook Capital
- Mohan Gyani
 - Former President and CEO of AT&T Wireless Mobility Services
 - Currently on board of Ruckus Wireless and Idea Cellular
 - Prior boards: MTS, Keynote Systems, Safeway
- Jeff Karish
 - President of Windsor Media
 - Former Head of Media Strategy & Corporate Development at Yahoo
- Chris Rogers
 - Partner at Lumia Capital
 - Former Co-Founder of Nextel Communications and SVP at Sprint Nextel
- Paul Schaeffer
 - Co-Founder, Vice Chairman & COO of Mandalay Entertainment Group
 - Former EVP of Sony Pictures
- Bill Stone, *CEO*

Investment Highlights



digital turbine™ Investment Highlights

Highly-scalable platform business model uniquely positioned in high growth, \$100 billion mobile advertising market

30+ partnerships and long-term distribution deals with top-tier global carriers including Verizon, AT&T, America Movil and Reliance Jio

Powered >675 million app preloads for thousands of advertisers and access to more than one billion mobile subscribers globally

>90% revenue growth Y/Y in the O&O business during the just-reported FQ3 led to positive free cash flow* of \$1.4 million

Increasingly diverse revenue mix rapidly shifting to higher margin revenue streams amid expanding market opportunity

Several 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 AT&T, Sprint, Nextel, Yahoo, and Sony

Summary Income Statement

	Fiscal Year Ending March 31				
<i>(\$ in millions, except for per share data)</i>	F3Q17	F4Q17	F1Q18	F2Q18	F3Q18
Total Net Revenues	\$22.3	\$22.4	\$26.1	\$27.9	\$38.0
<i>YoY Growth %</i>	-7%	-3%	9%	22%	71%
Non-GAAP Gross Profit*	\$5.2	\$6.2	\$7.2	\$8.0	\$10.3
<i>Non-GAAP Gross Margin*</i>	24%	28%	28%	29%	27%
Non-GAAP Adjusted EBITDA*	(\$2.1)	(\$0.7)	\$0.2	\$0.4	\$1.2
GAAP Net Income (Loss)	(\$2.6)	(\$6.9)	(\$4.2)	(\$6.5)	(\$3.8)
Non-GAAP Net Income (Loss)*	(\$3.4)		(\$0.9)	(\$0.6)	\$0.5
GAAP EPS	(\$0.04)	(\$0.10)	(\$0.06)	(\$0.10)	(\$0.05)
Non-GAAP EPS*	(\$0.05)		(\$0.01)	(\$0.01)	\$0.01
Common Shares Outstanding	66.6	66.6	66.6	66.8	72.1

Balance Sheet

(\$ in 000's)

31-Dec-17

ASSETS

Current assets

Cash and cash equivalents	6,883
Restricted cash	331
Accounts receivable, net of allowances	32,494
Deposits	155
Prepaid expenses and other current assets	551
Total current assets	40,414

Property and equipment, net	2,693
Deferred tax assets	593
Intangible assets, net	2,844
Goodwill	76,621

TOTAL ASSETS	123,165
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable	28,404
Accrued license fees and revenue share	12,857
Accrued compensation	3,456
Short-term debt, net of debt issuance costs & discounts	1,653
Other current liabilities	1,844
Total current liabilities	48,214

Convertible notes, net of debt issuance costs	5,751
Convertible note embedded derivative liability	5,896
Warrant liability	3,602
Other non-current liabilities	51
Total liabilities	63,514

Stockholders' equity	59,651
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	123,165
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*Appendix: Non-GAAP Measures of Performance

- ***Non-GAAP gross profit and net income*** are defined as GAAP gross profit and net income adjusted to exclude the effect of stock-based compensation, amortization of intangibles, and changes in the fair value of derivatives and warrants related to the September 2016 convertible notes offering.
- ***Non-GAAP Adjusted EBITDA*** is calculated as GAAP net income (loss) excluding interest expense, FX gains (losses), income taxes, depreciation and amortization, stock-based compensation, the change in fair value of derivatives, other income/(expense), impairment of intangible assets, loss on disposal of fixed assets and loss on extinguishment of debt.
- ***Free Cash Flow*** is calculated as GAAP cash flow from operations less capital expenditures.
- ***Cash operating expenses*** are defined as GAAP operating expenses adjusted to exclude stock-based compensation and depreciation.