

Needham *Interconnect* Conference

August 4, 2015



Safe Harbor Statements.

Statements in this presentation 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 fiscal year 2016 revenue and non-GAAP adjusted gross margin ranges, 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 include the occurrence of any event, change or other circumstances that could give rise to risks related to disruption of management's attention from the ongoing business operations due to the Appia merger integration effort; the ability to expand the combined company's global reach, accelerate growth and enhance a scalable, low-capex business model that drives EBITDA; failure to realize anticipated operational efficiencies, revenue (including projected revenue) and cost synergies and resulting revenue growth, EBITDA and free cash flow conversion from the Appia merger; inability to refinance the assumed debt or to refinance the debt on favorable terms; unforeseen challenges related to relationships with operators, publishers and advertisers and expanding and maintaining those relationships; the ability to execute upon, and realize any benefits from, potential value creation opportunities through strategic relationships in the future or at all, including the ability to leverage advertising opportunities effectively and increase revenue streams for carriers; the inherent and deal specific challenges in converting discussions with carriers into actual contractual relationships; product acceptance of a new product such as DT Ignite™ or DT IQ™ in a competitive marketplace; device sell through for any specific device or series of devices; the potential for unforeseen or underestimated cash requirements or liabilities; the impact of currency exchange rate fluctuations on our reported GAAP financial statements; the Company's ability as a smaller company to manage international operations; its ability given the company's limited resources to identify and consummate acquisitions; 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; pricing risks associated with potential commoditization of the Appia Core as competition increases and new technologies add pricing pressure; 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 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.

Use of Non-GAAP Financial Measures.

To supplement the Company's condensed historical financial statements and/or forward looking financials presented in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), Digital Turbine uses non-GAAP measures of certain components of financial performance, the exact amount of which are not currently determinable. These non-GAAP measures include non-GAAP adjusted gross profit and gross margin and non-GAAP adjusted EBITDA. Furthermore, the expected GAAP and non-GAAP results for the twelve month period ended March 31, 2016 presented, if any, are subject to completion of the Company's year-end accounting processes, which include the finalization of the Company's provision for income taxes. Final results could also be affected by certain subsequent events. Non-GAAP measures are provided to enhance investors' overall understanding of the Company's current financial performance, prospects for the future and as a means to evaluate period-to-period comparisons. The Company believes that these non-GAAP measures provide meaningful supplemental information regarding financial performance by excluding certain expenses and benefits that may not be indicative of core business operating results. The Company believes the non-GAAP measures that exclude such items when viewed in conjunction with GAAP results and the accompanying reconciliations, if any, enhance the comparability of results against prior periods and allow for greater transparency of financial results. To the extent the Company is unable to provide a quantitative reconciliation for forward looking non-GAAP financial measures, the Company has provided a qualitative description of the anticipated differences between such non-GAAP financial measure and the most comparable financial measure. The Company believes non-GAAP measures facilitate management's internal comparison of its financial performance to that of prior periods as well as trend analysis for budgeting and planning purposes. The presentation of non-GAAP measures is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. Non-GAAP Adjusted gross margin is defined as GAAP gross margin adjusted to exclude the effect of intangible amortization expense. Readers are cautioned that non-GAAP Adjusted gross margin should not be construed as an alternative to gross margin determined in accordance with U.S. GAAP as an indicator of profitability or performance, which is the most comparable measure under GAAP. Non-GAAP Adjusted EBITDA is calculated as GAAP net loss excluding the following cash and non-cash expenses: interest expense, foreign transaction gains (losses), debt financing and non-cash related expenses, debt discount and non-cash debt settlement expense, gain or loss on extinguishment of debt, income taxes, asset impairment charges, depreciation and amortization, stock-based compensation expense, change in fair value of derivatives, and fees and expenses related to acquisitions. Because Adjusted EBITDA is a non-GAAP measure that does not have a standardized meaning, it may not be comparable to similar measures presented by other companies. Readers are cautioned that Non-GAAP Adjusted EBITDA should not be construed as an alternative to net income (loss) determined in accordance with U.S. GAAP as an indicator of performance, which is the most comparable measure under GAAP. Non-GAAP adjusted gross profit and gross margin and adjusted EBITDA are used by management as internal measures of profitability and performance. They have been included because the Company believes that the measures are used by certain investors to assess the Company's financial performance before certain cash and non-cash charges and other costs that the Company does not believe are reflective of its core operating underlying business.

Smartphones & apps are the technology platform of our time

1.3B

smartphones
shipped in 2014

1.4M

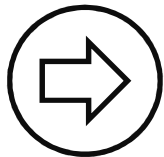
apps on both
Google Play and
the App Store

\$45B

**mobile app
revenue**
forecast in
2015

\$4.4B

**mobile
advertising
revenue** in
2015



Mobile app revenues estimated at **\$45B** in 2015, with advertising revenue representing **\$4.4B** and forecast to grow **+57%** annually

Facebook Parallel



Facebook is currently driving approximately *\$2.9 billion* in quarterly mobile ad revenue

- ✓ FB stock hits low of \$17.73 on September 4, 2012
- ✓ Launches app install ads on October 17, 2012
- ✓ Facebook now has generated over **700M downloads** with **1.3 billion** mobile monthly active users

Source: Facebook Second Quarter 2015 Results

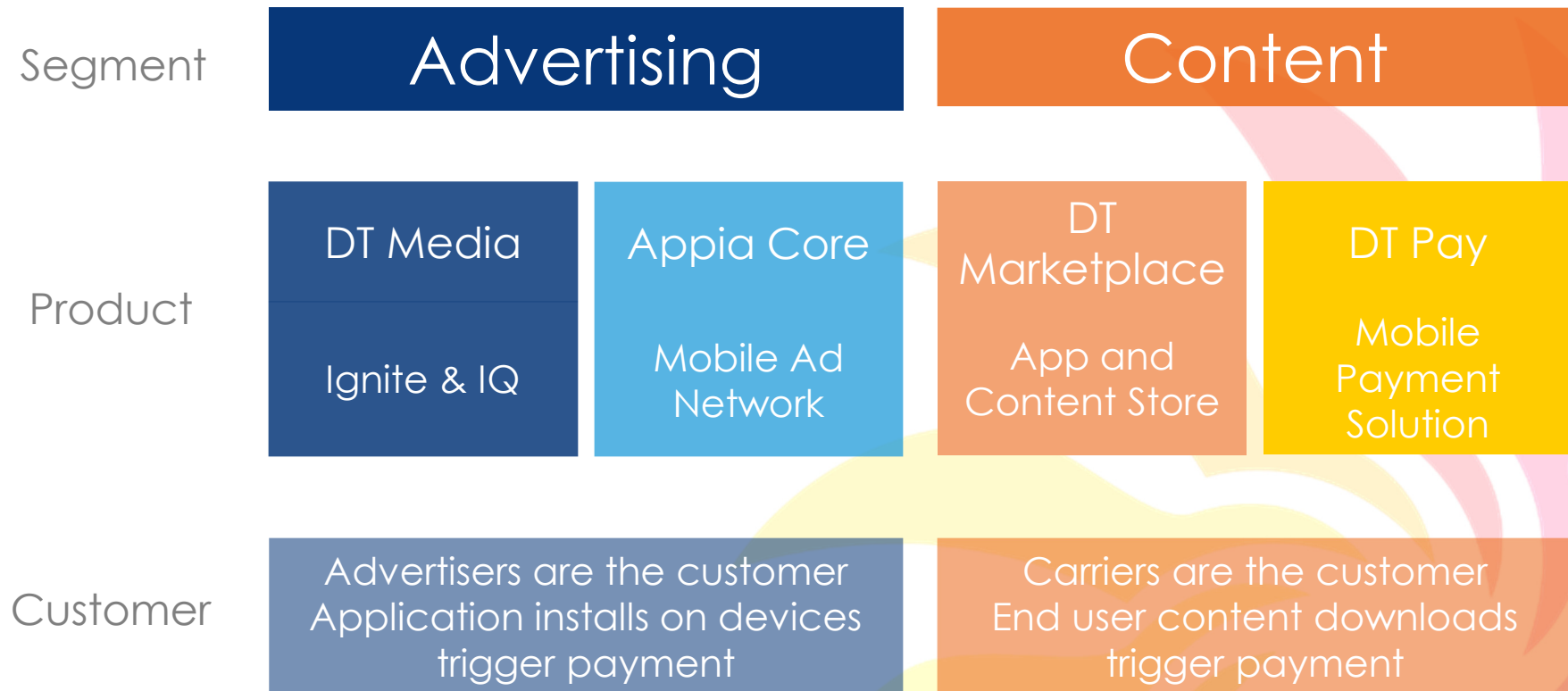
© 2015 Digital Turbine, Inc.

Our Mission

The 'App Economy' is exploding and redefining both industries and human lives. Our mission is to deliver the right app to the right customer at the right time...anywhere on the planet.



Our Business



Now in Execution Phase

Development

Acquisition

Execution

Strong foundation through product development and customer acquisition

Identify growing and dynamic market opportunity

Develop right products to meet opportunity

Sign customers to meet demand

Launch and scale customers

Optimize the business model to grow top and bottom line

Now in process of accelerating revenue ramp

Growth Levers



A Venn diagram consisting of three overlapping circles. The left circle is yellow and contains the text 'Expand Product Footprint'. The middle circle is light blue and contains the text 'Increase Distribution Footprint'. The right circle is orange and contains the text 'Optimize Revenue per Device'. The circles overlap in the center, creating a common intersection for all three levers. The background features abstract, colorful, curved shapes in shades of pink, purple, yellow, and green.

Expand
Product
Footprint

Increase
Distribution
Footprint

Optimize
Revenue
per Device

Product Overview

Digital Turbine Ignite

mobile device management solution with targeted app distribution capabilities



Digital Turbine IQ

customized user experience and app discovery tool



Digital Turbine Marketplace

an application and content store



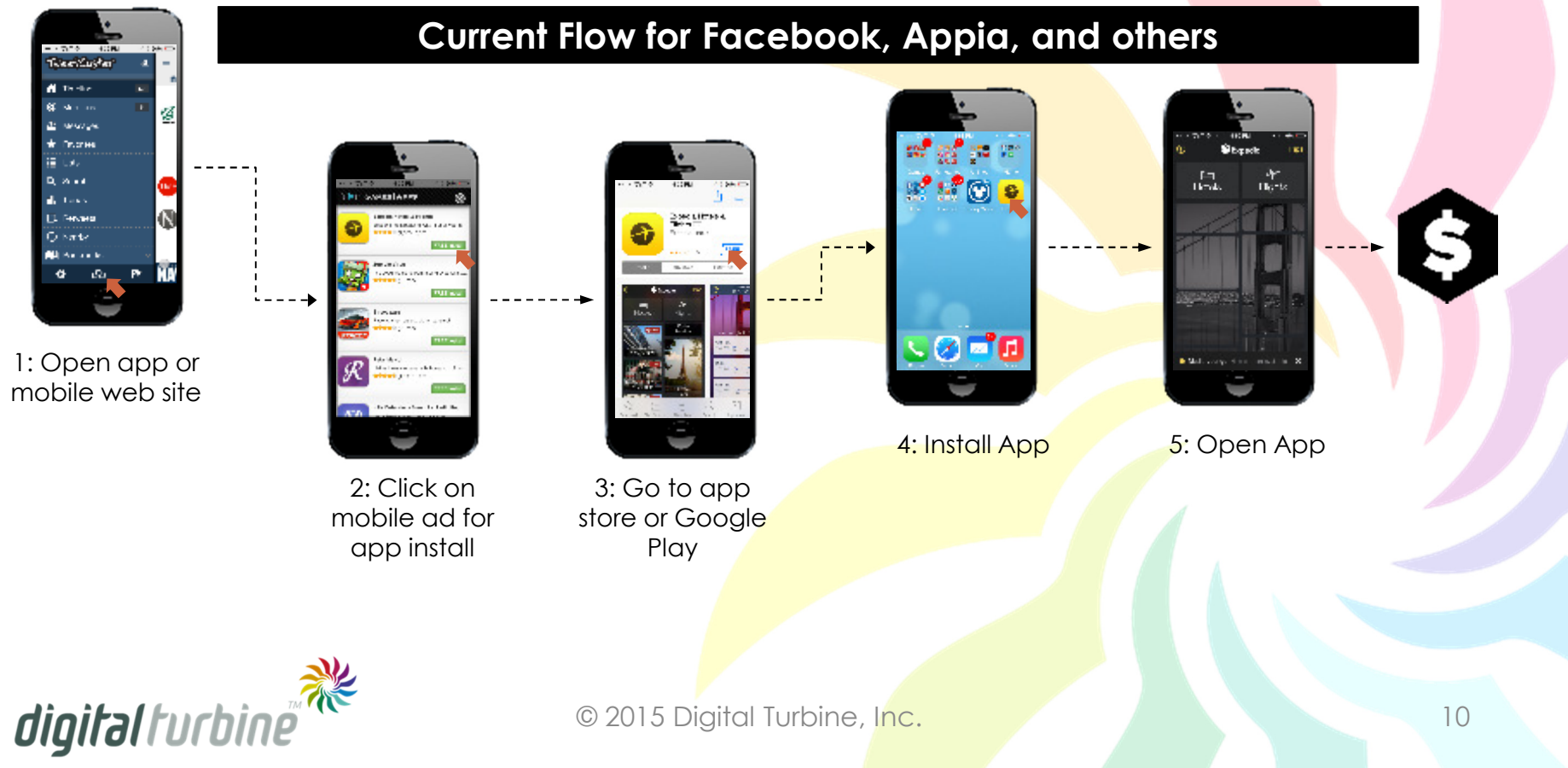
Digital Turbine Pay

content management and mobile payment solution



Ignite: Optimizes User Flow which increases Performance

Ignite simplifies the conversion flow for app installs from **6 steps to 2 steps**, creating an order of magnitude increase in mobile monetization



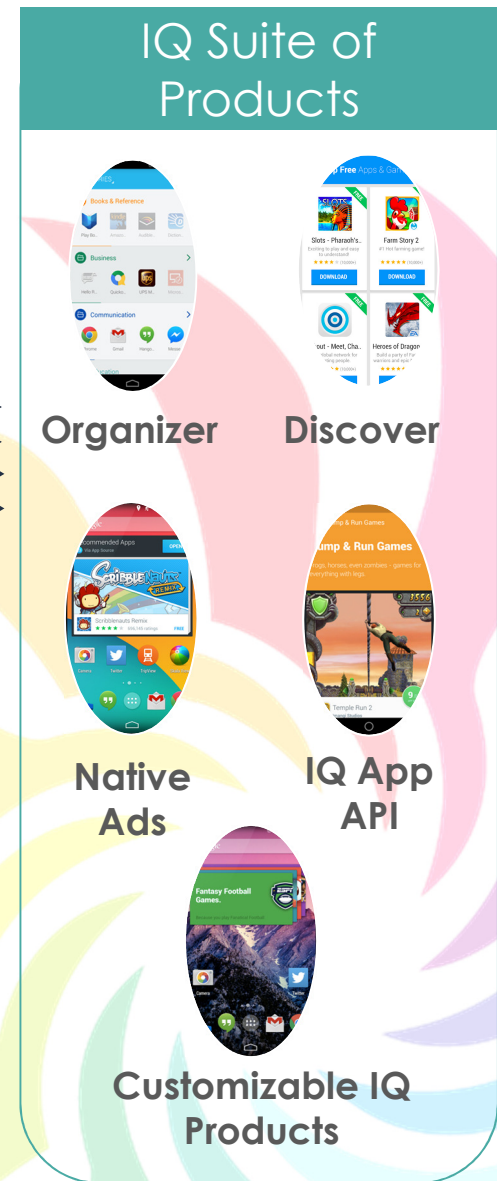
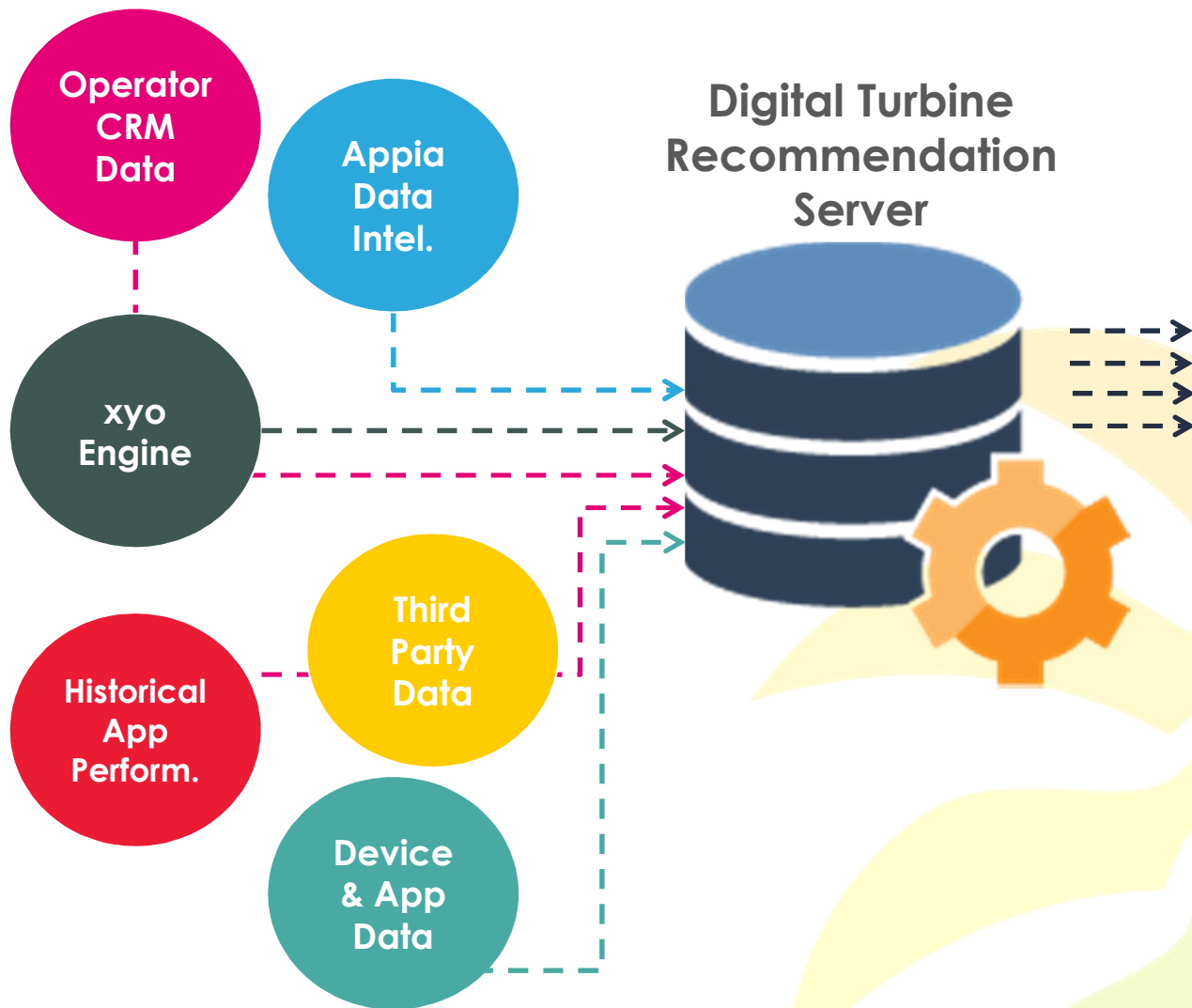
Ignite: Optimizes User Flow which increases Performance

Ignite simplifies the conversion flow for app installs from **6 steps to 2 steps**, creating an order of magnitude increase in mobile monetization

Ignite Flow



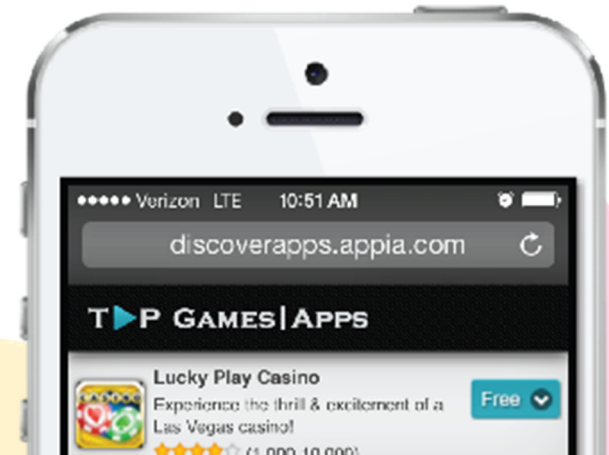
IQ: Delivering the right app to the right customer at the right time



Appia Core Diversifies Revenues

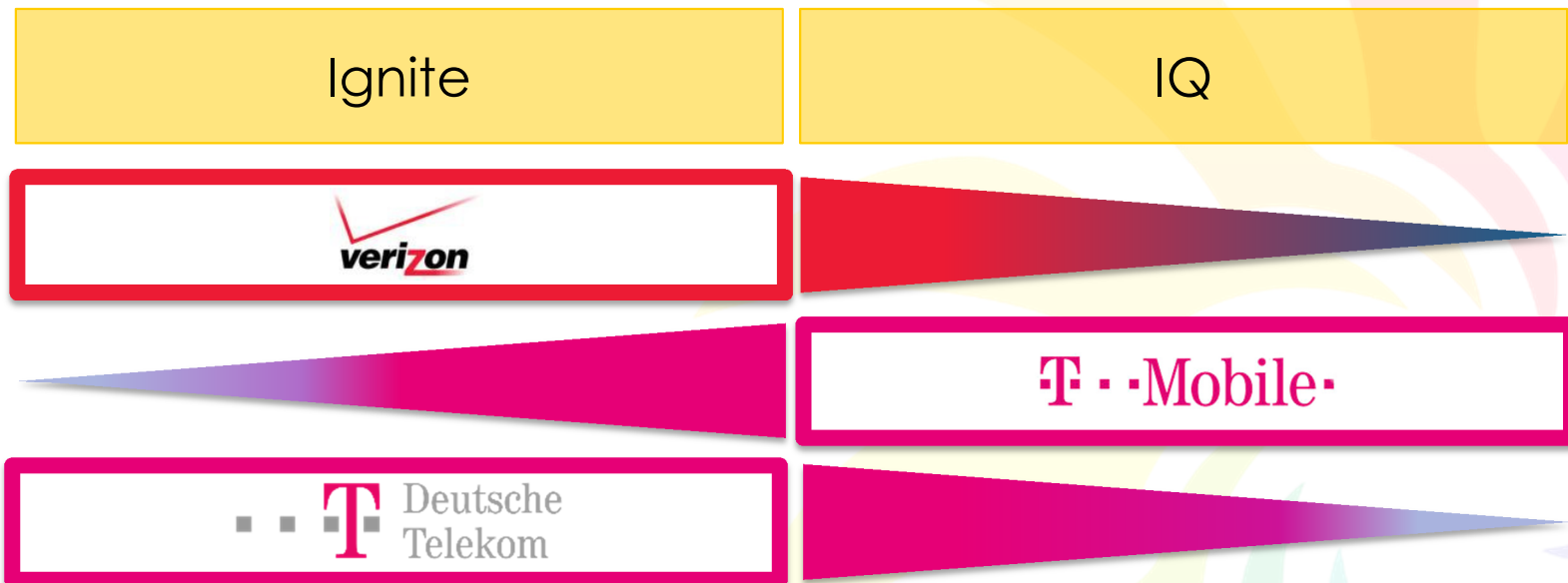
Appia will continue to scale as a leading worldwide mobile user acquisition network

- Partnering with 150+ app install advertisers
 - Drives both Appia Core and DT Media ads
 - **Exposure to Apple Ecosystem**, with ~20% of revenue from iOS advertisers
- Solid foundation of 250+ Global Publishers partners utilizing the Appia platform
 - **Expanding international supply base in China** and other geographies
 - Planning continued growth through APK managed DSP and leveraging DT Ad Units for Publishers



Product Footprint Expansion

- Deploy product suite across more handsets within existing customers
- Deploy product suite across more operator customers
- IQ device expansion with T-Mobile in U.S.
- Deutsche Telekom now launched in Europe with Ignite
- Marketplace also expanding DT Ignite/IQ relationships (e.g., Vodafone, SingTel, Telstra)



Increase Distribution Footprint

Strategy: Connect any Third Party wanting to monetize mobile applications on any Screen

Operators

OEMs

Other Third Parties
(Distributors,
Chipset suppliers,
Retailers, etc.)

Digital Turbine Mobile Operator Partners



Expanding OEM relationships

htc ~30M devices shipped per year

acer ~6M devices shipped per year

ASUS ~10M devices shipped per year

SONY ~40M smartphones shipped per year

Strong Demand for DT Media Inventory



U B E R

twitter 

 Zillow®

groupm

trivago®

 **TARGET**®

PANDORA
internet radio

 **Domino's**®



Allstate®
You're in good hands.

Booking.com

 **Hotels.com**®
The Obvious Choice™

facebook®



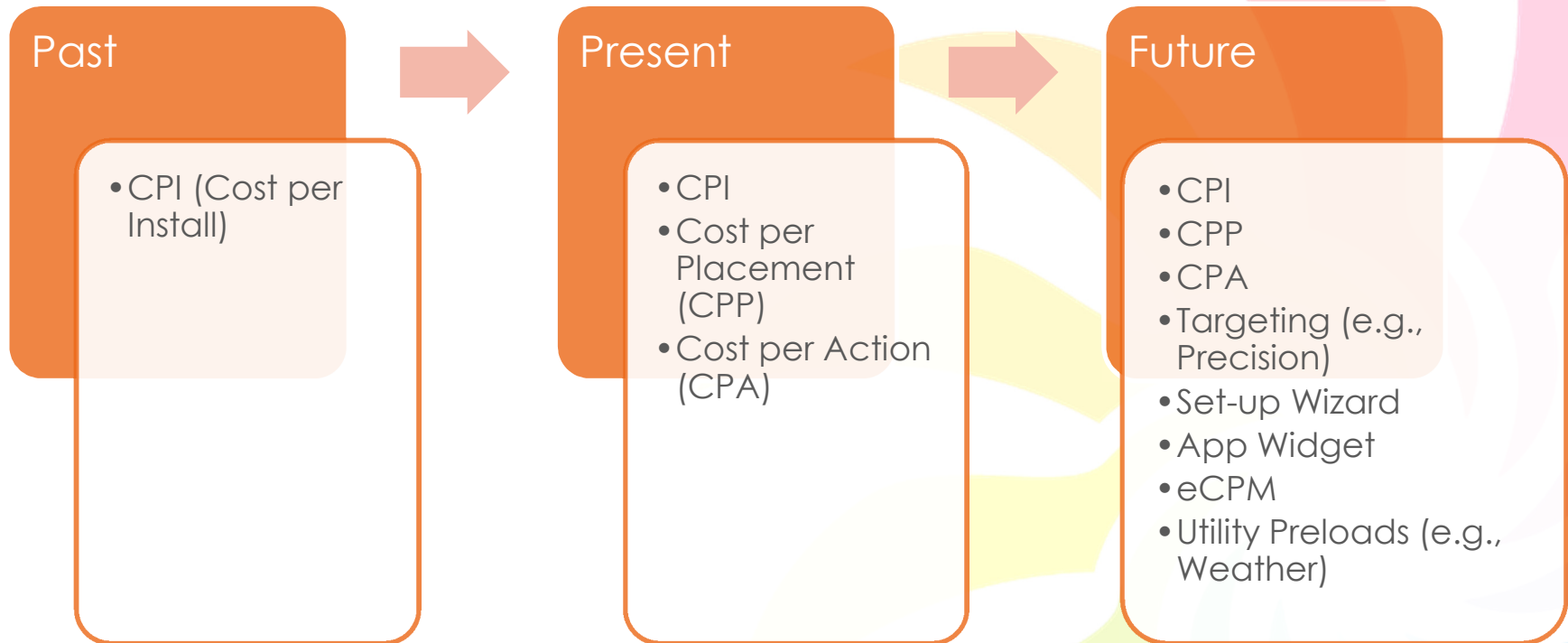
WPP

digital turbine™ 

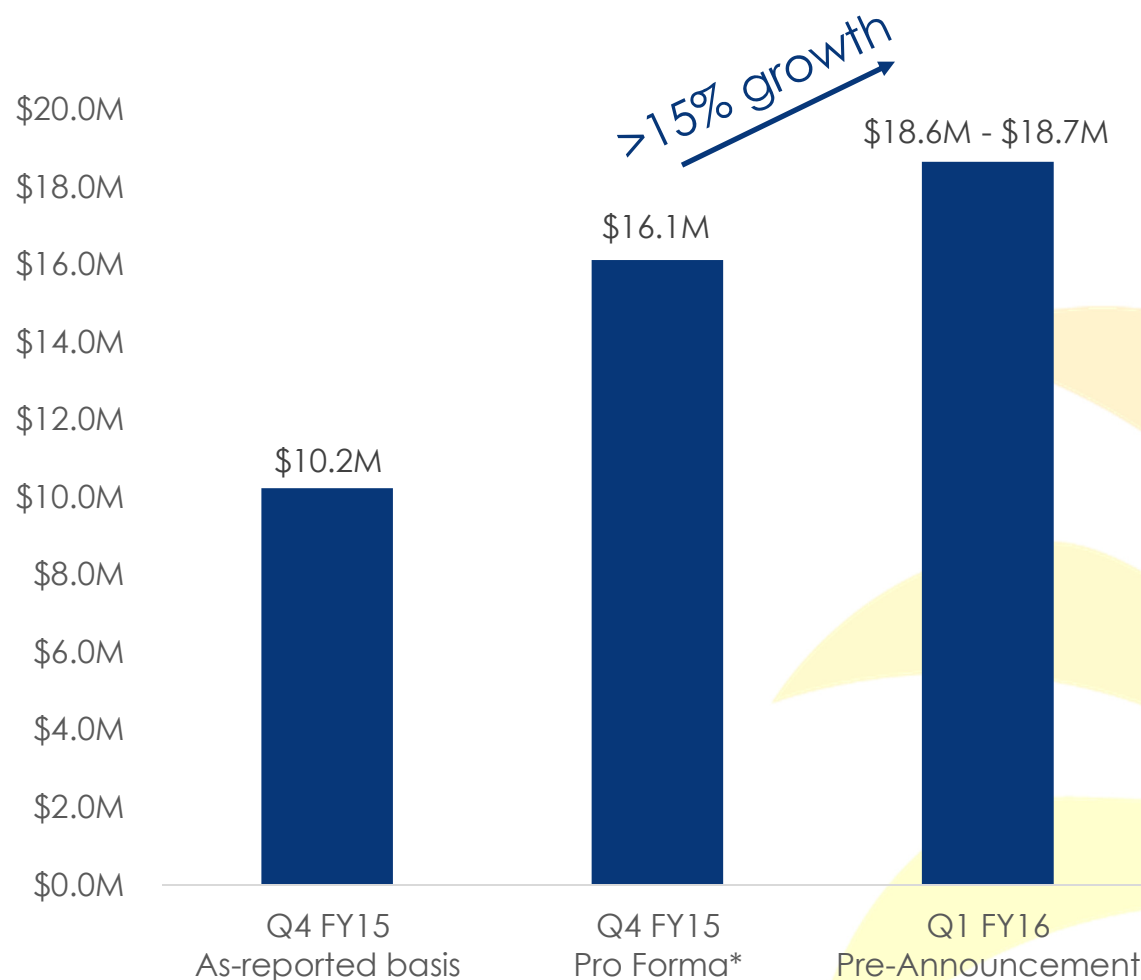
© 2015 Digital Turbine, Inc.

Optimize Revenue per Device

- Customers are asking for additional pricing models that will deliver better quality
- Focus is the optimization of the overall revenue per device by utilizing all pricing models

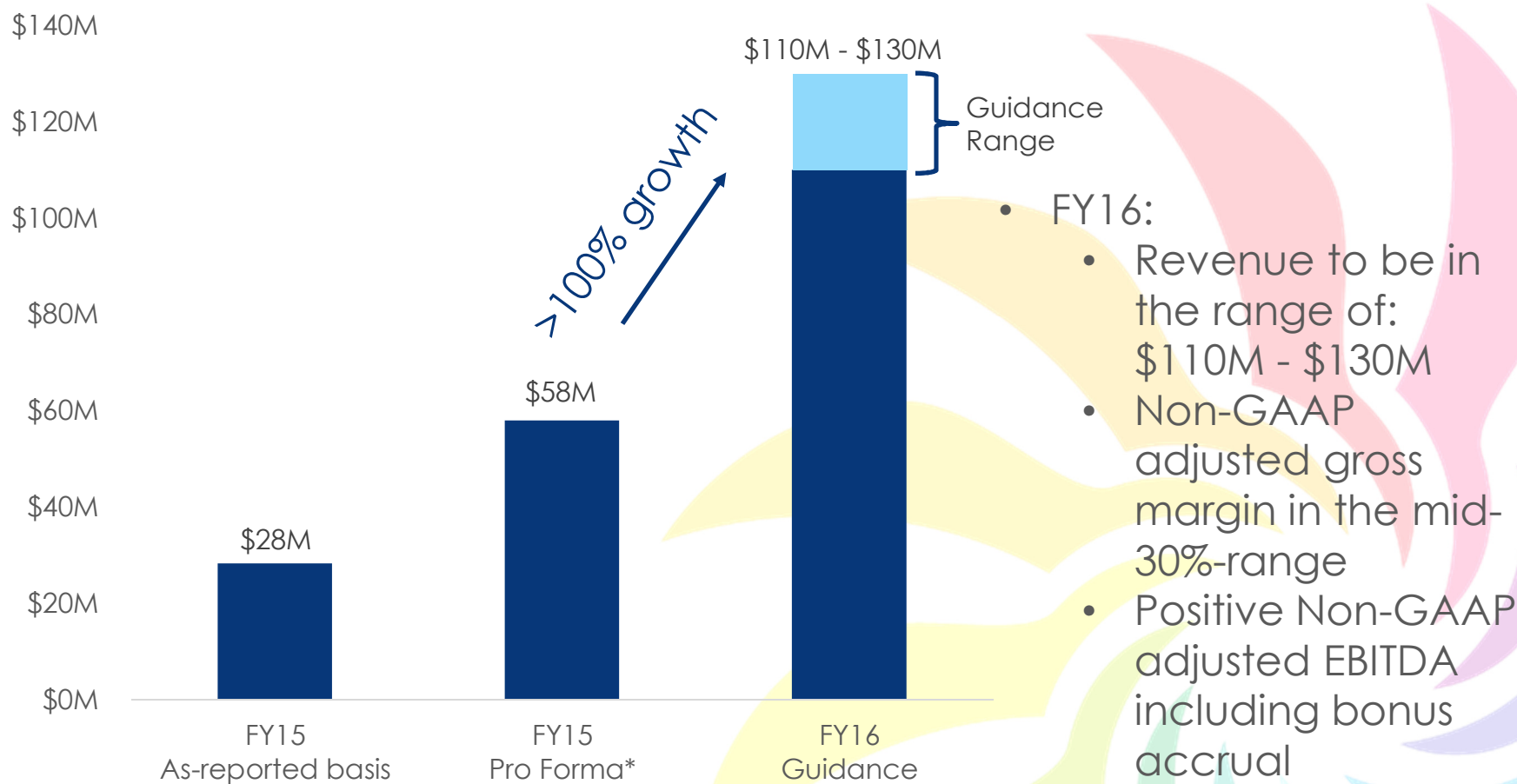


FY 2016 – Q1 Revenue Pre-Announcement



- Q1 FY16 highlights:
 - ~230% growth in DT Ignite and DT IQ revenue to \$3.2M
 - Achieved \$4M in revenue in second half of June
 - DT Media revenue in second half of June was ~120% higher than first half of April

Reiterating Full Year Guidance – FY 2016



* Assumes Appia owned for full fiscal year 2015

Experienced Executive Team

- **Bill Stone – Chief Executive Officer**
 - 20+ years experience in wireless, content, media, technology, marketing, and distribution
 - SVP, Qualcomm; CEO, Handango; exec. positions at Verizon, Vodafone, and AirTouch
- **Andrew Schleimer – CFO**
 - President, Au Courant Capital Corp.; EVP of Strategic Development, DCP and Six Flags
- **James Alejandro – Chief Accounting Officer**
 - Dell, Inc., Director of Accounting, North America & Global S&P Revenue
- **Nick Montes – Global Business Development**
 - President, Logia Mobile USA; President and CEO, Viva Vision; ex-Verizon and AirTouch
- **Jon Mooney – APAC and Content**
 - Chief Operating Officer, MIA; Content Acquisition & Strategy, Telstra
- **Kirstie Brown – Commercial Operations**
 - Chief Financial Officer, MIA; Controller, MBlox
- **Harris Thurmond – Ignite and IQ Products**
 - Director of Mobile Software Development, Dell; Program Manager, Microsoft
- **Jamie Fellows – Advertising Products**
 - SVP of Product, Millennial Media; VP of Product Management, AOL
- **Jeff Henderson – Engineering and IT**
 - Director of Engineering, Novarra; Director of Engineering, Motricity
- **Jim Harvey – Appia Core**
 - VP of Client Strategy Brooks Bell, SVP of Consumer & Developer Services, Motricity
- **Matt Tubergen – DT Media**
 - SVP & GM of USA, Taptica; Product Manager, Recharge Studios W3i

Investment Thesis

- ✓ At the center of exponential growth in marketing and app-install advertising spend on mobile
 - ✓ Strong secular tail winds of global mobile, app, and install advertising growth
 - ✓ Recent acquisitions create single, large scale ecosystem
 - ✓ Uniquely positioned to deliver apps and ads to a device's home screen
- ✓ Growing global customer base of carriers, OEMs, mobile sites, and apps
- ✓ Accelerating revenue ramp
 - ✓ Driven by distribution, products, and optimization/device
 - ✓ Supported by a stable, predictable base
- ✓ Scalable business model
- ✓ Experienced management team
- ✓ Market Timing

Thank you!

