UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2015

or

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

Commission File Number 001-35958

DIGITAL TURBINE, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**22-2267658**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
1300 Guadalupe Street, Suite 302, Austin TX	**78701**
(Address of Principal Executive Offices)	**(Zip Code)**

(512) 387-7717
(Issuer's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities 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 website, 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 check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of a "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 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 Securities Exchange Act). Yes ☐ No ☒

As of February 2, 2016, the Company had 66,074,519 shares of its common stock, $0.0001 par value per share, outstanding.

Digital Turbine, Inc.

FORM 10-Q QUARTERLY REPORT FOR THE QUARTER ENDED December 31, 2015

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ITEM 1 - FINANCIAL STATEMENTS

Digital Turbine, Inc. and Subsidiaries

Consolidated Balance Sheets

(in thousands, except par and share amounts)

	December 31, 2015 (Unaudited)	March 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents	$ 13,679	$ 7,069
Restricted cash	—	200
Accounts receivable, net of allowances of $724 and $698, respectively	16,743	12,174
Deposits	178	109
Deferred financing costs	174	—
Prepaid expenses and other current assets	600	640
Total current assets	31,374	20,192
Property and equipment, net	1,500	614
Investment in Sift	999	—
Deferred tax assets	82	82
Intangible assets, net	14,569	24,936
Goodwill	76,621	76,747
TOTAL ASSETS	**$ 125,145**	**$ 122,571**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 13,720	$ 8,118
Accrued license fees and revenue share	10,169	6,833
Accrued compensation	1,347	2,184
Current portion of long-term debt	3,150	3,600
Deferred tax liabilities	558	217
Other current liabilities	1,945	3,000
Total current liabilities	30,889	23,952
Long-term debt, net of discounts of $555 and $910, respectively	7,445	7,090
Total liabilities	$ 38,334	$ 31,042
Stockholders' equity		
Preferred stock Series A convertible preferred stock at $0.0001 par value; 2,000,000 shares authorized, 100,000 issued and outstanding (liquidation preference of $1,000)	100	100
Common stock $0.0001 par value: 200,000,000 shares authorized; 66,808,975 issued and 66,074,519 outstanding at December 31, 2015; 57,917,565 issued and 57,162,967 outstanding at March 31, 2015	8	7
Additional paid-in capital	293,988	276,500
Treasury stock 754,599 shares at December 31, 2015 and March 31, 2015	(71)	(71)
Accumulated other comprehensive loss	(55)	(52)
Accumulated deficit	(207,159)	(184,955)
Total stockholders' equity	86,811	91,529
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 125,145**	**$ 122,571**

Consolidated Statements of Operations and Comprehensive Loss (Unaudited)

(in thousands, except per share amounts)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2015	2014	2015	2014
Net revenues	$ 24,089	$ 7,006	$ 63,509	$ 18,023
Cost of revenues				
License fees and revenue share	$ 18,569	$ 4,609	48,889	11,720
Other direct cost of revenues	1,704	414	8,453	1,103
Total cost of revenues	20,273	5,023	57,342	12,823
Gross profit	3,816	1,983	6,167	5,200
Operating expenses				
Product development	2,738	1,718	7,898	5,832
Sales and marketing	1,676	485	4,426	1,989
General and administrative	4,667	5,171	14,403	12,093
Total operating expenses	9,081	7,374	26,727	19,914
Loss from operations	(5,265)	(5,391)	(20,560)	(14,714)
Interest and other income/(expense), net				
Interest income/(expense)	(471)	5	(1,367)	(122)
Foreign exchange transaction gain/(loss)	(8)	41	(20)	31
Gain/(loss) on settlement of debt	—	1	—	(9)
Gain/(loss) on disposal of fixed assets	(8)	—	(31)	2
Other income / (expense)	(8)	(25)	20	(13)
Total interest and other income/(expense), net	(495)	22	(1,398)	(111)
Loss from operations before income taxes	(5,760)	(5,369)	(21,958)	(14,825)
Income tax provision	3	115	246	469
Net loss, net of taxes	$ (5,763)	$ (5,484)	$ (22,204)	$ (15,294)
Other comprehensive income/(loss)				
Foreign currency translation adjustment	$ (65)	$ 32	$ (3)	$ 102
Comprehensive loss	$ (5,828)	$ (5,452)	$ (22,207)	$ (15,192)
Basic and diluted net loss per common share	$ (0.09)	$ (0.14)	$ (0.37)	$ (0.41)
Weighted average common shares outstanding, basic and diluted	65,979	37,799	60,201	37,576

Consolidated Statements of Stockholders' Equity (Unaudited)

(in thousands, except share amounts)

	Common Stock Shares	Amount	Preferred Stock Shares	Amount	Treasury Stock Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income/(Loss)	Accumulated Deficit	Total
Balance at March 31, 2015	57,162,967	$ 7	100,000	$ 100	754,599	$ (71)	$276,500	$ (52)	$ (184,955)	$91,529
Net loss	—	—	—	—	—	—	—		(8,119)	(8,119)
Foreign currency translation	—	—	—	—	—	—	—	(49)	—	(49)
Cancellation of shares issued to employee	(454,164)	—	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	1,294	—	—	1,294
Stock-based compensation related to vesting of restricted stock for services	—	—	—	—	—	—	327	—	—	327
Options exercised	3,666	—	—	—	—	—	10	—	—	10
Warrant exercised	452,974	—	—	—	—	—	—	—	—	—
Balance at June 30, 2015	57,165,443	$ 7	100,000	$ 100	754,599	$ (71)	$278,131	$ (101)	$ (193,074)	$84,992
Net loss	—	—	—	—	—	—	—	—	(8,322)	(8,322)
Foreign currency translation	—	—	—	—	—	—	—	111	—	111
Cancellation of shares held in escrow related to Appia acquisition	(10,874)	—	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	1,230	—	—	1,230
Stock-based compensation related to vesting of restricted stock for services	—	—	—	—	—	—	273	—	—	273
Options exercised	59,541	—	—	—	—	—	39	—	—	39
Stock issued for settlement of liability	117,000	—	—	—	—	—	283	—	—	283
Balance at September 30, 2015	57,331,110	$ 7	100,000	$ 100	754,599	$ (71)	$279,956	$ 10	$ (201,396)	$78,606
Net loss	—	—	—	—	—	—	—	—	(5,763)	(5,763)
Foreign currency translation	—	—	—	—	—	—	—	(65)	—	(65)
Shares cancelled	(66)	—	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	1,281	—	—	1,281
Stock-based compensation related to vesting of restricted stock for services	—	—	—	—	—	—	123	—	—	123
Options exercised	3,475	—	—	—	—	—	2	—	—	2
Stock issued for cash in stock offering	8,740,000	$ 1	—	$ —	—	$ —	$ 12,626	$ —	$ —	$12,627
Balance at December 31, 2015	66,074,519	8	100,000	100	754,599	(71)	293,988	(55)	(207,159)	86,811

Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

	Nine Months Ended December 31,	
	2015	**2014**
Cash flows from operating activities		
Net loss	$ (22,204)	$ (15,294)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	8,606	1,168
Change in allowance for doubtful accounts	26	—
Amortization of debt discount	355	—
Accrued interest	(14)	—
Stock-based compensation	3,805	2,975
Stock-based compensation related to restricted stock for services rendered	723	369
Stock issued for settlement of liability	283	—
Adjustment to goodwill for purchase price allocation of DTM	126	—
(Increase)/decrease in assets:		
Restricted cash transferred to operating cash	200	—
Accounts receivable	(4,595)	(443)
Deposits	(69)	(73)
Deferred tax assets	—	3,210
Deferred financing costs	(174)	—
Prepaid expenses and other current assets	40	(16)
Increase/(decrease) in liabilities:		
Accounts payable	5,602	438
Accrued license fees and revenue share	3,336	507
Accrued compensation	(837)	202
Other liabilities and other items	(700)	(1,748)
Net cash used in operating activities	(5,491)	(8,705)
Cash flows from investing activities		
Purchase and disposal of property and equipment, net	(976)	67
Settlement of contingent liability	—	(49)
Cash used in acquisition of assets	—	(2,125)
Net cash from investment in Sift	875	—
Net cash used in investing activities	(101)	(2,107)
Cash flows from financing activities		
Repayment of debt obligations	(450)	—
Stock Issued for cash in stock offering, net	12,627	—
Options exercised	51	—
Warrant exercised	—	375
Net cash provided by financing activities	12,228	375
Effect of exchange rate changes on cash and cash equivalents	(26)	16
Net change in cash and cash equivalents	6,610	(10,421)
Cash and cash equivalents, beginning of period	7,069	21,805
Cash and cash equivalents, end of period	$ 13,679	$ 11,384

Notes to Unaudited Consolidated Financial Statements

(in thousands, except share and per share amounts)

1. Description of Business

Digital Turbine, Inc., through its subsidiaries (with such subsidiaries collectively, the "Company"), innovates at the convergence of media and mobile communications, delivering end-to-end products and solutions for mobile operators, application advertisers, device original equipment manufacturers ("OEM"), and other third parties to enable them to effectively monetize mobile content and generate higher value user acquisition. The Company operates its business in two reportable segments - Advertising and Content.

The Company's Advertising business is comprised of products including:

- DT Ignite™, a mobile device management solution with targeted application distribution capabilities,
- DT IQ™, a customized user experience and application discovery tool,
- DT Media, an advertiser solution for unique and exclusive carrier and OEM inventory, and
- Appia Core, a leading worldwide mobile user acquisition network.

The Company's Content business is comprised of products including:

- DT Marketplace™, an application and content store, and
- DT Pay™, a content management and mobile payment solution.

Digital Turbine's global headquarters are located in Austin, Texas, with other United States offices in Durham, North Carolina and San Francisco, California. International offices include Berlin, Singapore, Sydney, and Tel Aviv.

2. Liquidity

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which contemplate continuation of the Company as a going concern.

Our primary sources of liquidity have historically been issuance of common and preferred stock and convertible debt. The Company completed a public offering on October 2, 2015, netting cash proceeds to the Company of $12,627. The Company expects to use net cash proceeds from the offering for organic business opportunities, product development, general corporate purposes, working capital, and capital expenditures. The Company believes that it has, after the public offering, sufficient cash, cash equivalents, and capital resources to operate its business at least through December 31, 2016. As of December 31, 2015, we had cash and cash equivalents totaling approximately $13,679, which includes the cash gross proceeds of $1,000 received from the Sift Media, Inc. transaction. Additionally, the Company currently has a $5,000 revolving credit facility in place with Silicon Valley Bank, which it uses to fund working capital requirements, as needed. As of December 31, 2015, the Company also had $150 outstanding on its term loan and $3,000 outstanding on its revolving credit facility with Silicon Valley Bank, both of which are included in current liabilities.

Until the Company becomes cash flow positive, the Company anticipates that its primary source of liquidity will be cash on hand and access to the $5,000 revolving credit facility. In addition, the Company may make acquisitions, make new investments in under-capitalized opportunities, or invest in organic opportunities, including Real-Time Bidding (RTB), integration of Content/Pay into advertising infrastructure, or new product development, and may need to raise additional capital through future debt or equity financing to provide for greater flexibility to fund any such acquisitions and organic growth opportunities. Additional financing may not be available on acceptable terms or at all. If the Company issues additional equity securities to raise funds, the ownership percentage of its existing stockholders would be reduced. New investors may demand rights, preferences, or privileges senior to those of existing holders of common stock.

In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying consolidated balance sheet is dependent upon continued operations of the Company, which, in turn, is dependent upon the Company’s ability to generate positive cash flows from operations. The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities, that might be necessary should the Company be unable to continue its existence.

3. Summary of Significant Accounting Policies

The significant accounting policies and recent accounting pronouncements were described in note 4 of the consolidated financial statements included in the Annual Report on Form 10-K for the fiscal year ended March 31, 2015. There have been no significant changes in or updates to the accounting policies since March 31, 2015.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and our wholly-owned subsidiaries. All material inter-company balances and transactions have been eliminated in consolidation.

Interim Consolidated Financial Information

The accompanying consolidated financial statements of Digital Turbine, Inc. should be read in conjunction with the consolidated financial statements and accompanying notes filed with the U.S. Securities and Exchange Commission ("SEC") in Digital Turbine, Inc.'s Annual Report on Form 10-K for the fiscal year ended March 31, 2015. The accompanying consolidated financial statements have been prepared in accordance with U.S. GAAP. In the opinion of management, the accompanying consolidated financial statements reflect all adjustments of a normal recurring nature considered necessary to fairly state the financial position of Digital Turbine, Inc. and its consolidated subsidiaries at December 31, 2015, the results of its operations and corresponding comprehensive loss for the three and nine months ended December 31, 2015 and 2014, statement of stockholders' equity at December 31, 2015, and its cash flows for the nine months ended December 31, 2015 and 2014.

Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. We have placed cash and cash equivalents at high credit-quality institutions. In our Content business, most of our sales are made directly to large national mobile phone carriers. In our Advertising business most of our sales are made either directly to advertisers or through advertising aggregators. We perform ongoing credit evaluations of our customers and maintain an allowance for potential credit losses. As of December 31, 2015, two major customers across both the Content and Advertising businesses represented approximately 14.2% and 8.2% of our accounts receivable outstanding, and 21.1% and 4.4% of our accounts receivable outstanding as of March 31, 2015. The previously mentioned major customers accounted for 22.0% and 11.3%, respectively, of our net revenues during the three months ended December 31, 2015 and 26.6% and 10.2%, respectively, of our net revenues during the nine months ended December 31, 2015. The previously mentioned major customers accounted for 44.7% and 0%, respectively, of our net revenues during the three months ended December 31, 2014, and 53.1% and 0%, respectively, of our net revenues during the nine months ended December 31, 2014.

4. Accounts Receivable

	December 31, 2015	March 31, 2015
Billed	$ 10,450	$ 8,409
Unbilled	7,017	4,463
Allowance for doubtful accounts	(724)	(698)
Accounts receivable, net	$ 16,743	$ 12,174

Billed accounts receivable represent amounts billed to customers that have yet to be collected. Unbilled accounts receivable represent revenue recognized, but billed after period end. All unbilled receivables as of December 31, 2015 and March 31, 2015 are expected to be billed and collected within twelve months.

The Company recorded $45 and $209 of bad debt expense during the three and nine months ended December 31, 2015, and recorded no significant bad debt expense during the three and nine months ended December 31, 2014.

5. Property and Equipment

	December 31, 2015	March 31, 2015
Computer-related equipment	$ 2,325	$ 727
Furniture & fixtures	110	28
Leasehold improvements	69	32
	2,504	787
Accumulated depreciation	(1,004)	(173)
Property and equipment, net	$ 1,500	$ 614

The Company recorded depreciation expense of $52 and $153 for the three and nine months ended December 31, 2015, respectively, and $21 and $69 for the three and nine months ended December 31, 2014, respectively.

6. Investments

On December 28, 2015, Digital Turbine Media, Inc., ("DTM") (f/k/a Appia, Inc., f/k/a PocketGear, Inc.), a wholly-owned subsidiary of the Company, entered into a license agreement with Sift Media, Inc., granting a non-exclusive perpetual license to certain of DTM's intellectual property, software, in exchange for 9.9% of Sift's newly-issued preferred stock and a cash payment of$1,000. The 9.9% investment in Sift is valued at $999 and is carried at cost. Please see Note 16 regarding related party transactions.

7. Intangible Assets

We complete our annual impairment tests in the fourth quarter of each fiscal year and perform an assessment quarterly to evaluate whether events or circumstances indicate an impairment may have occurred. Based on the results of the quarterly impairment assessment performed during the third quarter of fiscal year 2016, the Company determined that no impairment existed at December 31, 2015.

The components of intangible assets at December 31, 2015 and March 31, 2015 were as follows:

	As of December 31, 2015		
	Cost	Accumulated Amortization	Net
Software	$ 11,544	$ (4,347)	$ 7,197
Trade name/trademark	380	(200)	180
Customer list	11,300	(4,255)	7,045
License agreements	354	(207)	147
Total	$ 23,578	$ (9,009)	$ 14,569

	As of March 31, 2015		
	Cost	Accumulated Amortization	Net
Software	$ 13,480	$ (2,489)	$ 10,991
Trade name/trademark	380	(14)	366
Customer list	14,755	(1,379)	13,376
License agreements	355	(152)	203
Total	$ 28,970	$ (4,034)	$ 24,936

The Company has included amortization of acquired intangible assets directly attributable to revenue-generating activities in cost of revenues. All intangible amortization is included in cost of revenues.

The Company recorded amortization expense of $1,704 and $8,453 during the three and nine months ended December 31, 2015, respectively. Included in the $8,453 amortization expense recorded during the nine months ended December 31, 2015 is $2,404 of amortization expense recorded for customer relationship intangible assets related to a customer relationship the Company terminated from our September 2012 acquisition of Logia Mobile Ltd. The Company recorded amortization expense of $413 and $1,102 during the three and nine months ended December 31, 2014, respectively, with the

increase from 2014 to 2015 primarily due to the increase in intangible assets of $17,780 from the acquisition of DT Media (Appia, Inc.).

In connection with the Company's investment in Sift, the Company recorded approximately a $2,000 reduction to software intangibles, which resulted in a new adjusted cost basis of $11,544 as the licensing technology in the Sift agreement was specifically tied to software acquired in the Appia transaction which was subsequently designated as internal use software; as such, any proceeds related to licensing this technology must first be applied to the intangibles until such cost basis is recovered. We do not expect any further adjustments to the software intangibles related to this transaction.

Based on the amortizable intangible assets as of December 31, 2015, we estimate amortization expense for the next five years to be as follows:

Twelve Month Period Ending December 31,	Amortization Expense
2016	$ 7,659
2017	3,475
2018	1,931
2019	671
2020	114
Future	719
Total	$ 14,569

8. Goodwill

This table presents a reconciliation of the changes to the Company’s carrying amount of goodwill for the periods or as of the dates indicated:

	Content	Ignite	IQ	Appia Core	Total
Goodwill as of March 31, 2015	$ 5,244	$ 38,157	$ 4,111	$ 29,235	$ 76,747
Adjustments	—	—	—	54	54
Goodwill as of June 30, 2015	$ 5,244	$ 38,157	$ 4,111	$ 29,289	$ 76,801
Adjustments	—	—	—	(180)	(180)
Goodwill as of September 30, 2015	$ 5,244	$ 38,157	$ 4,111	$ 29,109	$ 76,621
Adjustments	—	—	—	—	—
Goodwill as of December 31, 2015	$ 5,244	$ 38,157	$ 4,111	$ 29,109	$ 76,621

Goodwill is tested annually during the fourth fiscal quarter and is reviewed quarterly to evaluate whether events or circumstances indicate an impairment may have occurred. Based on the results of the quarterly impairment assessment performed during the third quarter of fiscal year 2016, the Company determined no impairment of goodwill existed at December 31, 2015.

In assessing whether or not circumstances may indicate that it is more likely than not the fair value of the reporting units may be less than their respective carrying amounts, the Company has considered a variety of factors including; macroeconomic conditions, specific industry factors such as market growth or changes in the market for our products and services, cost factors, overall financial performance of the Company relative to forecast and trends, the Company’s stock price performance, and other Company specific events such as changes in management, changes in key personnel, changes in strategy or customers and potential litigation. The Company will continue to monitor all of these factors on both a qualitative and quantitative basis in addition to performing a valuation on each of the Company’s reporting units which will coincide with the Company’s annual goodwill testing which occurs during the fourth fiscal quarter.

In the nine months ended December 31, 2015, the Company adjusted the purchase price allocation of DTM due to the finalization of the working capital adjustment, which resulted in a net adjustment to goodwill of $(126).

9. Debt

	December 31, 2015	March 31, 2015
Current Portion of Long-Term Debt		
Term loan, principal	$ 150	$ 600
Revolving line of credit, principal	3,000	3,000
Total	$ 3,150	$ 3,600

	December 31, 2015	March 31, 2015
Long-Term Debt		
Subordinated secured debenture, net of debt discount of $555 and $910, respectively	$ 7,445	$ 7,090

Senior Debt

On March 6, 2015, in connection with the Company's acquisition of Appia, Inc., DTM entered into an Amended and Restated Loan and Security Agreement with Silicon Valley Bank in connection with the closing of the DTM (Appia) acquisition, which included a term loan and revolving line of credit. This loan replaced and restated Appia's prior loan agreement with Silicon Valley Bank, and was then amended and restated in June 2015 (as described under "Revolving Line of Credit").

The term loan, with a principal balance of $150 and $600 as of December 31, 2015 and March 31, 2015, respectively, is due in twelve equal monthly principal installments of $50 starting from March 31, 2015 through April 1, 2016, together with monthly payment of interest at a floating per annum rate equal to the greater of (a) two and one-half percentage points (2.50%) above the prime rate or (b) six and one-half percent (6.50%). At December 31, 2015, the interest rate was 6.50%.

Revolving Line of Credit

On June 11, 2015, our wholly-owned subsidiary DTM, and Silicon Valley Bank, entered into a Third Amended and Restated Loan and Security Agreement ("Amended and Restated Credit Facility"), pursuant to which Silicon Valley Bank agreed to amend and restate the existing Second Amended and Restated Loan and Security Agreement to increase the revolving line of credit available under such facility from $3,500 to $5,000, to extend the maturity date under the facility from June 30, 2015 to June 30, 2016, and to make certain other changes to the terms of the existing agreement.

The revolving line of credit under the Amended and Restated Credit Facility allows DTM to borrow up to the lesser of $5,000 or the borrowing base, which is 80% of eligible accounts receivable after consideration of other amounts outstanding, under the revolving line of credit. At December 31, 2015 and March 31, 2015, DTM had borrowed $3,000 under the revolving line. The revolving line matures on June 30, 2016, with interest payable monthly at a floating annual rate equal to (a) during any month for which the Borrower maintained an adjusted quick ratio (as customarily defined) of not less than 1.00:1.00 as of the last day of a month, the prime rate as reported by The Wall Street Journal, plus (1.75%) and (b) at all other times, the prime rate as reported by The Wall Street Journal, plus (2.75%). At December 31, 2015, the interest rate was 5.25%.

On November 30, 2015, our wholly-owned subsidiary DTM, and Silicon Valley Bank, entered into an amendment (the "Amendment") to the Third Amended and Restated Loan and Security Agreement dated June 11, 2015. Pursuant to the Amendment, the adjusted EBITDA financial covenant was removed and replaced with the requirement to maintain an adjusted quick ratio of not less than 0.90:1.00 unless (a) there are no advances outstanding under the revolving facility, or (b) if the Company's cash and cash equivalents held at the Bank or Bank's Affiliates is greater than or equal to $15,000. Furthermore, the Streamline Period, which is not a financial covenant but applies to application of receivables, was amended so that it is achieved if the Borrower's trailing three-month period revenue is not less than 85% of projections for the three months ending August 31, 2015 through November 30, 2015, 75% of projections for the three months ending December 31, 2015 and thereafter, with the projected revenue for such three month period as set forth in the Borrower's operating budget provided to the Bank. The Amendment also added the requirement for the Company to deliver consolidated financial statements in addition to the Borrower. At December 31, 2015, DTM and the Company were compliant with all such covenants.

DTM's obligations under the Amended and Restated Credit Facility are secured by substantially all of DTM's assets. Additionally, Digital Turbine, Inc. has guaranteed DTM's obligations under the Amended and Restated Credit Facility, and

pledged substantially all of its assets, including its intellectual property, to Silicon Valley Bank in support of the Amended and Restated Credit Facility.

Subordinated Debenture

On March 6, 2015, in connection with the acquisition of DTM (Appia), the Company entered into a Securities Purchase Agreement with North Atlantic SBIC IV, L.P. ("North Atlantic"), pursuant to which DT Media sold a senior secured debenture with a principal amount of $8,000 (the "New Debenture") to North Atlantic. The New Debenture was issued in exchange for two debentures previously sold by Appia to North Atlantic, which were cancelled.

The New Debenture matures on March 6, 2017, at which time the principal amount is due and payable. The Company may prepay the New Debenture, in whole or in part, at any time without penalty. The New Debenture bears interest at 10% per annum for the first twelve months, and 14% thereafter; interest is payable monthly.

DT Media's obligations under the New Debenture are secured by all of DT Media's assets; additionally, Digital Turbine, Inc. has guaranteed DT Media's obligations under the New Debenture, and pledged substantially all of its assets, including its intellectual property, to North Atlantic in support of the New Debenture. The New Debenture is subordinated to the Amended and Restated Credit Facility.

In connection with the issuance of the New Debenture, the Company issued to North Atlantic (i) 200,000 shares of the Company's common stock, and (ii) a warrant to purchase an additional 400,000 shares of the Company's common stock at an exercise price of $0.001 per share. The warrant is not exercisable until the one year anniversary of the closing date of the merger, and will terminate if the Company repays the New Debenture prior to such one year anniversary. The value of the common shares and the estimated value of the warrant have been recorded as a debt discount, which is being amortized over the term of the New Debenture.

The New Debenture, and the Company's secured guarantees of such debt, contain covenants, among others, limiting the Company's ability to undergo a change of control, incur indebtedness, grant liens, make dividends in cash, and other customary covenants. At December 31, 2015, DT Media and the Company were compliant with all such covenants.

The Company's required principal repayments for its outstanding debt as of December 31, 2015 are as follows:

	Senior Debt	Revolving Line of Credit	Subordinated Debenture
March 31, 2016	$ 150	$ —	$ —
June 30, 2016	—	3,000	—
March 6, 2017	—	—	8,000
	$ 150	$ 3,000	$ 8,000

10. Description of Stock Plans

Employee Stock Plan

The Company is currently issuing stock awards under the Amended and Restated Digital Turbine, Inc. 2011 Equity Incentive Plan (the "2011 Plan"), which was approved and adopted by our stockholders, by written consent, on May 23, 2012. No future grants will be made under the previous plan, the 2007 Employee, Director and Consultant Stock Plan (the "2007 Plan"). In the year ended March 31, 2015, in connection with the acquisition of DT Media (Appia), the Company assumed outstanding options granted under the Appia, Inc. 2008 Stock Incentive Plan (the "Appia Plan"), subject to adjustment pursuant to the merger agreement for the DT Media (Appia) acquisition. The 2011 Plan and 2007 Plan are collectively referred to as "Digital Turbine's Incentive Plans." Digital Turbine's Incentive Plans and the Appia Plan are all collectively referred to as the "Stock Plans."

The 2011 Plan provides for grants of stock-based incentive awards to our and our subsidiaries' officers, employees, non-employee directors, and consultants. Awards issued under the 2011 Plan can include stock options, stock appreciation rights ("SARs"), restricted stock, and restricted stock units (sometimes referred to individually or collectively as "Awards"). Stock options may be either incentive stock options ("ISOs"), as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or non-qualified stock options ("NQSOs").

The 2011 Plan reserves 20,000,000 shares for issuance, of which 11,869,169 and 14,393,741 remained available for future grants as of December 31, 2015 and March 31, 2015, respectively.

Stock Option Agreements

Stock options granted under Digital Turbine's Incentive Plans typically vest over a three-to-four year period. These options, which are granted with option exercise prices equal to the fair market value of the Company's common stock on the date of grant, generally expire up to ten years from the date of grant. In the year ended March 31, 2015, in connection with the Appia acquisition, the Company exchanged stock options previously granted under the Appia Plan for options to purchase shares of the Company's common stock. These assumed Appia options typically vest over a period of four years and generally expire within ten years from the date of grant. Compensation expense for all stock options is recognized on a straight-line basis over the requisite service period.

Restricted Stock Awards

Awards of restricted stock may be either grants of restricted stock or performance-based restricted stock units that are issued at no cost to the recipient. The cost of these awards is determined using the fair market value of the Company's common stock on the date of the grant. Compensation expense for restricted stock awards with a service condition is recognized on a straight-line basis over the requisite service period.

Stock Option Activity

The following table summarizes stock option activity for the Stock Plans for the periods or as of the dates indicated:

	Number of Shares	Weighted-Average Exercise Price (per share)	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Options Outstanding, March 31, 2015	5,789,758	$ 4.65	8.35	$ 1,319
Granted	426,400			
Forfeited/Canceled	(679,267)			
Exercised	(3,666)			
Options Outstanding, June 30, 2015	5,533,225	$ 4.74	8.18	$ 899
Granted	790,500			
Forfeited/Canceled	(270,209)			
Exercised	(59,541)			
Options Outstanding, September 30, 2015	5,993,975	$ 4.53	8.15	$ 217
Granted	2,119,750			
Forfeited/Canceled	(268,957)			
Exercised	(3,476)			
Options Outstanding, December 31, 2015	7,841,292	$ 3.74	8.43	$ 124
Vested and expected to vest (net of estimated forfeitures) at December 31, 2015 (a)	6,033,530	$ 4.03	8.19	$ 124
Exercisable, December 31, 2015	2,570,806	$ 5.73	7.10	$ 101

(a) For options vested and expected to vest, options exercisable, and options outstanding, the aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between Digital Turbine's closing stock price on December 31, 2015 and the exercise price multiplied by the number of in-the-money options) that would have been received by the option holders, had the holders exercised their options on December 31, 2015. The intrinsic value changes based on changes in the price of the Company's common stock.

Information about options outstanding and exercisable at December 31, 2015 is as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Life (in years)	Number of Shares	Weighted-Average Exercise Price
$0.00 - 0.50	8,065	$ 0.24	4.24	8,065	$ 0.24
$0.51 - 1.00	168,981	$ 0.65	6.66	134,058	$ 0.64
$1.01 - 1.50	1,644,125	$ 1.43	7.75	—	$ —
$1.51 - 2.00	440,500	$ 1.51	9.85	9,514	$ 1.51
$2.01 - 2.50	253,776	$ 2.43	5.08	153,776	$ 2.40
$2.51 - 3.00	1,283,890	$ 2.62	8.81	513,551	$ 2.66
$3.51 - 4.00	1,863,729	$ 3.93	8.94	558,295	$ 3.94
$4.01 - 4.50	1,648,226	$ 4.20	7.97	702,922	$ 4.22
$4.51 - 5.00	60,000	$ 4.65	7.24	55,000	$ 4.65
$5.01 and over	470,000	$ 16.32	3.01	435,625	$ 17.14
	7,841,292			2,570,806	

Other information pertaining to stock options for the Stock Plans for the nine months ended, as stated in the table below, is as follows:

	December 31,	
	2015	2014
Total fair value of options vested	$ 4,050	$ 2,636
Total intrinsic value of options exercised (a)	$ 3	$ —

(a) The total intrinsic value of options exercised represents the total pre-tax intrinsic value (the difference between the stock price at exercise and the exercise price multiplied by the number of options exercised) that was received by the option holders who exercised their options during the nine months ended December 31, 2015. No options were exercised during the nine months ended December 31, 2014.

The weighted-average grant-date fair value for the options granted during the nine months ended December 31, 2015 and 2014 was $2.05 and $4.18, respectively.

At December 31, 2015 and 2014, there was $11,492 and $8,103 of total unrecognized stock-based compensation expense, respectively, net of estimated forfeitures, related to unvested stock options expected to be recognized over a weighted-average period of 2.77 years and 2.39 years, respectively.

Valuation of Awards

For stock options granted under Digital Turbine's Incentive Plans, the Company typically uses the Black-Scholes option pricing model to estimate the fair value of stock options at grant date. The Black-Scholes option pricing model incorporates various assumptions, including volatility, expected term, risk-free interest rates, and dividend yields. The assumptions utilized in this model during December 31, 2015 and 2014 are presented below.

	December 31,	
	2015	2014
Risk-free interest rate	1.37% to 1.99%	1.36% to 1.71%
Expected life of the options	5.73 to 6.5 years	5.27 to 6 years
Expected volatility	102% to 145%	150% to 155%
Expected dividend yield	—%	—%
Expected forfeitures	10% to 35%	10% to 35%

Expected volatility is based on a blend of implied and historical volatility of the Company's common stock over the most recent period commensurate with the estimated expected term of the Company's stock options. The Company uses this blend of implied and historical volatility, as well as other economic data, because management believes such volatility is more representative of prospective trends. The expected term of an award is based on historical experience and on the terms and conditions of the stock awards granted to employees.

Total stock compensation expense for the Company's Stock Plans for the three and nine months ended December 31, 2015, which includes both stock options and restricted stock, was $1,404 and $4,528, respectively. Total stock compensation expense for the three and nine months ended December 31, 2014, which includes both stock options and restricted stock, was $1,290 and $3,345, respectively. Please see Note 11 regarding restricted stock.

11. Capital Stock Transactions

Preferred Stock

There are 2,000,000 shares of Series A Convertible Preferred Stock, $0.0001 par value per share ("Series A"), authorized and 100,000 shares issued and outstanding, which are currently convertible into 20,000 shares of common stock. The Series A has a par value of $0.0001 per share. The Series A holders are entitled to: (1) vote on an equal per share basis as common stock, (2) dividends paid to the common stock holders on an if-converted basis and (3) a liquidation preference equal to the greater of $10 per share of Series A (subject to adjustment) or such amount that would have been paid to the common stock holders on an if-converted basis.

Common Stock

In October 2015, the Company issued 1,227 shares of common stock for the exercise of options assumed by the Company as part of the acquisition of DT Media (Appia, Inc.) during March 2015.

In November 2015, the Company issued 2,248 shares of common stock for the exercise of options assumed by the Company as part of the acquisition of DT Media (Appia, Inc.) during March 2015.

Restricted Stock Agreements

From time to time, the Company enters into restricted stock agreements ("RSAs") with certain employees, directors, and consultants. The RSAs have performance conditions, market conditions, time conditions, or a combination thereof. In some cases, once the stock vests, the individual is restricted from selling the shares of stock for a certain defined period, from three months to two years, depending on the terms of the RSA. As reported in our Current Reports on Form 8-K filed with the SEC on February 12, 2014 and June 25, 2014, the Company adopted a Board Member Equity Ownership Policy that supersedes any post-vesting lock-up in RSAs that are applicable to people covered by the policy, which includes the Company's Board of Directors and Chief Executive Officer.

Performance and Market Condition RSAs

On December 28, 2011, the Company issued 3,170,000 restricted shares with vesting criteria based on both performance and market conditions. On December 28, 2011, one third of the restricted shares vested. On July 3, 2013, the second one third of the restricted shares vested. During the year ended March 31, 2015, the Company vested 594,372 shares and cancelled 8,131 shares of the final one third of the 3,170,000 restricted shares, leaving 454,164 shares unvested. During the nine months ended December 31, 2015, the Company cancelled the remaining 454,164 shares, as the vesting criteria based on both performance and market conditions were not met.

Service and Time Condition RSAs

On various dates during the years ended March 31, 2015 and March 31, 2014, the Company issued 267,195 and 254,020 restricted shares, respectively, with vesting criteria based on service and time conditions.

In November 2015, the Company issued 210,728 restricted shares with vesting criteria based on both time and performance conditions. For accounting purposes, the Company determined the grant date fair value to be $1.51 per share which is the closing price of the Company's stock price on November 4, 2015.

With respect to time condition RSAs, the Company expensed $123 and $723 during the three and nine months ended December 31, 2015, respectively, and $222 and $670 during the three and nine months ended December 31, 2014, respectively. As of December 31, 2015, 192,826 shares remain unvested.

The following is a summary of restricted stock awards and activities for all vesting conditions for the nine months ended December 31, 2015:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested restricted stock outstanding as of March 31, 2015	642,343	$ 3.04
Granted	—	—
Vested	(94,199)	3.85
Cancelled	(454,164)	3.05
Unvested restricted stock outstanding as of June 30, 2015	93,980	$ 3.86
Granted	15,763	2.95
Vested	(64,528)	4.23
Cancelled	—	—
Unvested restricted stock outstanding as of September 30, 2015	45,215	$ 3.67
Granted	210,728	1.51
Vested	(63,117)	1.95
Cancelled	—	—
Unvested restricted stock outstanding as of December 31, 2015	192,826	$ 1.48

All restricted shares, vested and unvested, cancellable and not cancelled, have been included in the outstanding shares as of December 31, 2015.

At December 31, 2015, there was $191 of unrecognized stock-based compensation expense, net of estimated forfeitures, related to non-vested restricted stock awards expected to be recognized over a weighted-average period of approximately 0.62 years.

12. Net Loss Per Share

Basic net loss per share is calculated by dividing net loss by the weighted-average number of shares of common stock outstanding during the period, less shares subject to repurchase, and excludes any dilutive effects of employee stock-based awards. Because the Company had net losses for the three and nine months ended December 31, 2015 and 2014, all potentially dilutive shares of common stock were determined to be anti-dilutive, and accordingly, were not included in the calculation of diluted net loss per share.

The following table sets forth the computation of net loss per share of common stock (in thousands, except per share amounts):

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2015	2014	2015	2014
Net loss	$ (5,763)	$ (5,484)	$ (22,204)	$ (15,294)
Weighted-average shares used to compute basic and diluted net loss per share	65,979	37,799	60,201	37,576
Basic and diluted net loss per share	$ (0.09)	$ (0.14)	$ (0.37)	$ (0.41)
Common stock equivalents excluded from net loss per diluted share because their effect would have been anti-dilutive	674	922	1,473	1,157

13. Income Taxes

Our provision for income taxes as a percentage of pre-tax earnings ("effective tax rate") is based on a current estimate of the annual effective income tax rate, adjusted to reflect the impact of discrete items. In accordance with ASC 740, jurisdictions forecasting losses that are not benefited due to valuation allowances are not included in our forecasted effective tax rate.

During the three and nine months ended December 31, 2015, tax expense of $3 and $246, respectively, resulted in an effective tax rate of 0.00% and (0.44)%, respectively. Differences in the tax provision and the statutory rate are primarily due to changes in the valuation allowance.

During the three and nine months ended December 31, 2014, a tax expense of $115 and $469 resulted in an effective tax rate of (0.20)% and (3.20)%. Differences in the tax provision and statutory rate are primarily due to changes in the valuation allowance.

14. Commitments and Contingencies

Operating Lease Obligations

The Company leases office facilities and equipment under non-cancellable operating leases expiring in various years through 2022.

Following is a summary of future minimum payments under initial terms of leases as of:

Twelve-month period ending December 31,		
2016	$	1,002
2017		1,014
2018		780
2019		494
2020		494
Thereafter		648
Total minimum lease payments	$	4,432

These amounts do not reflect future escalations for real estate taxes and building operating expenses. Rental expense amounted to $198 and $578 for the three and nine months ended December 31, 2015, respectively, and $160 and $456 for the three and nine months ended December 31, 2014.

Other Obligations

As of December 31, 2015, the Company was obligated for payments under various employment contracts with initial terms greater than one year at December 31, 2015. Annual payments related to these commitments at December 31, 2015 are as follows:

Twelve-month period ending December 31,		
2016	$	929
2017		29
Total minimum payments	$	958

Legal Matters

The Company may be involved in various claims, suits, assessments, investigations, and legal proceedings that arise from time to time in the ordinary course of its business, including those identified below. The Company accrues a liability when it is both probable that a liability has been incurred, and the amount of the loss can be reasonably estimated. The Company reviews these accruals at least quarterly, and adjusts them to reflect ongoing negotiations, settlements, rulings, advice of legal counsel, and other relevant information. To the extent new information is obtained and the Company's views on the probable outcomes of claims, suits, assessments, investigations, or legal proceedings change, changes in the Company's accrued

liabilities would be recorded in the period in which such determination is made. For some matters, the amount of liability is not probable or the amount cannot be reasonably estimated, and therefore, accruals have not been made. The following is a discussion of the Company's significant legal matters and other proceedings.

Coral Tell Ltd. Matter

On May 30, 2013, a class action suit in the amount of NIS 19,200, or approximately $5,300, was filed in the Tel-Aviv Jaffa District Court against Coral Tell Ltd., an Israeli company that owns and operates a website offering advertisements. Coral Tell Ltd. is currently being sued in a class action lawsuit regarding phone call overages, and has served a third-party notice against Logia and two additional companies for our alleged involvement in facilitating the overages. The suit relates to a service offered by the Coral Tell website, enabling advertisers to display a virtual cellular number in the advertisement instead of their real cellular number. The plaintiff claims that calls were charged for the connection time between two segments of the call, instead of the second segment alone; that the caller was charged even if the advertiser did not answer the call (as the charge began upon initiation of the first segment); and that the caller was charged for text messages sent to the advertiser, although the service did not support delivery of text messages. We have no contractual relationship with this company. We believe the lawsuit is without merit and a finding of liability on our part remote. After conferring with advisors and counsel, management believes that the ultimate liability, if any, in aggregate will not be material to the financial position or results or operations of the Company for any future period.

On November 25, 2013, the Israeli Supreme Court ordered the parties to submit their positions as to whether the defendant (applicant) has a right to appeal the Israeli District Court's decision or must request the Israeli Supreme Court to grant a right to appeal.

On December 25, 2013, after reviewing the parties' positions, the Israeli Supreme Court ordered the respondents (Cellcom, Logia, Ethrix) to submit their responses to the defendant's petition to grant the right to appeal by January 26th, 2014. Appellant responded thereafter and the appeal is now under review and pending judgment. Usually, in petitions such as this, the Israeli Supreme Court makes a judgment based on the parties' written responses.

The Defendant appealed the ruling of July 2013, and on April 1, 2015 the Supreme Court rejected the appeal. This means that the third-party notices, Logia included, will be addressed and heard after judgment is made in the case between the Plaintiff and Defendant.

The Company does not believe there is a probable and estimable claim. Accordingly, the Company has not accrued any liability.

Settlement of Potential Claim

The Company had a disagreement with an investor of the Company regarding their respective rights and obligations to each other regarding certain investments. Although no claims have been made as of March 31, 2015, each of the parties recognizes that the disagreements they have had could, in the future, lead to claims being made and believe it is in their respective best interests to avoid such claims by entering into an agreement whereby the Company has offered to settle the matter in exchange for a certain number of shares of common stock of the Company. A settlement was finalized on July 30, 2015, which resulted in the issuance of 117,000 shares. The Company initially accrued $381 for the settlement of this liability during Q4 fiscal year 2015. During Q2 fiscal year 2016, the Company settled this liability by issuing the 117,000 with a fair market value of approximately $283, resulting in a net reduction in expense related to the partial reversal of the liability during Q2 fiscal year 2016 in the amount of $98.

15. Segment and Geographic Information

In the fourth quarter of fiscal year 2015, the Company made certain segment realignments in order to conform to the way the Company manages segment performance. This realignment was driven primarily by the acquisition of Appia on March 6, 2015. The Company has recast prior period amounts to provide visibility and comparability. None of these changes impacts the Company's previously reported consolidated net revenue, gross margin, operating income, net income, or earnings per share.

The Company manages its business in four operating segments: Ignite, IQ, Appia Core, and Content. The four operating segments have been aggregated into two reportable segments: Advertising and Content. Our chief operating decision-maker does not evaluate operating segments using asset information. The Company has considered guidance in Accounting Standards Codification (ASC) 280 in reaching its conclusion with respect to aggregating its operating segments into two

reportable segments. Specifically, the Company has evaluated guidance in ASC 280-10-50-11 and determined that aggregation is consistent with the objectives of ASC 280, in that aggregation into two reportable segments allows users of our financial statements to view the Company's business through the eyes of management, based upon the way management reviews performance and makes decisions. Additional factors that were considered include: whether or not the operating segments have similar economic characteristics, the nature of the products/services under each operating segment, the nature of the production/go-to-market process, the types and geographic locations of our customers, and the distribution of our products/services.

The following information sets forth segment information on our net sales and loss from operations for the three and nine months ended December 31, 2015 and 2014, respectively.

	Content	Advertising	Total
Three months ended December 31, 2015			
Net revenues	$ 6,641	$ 17,448	$ 24,089
Loss from operations	(1,083)	(4,182)	(5,265)
Three months ended December 31, 2014			
Net revenues	$ 5,139	$ 1,867	$ 7,006
Loss from operations	$ (3,708)	$ (1,683)	$ (5,391)

	Content	Advertising	Total
Nine months ended December 31, 2015			
Net revenues	$ 20,782	$ 42,727	$ 63,509
Loss from operations	(6,600)	(13,960)	(20,560)
Nine months ended December 31, 2014			
Net revenues	15,474	2,549	18,023
Loss from operations	$ (8,751)	$ (5,963)	$ (14,714)

The following information sets forth geographic information on our net sales for the three and nine months ended December 31, 2015 and 2014. Net revenues by geography are based on the billing addresses of our customers. Our largest customer accounted for 22.0% and 26.6% of net revenues in the three and nine months ended December 31, 2015 and 44.7% and 53.1% in the three and nine months ended December 31, 2014, respectively.

	Three Months Ended December 31,	
	2015	2014
Net revenues		
United States & Canada	$ 9,062	$ 1,731
Europe, Middle East, & Africa	5,159	517
Asia Pacific & China	9,769	4,758
Mexico, Central America, & South America	99	—
Consolidated net revenues	$ 24,089	$ 7,006

	Nine Months Ended December 31,	
	2015	2014
Net revenues		
United States & Canada	$ 22,330	$ 2,323
Europe, Middle East, & Africa	11,851	1,875
Asia Pacific & China	28,979	13,825
Mexico, Central America, & South America	349	—
Consolidated net revenues	$ 63,509	$ 18,023

16. Related-Party Transactions

On December 28, 2015, Digital Turbine Media, Inc., ("DTM") (f/k/a Appia, Inc., f/k/a PocketGear, Inc.), a wholly-owned subsidiary of the Company entered into a license with respect to certain of DTM's intellectual property assets with Sift,

in exchange for 9.9% of Sift's newly-issued Preferred Stock and a cash payment of $1,000. Judson Bowman, a Director at the time of the transaction, is the founder, CEO, and majority shareholder of Sift. Mr Bowman has subsequently stepped down from Digital Turbine's board effective January 25, 2016. For so long as DTM holds Preferred Stock in Sift, DTM shall be entitled to nominate for election one member of the five-member Board of Sift, which DTM nominated as director CEO of Digital Turbine, Bill Stone.

17. Subsequent Events

None.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with, and is qualified in its entirety by, the Financial Statements and the Notes thereto included in this Report. This Quarterly Report on Form 10-Q (the "Report") and the following discussion contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1993, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements involve substantial risks and uncertainties. When used in this Report, the words "anticipate," "believe," "estimate," "expect," "will," "seeks," "should," "could," "would," "may" and similar expressions, as they relate to our management or us, are intended to identify such forward-looking statements. Our actual results, performance, or achievements could differ materially from those expressed in, or implied by these forward-looking statements as a result of a variety of factors including those set forth under "Risk Factors" in our Annual Report on Form 10-K, for the fiscal year ended March 31, 2015. Historical operating results are not necessarily indicative of the trends in operating results for any future period. We do not undertake any obligation to update any forward-looking statements made in this Report. Accordingly, investors should use caution in relying on past forward-looking statements, which are based on known results and trends at the time they are made, to anticipate future results or trends.

Unless the context otherwise indicates, the use of the terms "we," "our," "us," "Digital Turbine," "DT," or the "Company" refer to the collective business and operations of Digital Turbine, Inc. through its operating and wholly-owned subsidiaries, Digital Turbine USA, Inc. ("DT USA"), Digital Turbine (EMEA) Ltd. ("DT EMEA"), Digital Turbine Australia Pty Ltd ("DT APAC"), Digital Turbine Singapore Pte Ltd ("DT Singapore"), Digital Turbine Luxembourg S.a.r.l. ("DT Luxembourg"), Digital Turbine Germany, GmbH ("DT Germany"), and Digital Turbine Media, Inc. ("DT Media").

All numbers are in thousands, except share and per share amounts.

Company Overview

Digital Turbine, through its subsidiaries, innovates at the convergence of media and mobile communications, delivering end-to-end products and solutions for mobile operators, application advertisers, device OEMs, and other third parties, to enable them to effectively monetize mobile content and generate higher value user acquisition. The Company operates its business in two reportable segments - Advertising and Content.

The Company's Advertising business is comprised of products including:

- DT Ignite™, a mobile device management solution with targeted application distribution capabilities,
- DT IQ™, a customized user experience and application discovery tool,
- DT Media, an advertiser solution for unique and exclusive carrier and OEM inventory, and
- Appia Core, a leading worldwide mobile user acquisition network.

The Company's Content business is comprised of products including:

- DT Marketplace™, an application and content store, and
- DT Pay™, a content management and mobile payment solution.

Digital Turbine's global headquarters are located in Austin, Texas, with other United States offices in Durham, North Carolina and San Francisco, California. International offices include Berlin, Singapore, Sydney, and Tel Aviv.

Advertising

DT Ignite is a mobile application management software that is pre-installed on devices to enable mobile operators and OEMs to control, manage, and monetize the applications that are installed on mobile devices. DT Ignite allows mobile operators to customize the out-of-the-box experience for customers and monetize their home screens via Cost-Per-Install ("CPI") arrangements, Cost-Per-Placement ("CPP") arrangements, and Cost-Per-Action ("CPA") arrangements with third-party application developers. Applications can be installed silently or with notification, on first boot or later in the life-cycle of the device, allowing mobile operators and OEMs to participate in an advertising revenue stream. The Company has launched DT Ignite with mobile operators and OEMs in North America, Europe, Asia Pacific, India, and Israel.

DT IQ enables application discovery, both organic and sponsored, in a variety of user interfaces. The core of the product suite is the DT IQ engine, which provides application recommendations to the device end-user blended with sponsored ads. The recommendations are presented either in a widget, via the IQ client application on Android, via the IQ AppWall, or integrated into partner applications via the IQ Application Programming Interface ("API"). IQ monetizes through blending in sponsored application recommendations via the same commercial models as DT Ignite. DT IQ has been deployed with mobile operators across North America and Asia Pacific.

DT Media is an advertiser solution for unique and exclusive carrier and OEM on-device home screen inventory.

Appia Core is a leading worldwide mobile user acquisition network. Its mobile user acquisition platform is a demand side platform, or DSP. This platform allows mobile advertisers to engage with the right customers for their applications at the right time to gain them as customers. Appia Core accesses mobile ad inventory through publishers, including direct developer relationships, mobile websites, mobile carriers, and mediated relationships; as well as purchasing inventory through exchanges using real-time bidding. The advertising revenue generated by Appia Core’s platform is shared with publishers according to contractual rates in the case of direct or mediated relationships. When inventory is accessed using real-time bidding, Appia Core buys inventory at a rate determined by the marketplace. Since inception, Appia Core has delivered over 130 million application installs for hundreds of advertisers.

Content

DT Pay is currently one of the Company’s primary revenue generating products. DT Pay is an API that integrates billing infrastructure between mobile operators and content publishers to facilitate mobile commerce. Increasingly, mobile content publishers want to go directly to consumers to sell their content rather than sell through traditional distributors such as Google Play or the Apple Application Store. DT Pay allows publishers and carriers to monetize those applications by allowing the content to be billed directly to the consumer via carrier billing. DT Pay has been launched in Australia, Singapore, and the Philippines.

DT Marketplace can be sold as an application storefront that manages the retailing of mobile content, including features such as merchandising, product placements, reporting, pricing, promotions, and distribution of digital goods. DT Marketplace also includes the distribution and licensing of content across multiple content categories including music, applications, wallpapers, eBooks, and games. DT Marketplace is deployed with many operators, across multiple countries, including Australia and the Philippines.

RESULTS OF OPERATIONS

All financial results of operations during the three and nine months ended December 31, 2014 do not include Appia financial results as the Appia acquisition did not close until March 6, 2015.

	Three Months Ended			Nine Months Ended		
	December 31, 2015	December 31, 2014	% of Change	December 31, 2015	December 31, 2014	% of Change
	(in thousands, except per share amounts)			(in thousands, except per share amounts)		
Revenues	$ 24,089	$ 7,006	243.8 %	63,509	18,023	252.4 %
License fees and revenue share	18,569	4,609	302.9 %	48,889	11,720	317.1 %
Other direct cost of revenues (amortization of intangibles)	$ 1,704	$ 414	311.6 %	8,453	1,103	666.4 %
Gross profit	3,816	1,983	92.4 %	6,167	5,200	18.6 %
SG&A	$ 9,081	$ 7,374	23.1 %	26,727	19,914	34.2 %
Operating loss	(5,265)	(5,391)	(2.3)%	(20,560)	(14,714)	39.7 %
Interest income/(expense), net	$ (471)	$ 5	(9,520.0)%	(1,367)	(122)	1,020.5 %
Foreign exchange transaction gain/(loss)	(8)	41	(119.5)%	(20)	31	(164.5)%
Gain/(loss) on disposal of fixed assets	$ (8)	$ —	(100.0)%	(31)	2	(1,650.0)%
Gain/(loss) on settlement of debt	$ —	$ 1	(100.0)%	—	(9)	(100.0)%
Other income	$ (8)	$ (25)	(68.0)%	20	(13)	253.8 %
Loss before income taxes	$ (5,760)	$ (5,369)	7.3 %	(21,958)	(14,825)	48.1 %
Income tax provision/(benefit)	$ 3	$ 115	(97.4)%	246	469	(47.5)%
Net loss, net of taxes	$ (5,763)	$ (5,484)	5.1 %	(22,204)	(15,294)	45.2 %
Basic and diluted net loss per common share:	(0.09)	(0.14)	(39.8)%	(0.37)	(0.41)	(9.4)%
Weighted average common shares outstanding, basic and diluted	65,979	37,799	74.6 %	60,201	37,576	60.2 %

Comparison of the Three and Nine Months Ended December 31, 2015 and 2014

Revenues

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2015	2014	% of Change	2015	2014	% of Change
	(in thousands)			(in thousands)		
Revenues by type:						
Content	$ 6,641	$ 5,139	29.2%	$ 20,782	$ 15,474	34.3%
Advertising	17,448	1,867	834.5%	42,727	2,549	1,576.2%
Total	$ 24,089	$ 7,006	243.8%	$ 63,509	$ 18,023	252.4%

During the three and nine months ended December 31, 2015, revenues increased approximately $17,083 or 243.8% and $45,486 or 252.4%, respectively, as compared to the three and nine months ended December 31, 2014, respectively. During the three and nine months ended December 31, 2015, we experienced growth in both the Content and Advertising businesses, with the Advertising growth stemming from both organic growth in DT Ignite and one quarter and three quarters, respectively, of Appia Core revenue. Additionally, the Advertising revenue for the three months ended December 31, 2015 included a one-time adjustment which reduced revenue by approximately $500. This adjustment consisted of a $700 credit, which reduced revenue, with a large advertising partner, and also included a positive impact of approximately $200 related to a change in estimate for sales allowance. The increase in the Content business was driven primarily from growth in DT Pay, with overall increased demand for the product, the service being launched with new customers in Australia, as well as new Content services provided in new markets in Southeast Asia.

This growth was offset by a decline in DT Marketplace as our contract in Israel was terminated during the period ended June 30, 2015. Additionally, the growth was further offset by continued decline in the foreign exchange rate of the Australian dollar to the United States dollar. Organic growth in Advertising was driven primarily by CPI and CPP revenue from new Advertising partners', and amounts earned from carrier partners related to software customization and integration. Inorganic growth in Advertising was driven by the inclusion of one quarter and three quarters, respectively, of Appia Core over the three and nine months ended December 31, 2015 compared to the same periods during 2014.

Gross Margins

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2015	2014	% of Change	2015	2014	% of Change
	(in thousands)			(in thousands)		
Gross margin by type						
Content gross margin $	$ 998	$1,014	(1.6)%	$ 141	$3,731	(96.2)%
Content gross margin %	15.0%	19.7%		0.7%	24.1%	
Advertising gross margin $	$2,818	$969	190.8 %	$6,026	$1,469	310.2 %
Advertising gross margin %	16.2%	51.9%		14.1%	57.6%	
Total gross margin $	$3,816	$1,983	92.4 %	$6,167	$5,200	18.6 %
Total gross margin %	15.8%	28.3%		9.7%	28.9%	

Gross margin, inclusive of the impact of other direct cost of revenues (amortization of intangibles), was approximately $3,816 or 15.8% for the three months ended December 31, 2015, versus approximately $1,983 or 28.3% for the three months ended December 31, 2014. The increase from $1,983 to $3,816 is primarily attributable to the inclusion of a full quarter of Appia Core operations. This was partially offset by increased amortization expense associated with the Appia acquisition. Overall gross margin percentage has declined as the Appia Core business has a lower gross margin as compared to DT Media.

Gross margin dollars, inclusive of the impact of other direct cost of revenues (amortization of intangibles), increased $967 or 18.6%, from $5,200 to $6,167 during the nine months ended December 31, 2014 and 2015, respectively. This increase includes the impacts of an approximate $2,400 accelerated amortization expense related to customer relationship intangible assets associated with customer terminations related to our DT EMEA Content business. Excluding the effects of the approximately $2,400 amortization, total gross margin would have been $8,567 or 13.5% during the nine months ended December 31, 2015, which is an increase of approximately $3,367 or 64.8% from the nine months ended December 31, 2014. This increase is due primarily to gross margin dollars attributable to the inclusion of three quarters of Appia Core operations during the nine months ended December 31, 2015.

Content gross margin, inclusive of the impact of other direct cost of revenues (amortization of intangibles), was approximately $998 or 15.0% for the three months ended December 31, 2015, versus approximately $1,014 or 19.7% for the three months ended December 31, 2014. This decrease in Content gross margin dollars and percentages of $17 and (1.6)%, respectively, was due primarily to a mix shift from DT Marketplace to DT Pay, which carries a lower gross margin.

Content gross margin, inclusive of the impact of other direct cost of revenues (amortization of intangibles), decreased $3,590 or (96.2)%, from $3,731 to $141 during the nine months ended December 31, 2014 and 2015, respectively. Excluding the effects of the $2,400 amortization expense, gross margin would have been $2,541 or 12.2% during the nine months ended December 31, 2015, which is a decrease of approximately $1,190 or 31.9% from the nine months ended December 31, 2014. Similar to the three months comparison, this decrease in Content gross margin dollars and percentages was due primarily to a mix shift from DT Marketplace to DT Pay, which carries a lower gross margin.

Advertising gross margins dollars increased primarily due to the inclusion of one quarter and three quarters of Appia Core operations for the three and nine months ended December 31, 2015, respectively, compared to the same comparative periods during 2014. Also driving the increase in gross margin for the three months ended December 31, 2015 was a net positive impact of $181 related to a one time sales credit adjustment to a large advertising partner and also a change in estimate related to sales allowance. Overall gross margin percentage has declined as the Appia Core business has a lower gross margin as compared to DT Media. Additionally, in the three months ended December 31, 2015, gross margin was adversely impacted by high carrier partner concentration and the achievement during the quarter of an incentive threshold yielding a less favorable revenue share to the Company.

Operating Expenses

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2015	2014	% of Change	2015	2014	% of Change
	(in thousands)			(in thousands)		
Product development expenses	$ 2,738	$ 1,718	59.4 %	$ 7,898	$ 5,832	35.4%
Sales and marketing expenses	1,676	485	245.6 %	4,426	1,989	122.5%
General and administrative expenses	4,667	5,171	(9.7)%	14,403	12,093	19.1%
Total Operating Expenses	$ 9,081	$ 7,374	23.1 %	$ 26,727	$ 19,914	34.2%

Product development expenses include campaign management, the development and maintenance of the DT product suite, including Appia Core, as well as the costs to support DT Pay and DT Marketplace through the optimization of content for consumption on a mobile phone. Expenses in this area are primarily a function of personnel.

Sales and marketing expenses represent the costs of sales and marketing personnel, and advertising and marketing campaigns.

General and administrative expenses represent management, finance, and support personnel costs in both the parent and subsidiary companies, which include professional and consulting costs, in addition to other costs such as rent, stock-based compensation, and depreciation expense.

Total operating expenses for the three months ended December 31, 2015 and 2014 were approximately $9,081 and $7,374, respectively, an increase of approximately $1,707 or 23.1%. The increase in expenses primarily related to the inclusion of one full quarter of Appia's operating expenses during the three months ended December 31, 2015 compared to the comparative period during 2014. The additional Appia operating expenses are related to product and marketing headcount directly related to the Appia Core and DT Media business. Additionally, the Company's investment in offices in Germany and Singapore contributed to the increase in product development expenses through additional headcount being added in those regions. The decline in general and administrative expenses is a result of the inclusion of costs related to M&A activity for Appia and XYO during the three months ended December 31, 2014.

Total operating expenses for the nine months ended December 31, 2015 and 2014 were approximately $26,727 and $19,914, respectively, an increase of approximately $6,813 or 34.2%. The increase in expenses primarily related to the inclusion of a full three quarters of Appia's operating expenses during the nine months ended December 31, 2015 compared to the comparative period during 2014. Additionally, the Company's investment in offices in Germany and Singapore contributed to the increase in product development expenses through additional headcount being added in those regions.

Other Income and Expenses

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2015	2014	% of Change	2015	2014	% of Change
	(in thousands)			(in thousands)		
Interest and other (expense)	$ (471)	$ 5	(9,520.0)%	$ (1,367)	$ (122)	(1,020.5)%
Foreign exchange transaction gain/(loss), net	(8)	41	(119.5)%	(20)	31	(164.5)%
Gain/(loss) on disposal of fixed assets	(8)	—	100.0 %	(31)	2	(1,650.0)%
Gain/(loss) on settlement of debt	—	1	(100.0)%	—	(9)	100.0 %
Other income/(expense)	(8)	(25)	68.0 %	20	(13)	253.8 %
Total operating expenses	$ (495)	$ 22	(2,350.0)%	$ (1,398)	$ (111)	(1,159.5)%

Interest and other expense includes interest expense, gain/(loss) on disposal of fixed assets, gain/(loss) on settlement of debt, and other ancillary costs incurred by the Company. These expenses were significantly higher in the three and nine months

ended December 31, 2015, primarily due to interest expense incurred on the increased credit facility balance in place during the current periods, reflecting the debt associated with the Appia acquisition, as compared to the prior periods.

Liquidity and Capital Resources

Selected Financial Information

	Period Ended	
	December 31, 2015	March 31, 2015
	(in thousands)	
Cash and cash equivalents	$ 13,679	$ 7,069
Restricted cash	—	200
Current Portion of Long-Term Debt		
Term loan, principal	$ 150	$ 600
Revolving line of credit, principal	3,000	3,000
Total Current Portion of Long-Term Debt	3,150	3,600
Long-Term Debt		
Subordinated secured debenture, net of debt discount of $555 and $910, respectively	$ 7,445	$ 7,090
Total Debt	10,595	10,690
Working capital:		
Current assets	31,374	20,192
Current liabilities	30,889	23,952
Working Capital	$ 485	$ (3,760)

Working Capital

Cash and cash equivalents and restricted cash totaled approximately $13,679 and approximately $7,269 at December 31, 2015 and March 31, 2015, respectively. Current assets totaled approximately $31,374 and approximately $20,192 at December 31, 2015 and March 31, 2015, respectively. As of December 31, 2015 and March 31, 2015, we had approximately $16,743 and $12,174, respectively, in accounts receivable. Our working capital as of December 31, 2015 and working capital deficit as of March 31, 2015 was $485 and $(3,760), respectively, with the proceeds received from the completed public offering and the net cash received from our investment in Sift of $875, comprised of $1,000 in cash received by the Company netted against $125 in fees incurred directly associated with the Sift transaction, as well as the increase in working capital primarily due to working capital and liquidity management, with a focus on accounts receivable collections and utilizing the full and extended payment terms on our accounts payable.

Our primary sources of liquidity have historically been issuances of common and preferred stock and convertible debt. The Company completed a public offering on October 2, 2015, netting cash proceeds to the Company of $12,627. The Company expects to use the net proceeds from the offering for organic business opportunities, product development, general corporate purposes, working capital, and capital expenditures. The Company believes that it has, after the public offering, sufficient cash, cash equivalents, and capital resources to operate its business at least through December 31, 2016. As of December 31, 2015, we had cash and cash equivalents totaling approximately $13,679, which includes the cash gross proceeds of $1,000 received from the Sift Media, Inc. transaction. Additionally, the Company currently has a $5,000 revolving credit facility in place with Silicon Valley Bank, which it uses to fund working capital requirements, as needed. As of December 31, 2015, the Company also had $150 outstanding on its term loan and $3,000 outstanding on its revolving credit facility with Silicon Valley Bank, both of which are included in current liabilities.

On June 11, 2015, our wholly-owned subsidiary DTM, and Silicon Valley Bank, entered into a Third Amended and Restated Loan and Security Agreement, pursuant to which Silicon Valley Bank agreed to increase the revolving line of credit available under such facility from $3,500 to $5,000, to extend the maturity date under the facility to June 30, 2016, and to make certain other changes to the terms of the existing agreement.

On November 30, 2015, our wholly-owned subsidiary DTM, and Silicon Valley Bank, entered into an amendment (the "Amendment") to the Third Amended and Restated Loan and Security Agreement dated June 11, 2015. Pursuant to the Amendment, the adjusted EBITDA financial covenant was removed and replaced with the requirement to maintain an adjusted quick ratio of not less than 0.90:1.00 unless (a) there are no advances outstanding under the revolving facility, or (b) if the Company's cash and cash equivalents held at the Bank or Bank's Affiliates is greater than or equal to $15,000. Furthermore, the Streamline Period, which is not a financial covenant but applies to application of receivables, was amended so that it is achieved if the Borrower's trailing three-month period revenue is not less than 85% of projections for the three months ending August 31, 2015 through November 30, 2015, 75% of projections for the three months ending December 31, 2015 and thereafter, with the projected revenue for such three month period as set forth in the Borrower's operating budget provided to the Bank. The Amendment also added the requirement for the Company to deliver consolidated financial statements in addition to the Borrower.

Cash Flow Summary

	Nine Months Ended December 31,		
	2015	2014	% of Change
	(in thousands)		
Consolidated Statement of Cash Flows Data:			
Cash used in operating activities	$ (5,491)	$ (8,705)	36.9 %
Purchase and disposal of property and equipment, net	(976)	67	(1,556.7)%
Cash used in acquisition of assets	—	(2,125)	(100.0)%
Net cash from investment in Sift	875	—	100.0 %
Settlement of contingent liability	—	(49)	(100.0)%
Stock issued for cash in stock offering, net	12,627	—	100.0 %
Options exercised	51	—	100.0 %
Warrants exercised	—	375	(100.0)%
Repayment of debt obligations	(450)	—	100.0 %
Effect of exchange rate changes on cash and cash equivalents	(26)	16	(262.5)%

Operating Activities

For the nine months ended December 31, 2015, cash used in operating activities was $5,491. The difference between our net loss of $22,204 and net cash used in operating activities is comprised primarily of an increase in accounts receivable, deposits, and deferred financing costs of approximately $4,838, an increase in accounts payable of $5,602, an increase in accrued license fees and revenue share of $3,336, and a decrease in restricted cash transferred to operating cash, prepaid expenses and other current assets, accrued compensation, accrued interest, and other liabilities and other items of $200, $40, $837, $14, and $701, respectively. These changes are related to the loss for the period, but exclude: depreciation and amortization and amortization of debt discount of approximately $8,606 and $355, respectively, stock-based compensation, stock issued for settlement of liability, and stock-based compensation related to vesting of restricted stock for services of approximately $3,804, $283, and $723, respectively, and the effect of a reduction in the allowance for doubtful accounts and an adjustment to increase goodwill for purchase price of Appia of $26 and $126, respectively.

Investing Activities

For the nine months ended December 31, 2015, cash used in investing activities was approximately $101, which comprises capital expenditures made on internally developed software of $976, offset by net cash received from our investment in Sift of $875, which includes $1,000 in cash received by the Company, net of $125 in fees incurred directly associated with the Sift transaction.

Financing Activities

For the nine months ended December 31, 2015, cash used in financing activities was approximately $12,228, which is primarily due to stock issued for cash (net) in stock offering of $12,627 and proceeds received from the exercise of stock option of approximately $51, offset by repayment of principal on the credit facility and loss on exchange rate changes on cash and cash equivalents of approximately $450 and $26, respectively.

Off-Balance Sheet Arrangements

We do not have any relationships with unconsolidated entities or financial partners, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. In addition, we do not have any undisclosed borrowings or debt, and we have not entered into any synthetic leases. We believe, therefore, that we are not materially exposed to any financing, liquidity, market, or credit risk that could arise if we had engaged in such relationships.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business, primarily interest rate and foreign currency exchange risks.

Foreign Currency Exchange Risk

We have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar, primarily the Australian dollar. While a portion of our sales are denominated in foreign currencies and then translated into U.S. dollars, the vast majority of our media costs are billed in U.S. dollars, causing both our revenue and, disproportionately, our operating loss and net loss to be impacted by fluctuations in exchange rates. In addition, gains/(losses) related to translating certain cash balances, trade accounts receivable balances, and inter-company balances that are denominated in these currencies impact our net income/(loss). As our foreign operations expand, our results may be more impacted by fluctuations in the exchange rates of the currencies in which we do business.

ITEM 4. CONTROLS AND PROCEDURES

This Report includes the certifications of our Chief Executive Officer and Chief Financial Officer, as required by Rule 13a-14 of the Securities Exchange Act of 1934 (the “Exchange Act”). See Exhibits 31.1 and 31.2. Item 4 includes information concerning the controls and control evaluations referred to in those certifications.

Background

As previously disclosed under “Part II - Item 9A - Controls and Procedures” in our Annual Report on Form 10-K for the fiscal year ended March 31, 2015, management concluded that our internal controls over financial reporting were not effective as of March 31, 2015, because of certain deficiencies that constituted material weaknesses in our internal controls over financial reporting. Material weaknesses could result in material misstatements of substantially all of our financial statement accounts, which would result in a material misstatement of our annual or interim consolidated financial statements that would not be prevented or detected on a timely basis.

Our management has been actively engaged in the implementation of remediation efforts to address the material weaknesses, as well as other identified areas of risk. For a complete description of management’s remediation plan, see “Part II - Item 9A - Controls and Procedures” in our Annual Report on Form 10-K for the fiscal year ended March 31, 2015.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures.

In connection with the preparation of this Report, Digital Turbine's management, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation and the identification of certain material weaknesses in internal controls over financial reporting, which we view as an integral part of our disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of December 31, 2015. Nevertheless, based on a number of factors, including the performance of additional procedures by management designed to ensure the reliability of our financial reporting, we believe that the consolidated financial statements in this Report fairly present, in all material respects, our financial position, results of operations, and cash flows as of the dates, and for the periods, presented, in conformity with GAAP.

Management's Plan for Remediation

Beginning in the third quarter of fiscal year 2015 and continuing through the date of this Report, we began the implementation of measures designed to remediate the identified material weaknesses, including the following:

1. Hired a Chief Accounting Officer (CAO) on February 27, 2015.
2. Implemented a limited version of SAP, the Company's accounting ERP system, with further enhancements as referred to in number 9 below.
3. Implemented a management representation letter in which key members of management and the accounting/finance staff attest to certain questions related to the financial statements.
4. Implemented a company-wide signature authority matrix, which outlines requirements and signing authority for executing contracts.
5. Expect accounting group to be fully staffed in Asia Pacific prior to November 31, 2015. The Asia Pacific accounting team was fully staffed as of November 2015, however the Company is in the processes of evaluating whether additional accounting resources may be needed at this location.
6. Consolidated all accounting-related decisions under the direction of the CAO.
7. Continue working with a third party to document and remediate weaknesses, and to structure the Company's accounting/finance department to meet SOX 404 (b) requirements.
8. Continue to utilize third-party accounting experts to augment Company accounting staff, as necessary.
9. Finalize the system implementation related to SAP, including a more automated consolidation system and additional functionality to reduce current manual processes. The Company is in the process of implementing additional functionality, which we expect to be available in June 2016. The Company is in the final stages of reviewing the design documentation with development expected to occur soon afterwards, with an ultimate 'go-live' goal of June 2016. This date is subject to delay given the inherent nature of systems implementations.
10. Implement billing, disbursement, and stock option accounting systems and integrate with SAP. The Company implemented Concur T&E in the United States in early Q3 FY2016. The Company expects to roll out Concur T&E to the rest of the Company by September 2016.
11. Document key accounting policies and internal control procedures for significant accounting areas, with an emphasis on implementing additional documented review and approval procedures and automated controls within the Company's accounting system. As of Q3FY16, the Company continues to implement and refine key accounting policies, processes, and controls.
12. Evaluate accounting and finance headcount resources globally to ensure that resources are sufficient to meet the accounting and finance requirements of the Company. As part of this evaluation the Audit Committee has approved three incremental resources, which the Company is in the process of staffing. One incremental resource has been hired in Austin, Texas, another incremental resource has been hired in Raleigh, North Carolina, and one individual has been hired in the Asia Pacific region as of December 31, 2015. As also referred to in item 5 above, the Company is in the processes of evaluating whether additional accounting resources may be needed, in addition those already hired.
13. Develop formal training related to key accounting policies, internal controls, and SEC compliance, and deliver training to key personnel who have a direct and indirect impact on the transactions underlying the financial statements. As of Q3FY16, the Company has delivered and will continue to deliver training to key personnel related to the areas of revenue recognition, internal controls/SOX compliance, and liability/expense recognition. The Company will continue to re-inforce these topics and others over the next year.

14. Implement information technology documentation and new controls that have an impact on financial reporting. In Q4FY16 the Company will be initiating training and internal controls/SOX awareness/training with respect to internal controls over information technology. This training and implementation of information technology controls is expected to continue over the next year.

The remediation plan, once fully implemented and determined to be operating effectively, is expected to result in the remediation of the identified material weaknesses in internal controls over financial reporting.

Changes in Internal Control Over Financial Reporting

Other than as discussed in Management's Plan for Remediation above, there was no change in our internal controls over financial reporting during the quarter ended December 31, 2015 that materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1 (A). Risk Factors

Registrant is not aware of any material risk factors since those set forth under “Risk Factors” in its Annual Report in Form 10-K, as amended, for the year ended March 31, 2015.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

ITEM 6. EXHIBITS

10.1	Intellectual Property License Agreement dated as of December 28, 2015 between Digital Turbine Media, Inc. and Sift Media, Inc.*
10.2	Publisher Agreement dated as of December 28, 2015 between Digital Turbine Media, Inc. and Sift Media, Inc.*
10.3	Sift Media, Inc. Series Seed Convertible Preferred Stock Purchase Agreement dated as of December 28, 2015*
10.4	Employment Agreement between Sift Media, Inc. and Judson S. Bowman dated as of December 28, 2015*
10.5	Restricted Stock Agreement between Sift Media, Inc. and Judson S. Bowman dated as of December 28, 2015*
31.1	Certification of William Stone, Principal Executive Officer. *
31.2	Certification of Andrew Schleimer, Principal Financial Officer. *
32.1	Certification of William Stone, Principal Executive Officer pursuant to U.S.C. Section 1350. **
32.2	Certification of Andrew Schleimer, Principal Financial Officer pursuant to U.S.C. Section 1350. **
101	INS XBRL Instance Document. *
101	SCH XBRL Schema Document. *
101	CAL XBRL Taxonomy Extension Calculation Linkbase Document. *
101	DEF XBRL Taxonomy Extension Definition Linkbase Document. *
101	LAB XBRL Taxonomy Extension Label Linkbase Document. *
101	PRE XBRL Taxonomy Extension Presentation Linkbase Document. *

* Filed herewith

** In accordance with SEC Commission Release No. 33-8212, these exhibits are being furnished, and are not being filed, as part of the Report on Form 10-Q or as a separate disclosure document, and are not being incorporated by reference into any Securities Act registration statement.

SIGNATURES

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

Digital Turbine, Inc.

Dated: February 9, 2016

By: /s/ William Stone

William Stone
Chief Executive Officer
(Principal Executive Officer)

INTELLECTUAL PROPERTY LICENSE AGREEMENT

THIS INTELLECTUAL PROPERTY LICENSE AGREEMENT (this " Agreement") is made and entered into as of the date of last signature below (the "Effective Date"), by and between Digital Turbine Media, Inc. (f/k/a Appia, Inc.), a Delaware corporation, on behalf of itself and each of its Subsidiaries, if any ("Licensor"), and Sift Media, Inc., a Delaware corporation, on behalf of itself and each of its Subsidiaries, if any ("Sift" or "Licensee"). Sift and Licensor may be referred to herein individually as a "Party" and collectively as the " Parties."

WHEREAS, Licensee desires to obtain from Licensor, and Licensor desires to grant to Licensee, a license for business use of certain of Licensor's Intellectual Property as set forth herein.

WHEREAS, in exchange for the license and transfer of rights as set forth herein, and in addition to receiving the license fee herein but in lieu of receiving royalties, Licensor is concurrently being granted shares of Series A Stock as further set forth in that certain Series A Convertible Preferred Stock Purchase Agreement between Licensor, as investor, and Licensee, as issuer, dated as of the Effective Date (the " Stock Purchase Agreement") (the totality of transactions under this Agreement and the Stock Purchase Agreement collectively referred to herein as the "Transaction");

WHEREAS, it is the intent of the Parties, for income tax purposes, that the transactions described in the Stock Purchase Agreement qualify as a tax-free exchange under Section 351 of the Code (and corresponding provisions of applicable state income tax laws), and that such transactions be consistently reported by the Parties pursuant to Treasury Regulations Section 1.351-3.

NOW, THEREFORE, in consideration of the obligations, covenants and representations set forth herein, the Stock Purchase Agreement and any related transaction agreements, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. Definitions

Unless expressly provided otherwise herein, all capitalized terms not specifically defined in this Agreement shall have the meaning ascribed to them in the Appia Merger Agreement.

1.1 "Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under direct or indirect common control with such other Person.

1.2 "Appia Merger Agreement" means that certain Agreement and Plan of Merger by and among Mandalay Digital Group, Inc., DTM Merger Sub, Inc., Appia, Inc. and Shareholder Representative Services LLC dated November 13, 2014.

1.3 "Assert" means to bring an action of any nature before any legal, judicial, arbitration, administrative, executive or other type of body or tribunal that has or claims to have authority to adjudicate such action in whole or in part.

1.4 "Assets" means, collectively, the Licensed IPR and the Licensed Technology.

1.5 "Change of Control" shall mean with respect to Licensor or its Subsidiaries, as applicable, any of the following events: (a) a person or entity, other than the current holders of capital stock of Licensor or its Subsidiaries, as applicable, acquires, directly or indirectly, capital stock of Licensor or its Subsidiaries, as applicable, representing, in the aggregate, more than fifty percent (50%) of the total outstanding capital stock of Licensor or its Subsidiaries, as applicable; (b) the consummation of the sale or disposition by Licensor or its Subsidiaries, as applicable, of all or substantially all of its (or their) assets to a Person other than the holders of capital stock of Licensor or its Subsidiaries, as applicable; or (c) the consummation of a merger or consolidation of Licensor or its Subsidiaries, as applicable, with any other limited liability company, corporation or other entity, other than a merger or consolidation which would result in the capital stock of Licensor or its Subsidiaries, as applicable, outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least a majority of the total voting power represented by the voting securities of the Licensor or its Subsidiaries, as applicable, or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1.6 "Code" means the Internal Revenue Code of 1986, as amended (and/or any corresponding provision of any superseding revenue law).

1.7 "Intellectual Property Rights" means, without limitation or exception, any copyrights, patents, and trade

secrets and rights that are analogous to the foregoing anywhere in the world, created or arising under the laws of the United States or any other jurisdiction, and whether registered or unregistered (but which, for purposes of this Agreement, do not include any trademarks).

1.8 "Improvements" has the meaning set forth in Section 2.4 of this Agreement.

1.9 "Investor(s)" means those certain "accredited investors" who will subscribe and hold for investment authorized shares of capital stock of Sift, including, without limitation, Series A Stock pursuant to agreements substantially similar to the Stock Purchase Agreement.

1.10 "Knowledge" or "Knowledge of Licensor" shall mean the actual knowledge of any of Jamie Fellows, Andrew Schleimer, Bill Stone, Jeff Henderson and James Alejandro, in each case following reasonable due inquiry.

1.11 "Liabilities" has the meaning given to such term in the Appia Merger Agreement.

1.12 "Licensed Field" means the programmatic advertising business.

1.13 "Licensed IPR" means those Intellectual Property Rights embodied in, or necessary for the exercise of Licensee's license under this Agreement of, the Licensed Technology arising under law or equity that as of July 15, 2015 are owned, licensed (with sublicense rights) or otherwise held by or for the Licensor.

1.14 "Licensed Technology" means the Technology embodied in those items set forth in Exhibit A hereto that is owned, licensed or otherwise held by or for Licensor in the form existing as of July 15, 2015. The Licensed Technology includes both the "RTB Technology", which means the Technology embodied in those items under the heading "RTB Technology" in Exhibit A, and the "Other Appia Technology", which means the Technology embodied under those items under the heading "Other Appia Technology" in Exhibit A.

1.15 "Material Adverse Effect" shall mean a material adverse effect on the business, assets (including intangible assets), liabilities, financial conditions, property, prospects or results of operations of a Party.

1.16 "Person" shall mean any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or governmental body.

1.17 "Series A Stock" means Series A convertible preferred stock issued by Sift in one or more closings to Investor(s) in accordance with applicable federal and state securities laws. The Series A Stock shall have the rights, preferences and privileges set forth in Sift's Amended and Restated Certificate of Incorporation to be filed as of the Effective Date.

1.18 "Sift Licensed Products" means any current or future product or service that is produced, licensed, delivered or sold by or on behalf of Sift or one of its Subsidiaries or sublicensees.

1.19 "Source Code" shall mean computer software in a form that is readily suitable for review and edit by trained programmers, including related programmer comments embedded therein. For avoidance of doubt, Source Code excludes any software that is wholly or substantially in binary form and any documentation or other information provided or used with such software.

1.20 "Subsidiary" means, with respect to any Person, (a) any entity as to which more than fifty percent (50%) of the outstanding stock or other ownership interests having ordinary voting rights or power (and excluding stock or other ownership interest having voting rights only upon the occurrence of a contingency unless and until such contingency occurs and such rights may be exercised) is owned or controlled, directly or indirectly, by such Person and/or by one or more of such Person's direct or indirect Subsidiaries and (b) any partnership, joint venture or other similar relationship between such Person (or any Subsidiary thereof) and any other Person (whether pursuant to a written agreement or otherwise).

1.21 "Taxes" has the meaning given to such term in the Appia Merger Agreement.

1.22 "Technology" means, in each case to the extent possessed by Licensor in the iteration of the Licensed Technology identified in Exhibit A: (a) works of authorship including any Source Code and object code, whether embodied in software, firmware or otherwise, and all associated technical and user documentation (including without limitation documentation relating to third-party software, services and systems required for use with such Source Code and object code); (b) proprietary and confidential information, trade secrets and know how; (c) all algorithms and data models associated with the foregoing; and (d) any and all instantiations of the foregoing in any form and embodied in any media.

2. Grant of Rights to Sift

2.1 Intellectual Property License Grant to Sift. Subject to the terms and conditions of this Agreement, Licensor, on behalf of itself and its Subsidiaries, agrees to grant and does hereby grant to Sift and its Subsidiaries a perpetual, irrevocable, non-exclusive (except as set forth in Section 2.5 below), fully transferable, royalty-free, fully paid-up, worldwide license, with the right to sublicense, under the Licensed IPR (including, without limitation, any applications, petitions or registrations for such rights under their respective jurisdictions) to perform, use, reproduce, sell (directly and indirectly), display, import, export, market (through multiple tiers), distribute, modify, prepare derivative works of, design, develop, make, have made, test, promote, support, offer for sale, lease, and to otherwise exploit.

2.2 Technology License to Sift. Subject to the terms and conditions of this Agreement and in addition to the rights and licenses granted by Licensor and its Subsidiaries above, Licensor and its Subsidiaries agree to grant and do hereby grant to Sift and Sift's Subsidiaries a non-exclusive (except as set forth in Section 2.5 below), sublicensable, fully transferable, worldwide, royalty-free, perpetual, and irrevocable right and license:

(a) In and to the RTB Technology, to (i) use, reproduce, display, perform, distribute, modify, prepare derivative works of and otherwise exploit the RTB Technology in conjunction with Sift's and its Subsidiaries' design, development, manufacture, use, testing, importation, exportation, license, marketing, promotion, offer for sale, lease, sale and/or other disposition of Sift Licensed Products, and to (ii) design, develop, make, have made, use, test, import, export, license, market, promote, support, offer for sale, lease, sell, distribute, modify and/or otherwise dispose of and exploit Sift Licensed Products.

(b) In and to the Other Appia Technology to (i) use, reproduce, display, perform, distribute, modify, prepare derivative works of and otherwise exploit the Other Appia Technology in conjunction with Sift's and its Subsidiaries' design, development, manufacture, use, testing, importation, exportation, license, marketing, promotion, offer for sale, lease, sale and/or other disposition of Sift Licensed Products, and to (ii) design, develop, make, have made, use, test, import, export, license, market, promote, support, offer for sale, lease, sell, distribute, modify and/or otherwise dispose of and exploit Sift Licensed Products; in each case solely in connection with the Licensed Field.

2.3 Ownership of Improvements. Any improvements, modifications, enhancements, or derivative works of the Licensed IPR and/or Licensed Technology that is made by or for a Party following the Effective Date (collectively, "Improvements") shall be owned solely by the creating Party, including all right, title and interest therein, and such Party shall have no obligation to provide or license such Improvements to the other Party hereunder. For the avoidance of doubt, the parties acknowledge and agree that as between the parties, any Improvements made to the Licensed Technology between July 15, 2015 and the Effective Date are owned solely by Licensor and are not subject to this Agreement.

2.4 Covenant Not to Sue Regarding Improvements.

(a) From and after the Effective Date, subject to the terms and conditions of this Agreement, Licensor, on behalf of itself and its Subsidiaries, agrees that none of them will Assert (whether in law or in equity) any Claim against Sift, its Subsidiaries (but only so long as any such Subsidiary continues to qualify as a Subsidiary), or their direct and indirect suppliers, distributors or customers based on or related to an allegation that any Sift Licensed Product infringes, or otherwise violates any patent embodied in an Improvement owned by Licensor or its Subsidiaries, whether now owned or hereafter acquired by Licensor or its Subsidiaries.

(b) Subject to Sections 2.5(a), (b), (c) and (d), from and after the Effective Date, subject to the terms and conditions of this Agreement, Licensee, on behalf of itself and its Subsidiaries, agrees that none of them will Assert (whether in law or in equity) any Claim against Licensor, its Subsidiaries (but only so long as any such Subsidiary continues to qualify as a Subsidiary), or their direct and indirect suppliers, distributors or customers based on or related to an allegation that any product or service of Licensor which utilizes the Assets, in whole or in part, infringes, or otherwise violates any patent embodied in an Improvement owned by Licensee or its Subsidiaries, whether now owned or hereafter acquired by Licensee or its Subsidiaries.

2.5 Reserved Rights; Covenants. Sift and/or its Subsidiaries acknowledge and agree that Licensor continues to own all right, title and interest in, and reserves all rights in and to all assets, properties and rights not expressly granted hereunder. For avoidance of doubt, Sift and/or its Subsidiaries agree that Licensor shall continue, notwithstanding the licenses granted to Sift and/or its Subsidiaries herein, and without limitation, to have the right to use and exploit all of the Assets for any business purpose. Notwithstanding the above, Licensor covenants that, Licensor shall not (a) license or otherwise make available (except in connection with a Change of Control per the following subsection (b)) the RTB Technology to third parties on a commercial basis or through an open source or freeware license, dedication to the public domain, or similar means, or (b) assign, sell or transfer the RTB Technology to third parties except in connection with a Change of Control whereby the obligations under this Agreement are expressly assigned and assumed, or (c)

license or otherwise make available (except in connection with a Change of Control per the following subsection (d)) the Other Appia Technology to third parties on a commercial basis for use in the Licensed Field, or through an open source or freeware license, dedication to the public domain, or similar means, or (d) assign, sell or transfer the Other Appia Technology to third parties operating a business in the Licensed Field, except in connection with a Change of Control whereby the obligations under this Agreement are expressly assigned and assumed. For purposes of this Section, a third party receiving an assignment, sale or transfer of the Other Appia Technology shall be deemed to not be operating a business in the Licensed Field, if without limitation, (i) such third party has provided a written representation to Licensor in connection with such transaction that neither such third party nor its subsidiaries operate a business in the Licensed Field; (ii) to the actual knowledge of Licensor, such written representation is not false; and (iii) such third party has agreed in writing to the terms of Sections 2.5(c) and 2.5(d). In all cases, Licensor will provide Sift prompt written notice of the name and contact information of any third party to whom it has transferred any Licensed Technology in order for Sift to monitor compliance with this Agreement.

2.6 Tax Treatment of Transaction. The Parties agree that (a) the entering into and granting of licenses under this Agreement shall be treated as a transfer of property in exchange for Licensor's receipt of the consideration described in Section 3.1 below (and as more particularly set forth in the Stock Purchase Agreement), (b) immediately after the consummation of the Transaction, Licensor and Investor(s) will be in "control" of Sift within the meaning of Section 351(a) of the Code, (c) to the fullest extent available under the Code, Treasury Regulations promulgated under the Code and the corresponding provisions of applicable state income tax laws, the Transaction will not result in the recognition of taxable income to the Parties except with respect to any cash proceeds received by Licensor for which gain shall be recognized for income tax purposes and (d) the Transaction be consistently reported by the Parties and their respective Subsidiaries pursuant to Treasury Regulations Section 1.351-3, including, without limitation, the filing of all tax returns.

2.7 Delivery. Licensor shall deliver a full copy of the Licensed Technology (in Source Code form and, as applicable, executable code format) to Licensee through a secure FTP site or other mutually agreed secure electronic delivery mechanism as follows: (a) for the RTB Technology, on the Effective Date, and (b) for the Other Appia Technology, thirty (30) business days following the Effective Date. Licensee will have fifteen (15) business days after receipt of the delivered Licensed Technology to review and confirm that the Licensed Technology delivery is complete and correct (as of July 15, 2015). Licensor will reasonably cooperate with Licensee to assist Licensee in confirming the accuracy and completeness of the delivery of the Licensed Technology.

2.8 No Support Obligation. Neither Party shall have any obligation under this Agreement to provide any maintenance or support to the other Party regarding the Licensed Technology.

2.9 Campaign Data Access. Licensor and Licensee have entered into a Publishing Agreement dated on or about the date of this Agreement (the "Publishing Agreement"). In addition to the API access to certain campaign data provided in accordance with the Publishing Agreement, Licensor agrees to provide Licensee with further access to such additional campaign data necessary for Licensee's continued operation of the RTB business, comprised of clicks, installs and impressions. This data will also include user id (e.g., Android ID, advertiser ID, IDFA, or equivalent); provided that: (a) Licensee agrees to use such information in accordance with Licensor's privacy policy applicable to such data, and (b) if Licensor ceases to provide such user id data for all of its publisher partners due to privacy issues, Licensor may also cease to provide such data to Licensee upon at least 60 days prior written notice. Such further access will be accomplished through Licensor establishing an online location for Licensee to access such data and to update such data during the term of the Publishing Agreement. The Parties will work together in good faith after the Effective Date to define more specifically the details of such additional campaign data, access and refresh. The obligations in this Section 2.9 shall be coterminous with the term of the Publishing Agreement.

3. Payment

3.1 In consideration of the grant of license and transfer of rights as set forth in this Agreement, Licensee shall pay to Licensor $1,000,000.00, and issue to Licensor or any designee owned by Digital Turbine, Inc. a number of fully paid and nonassessable shares of Series A Stock equal to 9.9% of the fully diluted (after all convertible securities, options, warrants, rights, new equity plans and any share equivalents or phantom stock) capital stock of Sift as of the Effective Date pursuant to the terms of the Stock Purchase Agreement (such percentage measured as of immediately after the closing of the transactions contemplated by the Stock Purchase Agreement and the other agreements substantially similar to the Stock Purchase Agreement being entered on the Effective Date between Sift and other Investors) and otherwise in compliance with the Stock Purchase Agreement. For avoidance of doubt, such shares are not restricted and are not subject to any vesting or forfeiture conditions.

4. Term and Termination

4.1 The term of this Agreement shall begin on the Effective Date and shall remain in force and effect in perpetuity, or (if applicable) until the last to expire of all of the Licensed IPR.

4.2 Subject to the Limited Termination Right (defined below), the licenses in this Agreement are not subject to termination for any reason. In the event that Licensor believes that Licensee is in breach of this Agreement, Licensor may seek any and all damages or injunctive relief available at law or in equity, but may not terminate or seek to terminate the licenses in this Agreement except for the Limited Termination Right which is not cured within 60 days after written notice thereof by Licensor. The "Limited Termination Right" means (a) Licensee fails to pay the consideration set forth in Section 3.1, and/or (b) Licensee willfully and materially breaches the terms of Sections 2.2 or 2.4.

5. Representation, Warranty and Warranty Disclaimers

Each Party hereby represents and warrants to the other Party as follows:

5.1 General. Such Party is acting on its own behalf and on behalf of its Subsidiaries and shall cause each of its Subsidiaries to comply with all of such Subsidiary's obligations hereunder, including, without limitation, to grant the rights and licenses granted hereunder by such Subsidiary.

5.2 Authorization. Such Party has all requisite corporate power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to perform its obligations hereunder. The execution and delivery by such Party of this Agreement, and the consummation by such Party of the transactions contemplated hereby have been duly authorized by all necessary corporate action and no other proceedings or actions on the part of such Party or such Party's affiliates are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by such Party and is, a legal, valid and binding obligation of such Party enforceable against such Party in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights generally and (b) the general principles of equity, regardless of whether asserted in a proceeding in equity or at law.

5.3 Consents and Approvals. (a) No notice to, declaration, filing or registration with, or authorization, consent or approval of, or permit from, any person (including under any contract or agreement), and (b) no consent under any contract or agreement from any other Person, is, in each case, required to be made or obtained by such Party or any of such Party's Affiliates in connection with the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by such Party (except for any filings required to be made with the SEC in connection with this Agreement and the transactions contemplated hereto), and which in the absence of any of the foregoing would not have a Material Adverse Effect.

Licensor hereby represents and warrants to Licensee as follows:

5.4 Ownership, Validity and Enforceability of Intellectual Property . The Licensed IPR is subsisting and, to the Knowledge of Licensor, valid, enforceable and in full force and effect, and is not subject to any pending or, to the Knowledge of Licensor, threatened action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand that challenges the validity, enforceability, registration, ownership or use of the item. Licensor possesses all right, title and interest necessary to grant the licenses to the Licensed IPR and Licensed Technology granted hereunder.

5.5 Protection of Intellectual Property. Licensor is taking and has taken reasonable steps to obtain, maintain, police and protect the Licensed IPR and Licensed Technology and to maintain and protect the confidentiality of any trade secrets embodied in such Licensed IPR. No current or former employees or contractors of Licensor own any of the Licensed IPR or Licensed Technology. To the Knowledge of Licensor, all current and former employees and contractors of the Licensor and all other Persons that the Licensor engaged to participate in the creation or development of any Licensed IPR or Licensed Technology have executed valid and enforceable agreements in which they have assigned or otherwise vested all of their rights in and to such Licensed IPR and Licensed Technology to the Licensor and have agreed to maintain the confidentiality of such Licensed IPR and Licensed Technology. Licensor is not, and to the Knowledge of Licensor no other party to any such agreement is, in material breach thereof. To the Knowledge of Licensor, no current or former employees or contractors of Licensor own any Intellectual Property Rights incorporated in the Licensed IPR or Licensed Technology. It is not necessary to utilize any Intellectual Property Rights of any current or former employee or contractor of Licensor developed, invented or made prior to such employee's or contractor's employment or retention by Licensor, except for any such Intellectual Property Rights that have previously been assigned to Licensor. No Person has asserted, and to the Knowledge of Licensor, no such Person has, any right, title, interest or other claim in, or the right to receive any royalties or other consideration with respect to the Licensed IPR or Licensed Technology.

5.6 No Infringement. Licensor has not and does not, and the Licensed IPR and Licensed Technology have not and do not infringe, dilute, conflict with, misappropriate, or otherwise violate any rights of any Person in or to any Intellectual Property Rights. Except as set forth in Schedule 3.18(e) of the Disclosure Schedules to the Appia Merger

Agreement, Licensor has not received notice from any Person claiming that the Licensed IPR or Licensed Technology infringes, dilutes, conflicts with, misappropriates or otherwise violates the rights of any Person in or to any Intellectual Property, violates any rights to privacy or publicity, or constitutes unfair competition or trade practices under the laws of any jurisdiction, including any claim that Licensor must license or refrain from using any Intellectual Property rights of any Person and no Person has, any right to make such a claim.

5.7 No Third Party Infringers. Licensor has taken reasonable steps to protect the Licensed IPR and Licensed Technology from infringement by any other Person. To the Knowledge of Licensor, there has been no unauthorized use, unauthorized disclosure, infringement, dilution, violation or misappropriation by any Person of any Licensed IPR or Licensed Technology. No other Person has notified Licensor in writing that such Person is claiming any ownership or right to use any of the Licensed IPR or Licensed Technology that would interfere with the rights granted to Licensee hereunder.

5.8 No Order. There are no forbearances to sue, consents, settlement agreements, judgments or orders entered into in connection with or in settlement of litigation or similar litigation-related, inter-party or adversarial-related, or government-imposed obligations to which Licensor is a party or is otherwise bound that (i) restrict the rights of Licensor to license or enforce any Licensed IPR or Licensed Technology; or (ii) grant any third party any right with respect to any Licensed IPR or Licensed Technology that is owned by Licensor or exclusively licensed to Licensor.

5.9 Information Technology Systems. All Licensed Technology (and all parts thereof), are free of (i) any critical defects, including, without limitation, any critical error or critical omission in the processing of any transactions and (ii) disabling codes or instructions and any "back door," "time bomb," "Trojan horse," "worm," "drop dead device," "virus" or hardware components that would permit unauthorized access or the unauthorized disruption, impairment, disablement or erasure of such Licensed Technology (or any parts thereof) or data or other Software of users ("Contaminants"). Licensor takes and has taken reasonable steps and implements and has implemented reasonable procedures, intended to ensure that the Licensed Technology are free from Contaminants. To the Knowledge of Licensor, there have been no unauthorized intrusions or breaches of the security of the Licensed Technology. Licensor has implemented security patches or upgrades that are generally available for the Licensed Technology where such patches or upgrades are reasonably required to maintain their security. To the extent that the Licensed Technology receives, processes, transmits or stores any financial account numbers (such as credit cards, bank accounts, PayPal accounts, debit cards), passwords, CCV data, or other related data ("Cardholder Data"), Licensor represents and warrants that information security procedures, processes and systems have at all times met or exceeded all applicable information security laws, legal or contractual standards, rules and requirements related to the collection, storage, processing and transmission of Cardholder Data, including those established by applicable governmental regulatory agencies, and the Payment Card Industry Standards Council (including the Payment Card Industry Data Security Standard). To the Knowledge of Licensor, Licensor has not experienced any material accidental loss, alteration, unauthorized disclosure or destruction of, misuse of, unauthorized third party access to, or damage to, data held or processed by the Licensed Technology, including Personal Information and Cardholder Data and the Licensed Technology has not otherwise materially malfunctioned or failed. As used in this Section 5.9, "reasonable" shall mean reasonable for an established web based company whose principal business is conducted through the internet.

5.10 Open Source. Except as set forth on Schedule 3.18(l) of the Disclosure Schedules of the Appia Merger Agreement, no open source, public source or freeware Intellectual Property, or any modification or derivative thereof, including any version of any software licensed pursuant to any GNU general public license or GNU lesser general public license or other software that is licensed pursuant to a license that purports to require the distribution of or access to Source Code or purports to restrict one's ability to charge for distribution of or to use software for commercial purposes (collectively "Open Source"), has been used in, incorporated into, integrated or bundled with, or used in the development or compilation of, any Licensed Technology. No Open Source listed in Schedule 3.18(l) of the Disclosure Schedules of the Appia Merger Agreement has been modified or distributed by or on behalf of Licensor in such a manner as would require Licensor to publicly make available any Source Code for Licensed Technology.

5.11 Source Code. To the Knowledge of Licensor, Licensor has not disclosed any Source Code for the Licensed Technology to any Person other than to employees and contractors performing services on Licensor's behalf who have executed confidentiality agreements. Except as set forth in Schedule 3.18.(m) of the Disclosure Schedules of the Appia Merger Agreement, Licensor has not entered into any contracts with any Person requiring, upon the absence or occurrence of an event or default, the disclosure of any Source Code for the Licensed Technology. The execution of this Agreement will not result in the disclosure to a third Person of any Source Code for the Licensed Technology (including, without limitation, any release from escrow of any such Source Code for the Licensed Technology) or the grant of incremental rights to a Person with regard to such Source Code for the Licensed Technology. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time, or both) will, or would reasonably be expected to, result in the disclosure or delivery by Licensor, or any Person acting on behalf of Licensor to any Person of any Source Code for the Licensed Technology and no portion of such Source Code for the Licensed Technology has been disclosed, delivered or licensed to a third Person. As used in this paragraph, an "incremental" right refers to a right in excess of the rights that would have been required to be offered or granted had the parties not

entered into this Agreement or consummated the transactions contemplated hereby.

5.12 Duration of all Warranties; Limitation of Remedies . Licensee acknowledges and agrees that (a) all warranties set forth in this Section 5 shall expire on the date that is thirty (30) months following the Closing Date, except that with respect to any such warranty that relates to the same subject matter referred to in Section 7.2(a)(ix) (and related schedule) of the Appia Merger Agreement (the "Special Matter"), such warranty shall, with respect to any Special Matter, expire on the earlier of (i) the full settlement and release of claims related to the Special Matter, (ii) the third anniversary of the Closing Date, provided, however, that if Licensee submits a Claim Notice with respect to the Special Matter as a result of a Third Party Claim that is made prior to the third anniversary of the Closing Date, then Licensor will be continue to be responsible for any Damages of Licensee Indemnitees incurred in connection with, arising out of, resulting from or incident to the indemnification claims set forth in such Claim Notice irrespective of whether such Damages are incurred prior to, on or after the third anniversary of the Closing Date, or (iii) the date that Licensee either commences any litigation against the third party named in Section 7.2(a)(ix) (and related schedule) of the Appia Merger Agreement (the "Special Party") or its affiliates and assigns (other than a counterclaim) or takes any unreasonably provocative actions that would reasonably be expected to result in the Special Party or its affiliates or assigns commencing legal action against Licensee; and (b) Licensee's sole remedy, and Licensor's sole obligation, relating to any breach of the warranties set forth in this Section 5, shall be limited solely to the indemnification provisions of Section 6. The expiration of the warranties provided herein shall not affect the rights of a Licensee Indemnitee in respect of any Claim made by Licensor that is submitted prior to the expiration of the applicable survival period provided herein, with respect to the matters described in the Claim Notice for such Claim.

5.13 EACH PARTY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 5, ALL PATENTS AND OTHER RIGHTS LICENSED HEREUNDER ARE LICENSED WITHOUT ANY WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TITLE, ENFORCEABILITY OR NON-INFRINGEMENT.

6. Indemnification; Limitations of Liability

6.1 Licensor's Agreement to Indemnify . Licensor shall indemnify, save and hold harmless Licensee and Licensee's employees, officers, directors, attorneys, accountants, representatives and agents ("Licensee Indemnitees") from and against any and all costs, losses, Taxes, Liabilities, obligations, damages, lawsuits, deficiencies, claims, demands, expenses (whether or not arising out of third-party claims), reasonable attorneys' fees and all amounts paid in investigation, defense or settlement of any of the foregoing (herein, "Damages"), incurred in connection with, arising out of, resulting from or incident to any breach of any representation or warranty or the inaccuracy of any representation made by Licensor in or pursuant to Section 5 of this Agreement (in each case without giving effect to materiality qualifications with respect to the calculation of Damages incurred by a Licensee Indemnitee). For the avoidance of doubt, the Investor(s) shall not be considered Licensee Indemnitees for purposes of this Section 6. Licensor and Licensee shall cooperate with each other and their attorneys in the investigation, trial and defense of any lawsuit or action arising from third party claims and any appeal arising therefrom; provided, however, that Licensee may, at its own cost, participate in (but not control) the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom. The parties shall cooperate with each other in any notifications to insurers.

6.2 Procedure for Indemnification; Defense of Third-Party Claims .

(a) If an indemnification claim for Damages pursuant to this Section 6 (a "Claim") is to be made by a Licensee Indemnitee hereunder for any matter not involving a third party claim, such claim shall be asserted by such Licensee Indemnitee by delivery of a written notice describing the claim with reasonable specificity, a good faith estimate of the amount thereof (if known) and the basis thereof (a "Claim Notice") to Licensor as soon as reasonably practicable after the Licensee Indemnitee becomes aware of any fact, condition or event which is reasonably likely to give rise to Damages for which indemnification may be sought under this Section 6, provided, that the failure of a Licensee Indemnitee to give prompt notice hereunder shall not affect rights to indemnification hereunder, except to the extent that Licensor demonstrates actual damage caused by such failure. Following the delivery of a Claim Notice, Licensor shall be given access (including electronic access, to the extent available) at reasonable times as they may reasonably require to the books and records of Licensee and access to such personnel or representatives of Licensee, including, but not limited to, the individuals responsible for the matters that are subject of the Claim Notice, at reasonable times as they may reasonably require for the purposes of investigating or resolving any disputes or responding to any matters or inquiries raised in the Claim Notice; provided that the Licensee Indemnitee shall be entitled to withhold information from Licensor if its provision to Licensor would cause the attorney-client privilege thereof to be waived and there is no method of providing such information to Licensor in a manner which would not result in such a waiver.

(b) If a Claim is to be made by a Licensee Indemnitee as a result of a third-party claim (a " Third Party Claim"), the Licensee Indemnitee shall, subject to this Section 6, give a Claim Notice to Licensor with respect to such

Claim as soon as practicable after the Licensee Indemnitee becomes aware of any fact, condition or event which may give rise to Damages for which indemnification may be sought under this Section 6, provided, that the failure of a Licensee Indemnitee to give prompt notice hereunder shall not affect the rights to indemnification hereunder, except to the extent that Licensor demonstrates actual damage caused by such failure. If any lawsuit or enforcement action is filed by a third party against a Licensee Indemnitee, written notice thereof shall be given to Licensor as promptly as practicable, provided that the failure of Licensee to give prompt notice hereunder shall not affect rights to indemnification hereunder, except to the extent that Licensor demonstrates actual damage caused by such failure. The Licensee Indemnitee shall be entitled, if it so elects at the cost and expense of the Licensee Indemnitee, to participate in the defense of such claim and consult with Licensor in any defense of such claim and Licensor shall consider in good faith any reasonable comments or recommendations of the Licensee Indemnitee with respect to the defense of such claim, it being understood that Licensor shall have the sole right to control such defense (including the right to settle any such claim); provided, further, that the parties shall cooperate in good faith to implement reasonable arrangements designed to preserve any existing attorney-client privilege; provided, further, that the Licensee Indemnitee shall be entitled to withhold information from Licensor if its provision to Licensor would cause the attorney-client privilege thereof to be waived and there is no method of providing such information to Licensor in a manner which would not result in such a waiver.

(c) After the giving of any Claim Notice pursuant hereto, the amount of indemnification to which Licensee shall be entitled under this Section 6 shall be determined: (a) by the written agreement between Licensor and the Licensee Indemnitee; (b) by a decision of the Arbitrator as contemplated by Section 8.7; or (c) by any other means to which Licensor and the Licensee Indemnitee shall agree. Within thirty (30) days after delivery of a Claim Notice, Licensor shall deliver to Licensee a written response. If any dispute with respect to the matters set forth in the Claim Notice is not resolved within thirty (30) days following the delivery by Licensor of such response, Licensor and the Licensee Indemnitee shall each have the right to submit such dispute to dispute resolution in accordance with the provisions of Section 8.7.

(d) If it shall be determined upon resolution of a Claim as provided herein that a Licensee Indemnitee is entitled to indemnification hereunder, Licensor may satisfy its indemnification obligations hereunder (the "Indemnity Amount") by, at Licensor's sole election, either (1) delivering to the Licensee Indemnitee a number of shares of Common Stock of Digital Turbine, Inc. having a market value equal to the dollar amount of the Indemnity Amount (which shares shall be valued for this purpose using the same methodology as set forth in Section 7.3(a) of the Appia Merger Agreement, applied to the shares of Digital Turbine, Inc. (collectively, the "DT Shares") or (2) paying to Licensee such Indemnity Amount by check or by wire transfer of immediately available funds. DT Shares shall be issued in a private placement, without registration rights, subject to any restrictions required by applicable law. Licensor may require customary accredited investor and private placement representations in connection with any such issuance. Licensor shall, in addition to the Indemnity Amount, pay all reasonable costs, fees and expenses associated with the issuance of DT Shares hereunder including, without limitation, all reasonable attorneys' fees and filing fees associated with the preparation of any private placement memorandum or other document required in connection with obtaining valid exemptions from the registration and qualification provisions of applicable federal and state securities laws.

6.3 Provisions Relating to Damages.

(a) The term "Damages" as used in this Section 6 is not limited to matters asserted by third parties against a Licensee Indemnitee, but includes Damages incurred or sustained by a Licensee Indemnitee in the absence of third-party claims. Payments by a Party of amounts for which such Party is indemnified hereunder shall not be a condition precedent to recovery.

(b) Notwithstanding the foregoing, the term "Damages" as used in this Section 6 (1) shall be calculated net of any insurance proceeds actually received by a Licensee Indemnitee with respect to the applicable Claim (but Damages shall include a reasonable estimate of Damages resulting from increased future premiums (if any) resulting from such Claim) and (2) the fees and expenses of only one firm of attorneys (and, where applicable, separate local counsel in the relevant jurisdictions) representing the indemnified parties shall be included in Damages unless said firm of attorneys determines that a conflict of interest would make joint representation of all indemnified parties inadvisable.

(c) The right to indemnification, payment of Damages or other remedy based on any representations, warranties, covenants and obligations will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after execution of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of Damages, or other remedies based on such representations, warranties, covenants and obligations.

(d) Notwithstanding anything to the contrary in this Agreement, in no event shall any Party be liable for, and Damages shall not include, any punitive damages (except for punitive damages that are the subject of third party claims) and no "multiple of profits" or "multiple of cash flow" or similar valuation methodologies based on multiples shall be used in calculating the amount of any Damages. For the avoidance of doubt, any recovery of consequential damages by a Party hereunder will be limited to consequential damages that a Party would have the right to recover under applicable general principles of contract law under the circumstances (e.g. reasonably foreseeable damages); provided that nothing in this sentence will limit the ability of a Licensee Indemnitee to recover any consequential damages that are the subject of a third party claim.

6.4 Limitations on Indemnity; Limitations of Liability. Notwithstanding anything to the contrary in this Agreement:

(a) Licensor shall not be liable under this Section 6 for any Damages until the aggregate amount otherwise due to Licensee, exceeds an accumulated total of nine-tenths of one percent (0.90%) of the Cap (the "Basket"). Once the aggregate amount of Damages exceeds the Basket, then Licensee shall have the right to recover all Damages from and including the first dollar of damages without regard to the Basket, subject to the other limitations set forth in this Section 6.

(b) The Parties agree and acknowledge that in no event shall the aggregate liability of Licensor in connection with indemnification claims pursuant to this Section 6 exceed [$3,190,000] (the "Cap"). Notwithstanding the foregoing, the Parties agree and acknowledge that in no event shall Licensor have any liability in connection with indemnification claims pursuant to this Section 6 after the expiration of the warranties as set forth in Section 5 (except to the extent expressly set forth in Section 5).

7. Confidential Information

7.1 "Confidential Information" means: (a) the Licensed Technology; (b) any non-public information of a Party, including, without limitation, any information relating to a Party's technology, techniques, know-how, research, engineering, designs, finances, accounts, procurement requirements, manufacturing, customer lists, business forecasts and marketing plans; (c) any other information of a Party that is disclosed in writing and is conspicuously designated as "Confidential" at the time of disclosure or that is disclosed orally, and would be understood to be confidential from the context and nature of the information; and (d) the specific terms set forth in this Agreement. The obligations in this Section 7 will not apply to the extent that any Confidential Information: (i) is or becomes generally known to the public through no fault of or breach of this Agreement by the receiving Party; (ii) was rightfully in the receiving Party's possession at the time of disclosure, without an obligation of confidentiality; (iii) is independently developed by the receiving Party without use of the disclosing Party's Confidential Information; or (iv) is rightfully obtained by the receiving Party from a third party without restriction on use or disclosure.

7.2 Except as necessary for the performance of this Agreement or in connection with the exercise of its license rights hereunder, each Party will not use the other Party's Confidential Information and will not disclose such Confidential Information to any third party, except to those of its employees and subcontractors that need to know such Confidential Information for the performance of this Agreement, provided that each such employee and subcontractor is subject to a written agreement that includes binding use and disclosure restrictions that are at least as protective as those set forth herein, and except in connection with the exercise of its license rights hereunder. Each Party will use all reasonable efforts to maintain the confidentiality of the other Party's Confidential Information in its possession or control, but in no event less than the efforts that it ordinarily uses with respect to its own confidential information of similar nature and importance. The foregoing obligations will not restrict either Party from disclosing Confidential Information: (a) pursuant to the order or requirement of a court, administrative agency, or other governmental body, provided that the Party required to make such a disclosure gives reasonable notice to the other Party to enable it to contest such order or requirement; (b) on a confidential basis to its legal or professional financial advisors; (c) as required under applicable securities regulations; or (d) on a confidential basis to present or future providers of venture capital and/or potential private investors in or acquirers of such Party.

7.3 It is understood and agreed that Licensor and Digital Turbine, Inc. may cause this entire Agreement to be filed publicly with the SEC if they determine that they are required by law or regulation to do so.

8. Miscellaneous

8.1 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (i) when delivered personally by hand (with written confirmation of receipt), (ii) when sent by facsimile (with written confirmation of transmission) or (iii) three (3) Business Days following the day sent by overnight courier (with written confirmation of receipt), in each case at the following addresses and facsimile numbers (or to such other address or facsimile number as a Party may have specified by notice given to the other Party pursuant to this provision):

If to Sift, to:

Sift Media, Inc.
621 Sugarberry Road
Chapel Hill, NC 27514
Attn: Jud Bowman
E-mail: jud@sift.co

With a copy to:

Morningstar Law Group
630 Davis Dr., Suite 200
Morrisville, NC 27560
Attn: Kip Johnson
Telephone: 919-590-0380
E-mail: kjohnson@morningstarlawgroup.com

if to Licensor, to:

Digital Turbine Media, Inc.
1300 Guadelupe
Austin, TX 78701
Attn: Bill Stone
Telephone: (512) 365-9991
E-mail: Bill@digitalturbine.com

With a copy to:

Manatt, Phelps & Phillips, LLP
11355 W. Olympic Blvd.
Los Angeles, CA 90064
Attn: Ben D. Orlanski, Esq.
Telephone: (310) 312-4124
E-mail: Borlanski@manatt.com

8.2 Waiver. Failure of either Party to enforce any term of this Agreement will not be deemed or considered a waiver of future enforcement of that or any other term in this Agreement. Any waiver must be in written form and executed by both Parties.

8.3 Amendment. This Agreement may be amended or modified only in a writing executed by each of the Parties hereto.

8.4 Successors and Assigns. Neither Party may assign or transfer this Agreement, in whole or in part, by operation of law or otherwise, without the prior written consent of the other Party, except that no consent will be required for an assignment in connection with a merger, acquisition, corporate reorganization, or sale of all, or substantially all, of a Party's assets. Any attempted assignment in violation of this Section will be null and void and of no force or effect. Subject to the foregoing, this Agreement will bind and inure to the benefit of each Party's permitted successors and assigns.

8.5 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any law or public policy, all other terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

8.6 Governing Law; Jurisdiction and Injunctive Relief. This Agreement (and any claim or controversy arising out of or relating to this Agreement) shall be governed by the laws of the State of Delaware without regard to conflict of law principles that would result in the application of any laws other than the laws of the State of Delaware. Subject to Section 8.7 hereof and the right of each party to seek injunctive relief in any court having jurisdiction, each Party to this Agreement hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Chancery Court of the State of Delaware and any state appellate court therefrom within the State of Delaware (or, if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any state or federal

court within the State of Delaware), in any action or proceeding arising out of or relating to this Agreement or the agreements delivered in connection herewith or the transactions contemplated hereby or thereby or for recognition or enforcement of any judgment relating thereto, and each of the parties hereby irrevocably and unconditionally (a) agrees not to commence any such action or proceeding except in such courts, (b) agrees that any claim in respect of any such action or proceeding may be heard and determined in such courts, (c) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in any such courts, and (d) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such courts. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each Party to this Agreement irrevocably consents to service of process in the manner provided for notices in this Section 8.6 hereof. Nothing in this Agreement will affect the right of any Party to this Agreement to serve process in any other manner permitted by law.

8.7 Arbitration. It is understood and agreed between the parties hereto that if the transactions contemplated by this Agreement are consummated, from and after the Closing Date, any and all claims, grievances, demands, controversies, causes of action or disputes of any nature whatsoever (including, but not limited to, tort and contract claims, and claims upon any law, statute, order, or regulation) (hereinafter "Disputes"), arising out of, in connection with, or in relation to (a) this Agreement, or (b) questions of arbitrability under this Agreement, shall be resolved by final, binding, nonjudicial arbitration in accordance with the Federal Arbitration Act, 9 U.S.C. Section 1, et seq. pursuant to the following procedures:

(a) Any Party may send another Party written notice identifying the matter in dispute and invoking the procedures of this Section 8.7 (the "Dispute Notice"). Within thirty (30) days from delivery of the Dispute Notice, each Party involved in the dispute shall meet at New York, New York, for the purpose of determining whether they can resolve the dispute themselves by written agreement, and, if not, whether they can agree upon an impartial third-party arbitrator (the "Arbitrator") to whom to submit the matter in dispute for final and binding arbitration.

(b) If such parties fail to resolve the dispute by written agreement or agree on the Arbitrator within the later of thirty (30) days from any such initial meeting or within sixty (60) days from the delivery of the Dispute Notice, any such Party may make written application to the Judicial Arbitration and Mediation Services ("JAMS"), in New York, New York for the appointment of a single Arbitrator to resolve the dispute by arbitration. At the request of JAMS the parties involved in the dispute shall meet with JAMS at its offices within thirty (30) days of such request to discuss the dispute and the qualifications and experience which each Party respectively believes the Arbitrator should have; provided, however, that the selection of the Arbitrator shall be the exclusive decision of JAMS and shall be made within thirty (30) days of the written application to JAMS. The Arbitrator shall be a disinterested party.

(c) Within sixty (60) days of the selection of the Arbitrator, the parties involved in the dispute shall meet in New York, New York with such Arbitrator at a place and time designated by such Arbitrator after consultation with such parties and present their respective positions on the dispute. Each Party shall have no longer than one day to present its position, the entire proceedings before the Arbitrator shall be no more than three consecutive days, and the decision of the Arbitrator shall be made in writing no more than thirty (30) days following the end of the proceeding. Such an award shall be a final and binding determination of the dispute and shall be fully enforceable as an arbitration decision in any court having jurisdiction and venue over such parties. The prevailing Party (as determined by the Arbitrator) shall in addition be awarded by the Arbitrator such Party's own legal fees and expenses in connection with such proceeding. The non-prevailing Party (as determined by the Arbitrator) shall pay the Arbitrator's fees and expenses.

8.8 Counterparts; Effectiveness. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

8.9 Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret any of the terms of this Agreement, the prevailing Party will be entitled to recover in such action its reasonable attorneys' and accountants' fees, costs and necessary disbursements, in addition to any other relief to which it may be entitled.

8.10 Subsidiaries. Each Party shall ensure that each of its Subsidiaries shall comply with all of the terms and conditions of this Agreement, and each Party agrees to be jointly and severally liable for any act or omission of any of its Subsidiaries, which, if such act or omission were performed or committed by such Party, would be a breach by such Party of any provision of this Agreement.

8.11 Bankruptcy. Each Party acknowledges that all licenses and other rights granted by it under or pursuant to this Agreement are, and will otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the "Bankruptcy Code"), licenses of rights to "Intellectual Property" as defined under Section 101 of the Bankruptcy Code. Each Party acknowledges that if a Party, as a debtor, rejects this Agreement, the other Party may

elect to retain its rights under this Agreement as provided in Section 365(n) of the Bankruptcy Code. Each Party irrevocably waives all arguments and defenses under 11 U.S.C. 365(c)(1) or successor provisions thereof to the effect that applicable law excuses such Party, other than the debtor, from accepting performance from or rendering performance to an entity other than the debtor or debtor in possession as a basis for opposing assumption of the Agreement by the other Party in a case under Chapter 11 of the Bankruptcy Code to the extent that such consent is required under 11 U.S.C. § 365(c)(1) or any successor statute.

8.12 Press Releases. Any press releases or other public statements regarding the subject matter of this Agreement shall be jointly prepared by the Parties and subject to the Parties' mutual approval for release.

[*Signature page follows.*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

LICENSEE:
Sift Media, Inc.,
a Delaware corporation

By: /s/ Jud Bowman

Name: Jud Bowman
Title: CEO
Date: 12/28/15

LICENSOR:
Digital Turbine Media, Inc.,
a Delaware corporation

By: /s/ William G. Stone III

Name: William G. Stone III

Title: CEO
Date: 12/28/15

DIGITAL TURBINE MEDIA, INC. (F/K/A APPIA, INC.) PUBLISHER AGREEMENT

This Publisher Agreement (this "**Agreement**") is entered into as of December 28, 2015 (the "**Effective Date**"), by and between Digital Turbine Media, Inc. (f/k/a Appia, Inc.), a Delaware corporation (the **"Company**"), and Sift Media, Inc., a Delaware corporation ("**Publisher**"). Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings ascribed to them in that certain Intellectual Property License Agreement dated as of December 28, 2015, by and between the Company and Publisher (the "**License Agreement**").

1. Certain Definitions.

a. "**Advertisements**" means the advertising content generated by the Company's servers and delivered to Publisher through Access Points (as defined below), at the Company's sole discretion, in response to a query from Publisher's servers for display on the Publisher Network (as defined below). Except as otherwise set forth herein, Advertisements may consist of one or more of the following formats: graphics, app walls, text links, interstitial and other formats.

b. "**Confidential Information**" means any and all tangible and intangible information about a disclosing party, in any form disclosed, provided or revealed by or on behalf of such disclosing party, that is marked as "confidential" or with like marking, or that reasonably should be understood by the receiving party to be confidential or proprietary to the disclosing party under the circumstances of disclosure or in light of the nature of the information disclosed, including, but not limited to, the terms and conditions set forth in this Agreement. Notwithstanding the foregoing, "Confidential Information" does not include information: (i) that is separately (outside of this Agreement and the NDA (as defined below)) and lawfully known to, or independently developed by, the receiving party, as evidenced by its prior written records; (ii) that is rightfully disclosed in published materials or generally known to the public without breach of any confidentiality obligations or violation of applicable law; or (iii) that is lawfully obtained from a third party who was not known by the receiving party to be under any obligation of confidentiality or to have violated applicable law.

c. "**Publisher Network**" means the website(s) or application(s) owned or controlled and operated by Publisher during the Term (as defined below) as may be approved by the Company from time to time. Any website or application rejected by the Company at any time will not be considered part of the Publisher Network.

2. Rights to Access and Use Access Points; Purchaser's Obligations

a. Subject to the terms and conditions set forth in this Agreement, the Company agrees to use commercially reasonable efforts to provide Publisher with non-exclusive rights to access and to use the Company's cost per install application programming interface described at https://digitalturbine.atlassian.net/wiki/display/APDS/Appia+Partner+Documentation+Home, as may be modified by the Company from time to time ("**Access Points**"), in order to enable Publisher to use the Assets in accordance with the License Agreement and distribute the Advertisements on the Publisher Network (the "**Publisher's Obligation**"). The rights of access and use described in this Section 2 are subject to Publisher's continued compliance with this Agreement and with all rules, policies and guidelines that are provided to Publisher from time to time or that are posted at www.appia.com (collectively, the "**Policies**"). Each of the Policies may be modified by the Company from time to time in its sole discretion, which modification shall become effective upon publication. Publisher agrees its right to use Access Points is neither contingent on the delivery of any future functionality or features or on the delivery of any other services, nor is it dependent on any oral or written public comments made by or on behalf of the Company regarding future functionality or features.

b. In connection with the Publisher's Obligation, Publisher agrees to update promptly the Company's ad code and/or software developer kit ("**SDK**") with new releases or bug fixes. Further, Publisher agrees to share with the Company, in a timely manner, non-personally identifiable information generated

through Access Points, of a nature and in a form reasonably requested by the Company (the "**End User Data**"); and hereby grants the Company a non-exclusive, perpetual, fully-paid up, royalty-free, sublicensable, irrevocable, worldwide license to use the End User Data in aggregate and blinded formats that do not identify, reference or imply an association with Publisher or its end users, for the purposes of creating benchmarking, statistical, research and marketing analyses, surveys, reports and studies, and improving Advertisement placement, targeting, delivery and revenue. In connection with such license, Publisher agrees to procure all necessary and/or required approvals and consents and to defend, indemnify and hold harmless the Company from and against all liability arising from its failure to do so. Publisher and the Company agree to work in good faith to optimize mobile advertising placements and advertisement formats as may be desired from time to time in connection with which Publisher will apply its best operating practices and standards.

3. Grant of Licenses.

a. Subject to the terms and conditions set forth in this Agreement, the Company hereby grants Publisher a limited, non-exclusive, revocable, non-sublicensable, non-exclusive, non-transferable license to use, publicly perform, display and distribute the Advertisements, in electronic form only, on the Publisher Network during the Term.

b. If and to the extent applicable, and subject to the terms and conditions set forth in this Agreement, the Company hereby grants Publisher a limited, non-exclusive, revocable, non-sublicensable, non-transferable license to use the SDK solely to the extent required in connection with Publisher's authorized use of Access Points.

c. The licenses set forth in Sections 3(a) and (b) above will terminate automatically upon any expiration or termination of this Agreement. Upon such termination, Publisher will destroy or return to the Company, as instructed by the Company, all tangible manifestations of the Advertisements and all access thereto and to the SDK. All rights not explicitly granted herein are reserved by the Company.

4. Proprietary Rights. As between the Company and Publisher, all software embedded in Access Points (the "**Software**") and all intellectual property rights associated therewith are and shall remain the sole and exclusive property of the Company. Publisher agrees that Publisher will not directly or indirectly: (a) assign, distribute, license, sublicense, transfer, sell, rent, lease, time share, grant a security interest in, or otherwise transfer any rights in or to the Software, or make the Software available to third parties except as authorized by this Agreement; (b) modify, translate, reverse engineer, decompile or disassemble the Software for any purpose, including, without limitation, the creation of derivative works or similar products; (c) upload, link to or post any portion of the Software on a bulletin board, intranet, extranet or web site; (d) possess or use the Software in any format other than machine-readable format; or (e) copy any ideas, features, functions or graphics of Access Points. All rights not expressly granted herein are reserved by the Company. If Publisher is using Access Points in any country within the European Union, the prohibitions set forth herein will not affect Publisher's rights under any legislation implementing the E.C. Council Directive on the Legal Protection of Computer Programs.

5. Advertisements; Exclusivity; Right of First Refusal.

a. Publisher understands and acknowledges the Company does not own any Advertisements and expressly disclaims all representations and warranties with respect to, and all liability related to or arising from, the Advertisements. The Company does not verify or endorse any Advertisements. Publisher understands and agrees Publisher's use of the Advertisements is at its sole risk. Under no circumstances will the Company be liable in any way for any Advertisement or for any loss or damage of any kind incurred as a result of Publisher's use of any Advertisement.

b. Publisher agrees to display Advertisements in the format received from the Company and to perform the Publisher's Obligations in strict accordance with the terms and conditions set forth in this Agreement, those technical specifications posted at https://appiainc.atlassian.net/wiki/display/APDS/Appia

+Partner+Documentation+Home, and that certain prohibited activities policy posted at https://appiainc.atlassian.net/wiki/display/APDS/Appia+Partner+Documentation+Home, each of which is incorporated herein by reference (each, a "**Prohibited Activity**"), as each may be modified by the Company from time to time. Publisher acknowledges and agrees its engagement in any Prohibited Activity will be considered a material breach of this Agreement.

c. [Reserved]

d. Without limiting any other right or remedy the Company may have, if Advertisements are placed by Publisher in breach of this Section 5, then Publisher shall be responsible for: (i) any costs and expenses incurred by the Company in obtaining substitute advertising from another supplier (including the cost of the advertising inventory itself); and (ii) damages for any other costs, expenses, or losses incurred by the Company resulting from the Publisher's failure to place Advertisements in accordance with the provisions set forth in this Section 5.

e. Publisher shall maintain at its principal place of business accurate and sufficiently detailed records detailing all transactions relating to Publisher's Obligation, including in relation to the exact inventory sources on which Advertisements are placed. The Company has the right during Publisher's normal business hours to examine and audit such records and all other documents and materials in Publisher's possession or under its control relating to the same. Such audits shall be at the Company's cost, except that if an audit uncovers a breach of this Agreement, Publisher will reimburse the Company for the reasonable cost of such audit.

f. For a period commencing on the Effective Date and continuing for twelve (12) months thereafter (the **Exclusivity Period**"):

(1) Exclusivity. Subject to the terms of this Section 5, Publisher shall use the Company as the exclusive provider of Advertisements displayed on or through the Publisher Network. Notwithstanding anything to the contrary herein, the revenue share for such Advertisements shall be allocated 80 percent to Publisher, 20 percent to the Company.

(2) Company's Right of Allocation for Advertisements. The Company shall grant Publisher access to all Advertisements, subject to the Company's sole discretion. The Company shall consult with Publisher regarding the selection of Advertisements, provided that the Company shall have sole discretion to allocate the available budget of all such Advertisements with respect to the Company's core business.

(3) Right of First Refusal for Covered Campaigns. Publisher shall notify the Company if Publisher receives an opportunity to source Advertisements through the Publisher Network from a third party at a lower price, where such Advertisements would otherwise be available for distribution through the Company (a "***Covered Campaign***"), provided that Publisher has not and may not directly or indirectly seek competing bids for or otherwise "shop" Advertisements to or solicit such Covered Campaigns from third parties. In such event, the Company shall have the right to match such pricing and provide such Covered Campaign under this Agreement. If the Company does not exercise such right within seventy-two (72) hours of receiving written notification from the Publisher containing all material terms, then Publisher may source such Covered Campaign through the third party without further payment to the Company or violation of this Agreement.

(4) Right of First Refusal for Non-Covered Campaigns. If Publisher identifies Advertisements which the Company does not currently source through this Agreement or which are withheld from allocation to Publisher under Section 5(f)(2) above ("**Non-Covered Campaigns**") and which Publisher is interested in sourcing, then Publisher shall so notify the Company. In such event, the Company shall have the option to obtain the rights to source such Non-Covered Campaign or otherwise allocate such Non-Covered Campaign to Publisher within a reasonable period of time, not to exceed ten (10) business days

following such notice. If the Company can obtain the rights to source or allocate such Non-Covered Campaign during such period, Publisher may source such Non-Covered Campaigns through this Agreement. If the Company is unable or unwilling to source or allocate such Non-Covered Campaigns during such period due to insufficient budgets or allocations for such Advertisements or otherwise, then Publisher may source such Non-Covered Campaigns through a third party without further payment to the Company or violation of this Agreement.

(5) At the conclusion of the Exclusivity Period, the rights and obligations set forth in this Section 5(f) shall expire.

6. Payment; Account.

a. Subject to the terms and conditions set forth in this Agreement, the Company will pay Publisher the commission set forth in Publisher's Account (as defined below) or through Access Points (the "**Commission**") for each Qualified Install (as defined herein). For purposes hereof, a "**Qualified Install**" means an install and open by an end user of an application available from Access Points that (i) is not computer generated, including by a robot, spider, computer script, or other similar automated, artificial, or fraudulent methods; (ii) is completed within the time period allowed by the Company in its sole discretion; and (iii) is not determined by the Company in its sole discretion to be fraudulent, incomplete, unqualified, or duplicative. The Company shall remit to Publisher within thirty (30) days after the end of each calendar month during the Term the Commissions generated during such month. Calculations of Commissions shall be made by the Company in sole and commercially reasonable discretion and will be binding on Publisher. Payments will be made by wire transfer, check, or PayPal, in any case, in accordance with the instructions set forth in **Exhibit A** attached hereto. Wire transfers will be used only for payments exceeding US$2,000.00. If a wire transfer is requested by Publisher for payments below US$2,000.00, Publisher will be responsible for all associated transaction fees. The Company may withhold Commission payments until the amount due to Publisher equals at least US$250.00. The Company reserves the right to charge back any Commissions attributable to Qualified Installs that are later determined to have not met the requirements for a Qualified Install.

b. The Company reserves the right to discontinue Publisher's access to and use of Access Points, withhold payment at any time, and/or terminate this Agreement (with immediate effect), without liability to the Publisher, if the Company reasonably suspects that: (i) any of the following have occurred on or through the Publisher Network: (A) any Prohibited Activity; (B) any form of fraud or illegal practices; and/or (C) any type of activity or use that may violate applicable law or that is reasonably likely to have a negative commercial impact on the Company, its advertisers or business partners; and/or (ii) Publisher breached any material term or condition set forth herein. Without limiting the foregoing, at its sole discretion, the Company may credit back to advertisers and/or offset against future payments to Publisher any payments which it subsequently determines accrued as a result of one or more of the events described in this Section 6(b); provided, however, that the Company will not make such a credit or offset more than sixty (60) days after the applicable Commission has been paid to Publisher.

c. In connection with Publisher's use of Access Points, the Company will provide Publisher with a unique publisher account (the "**Account**"). Through the Account, all Qualified Installs may be tracked. To use and access the Account, Publisher will be required to create a unique user-id and password (together, the "**Password**"). Publisher agrees to maintain its Password and its Account in strict confidence and not to disclose or otherwise provide access to such Password or Account to any party not listed in the Account as an authorized user without first obtaining the Company's prior written consent. In the event the Password is lost or the Password or Account is compromised, Publisher agrees immediately to notify the Company of such loss or compromise, as the case may be, and Publisher agrees Publisher will be responsible solely for all actions, damages, liabilities and losses incurred as a result of such loss or compromise, except to the extent arising from the Company's gross negligence or willful misconduct.

d. In the event of any expiration or termination of this Agreement (except for a termination by the Company pursuant to Section 6(b) above or Section 11(b)(i) below or Section 11(b)(iv) below), the Company's payment obligation under Section 6(a) above shall continue with respect to Commissions owed for Qualified Installs which were generated by the Publisher Network during the Term.

e. Company shall maintain at its principal place of business accurate and sufficiently detailed records regarding the calculation of Commissions. Once during the Initial Term and once during each Renewal Term, Publisher has the right during Company's normal business hours to examine and audit such records for the purpose of verifying the Commissions collected by Company and payable to Publisher. Such audits shall be at Publisher's cost, except that if an audit uncovers a breach of this Agreement: (i) Company will reimburse Publisher for Publisher's reasonable out-of-pocket costs of such audit; and (ii) Publisher has an additional right to audit Company's records pursuant to this Section 6(e) during such Initial Term or Renewal Term, as applicable.

7. Confidentiality.

a. Except to the extent expressly governed by a separate nondisclosure and confidentiality agreement between the parties (the "**NDA**"), this Section 7 governs the use and protection of Confidential Information disclosed by the parties on and after the Effective Date in connection with this Agreement.

b. Each party acknowledges that its Confidential Information may be disclosed to the other party in connection with the performance of its obligations under this Agreement. Each party agrees that it shall use the other party's Confidential Information solely for the purpose of performing its obligations under this Agreement and to take reasonable steps (which includes no less than the steps it takes to protect its own Confidential Information) to prevent the duplication or unauthorized disclosure of the other party's Confidential Information, other than by or to its employees or agents who must have access to the Confidential Information to perform such party's obligations hereunder, each of whom must be bound in writing to the receiving party to confidentiality obligations no less restrictive than the obligations described in this Section 7. Each party agrees that it shall not be a breach of this Section 7 to disclose the other party's Confidential Information pursuant to a regulation or order of any governmental body or regulatory authority or pursuant to any other legally required disclosure; provided, however, that the party required to make such disclosure must first give written notice of such required disclosure to the other party (to the extent legally permitted to do so), make a reasonable effort at the other party's sole cost and expense to obtain a protective order requiring that the Confidential Information so disclosed be used only for the purposes for which disclosure is required, and allow the disclosing party to participate in the proceeding. The obligations set forth in this Section 7 shall continue during the Term and for three (3) years following any termination or expiration of this Agreement. All bid data or other financial information relating to the Advertisement and the identity and contact information for each advertiser shall be considered the Company's Confidential Information. Upon any termination or expiration of this Agreement, or upon a disclosing party's earlier request, the receiving party shall promptly return or destroy, as directed by the disclosing party, all tangible manifestations of such disclosing party's Confidential Information and so certify in writing to such disclosing party.

8. Representations, Warranties and Covenants.

a. Each party warrants and represents to the other party that: (i) it is an entity duly organized and validly existing under the laws of the jurisdiction above stated, with full power and authority to carry on its business as now conducted and to enter into and carry out the terms of this Agreement; (ii) it has obtained all necessary authorizations and approvals required for the execution, delivery and performance of this Agreement; (iii) this Agreement constitutes its legal, valid and binding agreement, enforceable against it in accordance with its terms; and (iv) its execution, delivery and performance of this Agreement will not conflict with or result in a breach of any other agreement to which it is a party or breach of any third party right; (v) neither it nor any of its officers, directors or personnel is located in a United States embargoed country, or is, or has been, named on the United States Treasury Department's listing of specially designated nationals

and blocked persons or is, or has been, otherwise blacklisted by any instrumentality of the United States; and (vi) all information it provides to the other party is and will be truthful and accurate in all material respects.

b. Publisher represents and warrants to the Company that the Publisher's Network: (A) complies with all applicable laws, statutes, ordinances and regulations; (B) does not and will not misappropriate, infringe or violate any intellectual property, privacy or other rights of a third party, or any applicable rights or duties under consumer protection, product liability, tort, or contract theories; and (C) does not contain content that is obscene, defamatory, libelous, slanderous or hate-related. Company represents and warrants to Publisher that its current standard form of advertiser agreement incorporates by reference the IAB Standard Terms and Conditions for Internet Advertising for Media Buys One Year or Less, Version 3.0 posted at http://www.iab.net/guidelines/508676/tscs.

c. EXCEPT AS EXPRESSLY SET FORTH HEREIN, AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE COMPANY HEREBY EXPRESSLY DISCLAIMS ALL REPRESENTATIONS, ENDORSEMENTS, GUARANTIES, OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, RELATED TO THE ADVERTISEMENTS AND ACCESS POINTS, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, FITNESS FOR A PARTICULAR PURPOSE OR USE, AND NONINFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS. THE COMPANY DOES NOT WARRANT THAT USE OF THE ADVERTISEMENTS OR ACCESS POINTS WILL BE UNINTERRUPTED OR ERROR FREE. PUBLISHER ACKNOWLEDGES THAT THE COMPANY DOES NOT AND CANNOT GUARANTEE THE CONTENT, LEGALITY OR RELEVANCE OF ANY ADVERTISEMENT, THE SUBJECT MATTER OR LEGALITY OF THE DESTINATION WEB PAGE ACCESSIBLE THROUGH ANY ADVERTISEMENT, THE COMPANY'S ABILITY TO COLLECT FROM ITS ADVERTISERS FOR ADVERTISEMENTS DISPLAYED BY PUBLISHER, OR THAT PUBLISHER'S ACCOUNT AND REPORTS WILL BE ACCURATE OR FREE FROM ERRORS OR UNAUTHORIZED INTRUSION. ACCESS POINTS AND THE ADVERTISEMENTS WILL BE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS.

9 . Limitation of Liability. EXCEPT IN CONNECTION WITH ITS INDEMNIFICATION OBLIGATIONS SET FORTH HEREIN, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY OR ANY OTHER PARTY, UNDER ANY BREACH OF CONTRACT, BREACH OF WARRANTY, TORT (INCLUDING NEGLIGENCE AND RELIANCE), STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY, FOR ANY INCIDENTAL, EXEMPLARY, CONSEQUENTIAL, PUNITIVE, DIRECT, INDIRECT OR SPECIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF DATA, LOSS OF USE, OR LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES IN ADVANCE. IN NO EVENT WILL A PARTY'S TOTAL LIABILITY TO THE OTHER PARTY FOR ANY CLAIM, LOSS OR DAMAGE UNDER THIS AGREEMENT EXCEED THE TOTAL AMOUNTS ACTUALLY PAID TO PUBLISHER HEREUNDER DURING THE TWELVE (12)-MONTH PERIOD ENDING ON THE DATE OF THE CAUSE OF ACTION UNDERLYING SUCH CLAIM, LOSS OR DAMAGE. NO CLAIM MAY BE ASSERTED BY PUBLISHER AGAINST THE COMPANY MORE THAN TWELVE (12) MONTHS AFTER THE DATE OF THE CAUSE OF ACTION UNDERLYING SUCH CLAIM.

PUBLISHER ACKNOWLEDGES THE COMPANY DOES NOT CONTROL THE TRANSFER OF DATA OVER COMMUNICATIONS FACILITIES, INCLUDING THE INTERNET, AND THAT ACCESS POINTS MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF SUCH COMMUNICATIONS FACILITIES. ACCORDINGLY, THE COMPANY WILL NOT BE RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS OR ANY ISSUE OUTSIDE OF THE COMPANY'S REASONABLE CONTROL. PUBLISHER UNDERSTANDS AND AGREES ITS USE OF ACCESS POINTS IS AT ITS OWN RISK AND DISCRETION.

THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THE COMPANY HAS ENTERED INTO THIS AGREEMENT IN RELIANCE UPON THE LIMITATIONS OF LIABILITY SPECIFIED HEREIN, WHICH ALLOCATE RISK BETWEEN THE COMPANY AND PUBLISHER AND FORM A BASIS OF BARGAIN BETWEEN THE PARTIES. IF PUBLISHER IS LOCATED IN ANY COUNTRY WITHIN THE EUROPEAN

UNION ONLY, NOTHING SET FORTH IN THIS AGREEMENT SHALL EXCLUDE OR LIMIT LIABILITY TO A GREATER EXTENT THAN IS PERMITTED BY APPLICABLE LAW OR SHALL EXCLUDE OR LIMIT LIABILITY FOR FRAUD, FRAUDULENT MISREPRESENTATION OR FOR DEATH OR PERSONAL INJURY CAUSED BY NEGLIGENCE.

10. Indemnification.

a. At Publisher's sole cost and expense, Publisher hereby agrees to defend and hold harmless the Company and its affiliates and subsidiaries, and its and their officers, directors, stockholders, employees, consultants, representatives, agents, successors and assigns (the "**Indemnitees**") in any action or claim, and to indemnify the Company and its Indemnitees from and against any and all losses, liabilities, sums of money, damages, expenses, and costs (including, but not limited to, reasonable attorneys' fees), but excluding any consequential damages, lost profits or damages measured as a multiple or revenue, profits or the like (collectively, "**Losses**") arising from such action or claim, to the extent related to: (i) Publisher's breach of any term, condition, representation or warranty set forth in this Agreement; (ii) the Publisher's Network; and/or (iii) Publisher's violation of applicable law.

b. At the Company's sole cost and expense, the Company hereby agrees to defend and hold harmless Publisher and its Indemnitees in any third party action or claim, and to indemnify Publisher and its Indemnitees from and against any and all Losses arising from such action or claim, in each case to the extent related to an Access Points violation by the Company, or a misappropriation or infringement of such third party's U.S. intellectual property rights by any operation of the Company's business.

11. Term and Termination.

a. Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of one (1) year unless earlier terminated as provided herein ("**Initial Term**"). Contemporaneous with the expiration of the Initial Term, the Agreement shall renew automatically for consecutive one (1)-year terms until terminated as provided herein (each a **"Renewal Term**," and together with the Initial Term, the**"Term**").

b. Termination. In addition to the other termination provisions set forth herein, this Agreement may be terminated by a party immediately upon the occurrence of any of the following events: (i) the other party's failure to cure such other party's breach of a material term or condition or of any of its representations or warranties set forth in this Agreement, within ten (10) calendar days after receipt of written notice thereof from the non-breaching party; (ii) at any time, upon thirty (30) days' prior written notice of the terminating party's desire to terminate this Agreement for convenience; (iii) if the other party seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding, or any such proceeding is instituted against the other party and is not dismissed within sixty (60) calendar days; or (iv) if the other party ceases to do business, or otherwise terminates its business operations. Also, this Agreement may be terminated by the Company upon written notice if the Company, in its sole discretion, determines that Publisher's traffic quality is detrimental to the Company's advertisers.

c . Effect of Termination. Upon expiration or termination of this Agreement, Publisher shall immediately cease displaying and distributing the Advertisements. Sections 2(b), 4, 6, 7, 8, 9, 10, 11, 12, 14 and 15 hereof shall survive any termination or expiration of this Agreement.

12. Governing Law; Dispute Resolution. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Delaware, as it is applied to agreements entered into and to be performed entirely within Delaware except for those conflicts of law rules thereof that would require or permit the application of the laws of another jurisdiction. Any dispute or controversy arising under, out of, or in connection with this Agreement shall be resolved by binding arbitration under the commercial rules of the American Arbitration Association (including the expedited procedures and optional rules for emergency measures of protection thereunder) before a single arbitrator. Any such arbitration shall be conducted in New York, New York. Judgment upon any award may be entered in any court of competent jurisdiction. The

arbitrator shall be designated by mutual agreement of the parties hereto or, if the parties cannot agree on an arbitrator within ten (10) days after a request for arbitration hereunder, each party shall designate one (1) arbitrator and the arbitrators so designated shall designate a third arbitrator who shall conduct the arbitration. The decision of the arbitrator shall be binding and conclusive upon the parties. Any arbitration award granted hereunder shall be enforceable under the applicable terms and conditions of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, 1958 (the New York Convention), as amended to date. Notwithstanding the foregoing, Publisher hereby agrees the Company shall have the right to seek injunctive relief or other equitable or legal remedies in a court of competent jurisdiction in the State of Delaware without posting bond or other security, to which jurisdiction, for such purpose, Publisher hereby irrevocably consents. The parties expressly agree this Agreement shall not be governed by the provisions of the United Nations Convention on Contracts for the International Sale of Goods.

13. Notices. Except as specifically provided in this Agreement, any notice, approval, request, authorization, direction or other communication under this Agreement shall be given in writing and shall be deemed to have been delivered and given for all purposes: (a) on the delivery date if delivered personally to the party to whom the same is directed; (b) one (1) business day after deposit with a commercial overnight carrier or transmission via fax or electronic mail (in each case, with confirmation of receipt) or transmission via email (with “CONTRACTUAL NOTICE” in the subject line); or (c) three (3) days after being mailed by certified mail return receipt requested to the address of the party to whom the same is directed as is set forth below such party’s signature block.

14. Marketing. Publisher agrees the Company may mention Publisher’s name as a customer in its marketing and sales materials without prior consent.

15. Relationship of the Parties. Notwithstanding any provision hereof, for all purposes of this Agreement, each party shall be and act as an independent contractor and not as partner, joint venturer, or agent of the other. Neither party has any authority to act on behalf of or to enter into any contract, incur any liability or make any representation on behalf of the other party. Neither party’s personnel shall be deemed to be the other party’s employees, and as such shall not by reason of this Agreement be entitled to participate in or to receive any benefit or right under any of the other party’s employee benefit plans.

16. Assignment; Binding Nature. Except in connection with a merger, acquisition, or transfer of a party’s assets, neither party may transfer or assign this Agreement or its rights or obligations under this Agreement without the prior written consent of the other party. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties, its successors and assigns.

17. Waiver; Amendment. The failure of either party to enforce its rights under this Agreement at any time for any period will not constitute or be deemed to constitute a waiver or forfeiture of such rights or of any preceding or subsequent breach or default. No changes or modifications to this Agreement or waivers of any provision of this Agreement shall be effective unless evidenced in a writing referencing this Agreement and signed for and on behalf of both parties.

18. Entire Agreement. This Agreement, the Policies (and the NDA, if and to the extent applicable) constitute the entire agreement between the parties regarding the subject matter hereof and supersede all proposals, oral or written, all negotiations, conversations, or discussions between or among the parties relating to the subject matter of this Agreement and all past dealing or industry custom.

19. Severability. In the event that any provision of this Agreement shall be determined to be illegal or unenforceable by a court of competent jurisdiction, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

20. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute one and the same Agreement.

Facsimile and PDF signatures of any original document shall be considered the same as delivery of an original.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties execute this Agreement as of the Effective Date.

DIGITAL TURBINE MEDIA, INC.	**SIFT MEDIA, INC.**
Name: /s/ William G. Stone III Title: CEO Date: 12/28/15	Name: /s/ Jud Bowman Title: CEO Date: 12/28/15
Digital Turbine Media, Inc. 1300 Guadelupe Austin, TX 78701 Attn: Bill Stone Telephone: (512) 365-9991 E-mail: Bill@digitalturbine.com	Sift Media, Inc. 621 Sugarberry Road Chapel Hill, NC 27514 Attn: Jud Bowman E-mail: jud@sift.co

SIFT MEDIA, INC.

SERIES SEED CONVERTIBLE PREFERRED STOCK PURCHASE AGREEMENT

December 28, 2015

SIFT MEDIA, INC.

SERIES SEED CONVERTIBLE PREFERRED STOCK PURCHASE AGREEMENT

This Series Seed Convertible Preferred Stock Purchase Agreement (the "***Agreement***") is made and entered into as of December 28, 2015, by and among Sift Media, Inc., a Delaware corporation (the "***Company***"), each of those persons and entities, severally and not jointly, whose names are set forth on the Schedule of Purchasers attached hereto as *Exhibit A* (which persons and entities are hereinafter collectively referred to as " ***Financial Purchasers***" and each individually as a "***Financial Purchaser***"), and Digital Turbine Media, Inc., a Delaware corporation (the " ***Licensor Purchaser***", and, together with the Financial Purchasers, the " ***Purchasers***").

RECITALS

A. The Company has authorized the sale and issuance of an aggregate of (i) four million one hundred eighty-nine thousand (4,189,000) shares of its Series Seed Convertible Preferred Stock (the " ***Shares***") at the Closing (as defined below);

B. Purchasers desire to acquire the Shares on the terms and conditions set forth herein; and

C. The Company desires to issue the Shares to the Purchasers on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, representations, warranties, and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AGREEMENT TO SELL AND PURCHASE.

1.1 Authorization of Shares. The Company has authorized (a) the sale and issuance to the Purchasers of the Shares and (b) the issuance of such shares of Common Stock to be issued upon conversion of the Shares (the "***Conversion Shares***"). The Shares and the Conversion Shares have the rights, preferences, privileges and restrictions set forth in the Amended and Restated Certificate of Incorporation of the Company, in the form attached hereto as *Exhibit B* (the "***Restated Charter***").

1.2 Sale and Purchase to Financial Purchasers . Subject to the terms and conditions hereof, at the Closing (as hereinafter defined), the Company hereby agrees to issue and sell to each Financial Purchaser, severally and not jointly, and each Financial Purchaser agrees to purchase from the Company, severally and not jointly, the number of Shares set forth opposite such Financial Purchaser's name under the "Shares Purchased" column on *Exhibit A*, at a purchase price of $1.00 per share.

1.3 Issuance to Licensor Purchaser. Subject to the terms and conditions hereof, and the terms and conditions of that certain Intellectual Property License Agreement in the form attached hereto as *Exhibit M* (the "***License Agreement***"), at the Closing, the Company hereby agrees to issue to the Licensor Purchaser, in a transaction intended to qualify as a tax-free exchange under Section 351 of the Code (and corresponding provisions of applicable state income tax laws), Nine Hundred Ninety-Nine Thousand (999,000) Shares at a deemed purchase price of $1.00 per Share as partial consideration for the grant of the license rights from the Licensor Purchaser to the Company under the License Agreement.

2. CLOSING, DELIVERY AND PAYMENT.

2.1 Closing. The closing of the sale and purchase of the Shares under this Agreement (the "***Closing***") shall take place on the date hereof, at the offices of Robinson Bradshaw & Hinson, P.A., 1450 Raleigh Road, Suite 100, Chapel Hill, NC 27517, or at such other time or place as the Company and the Purchasers may mutually agree. The date of the Closing is hereinafter referred to as the "***Closing Date***."

2.2 Delivery. At the Closing, subject to the terms and conditions hereof, the Company will deliver to (i) each Financial Purchaser a certificate representing the number of Shares to be purchased at the Closing by such Financial Purchaser, against payment of the purchase price therefor by wire transfer of immediately available funds to the bank account set forth on *Exhibit P*, and (ii) the Licensor Purchaser a certificate representing the number of Shares to be issued at the Closing to such Licensor Purchaser against execution and delivery of the License Agreement.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

Except as set forth on a Schedule of Exceptions delivered by the Company to Purchasers at the Closing, the Company hereby represents and warrants to each Purchaser, effective immediately prior to the sale of the Shares on the Closing Date, which Closing shall occur simultaneously with the execution and delivery of (i) the License Agreement, (ii) that certain Publisher Agreement between the Company and the Licensor Purchaser in the form attached hereto as *Exhibit N* (the "***Publisher Agreement***"), and (iii) that certain Transition Services Agreement in the form attached hereto as *Exhibit O* (the "***Services Agreement***" and, together with the License Agreement and Publisher Agreement, the "***Spinout Agreements***"), the following:

3.1 Organization, Good Standing and Qualification . The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has all requisite corporate power and authority to own and operate its properties and assets, to execute and deliver this Agreement and the Investor Rights Agreement in the form attached hereto as *Exhibit C* (the "***Investor Rights Agreement***"), the Right of First Refusal and Co-Sale Agreement in the form attached hereto as *Exhibit D* (the "***Co-Sale Agreement***"), the Voting Agreement in the form attached hereto as *Exhibit E* (the "***Voting Agreement*** "), the Management Rights Letter in the forms attached hereto as *Exhibit F*, the Director Indemnification Agreements in the forms attached hereto as *Exhibit G* (collectively, the "***Related Agreements***") and the Spinout Agreements, to issue and sell the Shares and the Conversion Shares, and to carry out

the provisions of this Agreement, the Related Agreements, the Spinout Agreements and the Restated Charter and to carry on its business as presently conducted and as presently proposed to be conducted. The Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the assets, conditions, affairs, results of operations or prospects of the Company, financially or otherwise.

3.2 Subsidiaries. The Company does not own or control any equity security or other interest of any other corporation, partnership, limited liability company or other business entity. The Company is not a participant in any joint venture, partnership or similar arrangement. Since its inception, the Company has not consolidated or merged with, acquired all or substantially all of the assets of, or acquired the stock of or any interest in, any corporation, partnership, limited liability company, association, or other business entity.

3.3 Capitalization; Voting Rights.

(a) The authorized capital stock of the Company, immediately prior to the Closing, consists of (i) Ten Million (10,000,000) shares of Common Stock, par value $0.001 per share, 5,561,000 shares of which are issued and outstanding, and (ii) Four Million One Hundred Eighty-Nine Thousand (4,189,000) shares of Preferred Stock, par value $0.001 per share, Four Million One Hundred Eighty-Nine Thousand (4,189,000) of which are designated Series Seed Convertible Preferred Stock, none of which are issued and outstanding.

(b) Immediately prior to the Closing, under the Company's 2015 Equity Incentive Plan (the "***Plan***"), (i) 250,000 shares have been issued pursuant to restricted stock award agreements (which are included in Section 3.3(a)(i) above), (ii) no options to purchase shares of Common Stock have been granted and are currently outstanding, and (iii) 250,000 shares of Common Stock remain available for future issuance to officers, directors, employees and consultants of the Company. The Company has not made any representations regarding equity incentives to any officer, employee, director or consultant that are inconsistent with the share amounts and terms set forth on *Exhibit H* hereto. *Exhibit H* sets forth all: (i) issued stock options, including vesting schedule and exercise price; (ii) stock options not yet issued but reserved for issuance; and (iii) warrant or stock purchase rights, if any. Assuming Four Million One Hundred Eighty-Nine Thousand (4,189,000) Shares reserved for issuance at the Closing are sold at the Closing, immediately following the Closing the shares of Common Stock which remain available for future issuance under the Plan equal 2.5% of the post-Closing capitalization of the Company on a fully-diluted basis. The Company's post-Closing capitalization is set forth on the post-Closing capitalization table attached hereto as *Exhibit H*.

(c) Other than as set forth on *Exhibit H*, and except as may be granted pursuant to this Agreement and the Related Agreements, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal), proxy or stockholder agreements, or agreements of any kind for the purchase or acquisition from the Company of any of its securities. All such preemptive rights have been properly waived or complied with regarding

all prior issuances of capital stock and with respect to the issuance of the Shares and Conversion Shares.

(d) All issued and outstanding shares of the Company's Common Stock (i) have been duly authorized and validly issued to the persons and entities listed on *Exhibit H* and are fully paid and nonassessable, (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities; and (iii) upon execution of the Co-Sale Agreement, will be subject to a right of first refusal in favor of the Company upon transfer.

(e) The rights, preferences, privileges and restrictions of the Shares and the Conversion Shares are as stated in the Restated Charter. Each series of Preferred Stock is convertible into Common Stock on a one-for-one basis as of the date hereof. The consummation of the transactions contemplated hereunder will not result in any anti-dilution adjustment or other similar adjustment to any outstanding shares of capital stock of the Company or any securities convertible thereto. The Shares and Conversion Shares have been duly and validly reserved for issuance. When issued in compliance with the provisions of this Agreement and the Restated Charter, the Shares and the Conversion Shares will be validly issued, fully paid and nonassessable, and will be free of any liens or encumbrances other than (i) liens and encumbrances created by or imposed upon the Purchasers and (ii) any right of first refusal set forth in the Company's Bylaws and/or the Related Agreements; *provided, however*, that the Shares and the Conversion Shares may be subject to restrictions on transfer under state and/or federal securities laws as set forth herein or as otherwise required by such laws at the time a transfer is proposed.

(f) All options granted and Common Stock issued vest as disclosed on Schedule 3.3(f) of the Schedule of Exceptions. No stock plan, stock purchase, stock option or other agreement or understanding between the Company and any holder of any equity securities or rights to purchase equity securities provides for acceleration or other changes in the vesting provisions or other terms of such agreement or understanding as the result of (i) termination of employment or consulting services (whether actual or constructive); (ii) any merger, consolidated sale of stock or assets, change in control or any other transaction(s) by the Company; or (iii) the occurrence of any other event or combination of events.

(g) All outstanding shares of Common Stock, and all shares of Common Stock issuable upon the exercise or conversion of outstanding options, warrants or other exercisable or convertible securities are subject to a market standoff or "***lockup***" agreement of not less than 180 days following the Company's initial public offering.

3.4 Authorization; Binding Obligations. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization of this Agreement, the Related Agreements and the Spinout Agreements, the performance of all obligations of the Company hereunder and thereunder at the Closing and the authorization, sale, issuance and delivery of the Shares pursuant hereto and the Conversion Shares pursuant to the Restated Charter has been taken. The Agreement, the Related Agreements and Spinout Agreements, when executed and delivered, will be valid and binding obligations of the Company enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, (b) general principles

of equity that restrict the availability of equitable remedies, and (c) to the extent that the enforceability of the indemnification provisions in this Agreement, the Related Agreements and the Spinout Agreements may be limited by applicable laws. The sale of the Shares and the subsequent conversion of the Shares into Conversion Shares are not and will not be subject to any preemptive rights or rights of first refusal that have not been properly waived or complied with.

3.5 Financial Projections. The Company has delivered to each Purchaser a pro forma statement of income and cash flows (the "***Financial Projections***"). The Financial Projections reflect the Company's plans and intentions as of the date of the Closing. These plans and intentions are based on certain assumptions and expectations concerning future events over which the Company has little or no control and are subject to risks and uncertainties that could cause the Company's actual results to differ materially from the Financial Projections. Accordingly, Purchaser should not rely on the Financial Projections and the Company cannot guarantee that it will achieve the revenues, gross margins, profits or cash flow predicted by the Financial Projections.

3.6 Liabilities. The Company has no material liabilities and, to its knowledge, no material contingent liabilities, except current liabilities incurred in the ordinary course of business which have not been, either in any individual case or in the aggregate, materially adverse. To the Company's knowledge, since the Company's inception, there have been no events or circumstances of any kind that have had or could reasonably be expected to result in a Material Adverse Effect.

3.7 Agreements; Action.

(a) Except for agreements explicitly contemplated hereby, there are no agreements, understandings or proposed transactions between the Company and any of its officers, directors, employees, affiliates or any affiliate thereof or Mr. Bowman.

(b) There are no agreements, understandings, instruments, contracts, proposed transactions, judgments, orders, writs or decrees to which the Company is a party or to its knowledge by which it is bound which may involve (i) future obligations (contingent or otherwise) of, or payments to, the Company in excess of $10,000 (other than trade payables incurred in the ordinary course of business), or (ii) the transfer or license of any patent, copyright, trade secret or other proprietary right to or from the Company (other than licenses by the Company of "***off the shelf***" or other standard products), or (iii) provisions restricting the development, manufacture or distribution of the Company's products or services, or (iv) indemnification by the Company with respect to infringement of proprietary rights.

(c) The Company has not (i) accrued, declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its capital stock, (ii) incurred or guaranteed any indebtedness for money borrowed or any other liabilities (other than trade payables incurred in the ordinary course of business) individually in excess of $10,000 or, in the case of indebtedness and/or liabilities individually less than $10,000, in excess of $25,000 in the aggregate, (iii) made any loans or advances to any person, other than ordinary advances for travel expenses, or (iv) sold, exchanged or otherwise disposed of any of its assets or rights, other than the sale of its inventory in the ordinary course of business.

(d) For the purposes of subsections (b) and (c) above, all indebtedness, liabilities, agreements, understandings, instruments, contracts and proposed transactions involving the same person or entity (including persons or entities the Company has reason to believe are affiliated therewith) shall be aggregated for the purpose of meeting the individual minimum dollar amounts of such subsections.

3.8 Obligations to Related Parties. There are no obligations of the Company to officers, directors, stockholders, or employees of the Company other than (a) for payment of salary for services rendered, (b) reimbursement for reasonable expenses incurred on behalf of the Company and (c) for other standard employee benefits made generally available to all employees (including restricted stock and stock option agreements outstanding under the Plan). None of the officers, directors or, to the best of the Company's knowledge, key employees or stockholders of the Company or any members of their immediate families, is indebted to the Company or has any direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship, or any firm or corporation which competes with the Company, other than (i) passive investments in publicly traded companies (representing less than 1% of such company) which may compete with the Company, (ii) investments by venture capital funds with which directors of the Company may be affiliated (and service as a board member in connection therewith) and (iii) Jud Bowman has a material investment in the parent of Licensor, which in turn will have a material investment in, and business relationship with, the Company. No officer, director, stockholder, or any member of their immediate families, is, directly or indirectly, interested in any material contract with the Company (other than those contracts listed in any section of the Schedule of Exceptions which relate to any such person's employment with, or ownership of capital stock or other securities of the Company, other than Jud Bowman as described in this Section 3.8).

3.9 Title to Properties and Assets; Liens, Etc . Other than (i) cash on hand of less than $65,000 and (ii) the letter of intent with the Licensor Purchaser dated July 27, 2015, as amended, (the "***LOI***") covering the transaction contemplated by the License Agreement, Publisher Agreement and Services Agreement, the Company has no assets or leasehold estates.

3.10 Intellectual Property.

(a) Other than as contemplated under the LOI, the Company does not own or possess any rights in any intellectual property. The Company is not bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information and other proprietary rights and processes of any other person or entity other than such licenses or agreements arising from the purchase of "***off the shelf***" or standard products.

(b) The Company has not received any communications alleging that the Company has violated or, by conducting its business as presently conducted or proposed to be conducted, would violate any of the patents, trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity, nor is the Company aware of any basis therefor.

(c) None of the Company's employees are obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with their duties to the Company or that would conflict with the Company's business as presently conducted or proposed to be conducted. Each former and current employee, officer and consultant of the Company has executed a proprietary information and inventions agreement in the form of *Exhibit I*. No former and current employee, officer or consultant of the Company has (i) excluded works or inventions made prior to his or her employment with the Company from his or her assignment of inventions pursuant to such employee's, officer's or consultant's proprietary information and inventions agreement or (ii) failed to affirmatively indicate in such proprietary information and inventions agreement that no such works or inventions made prior to his or her employment with the Company exist. The Company does not intend to utilize any inventions, trade secrets or proprietary information of any of its employees made prior to their employment by the Company, except for inventions, trade secrets or proprietary information that have been assigned to the Company and which are disclosed in the Schedule of Exceptions hereto.

(d) The Company is not subject to any "***open source***" or "***copyleft***" obligations or otherwise required to make any public disclosure or general availability of source code either used or developed by the Company.

(e) No Public Software (as defined below) forms part of any product developed or distributed by the Company ("***Company Product***") or services provided by the Company (" ***Company Service***") and no Public Software was or is used in connection with the development of any Company Product or Company Service or is incorporated into, in whole or in part, or has been distributed with, in whole or in part, any Company Product or Company Service. No Public Software is used by the Company to run its operations. As used in this Section 3.11(e), "***Public Software***" means any software that is, contains, or is derived in any manner (in whole or in part) from, any software that is distributed as free software (as defined by the Free Software Foundation), open source software (e.g., software distributed under any license approved by the Open Source Initiative as set forth in www.opensource.org on the Closing Date) or similar licensing or distribution models which require the distribution or making available of source code as well as object code of the software to licensees without charge (except for the cost of the medium) and (b) the right of the licensee to modify the software and redistribute both the modified and unmodified versions of the software. Public Software includes without limitation, software licensed or distributed under any of the following licenses: (i) GNU's General Public License (GPL) or Lesser/Library GPL (LGPL); (ii) the Artistic License (e.g., PERL); (iii) the Mozilla Public License; (iv) the Netscape Public License; (v) the SugarCRM Public License; (vi) BSD License; or (vii) the Apache License. Schedule 3.11(e) lists all software which does not comply with this representation and includes the name and version of the software, the license under which it was obtained and the use of such software by the Company.

3.11 Compliance with Other Instruments. The Company is not in violation or default of any term of its Certificate of Incorporation or Bylaws, each as amended, or of any material provision of any mortgage, indenture, contract, agreement, instrument or contract to which it is party or by which it is bound or of any judgment, decree, order or writ, or to its knowledge, of any

provision of any federal or state statute, rule or regulation applicable to the Company in each case other than any such violation that would not have a material adverse effect on the Company. The execution, delivery, and performance of and compliance with this Agreement, the Related Agreements and the Spinout Agreements, and the issuance and sale of the Shares pursuant hereto and of the Conversion Shares pursuant to the Restated Charter or the consummation of the transactions contemplated pursuant to the Related Agreements and Spinout Agreements, will not, with or without the passage of time or giving of notice, result in any such material violation, or be in conflict with or constitute a material default under any such term or provision, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company or the suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to the Company, its business or operations or any of its assets or properties. To its knowledge, the Company has avoided every condition, and has not performed any act, the occurrence of which would reasonably be expected to result in the Company's loss of any material right granted under any license, distribution agreement or other agreement required to be disclosed on the Schedule of Exceptions.

3.12 Litigation. There is no action, suit, proceeding or investigation pending or, to the Company's knowledge, currently threatened against the Company that questions the validity of this Agreement, the Related Agreements or the Spinout Agreements or the right of the Company to enter into any of such agreements, or to consummate the transactions contemplated hereby or thereby, or which would reasonably be expected to result, either individually or in the aggregate, in any material adverse change in the assets, condition, affairs or prospects of the Company, financially or otherwise, or any change in the current equity ownership of the Company, nor is the Company aware that there is any basis for any of the foregoing. The foregoing includes, without limitation, actions pending or, to the Company's knowledge, threatened, or any basis therefor known by the Company, involving the prior employment of any of the Company's employees, their use in connection with the Company's business of any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements (including, without limitation, non-competition or non-solicitation agreements) with prior employers. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by the Company currently pending or which the Company currently intends to initiate.

3.13 Tax Returns and Payments. The Company is and always has been a subchapter C corporation. The Company has timely filed all tax returns (federal, state and local) required to be filed by it. All taxes shown to be due and payable on such returns, any assessments imposed, and to the Company's knowledge all other taxes due and payable by the Company on or before the Closing, have been paid or will be paid prior to the time they become delinquent. The Company has not been advised (a) that any of its returns, federal, state or other, have been or are being audited as of the date hereof, or (b) of any deficiency in assessment or proposed judgment to its federal, state or other taxes. The Company has no knowledge of any liability of any tax to be imposed upon its properties or assets as of the date of this Agreement that is not adequately provided for. To the Company's knowledge, the Company has withheld or collected from each payment made to each of its employees, the amount of all taxes (including, but not limited to, federal income taxes, Federal Insurance Contribution Act taxes and Federal Unemployment Tax Act taxes) required

to be withheld or collected there from, and has paid the same to the proper tax receiving officers or authorized depositories.

3.14 Employees. The Company has no collective bargaining agreements with any of its employees. There is no labor union organizing activity pending or, to the Company's knowledge, threatened with respect to the Company. The Company is not a party to or bound by any currently effective employment contract, deferred compensation arrangement, bonus plan, incentive plan, profit sharing plan, retirement agreement or other employee compensation plan or agreement. To the Company's knowledge, no employee of the Company, nor any consultant with whom the Company has contracted, is in violation of any material term of any employment contract, proprietary information agreement or any other agreement relating to the right of any such individual to be employed by, or to contract with, the Company; and to the Company's knowledge the continued employment by the Company of its present employees, and the performance of the Company's contracts with its independent contractors, will not result in any such violation. The Company has not received any notice alleging that any such violation has occurred. No employee of the Company has been granted the right to continued employment by the Company or to any material compensation following termination of employment with the Company. The Company is not aware that any officer, employee or group of employees intends to terminate his, her or their employment with the Company, nor does the Company have a present intention to terminate the employment of any officer, key employee or group of employees. There are no actions pending, or to the Company's knowledge, threatened, by any former or current employee concerning such person's employment by the Company.

3.15 Obligations of Management. Upon the execution and delivery of the License Agreement, Publisher Agreement and Services Agreement, (i) each officer and key employee of the Company will devote substantially all of his or her business time to the conduct of the business of the Company, and (ii) to the Company's knowledge, no officer or key employee of the Company plans to work less than full time at the Company in the future (provided, however, notwithstanding clauses (i) and (ii), Jud Bowman shall remain entitled to fulfill his duties as a director of the parent of Licensor). No officer or key employee is currently working for or, to the Company's knowledge, plans to work for a competitive enterprise, whether or not such officer or key employee is or will be compensated by such enterprise (provided, however, Jud Bowman shall remain entitled to fulfill his duties as a director of the parent of Licensor).

3.16 Registration Rights and Voting Rights . Except as required pursuant to the Investor Rights Agreement, the Company is presently not under any obligation, and has not granted any rights, to register under the Securities Act of 1933 (the "***Securities Act***"), any of the Company's presently outstanding securities or any of its securities that may hereafter be issued. To the Company's knowledge, except as contemplated in the Voting Agreement, no stockholder of the Company has entered into any agreement with respect to the voting of equity securities of the Company.

3.17 Compliance with Laws; Permits. To its knowledge, the Company is not in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the

ownership of its properties which violation would materially and adversely affect the business, assets, liabilities, financial condition, operations or prospects of the Company. No U.S. governmental orders, permissions, consents, approvals or authorizations are required to be obtained and no registrations or declarations are required to be filed in connection with the execution and delivery of this Agreement or the issuance of the Shares or the Conversion Shares, except such as have been duly and validly obtained or filed, or with respect to any filings that must be made after the Closing, as will be filed in a timely manner. The Company has all franchises, permits, licenses and any similar authority necessary for the conduct of its business as now being conducted by it, the lack of which would reasonably be expected to materially and adversely affect the business, properties, prospects or financial condition of the Company and believes it can obtain, without undue burden or expense, any similar authority for the conduct of its business presently conducted or as planned to be conducted.

3.18 Environmental and Safety Laws. To its knowledge, the Company is not in violation of any applicable statute, law or regulation relating to the environment or occupational health and safety, and to its knowledge, no material expenditures are or will be required in order to comply with any such existing statute, law or regulation. No Hazardous Materials (as defined below) are used or have been used, stored, or disposed of by the Company or, to the Company's knowledge after reasonable investigation, by any other person or entity on any property owned, leased or used by the Company. For the purposes of the preceding sentence, "***Hazardous Materials***" shall mean (a) materials which are listed or otherwise defined as "***hazardous***" or "***toxic***" under any applicable local, state, federal and/or foreign laws and regulations that govern the existence and/or remedy of contamination on property, the protection of the environment from contamination, the control of hazardous wastes, or other activities involving hazardous substances, including building materials, or (b) any petroleum products or nuclear materials.

3.19 Offering Valid. Assuming the accuracy of the representations and warranties of the Purchasers contained in Section 5.2, the offer, sale and issuance of the Shares and the Conversion Shares will be exempt from the registration requirements of the Securities Act of 1933, and will be registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws. Neither the Company nor any agent on its behalf has solicited or will solicit any offers to sell or has offered to sell or will offer to sell all or any part of the Shares to any person or persons so as to bring the sale of such Shares by the Company within the registration provisions of the Securities Act or any state securities laws.

3.20 Qualified Small Business. The Company represents and warrants to the Purchasers that, to its knowledge, the Company is a "***qualified small business***" within the meaning of Section 1202(d) of the Internal Revenue Code of 1986, as amended (the "***Code***"), as of the date hereof and the Shares should qualify as " ***qualified small business stock***" as defined in Section 1202(c) of the Code as of the date hereof. The Company further represents and warrants that, as of the date hereof, it meets the "***active business requirement***" of Section 1202(e) of the Code, and it has made no "***significant redemptions***" within the meaning of Section 1202(c)(3)(B) of the Code.

3.21 Minute Books. The minute books of the Company made available to the Purchasers contain a complete summary of all meetings of directors and stockholders of the Company since the time of incorporation (including the incorporation of any predecessor entities).

3.22 Section 83(b) Elections. To the Company's knowledge, all elections and notices permitted by Section 83(b) of the Code and any analogous provisions of applicable state tax laws have been timely filed by all employees who have purchased shares of the Company's common stock under agreements that provide for the vesting of such shares.

3.23 Real Property Holding Corporation. The Company is not a real property holding corporation within the meaning of Code Section 897(c)(2) and any regulations promulgated thereunder.

3.24 Insurance. The Company has, or will obtain promptly following the Closing, general commercial, product liability, fire and casualty insurance policies with coverage customary for companies similarly situated to the Company. The Company has, or intends to obtain within sixty (60) days following the Closing, director and officer's insurance in the amount of $3,000,000 per occurrence, including a rider containing employment practice liability insurance with coverage limits of at least $1,000,000 per occurrence. The Company has, or intends to obtain within sixty (60) days following the Closing, key person life insurance policies in the amount of $1,000,000 on the life of Mr. Bowman, naming the Company as beneficiary.

3.25 Executive Officers. No executive officer or person nominated to become an executive officer of the Company (i) has been convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding minor traffic violations) or (ii) is or has been subject to any judgment or order of, the subject of any pending civil or administrative action by the Securities and Exchange Commission or any self-regulatory organization.

3.26 Use of Proceeds. The Company shall use the proceeds from the sale of the Shares to pay the cash portion of the license fee under the License Agreement, the fees that may be due under the Services Agreement, for working capital and general corporate purposes approved by the Board (including the Series Seed Designee and Licensor Designee (as defined in the Voting Agreement)) and pursuant to the Operating Budget attached hereto as *Exhibit J*.

3.27 Agreements with Licensor Purchaser. Except for the purchase and sale of the Shares at the Closing, all of the conditions precedent to the consummation of the transactions contemplated in the License Agreement have been satisfied in full and not waived. Except for the payment of the cash and stock components of the license fee by the Company pursuant to the License Agreement, as of the Closing, each of the items to be delivered by the respective parties pursuant to the License Agreement, respectively, are in final form and are fully-executed and, upon delivery of such items and the payment of the purchase price by the Company in accordance with the License Agreement, the Company shall acquire the rights, titles and interests specified in the License Agreement. To the Company's knowledge, the rights being licensed by the Company pursuant to the License Agreement include all of the rights that are necessary for the Company to operate its business as presently proposed to be conducted and the documented version of the source code

being delivered to the Company at Closing will be adequate for the Company to operate its business as presently proposed to be conducted.

3.28 Full Disclosure. The Company has provided Purchasers with all information requested in writing by the Purchasers in connection with their decision to purchase the Shares. Neither this Agreement, the exhibits hereto, the Related Agreements nor any certificate or other document delivered by the Company to the Purchasers or their attorneys or agents in connection herewith or therewith at closing or with the transactions contemplated hereby or thereby, contain any untrue statement of a material fact nor, omit to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which they were made. There are no facts which (individually or in the aggregate) materially adversely affect the business, assets, liabilities, financial condition, prospects or operations of the Company that have not been set forth in the Agreement, the exhibits hereto, the Related Agreements or in other documents delivered to Purchasers or their attorneys or agents in connection herewith.

4. INTENTIONALLY OMITTED.

5. REPRESENTATIONS AND WARRANTIES OF PURCHASERS.

Each Purchaser hereby represents and warrants to the Company, as of the applicable Closing, severally and not jointly, as follows (*provided* that such representations and warranties do not lessen or obviate the representations and warranties of the Company set forth in this Agreement):

5.1 Requisite Power and Authority . Purchaser has all necessary power and authority to execute and deliver this Agreement and the Related Agreements and to carry out their provisions. All action on Purchaser's part required for the lawful execution and delivery of this Agreement and the Related Agreements has been taken. Upon their execution and delivery, this Agreement and the Related Agreements will be valid and binding obligations of Purchaser, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, (b) as limited by general principles of equity that restrict the availability of equitable remedies, and (c) to the extent that the enforceability of the indemnification provisions of this Agreement and of the Investor Rights Agreement may be limited by applicable laws.

5.2 Investment Representations. Purchaser understands that neither the Shares nor the Conversion Shares have been registered under the Securities Act. Purchaser also understands that the Shares are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon Purchaser's representations contained in the Agreement. Purchaser hereby represents and warrants as follows:

(a) Purchaser Bears Economic Risk. Purchaser has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company so that it is capable of evaluating the merits and risks of its investment in the Company and has the capacity to protect its own interests. Purchaser must bear the economic risk of this investment indefinitely unless the Shares (or the Conversion Shares) are registered pursuant to the Securities Act, or an exemption from registration is available. Purchaser understands

that the Company has no present intention of registering the Shares, the Conversion Shares or any shares of its Common Stock. Purchaser also understands that there is no assurance that any exemption from registration under the Securities Act will be available and that, even if available, such exemption may not allow Purchaser to transfer all or any portion of the Shares or the Conversion Shares under the circumstances, in the amounts or at the times Purchaser might propose.

(b) Acquisition for Own Account. Purchaser is acquiring the Shares and the Conversion Shares for Purchaser's own account for investment only, and not with a view towards their distribution.

(c) Purchaser Can Protect Its Interest. Purchaser represents that by reason of its, or of its management's, business or financial experience, Purchaser has the capacity to protect its own interests in connection with the transactions contemplated in this Agreement, and the Related Agreements. Further, Purchaser is aware of no publication of any advertisement in connection with the transactions contemplated in the Agreement.

(d) Accredited Investor. Purchaser represents that it is an accredited investor within the meaning of Regulation D under the Securities Act.

(e) Company Information. Purchaser has received and reviewed the License Agreement, Publisher Agreement and Services Agreement, and has had an opportunity to discuss the Company's business, management and financial affairs with directors, officers and management of the Company. Purchaser has also had the opportunity to ask questions of and receive answers from, the Company and its management regarding the terms and conditions of this investment.

(f) Rule 144. Purchaser acknowledges and agrees that the Shares, and, if issued, the Conversion Shares are "***restricted securities***" as defined in Rule 144 promulgated under the Securities Act as in effect from time to time and must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser has been advised or is aware of the provisions of Rule 144, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about the Company, the resale occurring following the required holding period under Rule 144 and the number of shares being sold during any three-month period not exceeding specified limitations.

(g) Residence. If Purchaser is an individual, then Purchaser resides in the state or province identified in the address of Purchaser set forth on *Exhibit A*; if Purchaser is a partnership, corporation, limited liability company or other entity, then the office or offices of Purchaser in which its investment decision was made is located at the address or addresses of Purchaser set forth on *Exhibit A*.

5.3 Transfer Restrictions. Each Purchaser acknowledges and agrees that the Shares and, if issued, the Conversion Shares are subject to restrictions on transfer as set forth in the Related Agreements and as provided in federal and state securities laws.

6. CONDITIONS TO CLOSING. Purchasers' obligations to purchase the Shares at the Closing are subject to the satisfaction or waiver, at or prior to the Closing Date, of the following conditions:

6.1 **Representations and Warranties True; Performance of Obligations.** The representations and warranties made by the Company in Section 3 shall be true and correct as of the Closing Date with the same force and effect as if they had been made as of the Closing Date, and the Company shall have performed all obligations and conditions herein required to be performed or observed by it on or prior to the Closing.

6.2 **Legal Investment.** On the Closing Date, the sale and issuance of the Shares and the proposed issuance of the Conversion Shares shall be legally permitted by all laws and regulations to which the Company is subject.

6.3 **Consents, Permits, and Waivers.** The Company shall have obtained any and all consents, permits and waivers necessary or appropriate for consummation of the transactions contemplated by the Agreement and the Related Agreements (including any filing required to comply with the Hart Scott Rodino Antitrust Improvements Act of 1976, and except for such as may be properly obtained subsequent to the Closing).

6.4 **Filing of Restated Charter.** The Restated Charter shall have been filed with the Secretary of State of the State of Delaware and shall continue to be in full force and effect as of the Closing Date.

6.5 **Corporate Documents.** The Company shall have delivered to Purchasers or their counsel, copies of all corporate documents of the Company as Purchasers shall reasonably request.

6.6 **Reservation of Conversion Shares**. The Conversion Shares issuable upon conversion of the Shares shall have been duly authorized and reserved for issuance upon such conversion.

6.7 **Compliance Certificate.** The Company shall have delivered to the Purchasers a Compliance Certificate, executed by the Chief Executive Officer or President of the Company, dated the Closing Date, to the effect that the conditions specified in subsections 6.1- 6.6 of this Section 6 have been satisfied.

6.8 **Secretary's Certificate.** Purchasers shall have received from the Company's Secretary a certificate having attached thereto (i) the Company's Certificate of Incorporation as in effect at the time of the Closing Date, (ii) the Company's Bylaws as in effect at the time of the Closing Date, (iii) resolutions approved by the Board of Directors authorizing the transactions contemplated hereby, (iv) resolutions approved by the Company's stockholders authorizing the filing of the Restated Charter, (v) good standing certificates (including tax good standing) with respect to

the Company from the applicable authority(ies) in Delaware, dated no more than seven (7) days prior to the Closing, and (vi) good standing certificates with respect to the Company from the applicable authority(ies) in any other jurisdiction in which the Company is qualified to do business, dated no earlier than seven (7) days prior to the Closing.

6.9 **Investor Rights Agreement**. The Investor Rights Agreement substantially in the form attached hereto as *Exhibit C* shall have been executed and delivered by the parties thereto.

6.10 **Co-Sale Agreement.** The Co-Sale Agreement substantially in the form attached hereto as *Exhibit D* shall have been executed and delivered by the parties thereto. The stock certificates representing the outstanding shares subject to the Co-Sale Agreement shall have had appropriate legends placed upon them to reflect the restrictions on transfer set forth in the Co-Sale Agreement.

6.11 **Voting Agreement.** The Voting Agreement substantially in the form attached hereto as *Exhibit E* shall have been executed and delivered by the parties thereto. The stock certificates representing the outstanding shares subject to the Voting Agreement shall have had appropriate legends placed upon them to reflect the restrictions on transfer set forth in the Voting Agreement.

6.12 **Board of Directors.** Upon the Closing, the authorized size of the Board of Directors of the Company shall be five (5) members and the Board shall consist of Mr. Bowman, Steve Nelson, [Bill Stone], Slawek Pruchnik and Robert Long.

6.13 **Legal Opinion.** Purchasers shall have received from legal counsel to the Company an opinion addressed to them, dated as of the Closing, in substantially the form attached hereto as *Exhibit K*.

6.14 **Employment Agreement**. The Employment Agreement substantially in the form attached hereto as *Exhibit L* shall have been executed and delivered by the parties thereto.

6.15 **Proceedings and Documents**. All corporate and other proceedings in connection with the transactions contemplated at the Closing hereby and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to the Purchasers and their special counsel, and the Purchasers and their special counsel shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

6.16 **Proprietary Information and Inventions Agreement.** The Company and each of its employees shall have entered into the Company's standard form of Proprietary Information and Inventions Agreement, in substantially the form attached hereto as *Exhibit I* or in other form reasonably acceptable to Purchasers.

6.17 Management Rights Letter. A Management Rights letter substantially in the form attached hereto as *Exhibit F* shall have been executed by the Company and delivered to Wakefield.

6.18 Director Indemnification Agreement. A Director Indemnification Agreement in the form attached hereto as *Exhibit G* shall have been executed by the Company and delivered to each of the Company's directors.

6.19 Operating Budget. The Company shall have adopted a twelve (12) month operating budget and use of proceeds in the form attached hereto as *Exhibit J*.

6.20 Agreements with Licensor Purchaser. Except for the purchase and sale of the Shares at the Closing, all of the conditions precedent to the consummation of the transactions contemplated in the License Agreement shall have been satisfied in full and not waived. Except for the payment of the cash and stock components of the license fee by the Company pursuant to the License Agreement, as of the Closing, each of the items to be delivered by the respective parties pursuant to the License Agreement, respectively, shall be in final form and shall have been fully-executed by the appropriate parties thereto.

6.21 Fees of Purchaser's Counsel and Consultants. The Company shall have paid, in accordance with Section 7.10, the fees, expenses and disbursements of counsel and consultants to the Purchasers invoiced at the Closing.

7. MISCELLANEOUS.

7.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware in all respects as such laws are applied to agreements among Delaware residents entered into and performed entirely within Delaware. THE PARTIES TO THIS AGREEMENT HEREBY WAIVE THEIR RIGHT TO A TRIAL BY JURY WITH RESPECT TO DISPUTES ARISING UNDER THIS AGREEMENT AND THE RELATED AGREEMENTS AND CONSENT TO A BENCH TRIAL WITH THE APPROPRIATE JUDGE ACTING AS THE FINDER OF FACT.

7.2 Indemnification.

(a) The Company agrees to indemnify, defend and hold harmless each of the Purchasers, each of its affiliates and the respective officers, directors, agents, employees, subsidiaries, partners, members and controlling persons of each Purchaser and each of its affiliates (each, a "***Purchaser Indemnified Party***") to the fullest extent permitted by law from and against any and all losses, claims, damages or liabilities (including, without limitation, any claim by a third party), damages, reasonable expenses (including reasonable fees, disbursements and other charges of counsel incurred by the Purchaser Indemnified Party in any action between the Company and the Purchaser Indemnified Party or between the Purchaser Indemnified Party and any third party or otherwise) or other liabilities (collectively, "***Purchaser Losses***") resulting from or arising out of any breach of any representation or warranty, covenant or agreement by the Company in this

Agreement or any Related Agreements. In connection with a bona fide obligation of the Company to indemnify for expenses as set forth above, the Company shall, upon presentation of appropriate invoices containing reasonable detail, reimburse each Purchaser Indemnified Party for all such reasonable expenses (including reasonable fees, disbursement and other charges of counsel incurred by the Company in any action between the Company and the Purchaser Indemnified Party or between the Purchaser Indemnified Party and any third party; provided, however, that the Company may, at its option, elect to assume the defense of a third party claim, including the employment of counsel reasonably acceptable to the Purchaser Indemnified Party and the payment of all fees and expenses of such counsel, in which event the Company shall not be obligated to reimburse the Purchaser Indemnified Party for expenses related to such third party claim except to the extent that counsel for the Purchaser Indemnified Party reasonably determines that a conflict may exist in connection with such assumption of defense, in which case the Purchaser Indemnified Party may engage its own counsel at the expense of the Company). Any reimbursement in connection with the foregoing shall occur as such expenses are incurred by such Purchaser Indemnified Party; provided, however, that if a Purchaser Indemnified Party is reimbursed under this Section 7.2 for any expenses, such reimbursement of expenses shall be refunded to the extent it is finally judicially determined that the Purchaser Indemnified Party is not entitled under this Agreement to indemnification with respect to the action giving rise to such expenses. Notwithstanding anything to the contrary contained herein, (i) the indemnification liability of the Company with respect to all Purchaser Losses by any Purchaser Indemnified Party (other than those related to a third-party claim against a Purchaser Indemnified Party for which indemnification would be available hereunder) shall not exceed in any event the aggregate dollar amount invested by the respective Purchaser Indemnified Party in the Company pursuant to this Agreement and (ii) no Purchaser Indemnified Parties shall be entitled to indemnification for or against any Purchaser Losses pursuant to this Section 7.2(a) to the extent that such Purchaser Losses arise out of or are based on the willful misconduct or gross negligence by such Purchaser Indemnified Party or its affiliates, officers, directors, agents, employees, subsidiaries, partners, members and controlling persons.

(b) Each Purchaser agrees to indemnify, defend and hold harmless the Company, each of its affiliates and the respective officers, directors, agents, employees, subsidiaries, partners, members and controlling persons of the Company and each of its affiliates (each, a "***Company Indemnified Party***") to the fullest extent permitted by law from and against any and all losses, claims, damages or liabilities (including, without limitation, any claim by a third party), damages, reasonable expenses (including reasonable fees, disbursements and other charges of counsel incurred by the Purchaser Indemnified Party in any action between the Company and the Purchaser Indemnified Party or between the Purchaser Indemnified Party and any third party or otherwise) or other liabilities (collectively, "***Company Losses***") resulting from or arising out of any breach of any representation or warranty, covenant or agreement by the such Purchaser in this Agreement or any Related Agreements. In connection with a bona fide obligation of the Purchasers to indemnify for expenses as set forth above, each Purchaser shall, upon presentation of appropriate invoices containing reasonable detail, reimburse the Company Indemnified Party for all such reasonable expenses (including reasonable fees, disbursement and other charges of counsel incurred by the Company in any action between the Purchaser and the Company Indemnified Party or between the Company Indemnified Party and any third party; provided, however, that the Purchaser may, at its option, elect to assume the defense of a third party claim, including the employment of counsel

reasonably acceptable to the Company Indemnified Party and the payment of all fees and expenses of such counsel, in which event the Purchaser shall not be obligated to reimburse the Company Indemnified Party for expenses related to such third party claim except to the extent that counsel for the Company Indemnified Party reasonably determines that a conflict may exist in connection with such assumption of defense, in which case the Company Indemnified Party may engage its own counsel at the expense of the Purchaser). Any reimbursement in connection with the foregoing shall occur as such expenses are incurred by such Company Indemnified Party; provided, however, that if a Company Indemnified Party is reimbursed under this Section 7.2 for any expenses, such reimbursement of expenses shall be refunded to the extent it is finally judicially determined that the Company Indemnified Party is not entitled under this Agreement to indemnification with respect to the action giving rise to such expenses. Notwithstanding anything to the contrary contained herein, (i) the indemnification liability of each Purchaser with respect to all Company Losses by any Company Indemnified Party (other than those related to a third-party claim against a Company Indemnified Party for which indemnification would be available hereunder) shall not exceed the gross purchase price of the Shares acquired by such Purchaser and (ii) no Company Indemnified Party shall be entitled to indemnification for or against any Company Losses pursuant to this Section 7.2(b) to the extent that such Company Losses arise out of or are based on the willful misconduct or gross negligence by such Company Indemnified Party.

(c) Nothing contained in this Section 7.2 shall limit in any manner any remedy at law or in equity to which a Purchaser Indemnified Party shall be entitled against the Company including, without limitation, as a result of fraud or intentional misrepresentation by the Company or any of their representatives or agents. Any indemnification payment made by the Company to a Purchaser pursuant to this Section 7.2 shall be treated for federal, state and local tax purposes as an adjustment to the price paid by such Purchaser for the Shares. Further, nothing contained in this Section 7.2 shall limit in any manner any remedy at law or in equity to which a Company Indemnified Party shall be entitled against a Purchaser including, without limitation, as a result of fraud or intentional misrepresentation by a Purchaser or any of their representatives or agents.

7.3 Survival. The representations, warranties, covenants and agreements made herein shall survive the closing of the transactions contemplated hereby. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of the Company pursuant hereto in connection with the transactions contemplated hereby shall be deemed to be representations and warranties by the Company hereunder solely as of the date of such certificate or instrument.

7.4 Successors and Assigns . Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the parties hereto and their respective successors, permitted assigns, heirs, executors and administrators and shall inure to the benefit of and be enforceable by each person who shall be a holder of the Shares from time to time; *provided, however*, that prior to the receipt by the Company of adequate written notice of the transfer of any Shares specifying the full name and address of the transferee, the Company may deem and treat the person listed as the holder of such Shares in its records as the absolute owner and holder of such Shares for all purposes.

7.5 Entire Agreement. This Agreement, the exhibits and schedules hereto, the Related Agreements and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable for or bound to any other in any manner by any oral or written representations, warranties, covenants and agreements except as specifically set forth herein and therein. Each party expressly represents and warrants that it is not relying on any oral or written representations, warranties, covenants or agreements outside of the Agreement and the Related Agreements.

7.6 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

7.7 Amendment and Waiver.

(a) This Agreement may be amended or modified upon the written consent of the Company (which, for this purpose, shall be determined by a majority of the Board of Directors excluding any directors elected or appointed by the holders of the Series Seed Preferred Stock) and the holders of at least a majority of the then outstanding Shares (treated as if converted and including any Conversion Shares into which the then outstanding Shares have been converted that have not been sold to the public); provided, however, no amendment affecting limitations on Licensor's liability related to the Spinout Agreements may be effected without the Licensor's express written consent.

(b) The obligations of the Company and the rights of the holders of the Shares and the Conversion Shares under this Agreement may be waived with the written consent of the holders of at least a majority of the then outstanding Shares (treated as if converted and including any Conversion Shares into which the then outstanding Shares have been converted that have not been sold to the public). The obligations of the Purchasers and the rights of the Company under this Agreement may be waived with the written consent of the Company (which, for this purpose, shall be determined by a majority of the Board of Directors excluding any directors elected or appointed by the holders of the Series Seed Preferred Stock).

7.8 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of or in any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on any party's part of any breach, default or noncompliance under this Agreement or any waiver on such party's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

7.9 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail, telex or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at the address as set forth on the signature page hereof and to Purchaser at the address set forth on *Exhibit A* attached hereto or at such other address or electronic mail address as the Company or Purchaser may designate by ten (10) days advance written notice to the other parties hereto.

7.10 Expenses. Each party shall, at the Closing, pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of the Agreement; provided, however, that the Company shall reimburse the reasonable fees and expenses of one special counsel to Wakefield, Robinson Bradshaw & Hinson, P.A. ("***RBH***"), incurred in connection with the purchase of the Shares. The Company shall also pay the reasonable fees and expenses of one or more special counsel to Wakefield after the Closing that arise from Wakefield's investment in the Company, including reasonable fees and expenses related to the review of documents, notices delivered to Wakefield or consents, waivers, or amendments of investor rights. The total reimbursable fees and expenses of Wakefield pursuant to this Section 7.10 shall not exceed $30,000 in the aggregate without prior approval of the Company (which, for this purpose, shall be determined by a majority of the Board of Directors excluding any directors elected or appointed by the holders of the Series Seed Preferred Stock). The Company promptly will reimburse Wakefield for any such fees and expenses upon request on or after Closing. Wakefield may, in its sole discretion, elect to deduct from the aggregate purchase price payable by them as set forth on *Exhibit A* the estimated amount of such fees and expenses for the period up to and including the Closing not to exceed $30,000 in the aggregate, and, notwithstanding any such deduction, Wakefield will be deemed to have delivered payment in full of the aggregate purchase price payable by it/them as set forth on *Exhibit A* and will receive fully paid and nonassessable shares of Series Seed Convertible Preferred Stock from the Company.

7.11 Attorneys' Fees. In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all reasonable fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

7.12 Titles and Subtitles. The titles of the sections and subsections of the Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

7.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

7.14 Broker's Fees. Each party hereto represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of such party hereto is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the transactions contemplated herein. Each party hereto further agrees to indemnify each other party for any claims, losses or expenses incurred by such other party as a result of the representation in this Section 7.14 being untrue.

7.15 Exculpation Among Purchasers. Each Purchaser acknowledges that it is not relying upon any person, firm, or corporation, other than the Company and its officers and directors, in making its investment or decision to invest in the Company. Each Purchaser agrees that no Purchaser nor the respective controlling persons, officers, directors, partners, agents, or employees of any Purchaser shall be liable to any other Purchaser for any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the Shares and Conversion Shares.

7.16 Pronouns. All pronouns contained herein, and any variations thereof, shall be deemed to refer to the masculine, feminine or neutral, singular or plural, as to the identity of the parties hereto may require.

7.17 Consent to Joint Representation; Waiver of Conflict of Interest.

(a) Robinson, Bradshaw & Hinson, P.A. ("RBH") has represented only Wakefield and L. Steven Nelson (the "Lead Purchasers") in connection with the negotiation of this Agreement and the Related Agreements (the "Financing"). Each Lead Purchaser hereby (i) acknowledges that it has had an opportunity to ask for and has obtained information relevant to such joint representation, including disclosure of the reasonably foreseeable adverse consequences of such joint representation, (ii) approves and gives its informed consent to RBH's joint representation of the Lead Purchasers in the Financing, (iii) waives any and all existing and potential conflicts of interest associated with such joint representation, (iv) acknowledges that any communication made between RBH and such Lead Purchaser in the course of this joint representation is not protected by the attorney-client privilege with respect to the other Lead Purchaser, (v) represents that it has a level of knowledge and sophistication (either alone or with the assistance of separate legal counsel) necessary to provide its informed consent and waiver as contemplated hereby, without additional guidance or information from RBH, (vi) waives any right to disqualify RBH from representing the other Lead Purchaser in the Financing, (vii) acknowledges that it has been afforded the opportunity to engage and seek the advice of separate legal counsel before providing such informed consent and waiver, and (viii) acknowledges that other events may occur in the future that require RBH to withdraw from further representation of either Lead Purchaser.

(b) Notwithstanding any existing or prior attorney-client relationship with RBH, each Purchaser, other than the Lead Purchasers, hereby (i) acknowledges that RBH does not represent and is not providing lead advice to such Purchaser in connection with the Financing, (ii) approves and gives its informed consent to RBH's joint representation of the Lead Investors in the Financing, (ii) waives any and all existing and potential conflicts of interest associated with such joint representation, (iii) represents that it has a level of knowledge and sophistication (either alone or with the assistance of separate legal counsel) necessary to provide its informed consent

and waiver as contemplated hereby, without additional guidance or information from RBH, and (iv) acknowledges that it has been afforded the opportunity to engage and seek the advice of separate legal counsel before providing such informed consent and waiver.

7.18 No Commitment for Additional Financing . The Company acknowledges and agrees that no Purchaser has made any representation, undertaking, commitment or agreement to provide or assist the Company in obtaining any financing, investment or other assistance, other than the purchase of the Shares as set forth herein and subject to the conditions set forth herein. In addition, the Company acknowledges and agrees that (i) no statements, whether written or oral, made by any Purchaser or its representatives on or prior to the date of this Agreement shall create an obligation, commitment or agreement to provide or assist the Company in obtaining any financing or investment, (ii) the Company shall not rely on any such statement by any Purchaser or its representatives and (iii) an obligation, commitment or agreement to provide or assist the Company in obtaining any financing or investment may only be created by a written agreement, signed by such Purchaser and the Company, setting forth the terms and conditions of such financing or investment and stating that the parties intend for such writing to be a binding obligation or agreement. Each Purchaser shall have the right, in it sole and absolute discretion, to refuse or decline to participate in any other financing of or investment in the Company, and shall have no obligation to assist or cooperate with the Company in obtaining any financing, investment or other assistance.

7.19 No Cross Defaults or Actions Against Licensor. Each Financial Purchaser agrees for the benefit of Licensor that (i) Licensor, its parent companies and affiliates ("***Licensor Parties***") have not made any guarantees or other promises to financially support the Company or to provide any other support or promises to the Company, except only as set forth in the Spinout Agreements and for the obligations by Licensor under this Agreement, (ii) such Financial Purchaser is not a third party beneficiary under the Spinout Agreements, (iii) the Licensor Parties are not in any way responsible for the Company's success or lack thereof or the accuracy or inaccuracy of its representations or performance or non-performance of its agreements hereunder or under the Related Agreements, (iv) such Financial Purchaser has not received and is not relying on any assurances or representations by or on behalf of the Licensor Parties and (v) such Financial Purchaser hereby fully and unconditionally releases, waives and promises not to sue Licensor Parties for any matter, claim, liability or damage now existing or hereafter arising under or in connection with the Spinout Agreements, the transactions contemplated thereby or this Agreement or the Licensor Parties' alleged or actual actions or omissions thereunder or hereunder. The Company and each Financial Purchaser agrees that a breach by Licensor under any Spinout Agreement is not and shall not be deemed a breach hereunder or under any Related Agreement.

7.20 Principles of Construction. In this Agreement, the Investor Rights Agreement, the Co-Sale and the Voting Agreement and all Schedules thereto, unless otherwise expressly indicated or required by the context:

(a) reference to and the definition of any document shall be deemed a reference to such document as it may be amended, supplemented, revised, or modified, in writing, from time to time but disregarding any amendment, supplement, replacement or novation made in breach of this Agreement;

(b) reference to any statute, decree or regulation shall be construed as a reference to such statute, law, decree or regulation as re-enacted, redesignated, amended or extended from time to time;

(c) the words "including" or "includes" shall be deemed to mean "including without limitation" and "including but not limited to" (or "includes without limitation" and "includes but is not limited to") regardless of whether the words "without limitation" or "but not limited to" actually follow the term; and

(d) the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement or Schedules shall refer to this Agreement and its Schedules as a whole and not to any particular provision hereof or thereof, as the case may be.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed the **SERIES SEED CONVERTIBLE PREFERRED STOCK PURCHASE AGREEMENT** as of the date set forth in the first paragraph hereof.

THE COMPANY:

SIFT MEDIA, INC.

By: /s/ Judson S. Bowman
Judson S. Bowman, President and Chief Executive Officer

Address: 621 Sugarberry Road,
Chapel Hill, NC 27514

LICENSOR:

DIGITAL TURBINE MEDIA, INC.

By: /s/ William G. Stone III
Print Name: William G. Stone III
Title: CEO

List Of Exhibits

Schedule of Purchasers Exhibit A

Amended and Restated Certificate of Incorporation Exhibit B

Investor Rights Agreement Exhibit C

Right of First Refusal and Co-Sale Agreement Exhibit D

Voting Agreement Exhibit E

Management Rights Letter Exhibit F

Director Indemnification Agreements Exhibit G

Capitalization Table Exhibit H

Proprietary Information and Inventions Agreement Exhibit I

Operating Budget Exhibit J

Form of Legal Opinion Exhibit K

Employment Agreement Exhibit L

Intellectual Property License Agreement Exhibit M

Publisher Agreement Exhibit N

Services Agreement Exhibit O

Wire Transfer Instructions Exhibit P

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated as of December 28, 2015 (the "Effective Date"), is made and entered into by and between SIFT MEDIA, INC., a Delaware corporation (the "Company"), and JUDSON S. BOWMAN ("Executive").

W I T N E S S E T H:

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises, the mutual agreements set forth herein and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereby agree as follows:

1. Employment. The Company hereby employs Executive, and Executive accepts such employment and agrees to perform services for the Company, for the period and upon the other terms and conditions set forth in this Agreement.

2. Position and Duties.

(a) Service with the Company. During the Term (as hereinafter defined), Executive agrees to serve as the President and Chief Executive Officer of the Company. In his capacity as the President and Chief Executive Officer, Executive shall report to the Board of Directors of the Company (the "Board") and shall have the powers, responsibilities and authorities of president and chief executive officer of corporations of the size, type and nature of the Company, as it exists from time to time, and as are assigned by the Board consistent with Executive's position. Executive's services pursuant to this Agreement shall be performed primarily in Durham, North Carolina, or at such other locations as the Company and Executive may agree upon from time to time.

(b) Performance of Duties. Executive agrees to serve the Company faithfully and to perform Executive's duties and responsibilities to the best of Executive's abilities in a reasonably diligent, trustworthy, businesslike and efficient manner. Executive further agrees to devote all of his business time, attention and efforts to the business and affairs of the Company during the Term, except for vacations, authorized leaves of absence and holidays; provided, however, that Executive may engage in other activities, such as activities involving governmental, charitable, educational, religious and similar types of organizations, membership on the board of directors of other organizations (as the Company may from time to time reasonably agree to), and similar type activities to the extent that such other activities do not inhibit or prohibit the performance of his duties under this Agreement, or conflict in any material way with the business of the Company and its subsidiaries. Executive hereby confirms that he is under no contractual commitment inconsistent with his obligations set forth in this Agreement, and that, during the Term, he will not render or perform services for any other corporation, firm, entity or person that are inconsistent with the provisions of this Agreement.

(c) Board Position. Upon the execution of that certain Voting Agreement between the Company, the Executive and certain of the Company's other stockholders (the "Voting Agreement"), the Company shall comply with its obligations under the Voting Agreement.

3. Compensation.

(a) Base Compensation. During the Term, Executive's base salary shall be paid at a rate of $200,000 per annum (as may be adjusted from time to time, "Base Salary"), which Base Salary shall be paid in regular installments in accordance with the Company's general payroll practices, including those related to taxes and other withholdings required or allowed by law, but shall be payable not less frequently than monthly. The amount of the Base Salary payable to Executive may be increased in the sole discretion of the Board of Directors of the Company (the "Board") or the Compensation Committee of the Board (the "Compensation Committee") following an annual performance review but such Base Salary shall not be less than $200,000. Notwithstanding the foregoing, the Base Salary may be reduced if the Board approves and implements an equal percentage reduction in the base salaries of all of the Company's employees.

(b) Participation in Benefits Plans. During the Term, Executive shall be eligible to participate in all of the Company's benefit plans or programs that have been established for employees of the Company, to the extent that Executive meets the requirements for each individual plan. The Company provides no assurances as to the adoption or continuance of any particular benefit plan or program, and Executive's participation in any such plan or program shall be subject to the terms, provisions, rules and regulations applicable thereto. The Company reserves the right to terminate any benefit plan or program, and to amend, modify or change the terms and conditions of any benefit plan or program at any time in its discretion.

(c) Expenses. During the Term, the Company shall reimburse Executive for all reasonable and necessary out-of-pocket expenses incurred by Executive in the performance of his duties under this Agreement in accordance with the Company's customary and normal practices, subject to the presentment of appropriate vouchers in accordance with the Company's normal policies for expense verification. Company shall reimburse the Executive for all reasonable dues of professional associations and organizations to which Executive belongs. Company shall reimburse Executive for all costs relating to Executive's cell phone and all cell phone usage charges.

(d) Bonuses. Commencing with calendar year 2016, Executive shall be eligible to be considered for an annual discretionary cash bonus of up to fifty percent (50%) of his Base Salary (the "Target Bonus"). On or prior to March 1 of each calendar year, the Compensation Committee (excluding Executive if Executive serves on such Committee) shall determine the factors upon which Executive shall be evaluated during such calendar year, whether Executive is entitled to receive a cash bonus for his performance during the prior calendar year, and the amount of such bonus, if any. A bonus may be earned if the Compensation Committee determines that Executive achieved at least seventy percent (70%) of Executive's bonus objectives for such calendar year. In no event shall Executive receive a bonus that exceeds one hundred twenty percent (120%) of Executive's Target Bonus. If Executive is awarded a cash bonus for his performance during any calendar year, such cash bonus shall be paid to Executive immediately following the Company's receipt of audited financials for such calendar year or other payment schedule as approved by the

Board or Compensation Committee. Executive acknowledges and agrees that the Company does not accrue any bonus payments for purposes of this Section 3(d) or Section 4(e) and a bonus is only payable upon termination if Executive provided services to the Company for the entire calendar year preceding the year in which Executive's termination occurred, the Compensation Committee (excluding Executive if Executive serves on such Committee) determines that Executive is entitled to receive a bonus for the calendar year preceding the year in which Executive's termination occurred and such bonus was not paid prior to the date of termination.

(e) Paid Time Off. During the Term, Executive shall be entitled to such paid time off as is consistent with the Company's vacation and sick leave policies approved by the Board or Compensation Committee that are in effect from time to time.

4. Term.

(a) Duration of Employment. This Agreement shall be deemed to have commenced on the Effective Date, and unless it is terminated earlier in the manner provided in this Agreement, shall continue for a term of three (3) years and, unless notice has been provided as set forth in the following sentence, shall be automatically renewed for successive two (2) year terms following the initial three (3) year term (the "Term"). Not later than ninety (90) days prior to the final day of the then current term, either party shall have the right to provide written notice of his or its intention to have the Agreement expire at the end of the then pending term without automatic renewal.

(b) Termination. Notwithstanding the foregoing, Executive's employment hereunder shall terminate prior to the expiration of the Term in the event that at any time during such Term:

(i) Executive dies;

(ii) Executive becomes Disabled (as hereinafter defined);

(iii) The Board elects to terminate this Agreement for Cause (as hereinafter defined) and notifies Executive in writing of such election;

(iv) The Board elects to terminate this Agreement without Cause and notifies Executive in writing of such election;

(v) Executive elects to terminate this Agreement for Good Reason (as hereinafter defined) and notifies the Company in writing of such election; or

(vi) Executive elects to terminate this Agreement without Good Reason and notifies the Company in writing of such election.

If this Agreement is terminated pursuant to clause (i), (ii), (iii), (iv) or (v) of this Section 4(b), such termination shall be effective immediately. If this Agreement is terminated pursuant to clause (vi) of this Section 4(b), such termination shall be effective sixty (60) days after

delivery of the notice of termination; provided, however, that the Company shall have the right to accelerate the effective date of such termination in its sole discretion.

(c) Effect of Termination. Notwithstanding any termination of this Agreement, Executive, in consideration of his employment hereunder, shall remain bound by the provisions of this Agreement which specifically relate to periods, activities or obligations upon or subsequent to the termination of Executive's employment.

(d) Surrender of Records and Property. Immediately upon termination of Executive's employment with the Company, or upon such other schedule as the Company shall approve in writing, Executive shall deliver promptly to the Company all records, manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, data, tables, calculations or copies thereof that relate in any way to the business, products, practices or techniques of the Company or any of its Affiliates (as hereinafter defined), and all other property, trade secrets and confidential information of the Company or any of its Affiliates, including, but not limited to, all documents that in whole or in part contain any trade secrets or confidential information of the Company or any of its Affiliates, which in any of these cases are in Executive's possession or under Executive's control.

(e) Compensation Payable to Executive on Termination. The rights of Executive to compensation upon termination of employment are as follows:

(i) In the case of the expiration of the Term in accordance with Section 4(a), Company shall pay to Executive any salary, bonus and benefits accrued through the date of expiration of the Agreement.

(ii) If Executive dies, the Company shall pay to Executive's beneficiary or beneficiaries designated in writing to Company, or to Executive's estate in the absence or lapse of such designation, the Base Salary, as in effect at the date of Executive's death, through the last day of the month in which death occurred and any accrued bonus and benefits as of the last day of the month in which death occurred.

(iii) If Executive becomes Disabled, Company shall pay to Executive the Base Salary, as in effect on the date Executive becomes Disabled, through the last day of the month in which it is determined that Executive is Disabled and any accrued bonus and benefits as of the last day of the month in which Executive became Disabled.

(iv) If Executive's employment is terminated for Cause in accordance with Section 4(b)(iii), the Company's only obligation to Executive shall be payment of the Base Salary and any bonuses or benefits accrued on the date on which such termination occurs.

(v) If Executive's employment is terminated without Cause in accordance with Section 4(b)(iv) or for Good Reason in accordance with Section 4

(b)(v), (A) the Executive shall be entitled to receive a single lump sum payment equal to Executive's monthly Base Salary for the Severance Period (regardless of the number of months left in the Term), (B) the Company shall continue to provide to the Executive at its cost and expense health, medical, disability and life insurance benefits at substantially the same level of benefits as the Executive has at the date of termination of employment for the Severance Period following the date of termination, and (C) as applicable, (1) if termination occurs on or prior to the 6 month anniversary of the Effective Date, 25% of all of the options to purchase Company stock issued to Executive after the date of this Agreement (including for this purpose all of such options that had previously vested) shall be immediately vested and exercisable and 25% of all of the restricted stock held by Executive (including for this purpose all of such restricted stock that had previously vested) shall be immediately vested, or (2) if termination occurs after the 6 month anniversary of the Effective Date, (a) if less than 50% of all of the options to purchase Company stock issued to Executive after the date of this Agreement have vested, 50% of all of the options to purchase Company stock issued to Executive after the date of this Agreement (including for this purpose all of such options that had previously vested) shall be immediately vested and exercisable, and (b) if less than 50% of all restricted stock held by Executive have vested, 50% of all restricted stock held by Executive (including for this purpose all of such restricted stock that had previously vested) shall be immediately vested; provided, however, that this Section 4(e)(v) shall not become effective unless and until Executive executes and delivers a general release in favor of the Company of any and all liability that the Company and its officers, directors, employees, consultants, subsidiaries and affiliates may have to Executive in connection with this Agreement, Executive's employment with the Company and Executive's termination, which release shall be in form and substance reasonably acceptable to the Company.

(vi) If Executive's employment is terminated without Good Reason in accordance with Section 4(b)(vi), the Company's only obligation to Executive shall be payment of the Base Salary and any accrued bonuses or benefits on the date on which such termination occurs.

5. Confidential Information. Except as permitted or directed by the Company's Board, during the Term or at any time thereafter, Executive shall not divulge, furnish or make accessible to anyone or use in any way (other than in the ordinary course of the business of the Company or any of its Affiliates) any confidential or secret knowledge or information of the Company or any of its Affiliates that Executive has acquired or become acquainted with or will acquire or become acquainted with prior to the termination of the period of his employment by the Company (including employment by the Company or any Affiliates of the Company prior to the date of this Agreement), whether developed by himself or by others concerning (i) any trade secrets, confidential or secret designs, processes, formulae, plans, devices or material (whether or not patented or patentable) of the Company or any of its Affiliates; (ii) any customer or supplier lists of the Company or any of its Affiliates; (iii) any confidential or secret development or research work of the Company or any of its Affiliates; or (iv) any other confidential information or secret aspects of the business of the

Company or any of its Affiliates. Executive acknowledges that the above-described knowledge or information constitutes a unique and valuable asset of the Company and represents a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. Both during and after the Term, Executive will refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company or any of its Affiliates. The foregoing obligations of confidentiality shall not apply to any knowledge or information that is now published or which subsequently becomes generally publicly known in the form in which it was obtained by Executive, other than as a direct or indirect result of the breach of this Agreement by Executive.

6. Non-Competition Commitment.

(a) Acknowledgements. Executive acknowledges and agrees that the Company conducts, directs, offers and actively develops Business and relationships related to Business all over the world, and intends to continue to do so for the duration of Executive's employment, and that Executive expects to be fully integrated into the Company's Business all over the world, and therefore will be entrusted with highly sensitive and valuable information and relationships related to the Company's Business all over the world. As a result, Executive acknowledges and agrees that the Company has and should have a legitimate protectable interest in protecting its Business all over the world by preventing Executive from competing with the Company with respect to the Business all over the world or using the information and relationships that he is exposed to as a result of his employment by the Company to compete with the Company with respect to the Business all over the world.

(b) Covenant Not to Compete. In light of his acknowledgement above, and as a material inducement for Company to employ him hereunder, Executive agrees that, during the period of this Agreement, and for a period of eighteen (18) months following the termination of Executive's employment with the Company (the "Non-Competition Period"), he shall not, either for the benefit of himself or for the benefit of any other person, firm, corporation, governmental or private entity, without the prior written consent of the Company, which consent may be withheld by the Company, in its sole discretion, compete with the Business (as hereinafter defined) of the Company in the Territory (as hereinafter defined) in any manner or capacity through any form of ownership or as an advisor, principal, agent, consultant, partner, joint venturer, officer, director, stockholder, lender, executive, or member of any association engaged in the Business. The Company may at any time in its sole discretion upon the vote of its Board (including the affirmative approval of one of the Series Seed Designees (as defined in the Company's Amended and Restated Certificate of Incorporation, as amended)) followed by written notice to Executive elect to reduce the Non-Competition Period following the termination of Executive's employment with the Company.

(c) Agreement Not To Interfere. During the Non-Competition Period, Executive agrees that he will not take any action the intent or effect of which is to interfere with any relationships related to the Business between the Company and any of its suppliers, vendors, clients, customers or any other business relation, and he will not induce or attempt to induce any such business relations to withdraw, curtail or cease doing business with the Company. He further agrees that he will not

take any action the intent or effect of which is to interfere with any relationships related to the Business between any subsidiary or Affiliate of the Company and any of their suppliers, vendors, clients, customers or any other business relations with whom the Employee has had business contact, and he will not induce or attempt to induce any such business relations to withdraw, curtail or cease doing business with the Company or any subsidiary or affiliate of the Company, as applicable.

(d) Non-solicitation Agreement. During the Non-Competition Period, Executive further agrees that he will not, directly or indirectly, induce or attempt to induce any employee, consultant or independent contractor of the Company or any subsidiary or Affiliate of the Company to leave the employ or service of the Company or any subsidiary or Affiliate of the Company, as applicable.

(e) Reasonableness of Covenants. Executive hereby acknowledges that the Territory, scope of prohibited activities and the time duration of the provisions of this Section 6 are reasonable and are no broader than necessary to protect the legitimate business interests of Company.

(f) Indirect Competition. Executive further agrees that, during the Non-Competition Period, he will not, assist or encourage any other person in carrying out, any activity that would be prohibited by the foregoing provisions of this Section 6 if such activity were carried out by Executive.

(g) Limitation on Covenant. Ownership by Executive, as a passive investment, of less than five percent (5%) of the outstanding shares of capital stock, outstanding debt instruments or other securities convertible into capital stock or debt instruments of any corporation listed on a national securities exchange or publicly traded on any nationally recognized over-the-counter market shall not constitute a breach of this Section 6.

7. Settlement of Disputes.

(a) Arbitration. Except as provided in Section 7(c), any claims or disputes of any nature between the Company and Executive arising from or related to the performance, breach, termination, expiration, application or meaning of this Agreement or any matter relating to Executive's employment or the termination of that employment by the Company shall be resolved exclusively by arbitration in Durham, North Carolina, in accordance with the Commercial Arbitration Rules then existing of the American Arbitration Association. In the event of submission of any dispute to arbitration, each party shall, not later than thirty (30) days prior to the date set for hearing, provide to the other party and to the arbitrator(s) a copy of all exhibits upon which the party intends to rely at the hearing and a list of all persons each party intends to call at the hearing. The fees of the arbitrator(s) and other costs incurred by Executive and the Company in connection with such arbitration shall be paid by the party who or which is unsuccessful in such arbitration.

(b) Binding Effect. The decision of the arbitrator(s) shall be final and binding upon all parties. Judgment of the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

(c) Resolution of Certain Claims-Injunctive Relief. Section 7(a) shall have no application to claims by the Company asserting a violation of Section 4(d), 5 or 6 or seeking to enforce, by injunction or otherwise, the terms of Section 4(d), 5 or 6. Such claims may be maintained by the Company in a lawsuit subject to the terms of Section 7(d). Executive acknowledges that it would be difficult to fully compensate the Company for damages resulting from any breach by him of the provisions of this Agreement. Accordingly, Executive agrees that, in addition to, but not to the exclusion of any other available remedy, the Company shall have the right to enforce the provisions of Section 4(d), 5 or 6 by applying for and obtaining temporary and permanent restraining orders or injunctions from a court of competent jurisdiction without the necessity of filing a bond therefore, and without the necessity of proving actual damages, and the Company shall be entitled to recover from Executive its reasonable attorneys' fees and costs incurred in enforcing the provisions of Section 4(d), 5 or 6.

(d) Venue. Any action at law, suit in equity or judicial proceeding arising directly, indirectly, or otherwise in connection with, out of, related to or from this Agreement, or any provision hereof, that is not required to be submitted to arbitration pursuant to section 7(a) shall be litigated only in the courts of the State of North Carolina. Executive and the Company consent to the jurisdiction of such courts over the subject matter set forth in Section 7(c). Executive waives any right Executive may have to transfer or change the venue of any litigation brought against Executive by the Company.

8. Representations.

(a) Executive's Representations. Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which Executive is bound, (ii) Executive is not a party to or bound by any employment agreement, covenant not to compete or confidentiality agreement with any other person or entity other than Digital Turbine Media, Inc., a copy of which has been provided to the Company, and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms.

(b) Company's Representations. Company hereby represents and warrants to Executive that (i) the execution, delivery and performance of this Agreement by the Company does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment, or decree to which the Company is a party or by which the Company is bound, and (ii) upon the execution and delivery of this Agreement by Executive, this Agreement shall be the valid and binding obligation of the Company, enforceable in accordance with its terms.

9. Inventions. Executive acknowledges that he has executed and delivered to the Company the Company's standard Non-Disclosure, Non-Solicitation and Inventions Assignment Agreement.

10. Miscellaneous.

(a) Definitions. For purposes of this Agreement, the following definitions shall apply:

(i) "Affiliate" means, with respect to a person or entity, any person or entity controlled by, controlling or under common control with such person or entity, or any member of the immediate family, including parents, spouse, children or siblings, of such person.

(ii) "Business" means the business of real time bidding and programmatic advertising, and the ownership of equity or debt of entities that conduct any of such activities (excluding however the ownership of debt and equity securities of Digital Media, Inc. and any affiliates thereof, and the ownership of debt or equity securities of any entity whose securities are publicly traded).

(iii) "Cause" means: (A) Executive has breached a material provision of this Agreement, the Company's Non-Disclosure, Non-Solicitation and Inventions Assignment Agreement, the Restricted Stock Purchase Agreement or any other agreement between the Company and Executive; (B) Executive has committed fraud, misappropriation or embezzlement in connection with the Company's business or has otherwise breached his fiduciary duty to the Company; (C) Executive has been convicted of or has pleaded guilty or *nolo contendere* to, any act constituting a felony under the laws of any state or of the United States of America or involving dishonesty; or (D) Executive continues to fail to carry out his duties in accordance with the reasonable directions of the Board. Prior to any termination for Cause pursuant to (A) or (D) above, to the extent such breach or failure is capable of being cured by Executive, (i) the Company shall give the Executive written notice of such event(s), which notice shall specify in reasonable detail the circumstances constituting Cause, and (ii) there shall be no Cause with respect to any such event(s) if the Board (excluding the Executive) determines in good faith that such events have been cured by Executive within thirty (30) days after the delivery of such notice.

(iv) "Disabled" means any mental or physical condition that renders Executive unable to perform the essential functions of his position, with or without reasonable accommodation, as is consistent with the Americans with Disabilities Act and the Family and Medical Leave Act, for a period in excess of ninety (90) consecutive days or more than 120 days during any period of 365 calendar days.

(v) "EBITDA" means, for any period, for the Company and its wholly-owned subsidiaries on a consolidated basis, without duplication, an amount equal to net income for such period plus the following to the extent deducted in calculating such net income: (a) interest charges for such period, (b) the provision for federal, state, local and foreign income taxes actually paid for such period, (c) depreciation and amortization expense for such period, and (d) non-cash charges during such period, except to the extent such charges are accounted for as reserves for future

cash charges (and minus, non-cash income during such period excluding any non-cash income to the extent that it represents cash receipts in any future period), without duplication, and as determined in accordance with generally accepted accounting standards.

(vi) "Good Reason" means a termination of the Executive's employment by the Executive within 90 days following (A) any involuntary reduction in Base Salary as provided in Section 3(a) hereof (that (1) does not correspond to any material change or reduction in the duties of Executive which is at the request or consent of Executive or (2) is not made in connection with an equal percentage reduction in the base salaries of all of the Company's employees); (B) any non-consensual material reduction in benefits as provided in Section 3 hereof (that (1) does not correspond to any material change or reduction in the duties of Executive which is at the request or consent of Executive or (2) is not made in connection with a reduction in benefits of all of the Company's employees); (C) any involuntary material change in the title or duties of Executive; (D) any non-consensual required relocation of Executive's principal place of employment beyond a sixty mile radius of the Executive's then principal place of employment that is permanent or lasts for longer than twelve months; or (E) if at any time during the Term of this Agreement the Board fails, without Executive's consent, to elect or reelect Executive as President and Chief Executive Officer of the Company, or removes Executive from such office without Cause, or if at any time during the Term of this Agreement, Executive shall fail to be vested by the Board of Company with the power and authority of President and Chief Executive Officer of Company, or if at any time during the Term of this Agreement, Executive is not elected or reelected as a member of the Board of the Company or is removed from such directorship without Executive's consent. Prior to any termination for Good Reason under (A), (B), (C) or (D) above, (A) the Executive shall first provide the Board with written notice, setting forth in reasonable detail the circumstances that the Executive believes exist that give rise to Good Reason for resignation, and (B) there shall be no Good Reason for resignation with respect to any circumstances if Executive determines in good faith that such circumstances have been cured by the Company within thirty (30) days after the delivery of such notice. Notwithstanding the foregoing, any actions taken by the Company to accommodate a disability of the Executive or pursuant to the Family and Medical Leave Act shall not be a Good Reason for purposes of this Agreement.

(vii) "Severance Period" means (A) six (6) months, or (B) after the Company (1) achieves positive EBITDA for a fiscal quarter or (2) receives gross proceeds from the sale of its equity securities of at least Ten Million Dollars ($10,000,000) excluding the sale of the Company's Series Seed Preferred Stock, twelve (12) months.

(viii) "Territory" means the geographic area in or to which the Executive conducted, directed, offered or actively developed Business or relationships related to the Business on behalf of the Company during the twelve (12) months prior to

the end of Executive's employment. **The Executive acknowledges and agrees that he and the Company fully expect that the Executive will conduct, direct, offer and actively develop Business and relationships related to the Business of the Company all over the world**. Therefore, the Executive and the Company agree that the restricted Territory, as narrowly tailored to the Executive's actual conduct of Business on behalf of the Company, will include (1) the world, or (2) if a court of competent jurisdiction determines the foregoing to be unenforceable, the countries of Europe and North America, or (3) if a court of competent jurisdiction determines the foregoing to be unenforceable, any country, state, county and other legal jurisdiction in which the Executive engaged in the Business on behalf of the Company during the twelve (12) months prior to the end of Executive's employment the Company , or (4) if a court of competent jurisdiction determines the foregoing to be unenforceable, the United States of America, or (5) if a court of competent jurisdiction determines the foregoing to be unenforceable, any State in the United States of America in which the Executive engaged in the Business on behalf of the Company during the twelve (12) months prior to the end of Executive's employment , or (6) if a court of competent jurisdiction determines the foregoing to be unenforceable, the State of North Carolina, or (7) if a court of competent jurisdiction determines the foregoing to be unenforceable, the Counties of Durham, Orange and Wake in the State of North Carolina or (8) if a court of competent jurisdiction determines the foregoing to be unenforceable, any County in the State of North Carolina in which the Executive engaged in the Business on behalf of the Company during the twelve (12) months prior to the end of Executive's employment.

(b) Entire Agreement. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and supersedes any prior understandings, agreements or representations, written or oral, relating to the subject matter hereof.

(c) Counterparts. This Agreement may be executed in separate counterparts, each of which will be an original and all of which taken together shall constitute one and the same agreement, and any party hereto may execute this Agreement by signing any such counterpart.

(d) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable under any applicable law or rule, the validity, legality and enforceability of any other provision of this Agreement will not be affected or impaired thereby.

(e) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives and, to the extent permitted by Section 10(f), successors and assigns.

(f) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable (including by operation of law) by either party without the prior written consent of the other party to this Agreement, except that the Company may, without the consent of Executive, assign its rights and obligations under this

Agreement to any corporation, firm or other business entity with or into which the Company may merge or consolidate, or to which the Company may sell or transfer all or substantially all of its assets. After any such assignment by the Company, the Company shall be discharged from all further liability hereunder and such assignee shall thereafter be deemed to be the Company for the purposes of all provisions of this Agreement including this Section 10.

(g) Modification, Amendment, Waiver or Termination . No provision of this Agreement may be modified, amended, waived or terminated except by an instrument in writing signed by the parties to this Agreement. No course of dealing between the parties will modify, amend, waive or terminate any provision of this Agreement or any rights or obligations of any party under or by reason of this Agreement. No delay on the part of the Company in exercising any right hereunder shall operate as a waiver of such right. No waiver, express or implied, by the Company of any right or any breach by Executive shall constitute a waiver of any other right or breach by Executive.

(h) Notices. All notices, consents, requests, instructions, approvals or other communications provided for herein shall be in writing and delivered by personal delivery, overnight courier, mail, electronic facsimile or e-mail addressed to the receiving party at the address set forth herein. All such communications shall be effective when received.

Notices to Executive:

Judson S. Bowman
621 Sugarberry Road
Chapel Hill, NC 27514

Notices to Company:

Sift Media, Inc.
621 Sugarberry Road
Chapel Hill, NC 27514
Attn: Secretary

Any party may change the address set forth above by notice to each other party given as provided herein.

(i) Headings. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

(j) Governing Law. All matters relating to the interpretation, construction, validity and enforcement of this agreement shall be governed by the internal laws of the State of North Carolina, without giving effect to any choice of law provisions thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the date set forth in the first paragraph.

COMPANY:

By: __/s/ Slawek Pruchnik_
Name: Slawek Pruchnik
Title: Vice President of Technology and Secretary

EXECUTIVE:

__/s/ Judson S. Bowman____
JUDSON S. BOWMAN

RESTRICTED STOCK PURCHASE AGREEMENT

THIS RESTRICTED STOCK PURCHASE AGREEMENT (the "Agreement"), dated as of December 28, 2015 (the "Effective Date"), by and between Sift Media, Inc., a Delaware corporation (the "Company"), and Judson S. Bowman (the "Purchaser").

RECITALS

WHEREAS, the Purchaser has offered to purchase certain shares of the Company's common stock, $0.001 par value per share (the "Common Stock"), on the terms and conditions hereinafter set forth; and

WHEREAS, the Board of Directors of the Company has determined that it is in the best interests of the Company to accept the offer of the Purchaser to purchase certain shares of the Company's Common Stock on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises, which are incorporated into and made part of this Agreement, and of the mutual representations, warranties, covenants, agreements and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Sale and Purchase of Shares. Subject to the terms and conditions of this Agreement, the Company shall sell and issue to the Purchaser, and the Purchaser shall purchase from the Company, 5,311,000 shares of Common Stock (the "Restricted Shares") at a purchase price of $0.0112973 per share. The Restricted Shares shall be subject to the repurchase option set forth in Section 2 of this Agreement. On the date hereof, the Purchaser shall pay the purchase price of the Restricted Shares in cash or by check and, upon receipt of the purchase price of the Restricted Shares, the Company shall deliver to the Purchaser one certificate representing the Restricted Shares.

2. Repurchase Options.

(a) Termination of Employment. In the event that the Purchaser's employment with the Company is terminated prior to December 28, 2019, for any reason, or no reason, with or without cause, the Company shall have the right and option, for a period of sixty (60) days next following the effective date of such termination, to repurchase from the Purchaser, at a price of $0.0112973 per share payable in cash or by check, any or all of the number of Restricted Shares set forth on Schedule A attached hereto and made a part hereof.

(b) Accelerated Expiration of Repurchase Option Upon Termination Without Cause or For Good Reason. Notwithstanding the provisions of Section 2(a), the Company's right to repurchase any of the Restricted Shares then subject to repurchase by the Company pursuant to Section 2(a) shall expire and be of no further force or effect if Purchaser's employment is terminated without Cause in accordance with Section 4(b)(iv) of that certain Employment Agreement between Purchaser and the Company dated on the date hereof (the "Employment Agreement") or for Good Reason in accordance with Section 4(b)(v) of the

Employment Agreement, as follows, (i) if such termination occurs on or prior to the 6 month anniversary of the Effective Date, the repurchase right with respect to 25% of all of the Restricted Shares held by Executive (including for this purpose all of such Restricted Shares with respect to which the repurchase right had previously expired as set forth on Schedule A as a result of the passage of time) shall expire and be of no further force or effect, or (ii) if such termination occurs after the 6 month anniversary of the Effective Date, and if the repurchase right with respect to less than 50% of all of the Restricted Shares held by Executive have expired as set forth on Schedule A as a result of the passage of time, 50% of all of the Restricted Shares held by Executive (including for this purpose all of such Restricted Shares with respect to which the repurchase right had previously expired as set forth on Schedule A as a result of the passage of time) shall expire and be of no further force or effect; provided, however, that this Section 2(b) shall not become effective unless and until Purchaser executes and delivers a general release in favor of the Company of any and all liability that the Company and its officers, directors, employees, consultants, subsidiaries and affiliates may have to Purchaser in connection with this Agreement, the Employment Agreement, Purchaser's employment with the Company and Purchaser's termination, which release shall be in form and substance reasonably acceptable to the Company.

(c) Accelerated Expiration of Repurchase Right upon Change of Control. Notwithstanding the provisions of Section 2(a), the Company's right to repurchase all of the Restricted Shares then subject to repurchase by the Company pursuant to Section 2(a) shall expire and be of no further force or effect upon the occurrence of a Change of Control. For the purposes herein, a "Change of Control" shall be deemed to have occurred on the earliest of the following dates: (i) the date on which any entity or person, other than an entity or person who was a beneficial owner of the Company's securities on the Effective Date, becomes the beneficial owner of more than fifty percent (50%) of the outstanding Common Stock, calculated on a fully-diluted, as-converted basis, by means of a purchase or acquisition of the Company's securities from one or more stockholders of the Company, whether by tender offer or otherwise; (ii) the date on which the Company consummates a merger, share exchange, consolidation or reorganization that results in the stockholders of the Company immediately prior to such event holding securities or other rights immediately after such event that represent less than fifty percent (50%) of the voting power and equity ownership of the surviving, acquiring or successor entity, or of the parent entity of the surviving, acquiring or successor entity; or (iii) the date on which the Company consummates a sale or other transfer of all or substantially all of its assets to another entity or person unless (A) such entity or person is a subsidiary or parent of the Company or (B) the stockholders of the Company hold securities or other rights that represent at least fifty percent (50%) of the voting power and equity ownership of such entity or person.

3. Closing. The closing of any repurchase of Restricted Shares pursuant to Section 2 hereof shall be held at the principal office of the Company on a date selected by the Company but not later than the sixtieth (60^{th}) day next following the occurrence of any event giving rise to the Company's right to repurchase such Restricted Shares. At the closing, the Purchaser shall deliver certificates representing the Restricted Shares being repurchased, duly endorsed for transfer, and shall execute and deliver such other documents as may be reasonably requested by the Company

to effectuate the repurchase of the Restricted Shares against payment by cash or check of the repurchase price of such Restricted Shares. The Restricted Shares shall be transferred free and clear of all security interests, liens, encumbrances, restrictions and other claims or charges of any kind whatsoever.

4. Restrictive Legends.

(a) Securities Act Legend. Certificates representing the Restricted Shares shall bear the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER ANY STATE SECURITIES LAW AND MAY NOT BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR TRANSFERRED UNLESS THERE EXISTS AN EFFECTIVE REGISTRATION STATEMENT THEREFOR UNDER THE ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR THE ISSUER HEREOF HAS RECEIVED AN OPINION OF COUNSEL, REASONABLY ACCEPTABLE TO THE ISSUER, THAT SUCH SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR TRANSFER IS EXEMPT FROM REGISTRATION.

(b) Repurchase Legend. Certificates representing the Restricted Shares shall bear the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO REPURCHASE BY THE ISSUER UPON THE OCCURRENCE OF CERTAIN EVENTS SET FORTH IN THAT CERTAIN RESTRICTED STOCK PURCHASE AGREEMENT BY AND BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF SUCH SHARES.

(c) Other Legends. Certificates representing the Restricted Shares shall bear any other legend(s) required by any applicable federal or state securities law or by any other agreement to which the holder thereof is a party or by which the holder thereof is bound.

5. Representations and Warranties of Purchaser. The Purchaser represents and warrants as follows:

(a) The Restricted Shares are being acquired by the Purchaser for investment and not with a view to the sale or other distribution of the Restricted Shares and the Purchaser has no present intention of selling or otherwise disposing of the Restricted Shares.

(b) The Purchaser is acquiring the Restricted Shares for his own account and not for the beneficial interest of any other person or party.

(c) The Purchaser is an "accredited investor" as defined by the Securities Act of 1933, as amended (the "Act").

(d) The Purchaser's address is as set forth in Section 10 of this Agreement.

(e) The Purchaser has such knowledge and experience in financial and business matters that the Purchaser is capable of evaluating the merits and risks of the purchase of the Restricted Shares, is able to bear the economic risk of the Restricted Shares and is prepared to hold the Restricted Shares for an indefinite period of time.

(f) The Purchaser has had access to all information regarding the Company and its present and prospective business, assets, liabilities and financial condition that the Purchaser considers important to making the decision to purchase the Restricted Shares, has had ample opportunity to ask questions of and receive answers from the Company's management concerning the purchase of the Restricted Shares and to obtain any and all documents requested in order to supplement or verify any of the information supplied to the Purchaser and the Purchaser is making this investment on the basis of the Purchaser's own knowledge of the Company and not in reliance upon any representation made by anyone acting on behalf of the Company.

(g) The Purchaser understands that the Restricted Shares have not been registered under the Act or any applicable state securities laws and that the Restricted Shares may not be sold, assigned, pledged, hypothecated or transferred unless there exists an effective registration statement for the Restricted Shares under the Act and all applicable state securities laws or the Company has received an opinion of counsel, reasonably acceptable to the Company, that such sale, assignment, pledge, hypothecation or transfer is exempt from registration.

(h) The Purchaser acknowledges that an investment in the Company involves a high degree of risk because, among other reasons, the Company has been recently formed and has no operating history and further acknowledges that Purchaser should not be acquiring the Restricted Shares unless Purchaser can afford to lose the amount invested in its entirety.

(i) The Purchaser understands that the Restricted Shares will bear the restrictive legends set forth in Section 4.

6. Governing Law. This Agreement shall be governed by and shall be construed and enforced in accordance with the laws of the State of Delaware applicable to agreements entered into and performed within such State, but without reference to the conflicts of law rules of such State.

7. Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

8. Entire Agreement; Amendment and Waiver . This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and this Agreement supersedes and renders null and void any and all other prior oral or written agreements, understandings, or commitments pertaining to the subject matter hereof, including without limitation those made in the Employment Agreement. Neither this Agreement nor any term hereof may be amended, waived, discharged or terminated except by a written instrument signed by the Company and the Purchaser. The failure of any party to this Agreement to insist upon the strict performance of any of the terms, conditions or provisions of this Agreement shall not be construed as a waiver or relinquishment of future compliance therewith, and said terms, conditions and provisions shall remain in full force and effect.

9. Invalidity. Should any part of this Agreement, for any reason whatsoever, be declared invalid, illegal, or incapable of being enforced in whole or in part, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in full force and effect as if this Agreement had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this Agreement without including therein any portion which may for any reason be declared invalid.

10. Notices. Any notices required to be delivered under this Agreement shall be in writing and sent to the address(es) set forth below. Any party may change its address for notice purposes by giving written notice of such change as set forth herein.

To the Company: Sift Media, Inc. Copy to: Morningstar Law Group
621 Sugarberry Road 630 Davis Drive, Suite 200 Chapel Hill, NC 27514 Morrisville, NC 27560
Attn: Board of Directors Attn: W. H. Johnson III, Esq.

To the Purchaser: Judson S. Bowman Copy to: _____
621 Sugarberry Road _____ Chapel Hill, NC 27514 _____
Attn:_____

11. Captions. The captions contained in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

{*Remainder of page intentionally left blank}*

IN WITNESS WHEREOF, the Company and the Purchaser have entered into this Agreement as of the date first written above.

SIFT MEDIA, INC. PURCHASER

By: /s/ Slawek Pruchnik /s/ Judson S. Bowman

Slawek Pruchnik Judson S. Bowman

Vice President of Technology

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, William Stone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Digital Turbine, Inc.;

2. Based on my knowledge, this annual 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 officers 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 9, 2016

By: /s/William Stone

William Stone
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Andrew Schleimer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Digital Turbine, Inc.;

2. Based on my knowledge, this annual 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 9, 2016

By: /s/Andrew Schleimer

Andrew Schleimer
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification of Principal Executive Officer
Pursuant to U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Digital Turbine, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ending September 30, 2015 of the Company (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 9, 2016

By: /s/William Stone

William Stone
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification of Principal Financial Officer
Pursuant to U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Digital Turbine, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ending September 30, 2015 of the Company (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 9, 2016

By: /s/Andrew Schleimer

Andrew Schleimer
Chief Financial Officer
(Principal Financial Officer)