TURTLE BEACH®

Investor Presentation

May 2019

SAFE HARBOR STATEMENT

Forward-Looking Information

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This presentation contains certain financial measures, including adjusted EBITDA, that are not calculated under the standards or rules of U.S. GAAP, which are referred to as "non-GAAP financial measures." These non-GAAP financial measures, as calculated by the Company, are not necessarily comparable to similarly titled measures reported by other companies. Additionally, these non-GAAP financial measures are not measurements of financial performance or liquidity under GAAP and should not be considered an alternative to the Company’s other financial information determined under GAAP. Management believes that such non-GAAP financial measures, when read in conjunction with the Company's reported results, can provide useful supplemental information for investors analyzing period to period comparisons of the Company's results. The presented non-GAAP financial measures exclude items that management does not believe reflect the Company’s core operating performance because such items are outside the control of the Company or are inherently unusual, non-operating, unpredictable, non-recurring, or non-cash. “Adjusted EBITDA” is defined by the Company as net income (loss) before interest, taxes, depreciation and amortization, stock-based compensation (non-cash), and certain special items that we believe are not representative of core operating performance. The Adjusted EBITDA outlook for the fourth first quarter and full year of 20198 has not been reconciled with the Company’s net income outlook for the same periods because of the variability, complexity and lack of visibility with respect to certain reconciling items between adjusted EBITDA and net loss, including other income (expense), provision for income taxes and stock-based compensation. These items cannot be reasonably and accurately predicted without the investment of undue time, cost and other resources and, accordingly, a reconciliation of the Company’s adjusted EBITDA outlook to its net loss outlook for such periods is not available without unreasonable effort. These reconciling items could be material to the Company’s actual results for such periods.

WHO WE ARE

- Key player in $148 billion gaming market
- Market leader in gaming headsets – by far
- Strong brand with high consumer loyalty
- Global distribution & partnerships
- Full line of differentiated products
- Critical accessory provider to esports fans & players
- Innovative & valuable patent portfolio
- Expanding into gaming keyboards & mice via ROCCAT
- Expanded growth opportunities going forward

KEY PLAYER IN $148B GLOBAL GAMING MARKET

1. Newzoo – Global Games Market Report QU January 2019 & Global Esports Market Report 2019
2. Statista Virtual Reality Worldwide Market Size

AUDIO HEADSETS ARE A CRITICAL ACCESSORY FOR GAMERS

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HEAR EVERYTHING. DEFEAT EVERYONE.

Gaming Headsets Provide…

- High quality microphone for multi-player gaming
- More immersive audio for a better gaming experience
- Competitive advantage in picking up key audio cues
- Privacy of game and chat audio

They Are Harder & More Differentiated Than Music Headphones

- Durability and comfort for long gaming sessions
- Good audio quality at all price points
- Excellent microphone with easy mute capabilities
- Mid- and high-tier can have unique technologies:
  - Integration with Xbox or PlayStation
  - Dedicated wireless technologies
  - Digital processing of audio
  - Mobile application to control
- Come in many price points from $20-$299 with increasing features
- Often with different models for Xbox, PlayStation, PC, Switch

CONSOLE HEADSETS ARE LARGEST GAMING ACCESSORY SEGMENT

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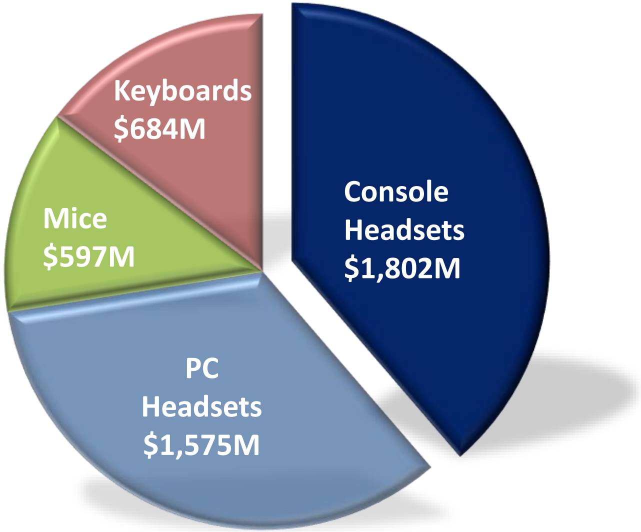
Console Headsets are $1.8B Addressable Market

Global Gaming Accessory Market $4,658M[1]



Americas and Europe are over 70% of the market

With over 816M Gamers and 195M esports fans in the Americas and Europe[2]

Sales 80%+ Brick & Mortar Retail Driven[3]

Walmart Save money. Live better.
BEST BUY
TARGET
GameStop POWER TO THE PLAYERS
GAME
EB GAMES
Argos
ASDA
MediaMarkt

Where Consumers Can Try The Headsets

1. *Newzoo Report 2019 Peripheral Market estimates*
2. *Newzoo 2019 Global Esports and Global Games Market Report QU January*

3. Turtle Beach estimates 80+% of North American console headset sales are via brick & mortar retailers

WE ARE THE LEADER IN CONSOLE GAMING HEADSETS BY FAR

#1 GAMING HEADSET
PROVIDER FOR XBOX & PLAYSTATION

HIGHER REVENUE SHARE
THAN NEXT 4 PLAYERS COMBINED

All 5 OF TOP 5 SELLERS
OVERALL ARE TURTLE BEACH

6 OF TOP 10 SELLERS
OVERALL ARE TURTLE BEACH

WHY & HOW:

STRONG BRAND & REPUTATION
Among Gamers, Retailers, Gaming Industry

PRODUCT FOR EVERY GAMER
Entry level to Professional

PRODUCT INNOVATIONS
And unique features - Many patented

280K+ POINTS OF DISTRIBUTION
42 Countries

STRONG PARTNERSHIPS
With leading esports teams & influencers

OVER 10 YEARS EXPERIENCE
Gaming Headsets and with Xbox & PlayStation

77 ISSUED PATENTS
38 Pending[1]

1. Counts only patents related to headsets (not including HyperSound)
Source: The NPD Group/Retail Tracking Service/Video Games/Dollars/U.S. & Canada/January-December 2018

GREAT PRODUCTS FOR EVERY LEVEL OF CONSOLE GAMER

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Esports

Core Gamer
16+ hours per week

Enthusiast Gamer
7-15 hours per week

Casual Gamer
4-6 hours per week

Entry-Level Gamer
< 4 hours per week

ASP	Sample Products	MSRP	Major Step-Ups	TB Key Features
> $150	ELITE PRO 2 + SUPERAMP	MSRP: $249.95	Pro-level Headset	• Professional-grade game & chat audio performance • Patented ProSpecs glasses friendly design • Cooling gel-infused memory foam ear cushions • Bluetooth connectivity w/app-based control • Superhuman Hearing • Swappable deco-plates
$100 - $150	EAR FORCE STEALTH 700	MSRP: $149.95	ANC and Bluetooth	• Windows Sonic & DTS 7.1 surround sound • Active noise-cancellation • Bluetooth connectivity w/app-based control • Superhuman Hearing • Synthetic leather ear cushions
	EAR FORCE STEALTH 600	MSRP: $99.95	Wireless Headset	• Windows Sonic & TB surround sound • Direct wireless connection to Xbox One • Superhuman Hearing
$50 - $100	EAR FORCE STEALTH 300	MSRP: $79.95	Audio Features	• Audio EQ settings • 50mm drivers • Patented ProSpecs glasses friendly design
	EAR FORCE RECON 200	MSRP: $59.95	Amplified Headset	• Amplified audio with mic monitoring and bass-boost • Metal-reinforced headband • Memory foam ear cushions
< $50	*New 2019* EAR FORCE RECON 70	MSRP: $39.95	Full Headset	• High-quality 40mm speakers • High-sensitivity flip-to-mute mic • Synthetic leather ear cushions
	EAR FORCE RECON CHAT	MSRP: $19.95	Chat Headset	• Innovative open earcup • Reversible left-right design



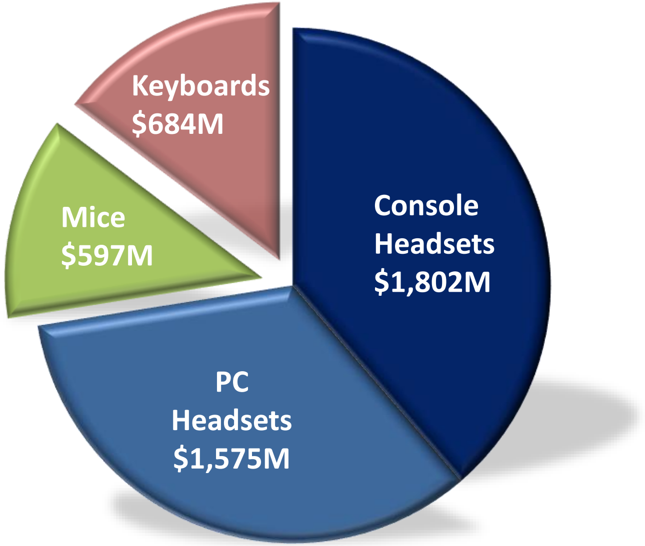




WE ARE EXPANDING INTO PC HEADSETS TO INCREASE OUR TAM

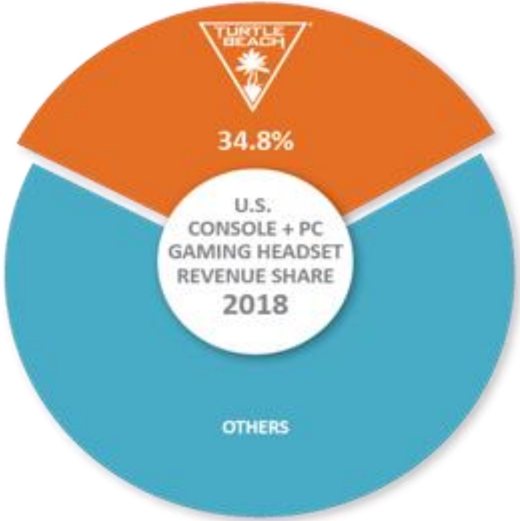
2nd Largest Segment In $4.7B Accessory Market

Global Gaming Accessory Market $4,658M[1]



Americas and Europe are over 70% of the market

And Have a Dominant, Growing Share of the Combined Markets



1. *Newzoo Report 2019 Peripheral Market estimates*

Source: *The NPD Group, Inc./Retail Tracking Service/Video Games/Console Accessories/Dollars/U.S./January-December 2018*
Source: *The NPD Group, Inc., U.S. Retail Tracking Service, PC Headset/PC Microphone, Gaming Designed, Headset Only (No Standalone Microphone), Based on Dollars, Jan.-Dec. 2018*

EXPANDED LINE-UP FOR EVERY LEVEL OF PC GAMER

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- **Esports**
- **Core Gamer** – *16+ hours per week*
- **Enthusiast Gamer** – *7-15 hours per week*
- **Casual Gamer** – *4-6 hours per week*
- **Entry-Level Gamer** – *< 4 hours per week*

ASP	Sample Products	Major Step-Ups	TB Key Features	
> $150	TURTLE BEACH ELITE PRO 2 + SUPERAMP – *New 2018* – MSRP: $249.95	Pro Quality & Connectivity	• Professional-grade game & chat audio performance • Cooling gel-infused memory foam ear cushions • Bluetooth connectivity w/app-based control • Magnetic, swappable deco-plates	
$79 - $99	TURTLE BEACH ELITE ATLAS – *New 2018* – MSRP: $99.95	Pro Quality	• Professional-grade game & chat audio performance • Removable, patented ProSpecs glasses friendly design • Magnetic, swappable deco-plates	
	EAR FORCE STEALTH 450 – MSRP: $79.95	Wireless	• Wireless game & chat audio • DTS 7.1 Surround Sound • Superhuman Hearing	
	EAR FORCE ATLAS THREE – *New 2018* – MSRP: $79.95	Amplified	• Amplified audio with mic monitoring • EQ Settings • 50mm drivers	
$49 - $79	EAR FORCE ATLAS ONE – *New 2018* – MSRP: $49.95	Build Quality	• Metal-reinforced headband • Memory foam ear cushions • Patented ProSpecs glasses friendly design • Flip-to-Mute mic	
< $49	EAR FORCE RECON 50 – MSRP: $39.95	Entry	• High-quality 40mm speakers • High-sensitivity mic • Synthetic leather ear cushions	

WE PARTNER WITH LEADING ESPORTS TEAMS AND INFLUENCERS

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OpTic Gaming

ASTRALIS

OUTLAWS

Obey Alliance

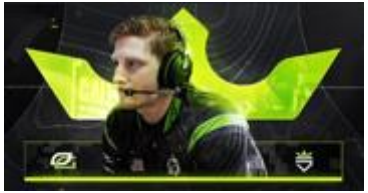
KNICKS GAMING

Official Audio Partner
EA Sports
FIFA 19 Champions Cup

YouTube
Ali-A (14+ Million Subs)

twitch
Dr DisRespect (Face of Twitch)

mixer
Siefe (#1 on Mixer)



YouTube
Scump (2.3+ Million Subs)

twitch
Castro_1021 (#1 FIFA Streamer)

mixer
Archonaut (Top 5 on Mixer)

Titles shown represent games played by our partner esports teams and influencers and do not indicate a partnership with the publisher

ROCCAT ACQUISITION

TURTLE BEACH ANNOUNCES AGREEMENT TO ACQUIRE ROCCAT

ROCCAT OVERVIEW

ROCCAT

- Hamburg & Taipei-based provider of PC mice, keyboards, headsets & software with strong brand in Germany
- Full line of mice & keyboards with unique innovations, integrated lighting & associated PC software
- Product & engineering personnel with deep experience & innovations in PC mice & keyboards
- PC experienced sales & marketing personnel including coverage in major Asian countries
- Proforma 2018: ~$25M net revenues, positive EBITDA & gross margins in mid 30's%[1]

1. Financials are estimated based structure where ROCCAT functions stand-alone vs. today's structure which is highly integrated with distributor/owner

STRATEGIC RATIONALE & ADDRESSABLE MARKET SIZE IMPACT

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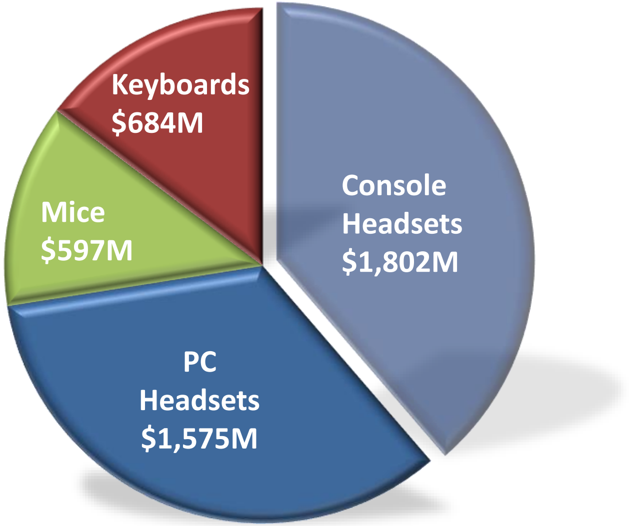
- ✓ Establishes immediate product line & capability in PC keyboards, mice & PC software, plus added headsets
- ✓ Expands our total addressable market (TAM) from $1.8B to $4.7B → targeting to build $100M+ incremental business in PC
- ✓ Leverages mutual strengths in geographies & products across both businesses to drive incremental growth
- ✓ Applies Turtle Beach operational capabilities to ROCCAT
- ✓ Can leverage ROCCAT skills to enter new non-headset categories over time (e.g., controllers)
- ✓ Targeting well over $30M in ROCCAT-related revenues in 2020 & accretive to EPS/Net Income

Global Gaming Accessory Market $4,658M[1]



1. *Newzoo Report 2019 Peripheral Market estimates*

ROCCAT ACQUISITION SIGNIFICANTLY EXPANDS ADDRESSABLE MARKET

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GLOBAL GAMING ACCESSORY MARKET $4,658M

- Mice $597M
- Keyboards $684M
- PC Headsets $1,575M
- Console Headsets $1,802M

	Turtle Beach Portfolio[1]	ROCCAT Portfolio[1]
Mice		**9 Mice** Including 7 RGB Models $29 - $139 MSRP
Keyboards		**8 Keyboards** Including 4 RGB Models $79-$159 MSRP
PC Headsets	**5 Headsets** Including 1 USB Wireless Model & 3 new Atlas models $39-$99 MSRP	**5 Headsets** Including 1 USB/RGB Wired Model & 1 Earbud Model $29-$119 MSRP
Console Headsets	**21 Headsets** Including 4 Wireless Models, 2 Pro esports Models & 2 Earbud Models $19-$249 MSRP	

48 Active Core Models in Portfolio

Additional Addressable Market with ROCCAT – Goal is to build incremental $100M business

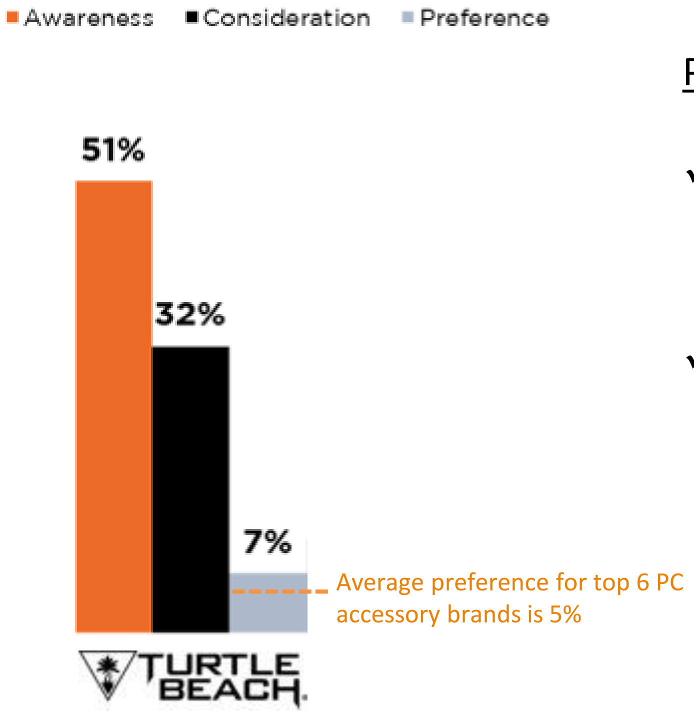
Historic TB Addressable Market - Goal is to continue leadership

1. Reflects core models, not all SKUs or products are included.
Source for market sizes: Newzoo Report 2019 Peripheral Market estimates

LEVERAGE OF TURTLE BEACH BRAND IN PC HEADSETS

COUNTRY SCOPE

US UK FR DE



Purchase Funnel Analysis[1]

✓ Turtle Beach has strong PC headset purchase funnel metrics among competitive core PC gamers in our core markets

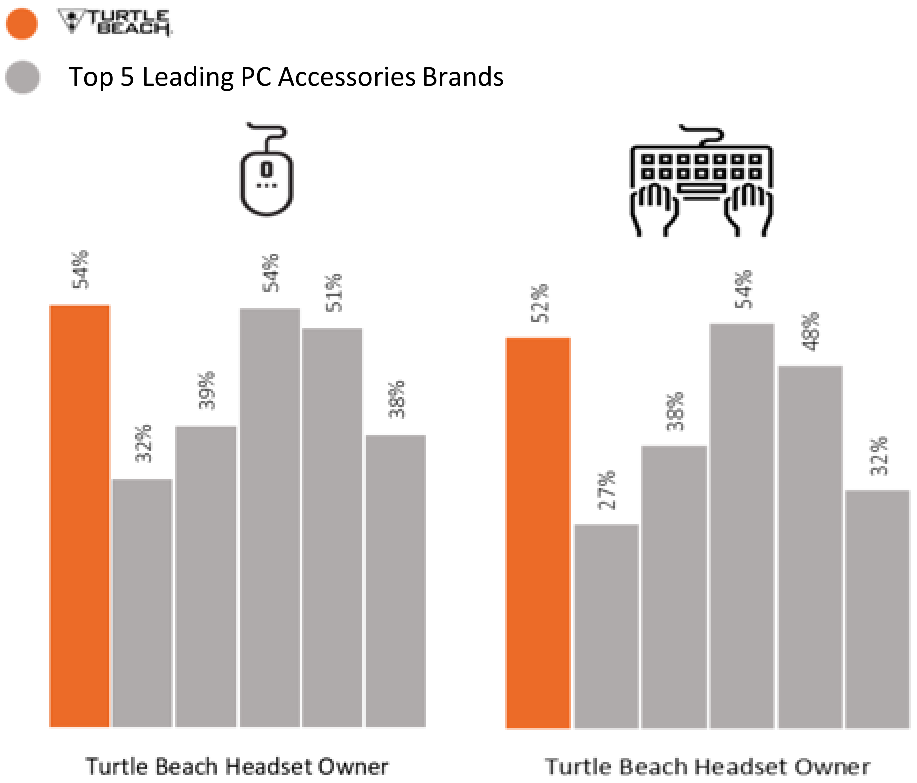
✓ Among the top PC Headset brands, these metrics rank Turtle Beach as:

- Tied for 4th in Awareness and Consideration
- Tied for 2nd in Preference
- 1st for Preference in the US

1. Purchase Funnel surveys consumers and measures: Awareness – they are aware of the brand, Consideration – they will consider buying, and Preference - they pick one brand as preferred

Source: ©Newzoo | 2019 Peripheral Brand Tracker | https://newzoo.com/solutions/standard/consumer-insights/peripheral-brand-tracker/

TURTLE BEACH + ROCCAT IN PC MICE/KEYBOARDS



COUNTRY SCOPE

US UK FR DE

Purchase Funnel Analysis[1]

✓ Turtle Beach has strong Purchase Consideration among its large installed based of headset owners in its core markets:

- Tied for 1st for mice
- Tied for 2nd for keyboards

✓ ROCCAT adds purchase funnel strength in Germany, ranking 4th in brand Awareness, Consideration & Preference, among top PC accessory brands

1. Purchase Funnel surveys consumers and measures: Awareness – they are aware of the brand, Consideration – they will consider buying, and Preference - they pick one brand as preferred

Source: ©Newzoo | 2019 Peripheral Brand Tracker | https://newzoo.com/solutions/standard/consumer-insights/peripheral-brand-tracker/

ROCCAT FINANCIALS AND PLAN

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Millions	2019[1] Partial Year	2020
Revenues	**$20 to 24**	**Well over $30**
Gross Margin %	**25 - 28%** Purchase Accounting Impact Q2-Q3	**32 - 35%**
Operating Expenses		
Cash OpEx (in EBITDA)	$6 - 7	
Amort/Depr/Stock Comp	~$2	
One-time Transaction/Integration	~$3	
EBITDA Impact	**Neutral to Positive**	**Positive**
GAAP Net Income Impact	**Negative $6 - 7**	**Positive**

Fully combine the companies and integrate PC accessories businesses (PC headsets, keyboards, mice)

Build $100M+ incremental revenue business in PC peripherals

Leverage combined skills and global footprint to expand into new gaming categories over time

1. Reflects guidance effective on March 14, 2019.

2018 FINANCIALS AND 2019 OUTLOOK

QUARTERLY FINANCIAL OVERVIEW

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$ in millions (except per-share data)	2018 Q1	2019 Q1	YOY Δ	Commentary
Revenue	**$40.9**	**$44.8**	**10%**	Continued strong demand for console gaming headsets
Gross Margin	**36.8%**	**33.0%**	**(380)bps**	Higher promo allowances, refurb costs incurred to support higher revenue, channel mix
Operating Expenses	$11.2	$13.0	16%	Marketing for RECON 70 launch, $0.8M in ROCCAT acquisition costs
Operating Income	$3.8	$1.8	$(2.0)M	Margin/opex offset revenue growth
Net Income	$2.0	$3.1	$1.1M	$1.6M mark-to-market gain on financial instrument obligation
Diluted EPS[1]	**$0.16**	**$0.09**	**$(0.07)**	Net income for diluted EPS calculation excludes the $1.6M mark-to-market gain above
Adjusted Diluted EPS[2]	$0.16	$0.13	$(0.03)	Margin/opex offset revenue growth
Adjusted EBITDA[2]	**$5.3**	**$4.3**	**$(1.0)M**	Margin/opex offset continued revenue growth

1. EPS based on diluted share count of 12.4 million average shares in Q1 2018 and 16.3 million average shares in Q1 2019. See appendix for bridge on share count changes.
2. See appendix for a reconciliation of non-GAAP measures.

BALANCE SHEET

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Capitalization

	At 3-31-18	At 3-31-19
Cash & Equivalents	**$4.3M**	**$10.2M**
Debt		
Revolver (asset-based)	$2.6M	–
Term Loans	$9.3M	–
Subordinated Notes	$22.6M	–
Total Debt	**$34.5M**	**–**
Series B Preferred Stock	$19.3M	–
Leverage Ratio[1]	***1.0x***	***0.1x***

2019 Balance Sheet Improvements

- Retired Series B Preferred Stock in exchange for shares/warrants in Apr 2018
- Renegotiated revolver in Dec 2018, reducing interest rates and extending term to March 2024
- Fully repaid all term loans and subordinated notes in Dec 2018 with operating cash flow
- Fully repaid revolver in first quarter of 2019 with operating cash flow

1. Defined as total term loans outstanding and average trailing twelve month revolving debt, divided by consolidated trailing twelve month adjusted EBITDA.

ANTICIPATED CONSOLE HEADSET MARKET DYNAMICS IN 2019

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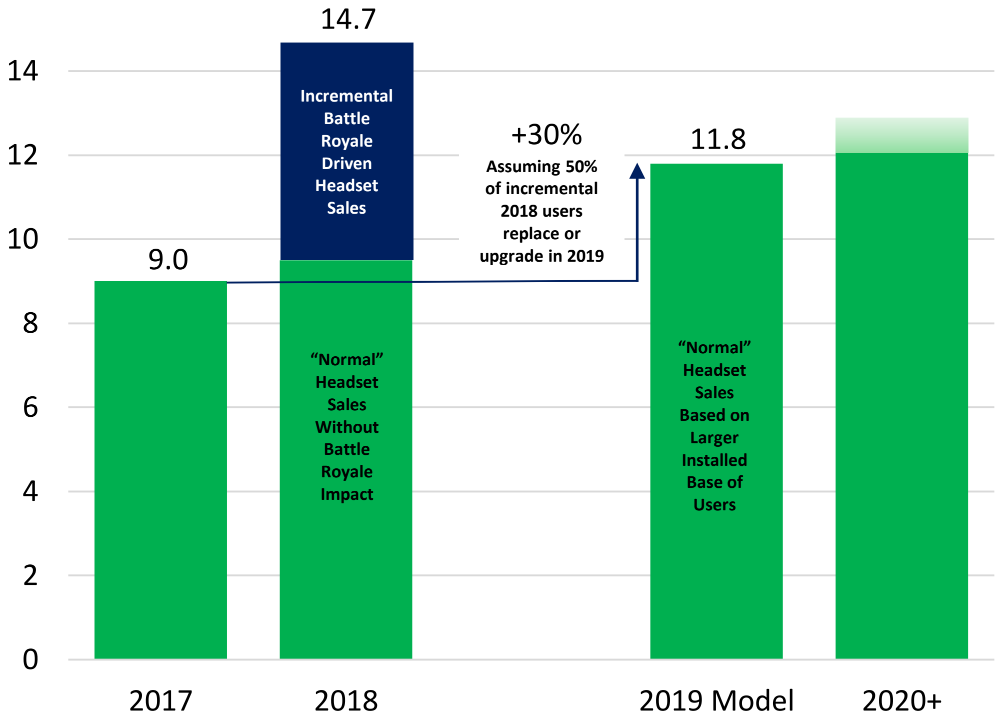
Simplified Market Model[1]
US & Canada Console Gaming Headset Sell-Through
Millions of Units



Installed base of console headset users grew significantly in 2018 driven by battle royale games

Recent survey results indicate consumer intent to upgrade/replace <24 month cycle (with wide distribution around that average)

Biggest drivers of potential increase from 2019 model estimates are:

- Faster upgrade/replace cycle among new headset users
- Higher than expected continued influx of new headset users
- Stronger slate of Q4 games or major games going "free" model

Biggest drivers of potential decrease from 2019 model estimates are:

- Slower upgrade/replace cycle among new headset users
- Weaker slate of Q4 games than expected
- Market slow down due to new console rumors/announcement

Market sell-in revenues (sales) will vary from sell-through units based on channel inventory adjustments to hold weeks-of-supply and ASP of product sales

1. This is a highly simplified market model to illustrate overall dynamics - actual market dynamics are much more complex than shown
Source: The NPD Group/Retail Tracking Service/Video Games/Dollars/U.S. & Canada

2019 OUTLOOK[1]

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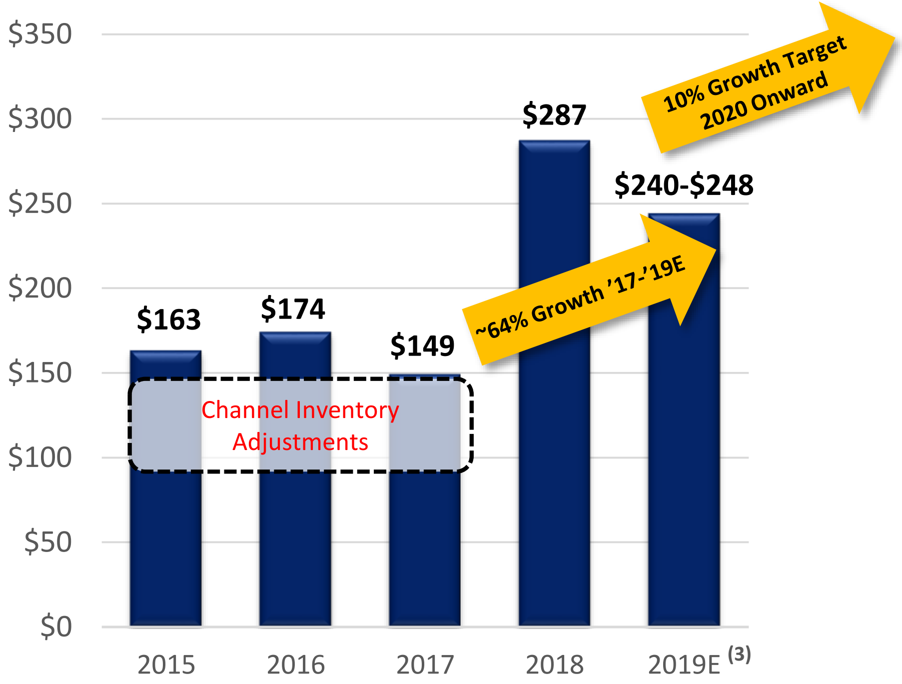
	1st Half 2019	2019	Full-Year Commentary & Assumptions
Net Revenue	$85M-$88M	$240M-$248M	Number of new gaming headset users returns to more normal rate; 2019 includes ~7 months' of revenue from ROCCAT (estimated to be $20-$24M)
Gross Margin	~32%-33%	33%-34%	Reduced operating leverage, increases in promotional allowances & one-time ROCCAT charges
GAAP EPS	$(0.19)-$(0.13)	$0.70-$0.90	$10M-$12M incremental opex for ROCCAT, including estimated $3M in ROCCAT transaction & integration costs, 10% tax rate
Adj. EPS[2]	$(0.03)-$0.04	$0.90-$1.10	
Diluted Shares	16.6M	16.6M	
Adj. EBITDA	$4.0M-$5.5M	$27M-$31M	Revenues reflect more normalized rate of new headset users, higher promotional allowances related to new products, increased marketing spend, PC & ROCCAT investments

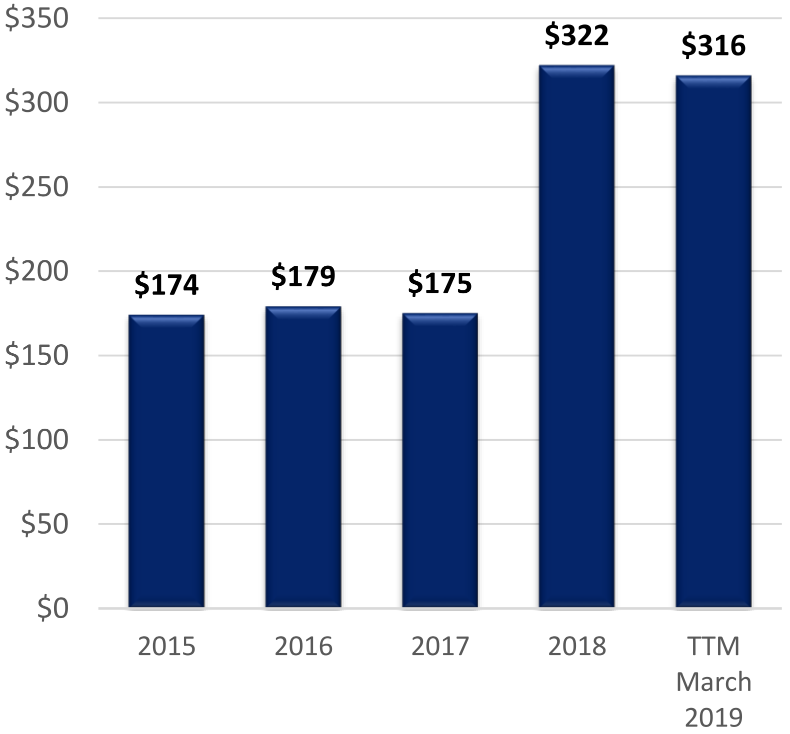
1. Guidance effective on May 8, 2019.
2. Excludes impact of mark-to-market adjustments associated with the retirement of the Company's Series B preferred stock in April 2018, which only impacts Q1-19 actuals. Also excludes transaction & integration costs related to the acquisition of ROCCAT, currently estimated to be $2.8M in first half of 2019 & ~$3M in 2019.

REVENUE PROFILE

Company Revenues [1]
Millions



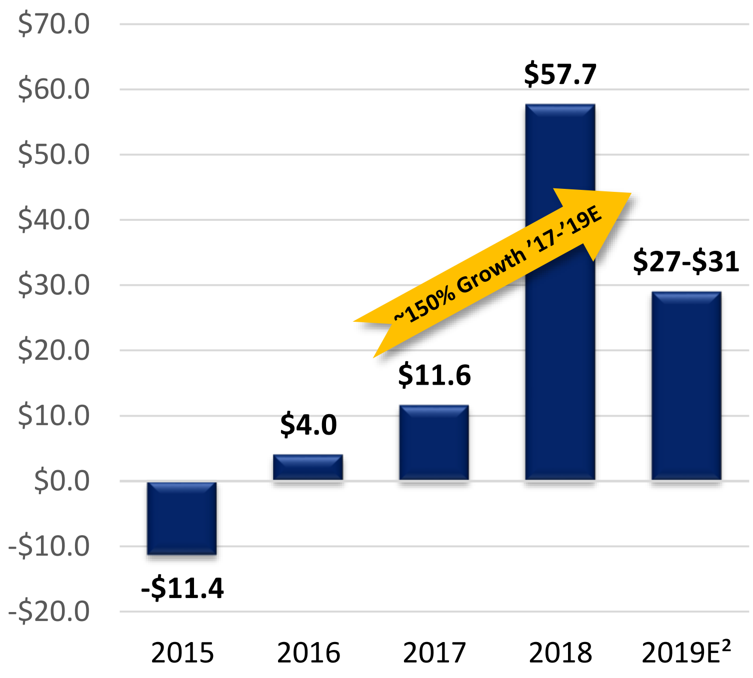
Company Product Retail Sell-Through in US & Canada Markets [2]
Millions



1. Company net revenues = wholesale revenues so not directly comparable to retail revenues in the chart on the right – shown just for perspective given channel inventory impacts on company net revenues.
2. The NPD Group/Retail Tracking Service/Video Games/Dollars/U.S. & Canada/CY2015, CY2016, CY2017, CY2018, and Trailing Twelve Months Apr 2018-Mar 2019.
3. Guidance effective only as of May 8, 2019.

EBITDA PROFILE

Adjusted EBITDA[1]
Millions



2016:
Returned headset business to profitability. Converted HyperSound to licensing model. Entered esports, VR, streaming mic categories.

2017:
Focused on core headset business and continued profitability improvements. Positioned the Company for improved balance sheet and loan terms. Laid groundwork for 2018+ growth initiatives.

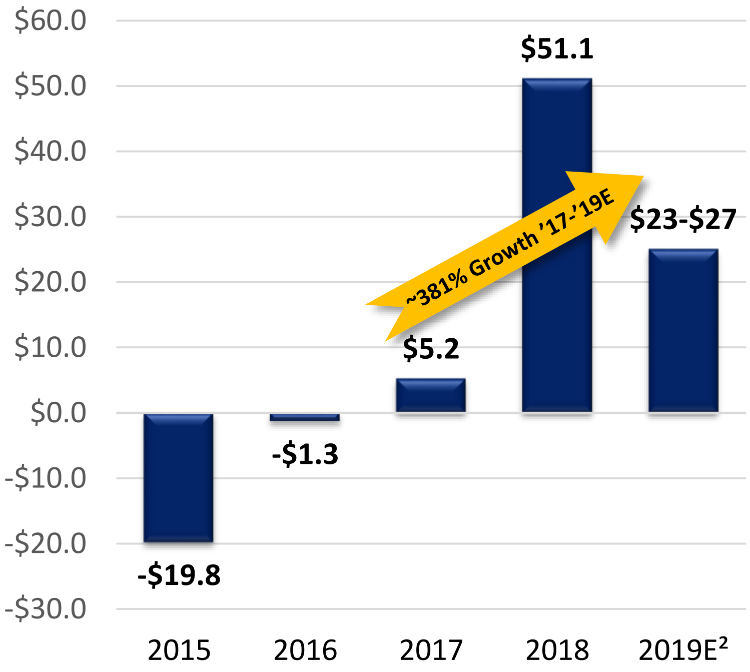
2018:
Continued to deliver increased profitability in headset business. Lowered cost and paid off debt. Made select investments to drive future growth.

2019 & Beyond:
Hold position in console headsets. Accelerate PC headset growth in our core markets. Enter PC headsets in China/Asia. Add keyboards and mice. Add software and services differentiation across hardware.

1. See appendix for a reconciliation of non-GAAP measures.
2. Guidance effective only as of May 8, 2019.

STRONG FREE CASH FLOW GROWTH

Free Cash Flow[1]
Millions



Strong free cash flow generation:

- Allowed the Company to become debt free at Q1-19
- Expected to enable growth investments
- Allowed for April '19 announcement of a share buyback of up to $15M over the next two years

1. Free cash flow defined as consolidated adjusted EBITDA less capital expenditures, less cash interest.
2. Estimated based on guidance effective only as of May 8, 2019.

LONG-TERM FINANCIAL TARGETS

Metric	Target
Revenue $	10-20% CAGR
Gross Margins %	Mid 30s’
EBITDA $	15-30% CAGR

Maintain dominant position in Console gaming headsets

Drive growth in PC gaming headsets, keyboards, and mice
(leveraging ROCCAT)

Maintain disciplined spending with investments for growth

Leverage brand, skills, and global footprint to enter new categories over time
(organic and M&A)

KEY TAKEAWAYS

- #1 console gaming headset brand with leading share based on innovative product portfolio for all levels of gamers
- Competing in the largest portion of a $4.7B global market in gaming peripherals
- Disruptive, cutting-edge technologies & patents
- Strong market share gains in a healthy overall market
- Healthy balance sheet with long-term debt paid off
- Leveraged the above to invest in growth opportunities like PC headsets & ROCCAT, adding $2.9B to our TAM

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APPENDIX

EXPERIENCED BOARD OF DIRECTORS

TURTLE BEACH
HEAR EVERYTHING. DEFEAT EVERYONE.

Ron Doornink
Chairman

- Former Chairman & CEO of Activision Publishing (NASDAQ: ATVI)
- Operating partner of Stripes Group, LLC
- Founder & principal of Erasmus Equity Investments

Juergen Stark
CEO & Director

- COO of Motorola Mobility's mobile business
- 10 years as Principal at McKinsey & Company, Inc.
- MBA, Harvard Business School

William Keitel
Director

- Former CFO of Qualcomm Incorporated (NASDAQ: QCOM)
- During his time at the company grew revenues from ~$800M to ~$25B
- Held senior financial roles at Nortel (OTC: NRTLQ) & Pepsico (NYSE: PEP)

Dr. Andrew Wolfe, PhD
Director

- Founder & principal of Wolfe Consulting
- Former Chief Technology Officer for SONICblue, Inc.
- B.S.E.E. in Electrical Engineering & Computer Science, Johns Hopkins; Ph.D. in Computer Engineering, Carnegie Mellon

Gregory Ballard
Director

- General partner with Eleven Ventures
- Former senior VP for mobile & social games at Warner Bros.
- Former CEO of Glu Mobile, former board member with DTS

EXPERIENCED MANAGEMENT TEAM

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Juergen Stark
CEO

- COO of Motorola Mobility's mobile business
- 10 years as principal at McKinsey & Company

Joe Stachula
CTO & VP Development

- 20+ years in consumer electronics
- 12 years at Plantronics engineering audio headsets

John Hanson
CFO

- EVP & CFO at Dialogic
- CFO at One Communications Corp

Andrew Lilien
VP of Marketing

- 20+ years of brand, consumer & retail marketing experience
- Past experience at ESPN, Fleer Trading Cards & National Media Group

Cris Keirn
SVP, Global Sales

- Led headset transition as VP of business planning & strategy
- 17 years with Motorola in product management, operations, quality & customer relations

Jose Rosado
SVP Global Operations

- Former Sr. Director, Global Supply Chain Operations for HP
- 22 years of supply chain management with Motorola, On Semiconductor, HP, Cisco

Matt Seymour
VP, Product Management

- 20+ years in the Consumer Electronics industry
- Previously with Sony leading television portfolio planning & development, product marketing

Scott Rankin
VP Global Logistics

- 20+ years of logistics, transportation & operations experience
- 11+ years at Turtle Beach

Megan Wynne
General Counsel

- 5 years with I-Flow, a Kimberly-Clark Health Care Company
- 13 years with Morris Polich & Purdy law firm

SHARE COUNT BRIDGE

Weighted average diluted shares outstanding – Q1 2018	**12,369**
Weighted average common shares issued in exchange for Series B preferred stock	1,307
Weighted average common shares issued upon exercise of stock options and warrants	682
Incremental dilutive effect of outstanding stock options and restricted stock	1,086
Incremental dilutive effect of outstanding warrants[1]	816
Weighted average diluted shares outstanding – Q1 2019	**16,260**
Estimated weighted average diluted shares outstanding – 2019	**16,600**

1. Includes 550,000 fully-funded warrants issued in connection with the exchange for Series B preferred stock and warrants previously held by Stripes

GAAP TO ADJUSTED EBITDA RECONCILIATION – THREE MONTHS ENDED MARCH 31, 2019

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	Three Months Ended March 31, 2019					
	As Reported	**Adj Depreciation**	**Adj Amortization**	**Adj Stock Compensation**	**Other (1)**	**Adj EBITDA**
Net revenue	$ 44,846	$ —	$ —	$ —	$ —	$ 44,846
Cost of revenue	30,059	(352)	—	125	—	29,832
Gross profit	**14,787**	**352**	**—**	**(125)**	**—**	**15,014**
Operating expense	12,986	(688)	(62)	(647)	(780)	10,809
Operating income	**1,801**	**1,040**	**62**	**522**	**780**	**4,205**
Interest expense	244					
Other non-operating expense (income), net	(1,662)				1,601	(61)
Income before income tax	3,219					
Income tax expense	164					
Net income	**$ 3,055**			**Adjusted EBITDA**		**$ 4,266**

(1) Other includes unrealized gain (loss) on financial instrument obligation.

GAAP TO ADJUSTED EBITDA RECONCILIATION – THREE MONTHS ENDED MARCH 31, 2018

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	Three Months Ended March 31, 2018					
	As Reported	**Adj Depreciation**	**Adj Amortization**	**Adj Stock Compensation**	**Other**	**Adj EBITDA**
Net revenue	$ 40,886	$ —	$ —	$ —	$ —	$ 40,886
Cost of revenue	25,857	(120)	—	(18)	—	25,719
Gross profit	**15,029**	**120**	**—**	**18**	**—**	**15,167**
Operating expense	11,243	(828)	(79)	(205)	—	10,131
Operating income	**3,786**	**948**	**79**	**223**	**—**	**5,036**
Interest expense	2,005					
Other non-operating expense (income), net	(245)					(245)
Income before income tax	2,026					
Income tax expense	64					
Net income	**$ 1,962**				**Adjusted EBITDA**	**$ 5,281**

(1) Other includes unrealized gain (loss) on financial instrument obligation.

GAAP TO ADJUSTED DILUTED EPS RECONCILIATION – THREE MONTHS ENDED MARCH 31ST

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	Three Months Ended	
	March 31, 2019	**March 31, 2018**
Net Income (Loss)		
GAAP Net Income	$ 3,055	$ 1,962
Adjustments, net of tax:		
Gain on financial instrument obligation	(1,601)	—
Acquisition integration costs	721	—
Non-GAAP Earnings	2,175	1,962
Diluted Earnings Per Share		
GAAP - Diluted	$ 0.09	$ 0.16
Gain on financial instrument obligation	$ —	$ —
Acquisition integration costs	$ 0.04	$ —
Non-GAAP - Diluted	$ 0.13	$ 0.16

GAAP TO ADJUSTED EBITDA RECONCILIATION – FULL YEARS

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Consolidated	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Net Income (Loss)	**39,190**	**(3,248)**	**(87,182)**	**(82,907)**
Depreciation	3,954	4,075	5,066	5,901
Amortization of intangibles	303	349	4,128	2,015
Interest	5,335	7,916	7,447	5,099
Taxes	1,737	593	(387)	2,393
Stock Compensation	1,877	1,430	3,960	5,897
Restructuring Expense	-	533	664	399
Goodwill Impairment	-	-	63,236	49,822
Business Transaction Expense	-	(79)	7,079	-
Unrealized loss on financial instrument obligation	5,291	-	-	-
Adj EBITDA	**57,687**	**11,567**	**4,011**	**(11,381)**