TURTLE BEACH®

Q4 & Full Year 2018 Earnings Presentation

March 14, 2019

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Forward-Looking Information

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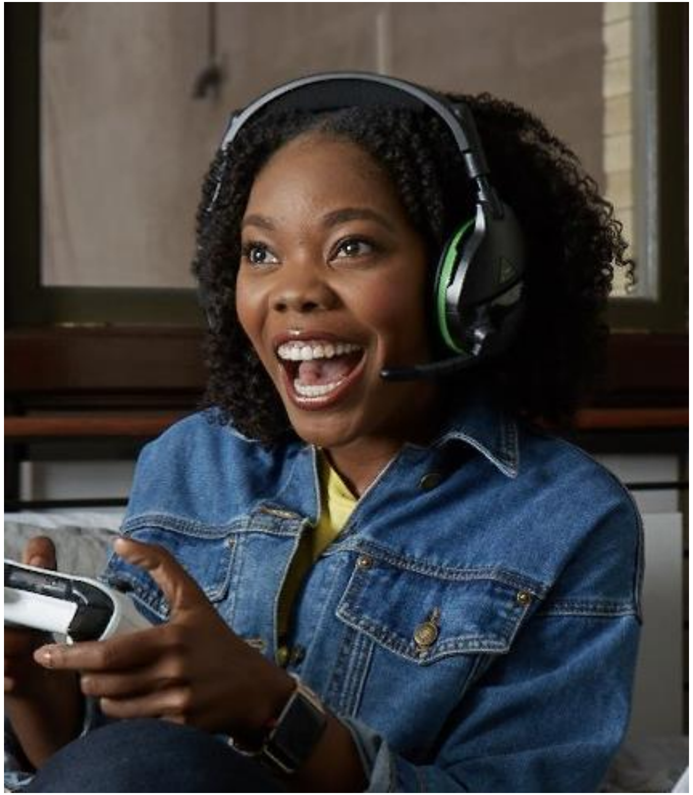
This presentation contains certain financial measures, including adjusted EBITDA, that are not calculated under the standards or rules of U.S. GAAP, which are referred to as "non-GAAP financial measures." These non-GAAP financial measures, as calculated by the Company, are not necessarily comparable 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.

Q4 SUMMARY

Comparisons to prior year quarter, where applicable

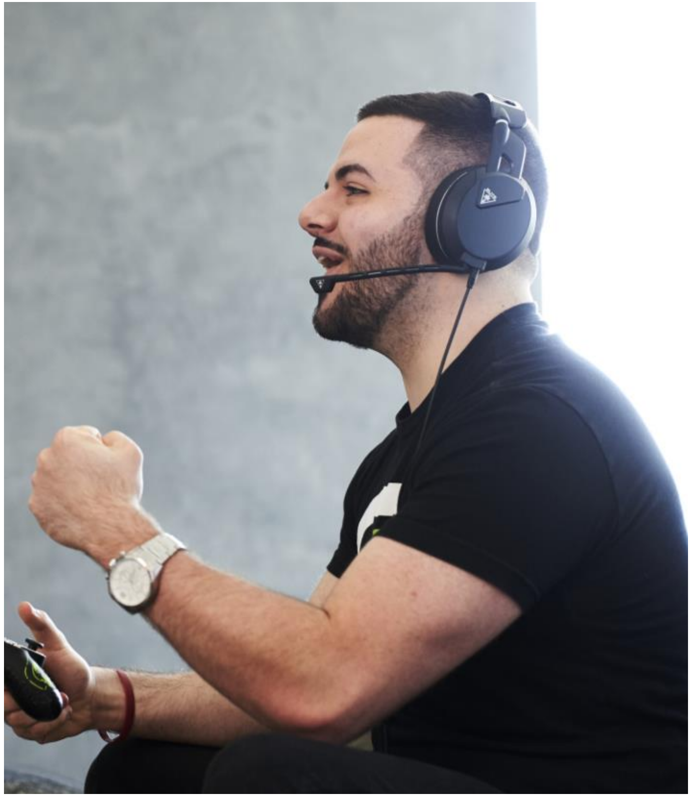
- Q4 net revenue, net income, adjusted EBITDA **significantly exceed outlook & set records**
- Net revenue **increased 40%** to $111.3M from $79.7M
- Gross margin **increased 90** basis points to 38.5% from 37.6%
- Net income **increased 73%** to $24.6M from $14.2M
- EPS **increased 16%** to $1.33 versus $1.15
- Adjusted EBITDA **increased $7.8M** to $25.0M vs. $17.2M
- Paid off remaining term loans & subordinated notes in December



2018 SUMMARY

Comparisons to prior year, where applicable

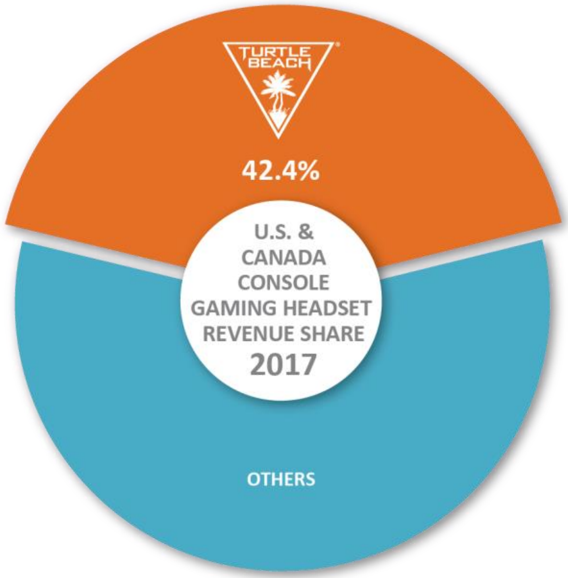
- 2018 net revenue, net income, adjusted EBITDA **significantly exceed outlook & set records**
- Gross margin **increased 360 basis points** to 37.8% from 34.2%
- EPS at the **high end of the range** provided in the pre-announcement
- Adj. EBITDA **up 399%** to a record $57.7M
- **Leading North American console headset revenue share grew** to 46.1% in 2018[1]
- $42.2M **positive operating cash flow** vs. $3.4M in 2017
- Retired Series B preferred stock obligation ($19.4M), paid off subordinated notes ($23.9M) and paid off term loans ($11.9M)

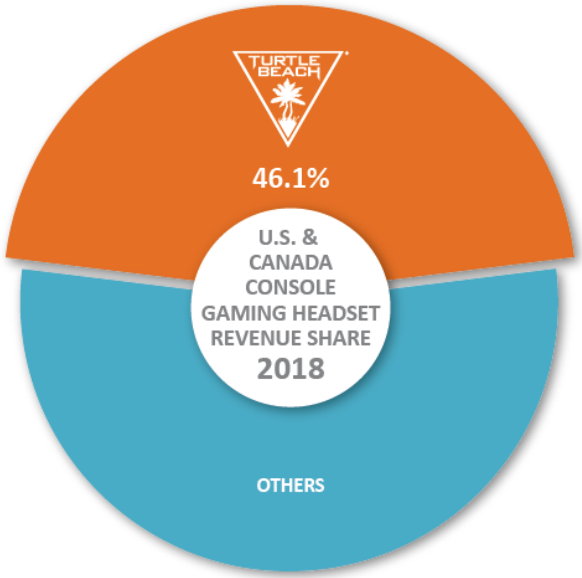


1. Source: The NPD Group/Retail Tracking Service/Video Games/Dollars/U.S/Jan -Dec 2018 update

NORTH AMERICAN CONSOLE GAMING HEADSET MARKET

2017 vs. 2018 Revenue Share





Turtle Beach revenue share up to 46.1% from 42.4%

Turtle Beach 2018 share more than next 4 competitors combined

Source: The NPD Group/Retail Tracking Service/Video Games/Dollars/U.S. & Canada/January-December 2018

PERFORMANCE OF CURRENT PORTFOLIO[1]

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North American NPD 2018 Sell-Through

- 46.1% revenue share, up 3.7 share points[2]
- #1 chat headset for PS4
- #1 chat headset for Xbox One
- #1 selling PS4 wireless headset
- #1 & #2 selling Xbox One wireless headsets
- #1 selling console headset (& on both XB1 and PS4)
- 6 of top 10 selling console headsets (1 of others is 1st party)

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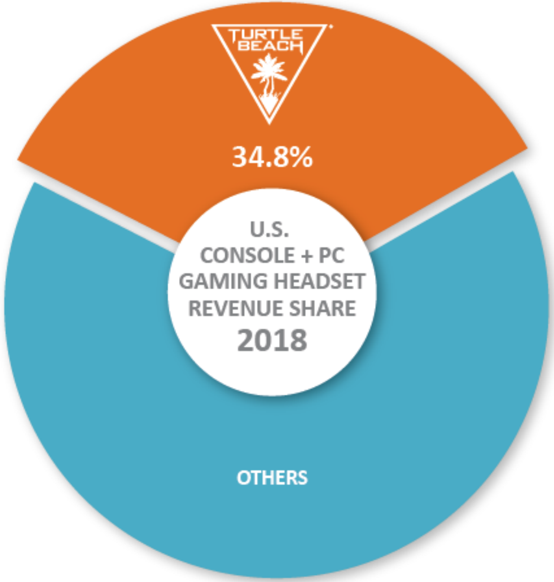
Additional wins

- All Top 5 selling headsets were Turtle Beach
- TB total revenue is bigger than next 4 competitors combined
- TB total revenue is greater than all other 3rd parties combined

1. The NPD Group/Retail Tracking Service/Video Games/Dollars/U.S. & Canada/Jan -Dec 2018
2. The NPD Group/Retail Tracking Service/Video Games/Dollars/U.S. & Canada/Jan -Dec 2018 vs. Jan-Dec 2017

COMBINED PC + CONSOLE GAMING HEADSET MARKET

2017 vs. 2018 Revenue Share



Turtle Beach revenue share up to 34.8% from 32.0%

Turtle Beach revenue share more than the next 3 competitors combined

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

2018 NEW CONSOLE MODEL LAUNCHES

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EAR FORCE RECON 200
Sep 2018
$59.95

"One of the hottest gaming bargains of 2018." – eTeknix

Editor's Choice Award

"9/10 – Quite an exceptional gaming headset for being under $60." – Gaming Nexus

GAMING NEXUS

- Amplified Audio with Enhanced Bass
- Metal-Reinforced Headband
- Memory Foam Ear Cushions
- Superior 40mm Speakers
- High-Sensitivity Flip-to-Mute Mic
- Variable Mic Monitoring

EAR FORCE STEALTH 300
Jun 2018
$79.95

"A built-in amp, comfy design, and great mic help the Stealth 300 rise above the riff raff in the headset world." – IGN

IGN

- Powerful Amplified Audio with EQs
- Metal-Reinforced Headband
- Memory Foam Ear Cushions
- ProSpecs Glasses Friendly Design
- Large 50mm Speakers
- High-Sensitivity Flip-to-Mute Mic
- Variable Mic Monitoring
- 40+ Hour Battery Life

TURTLE BEACH ELITE PRO 2 + SUPERAMP
Sep 2018
$249.95

"Quality craftsmanship and superior sound to deliver the pinnacle of gaming audio and comfort to console gamers." – MMORPG

GOLDEN HARDWARE AWARD

"The best wired gaming headset money can buy." – The Sun

The Sun

- DTS Headphone:X / Windows Sonic Surround
- Sleek Metal + Floating Headband
- ProSpecs Glasses Friendly Design
- 50mm Nanoclear Speakers
- Gel Cooling Aerofit Ear Cushions
- Magnetic Swappable Speaker Plates
- Bluetooth Connectivity
- Mobile Audio Hub Control App
- Superhuman Hearing

2018 NEW ATLAS PC PRODUCT LINE LAUNCH

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EAR FORCE
ATLAS ONE
Sep 2018
$49.95

"4/5 – Excellent."
– PCMag.com

- Metal-Reinforced Headband
- Memory Foam Ear Cushions
- ProSpecs Glasses Friendly Design
- Superior 40mm Speakers
- High-Sensitivity Flip-to-Mute Mic

EAR FORCE
ATLAS THREE
Sep 2018
$79.95

"9/10 – For comfort, sound quality and versatility the Turtle Beach Atlas Three has the competition beat hands down!"
– Total Gaming Addicts

total gaming addicts

- Powerful Amplified Audio & EQs
- Metal-Reinforced Headband
- Memory Foam Ear Cushions
- ProSpecs Glasses Friendly Design
- Large 50mm Speakers
- High-Sensitivity Flip-to-Mute Mic
- Variable Mic Monitoring
- 40+ Hour Battery Life

TURTLE BEACH
ELITE ATLAS
Sep 2018
$99.95

"4.5/5 – The Best $100 Gaming Headset Available."
– Windows Central

Winner,
Choice Award

- Sleek Metal Headband + Suspended Pad
- Removable Memory Foam Ear Cushions
- ProSpecs Glasses Friendly Design
- Pro Gaming Mic with TruSpeak Technology
- 50mm Nanoclear Speakers
- Magnetic Swappable Speaker Plates
- Braided 3.5mm and PC Splitter Cables

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 & TRANSACTION DETAILS

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- ✓ Establishes immediate product line & capability in PC keyboards, mice & PC software; complements our PC headset push
- ✓ Expands our total addressable market (TAM) by $1.8B, facilitates future expansion of another $1.3B
- ✓ Leverages mutual strengths in geographies & products across both businesses to drive incremental growth
- ✓ Applies Turtle Beach operational capabilities into ROCCAT
- ✓ Can leverage ROCCAT skills to enter new non-headset categories over time (e.g., controllers)
- ✓ Targeting over $30M in ROCCAT-related revenues in 2020 & accretive to EPS/Net Income

Transaction Details[1]

- Asset purchase structure
- **$14.8M cash at close** (including estimated net working capital adjustment)
- $1M stock or cash (TB option)
- Up to $3.4M in earn outs based on 2019 and 2020 performance
- **$19.2M maximum price**
- Expected close Q2-19

1. Deal terms are in Euros; converted here at 1.13 ratio to keep numbers in USD.

COMPREHENSIVE COMBINED PRODUCT PORTFOLIO

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GLOBAL GAMING ACCESSORY MARKET $4,658M		Turtle Beach Portfolio[1]	ROCCAT Portfolio[1]
Mice $597M			**9 Mice** Including 7 RGB Models $29 - $139 MSRP
Keyboards $684M			**8 Keyboards** Including 4 RGB Models $79-$159 MSRP
PC Headsets $1,575M		**5 Headsets** Including 1 USB Wireless Model Including 3 new Atlas models $39-$99 MSRP	**5 Headsets** Including 1 USB/RGB Wireless Model Including 1 Earbud Model $29-$119 MSRP
Console Headsets $1,802M		**21 Headsets** Including 4 Wireless Models Including 2 Pro Esports Models Including 2 Earbud Models $19-$249 MSRP	
		48 Active Core Models in Portfolio	

1. Reflects the core models, not all SKUs or products are included.

Source for market sizes: Newzoo Report 2019 Peripheral Market estimates

TURTLE BEACH + ROCCAT MARKET EXPANSION OPPORTUNITY

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Retail Market Sizes (roughly to scale)

Goal

Prior Turtle Beach Addressable Market

Console Gaming Headsets
$1.8B

$1.8B Retail TAM

Continue to maintain dominant position

Directly Accelerate Access To ~$1.8B of TAM

Facilitates Future Pursuit of Another ~$1.3B of TAM

Additional Addressable Markets with TB + ROCCAT

PC Gaming Headsets **NA/Europe**

PC Keyboards & Mice **NA/Europe**

PC Gaming Headsets **Asia**

PC Keyboards & Mice **Asia**

Console Controllers

PC Controllers

$3.1 Retail New TAM

Build $100+M incremental revenue business

PC Gaming Headsets NA/Europe:

- Strengthens distribution in Germany, Nordics
- Provides retail advantages of full portfolio in all markets once portfolio consolidated

PC Keyboards & Mice NA/Europe:

- Adds immediate skills, experience, and IP in keyboards and mice
- Adds full portfolio of mice and keyboards with established market

PC Gaming Headsets Asia:

- Provides some existing sales and distribution into Korea, Japan, China which could be leveraged for TB products

PC Keyboards & Mice Asia:

- Provides some existing sales and distribution into Korea, Japan, China
- Provides portfolio of products selling into Asia

Console Controllers / PC Controllers:

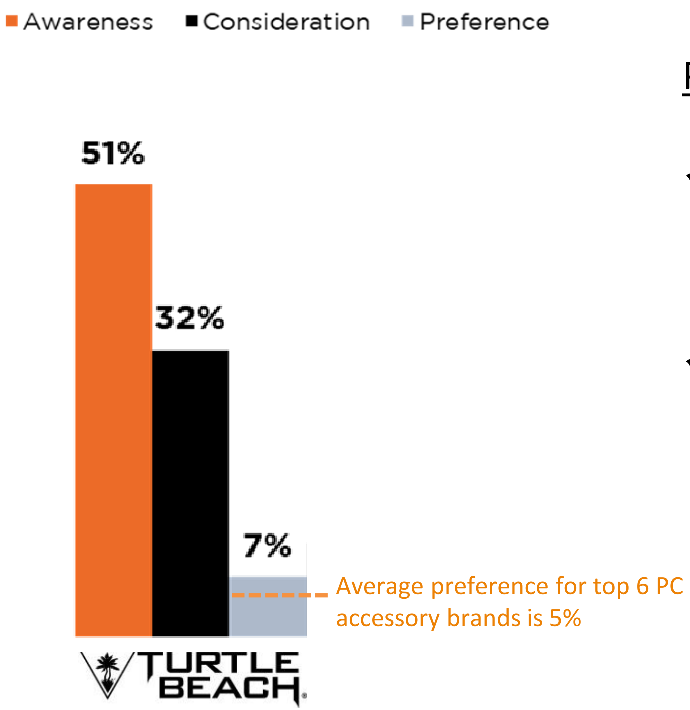
- Provides skills & sourcing for other non-headset products like Controllers

Source for market sizes: Newzoo Report 2019 Peripheral Market estimates; NA/Europe and Asia splits are rough 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

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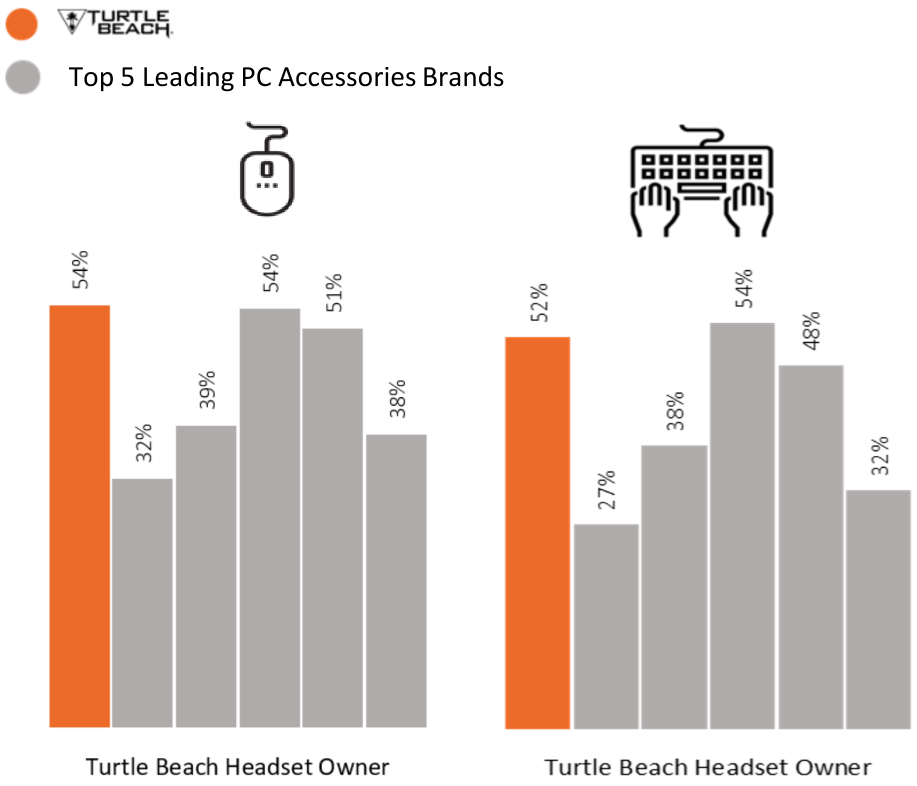


COUNTRY SCOPE

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/

Q4/2018 FINANCIAL DETAILS & 2019 OUTLOOK

QUARTERLY FINANCIAL OVERVIEW

$ in millions (except per-share data)	2017 Q4	2018 Q4	YOY Δ	Commentary
Revenue	**$79.7**	**$111.3**	**40%**	Strong demand for console gaming headsets & an increase in market share
Gross Margin	**37.6%**	**38.5%**	**90bps**	Higher volumes driving fixed cost leverage
Operating Expenses	$14.0	$17.4	25%	Increases in marketing spend for launch of new PC headsets & revenue-driven, variable-based sales expenses & compensation
Operating Income	$16.0	$25.5	$9.5M	Revenue & margin drivers noted above
Net Income	$14.2	$24.6	$10.4M	Revenue & margin drivers noted above
EPS Diluted[1]	**$1.15**	**$1.33**	**$0.18**	Revenue & margin drivers noted above
Adjusted EBITDA[2]	**$17.2**	**$25.0**	**$7.8M**	Revenue & margin drivers noted above

1. EPS based on diluted share count of 12.4 million average shares in Q4 2017 and 16.2 million average shares in Q4 2018. See slide 24 for bridge on share count changes.
2. See appendix for a reconciliation of non-GAAP measures.

FULL YEAR FINANCIAL OVERVIEW

$ in millions (except per-share data)	2017	2018	YOY Δ	Commentary
Revenue	**$149.1**	**$287.4**	**93%**	Strong market demand & an increase in market share
Gross Margin	**34.2%**	**37.8%**	**360bps**	Favorable product & customer mix, fixed cost leverage & fewer promos
Operating Expenses	$46.2	$54.7	18%	Increases in marketing spend for new product launches & revenue-driven, variable-based sales expenses & compensation
Operating Income	$4.8	$54.0	$49.2M	Revenue & margin drivers noted above
Net Income (Loss)	$(3.2)	$39.2	$42.4M	Revenue & margin drivers noted above
EPS Diluted[1]	**$(0.26)**	**$2.74**	**$3.00**	Revenue & margin drivers noted above
Adjusted EBITDA[2]	**$11.6**	**$57.7**	**$46.1M**	Revenue & margin drivers noted above

1) EPS based on diluted share count of 12.3 million average shares in 2017 and 14.3 million average shares in 2018. See slide 24 for bridge on share count changes.
2) See appendix for a reconciliation of non-GAAP measures.

BALANCE SHEET

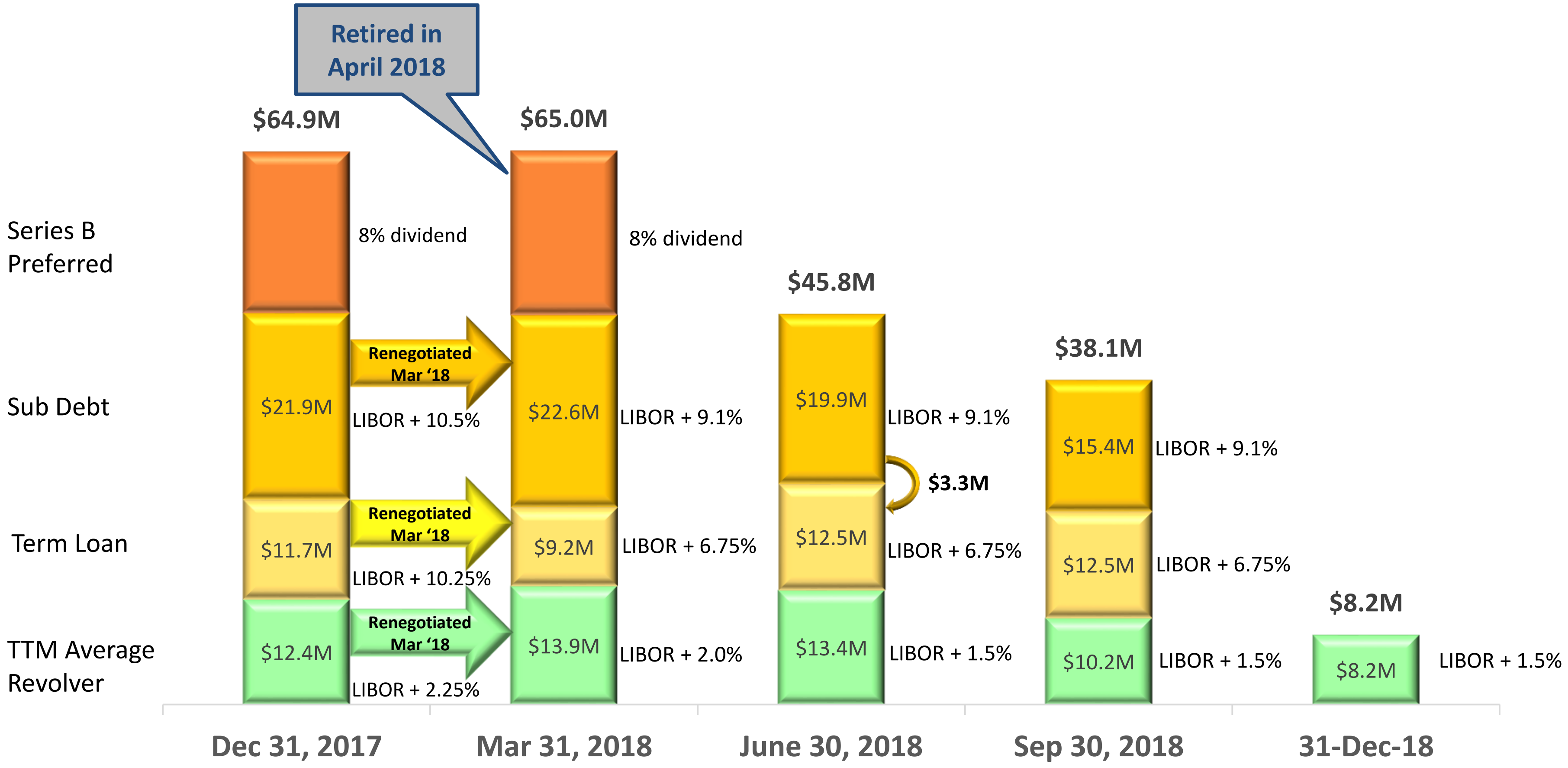
Capitalization		
	At 12-31-17	**At 12-31-18**
Cash & Equivalents	**$5.2M**	**$7.1M**
Debt		
Revolver (asset-based)	$38.5M	$37.4M
Term Loans	$11.7M	–
Subordinated Notes	$21.9M	–
Total Debt	**$72.1M**	**$37.4M**
Series B Preferred Stock[1]	$18.9m	–
Leverage Ratio[2]	***2.1x***	***0.1x***

2018 Balance Sheet Improvements

- Renegotiated term loans and sub-debt in March, reducing interest rates and eliminating certain covenants
- Extended maturity of term loans, sub-debt and working capital line to 2023
- Paid off term loans and sub-debt
- Retired Series B Preferred Stock in exchange for shares/warrants
- *Fully repaid revolver in first quarter of 2019 with operating cash flows*

1) Retired in April 2018.
2) Defined as total term loans outstanding and average trailing twelve month revolving debt, divided by consolidated trailing twelve month adjusted EBITDA.

EVOLUTION OF DEBT PAYDOWN



EXPECTED CONSOLE HEADSET MARKET DYNAMICS IN 2019

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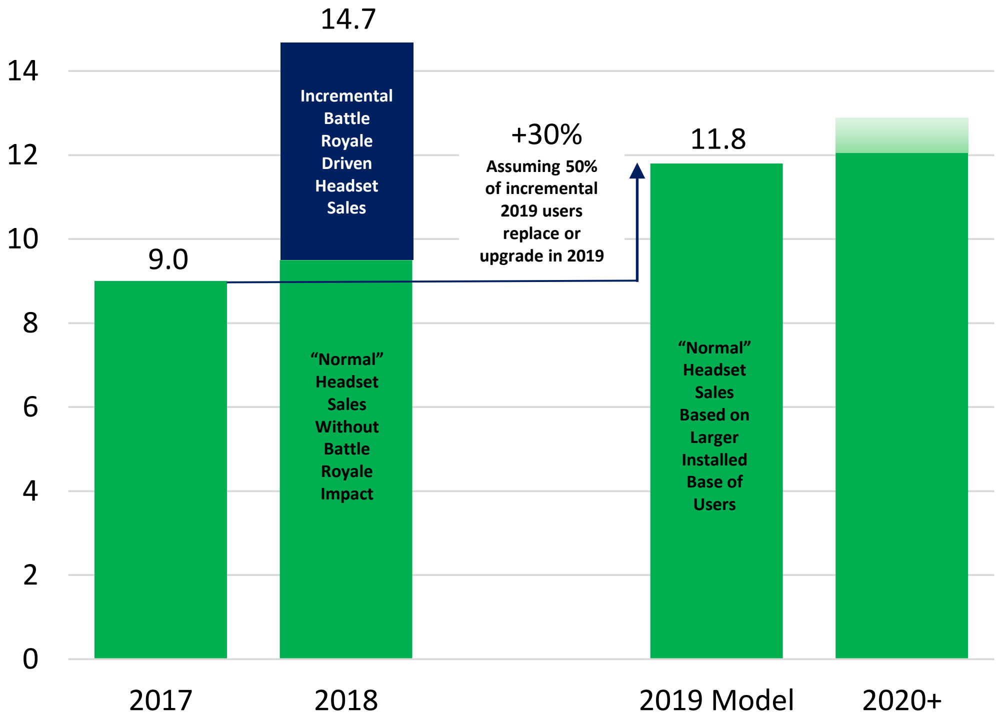
Simplified Market Model[1]

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 in 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 in 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 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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	Q1-19	2019	Commentary & Assumptions
Net Revenue	~$42M	$240-$248M	Number of new gaming headset users returns to more normal rate; 2019 includes ~8 months' of revenue from ROCCAT (estimated to be $20-$24M)
Gross Margin	~32%	33%-34%	Reduced operating leverage, increases in promotional allowances & one-time ROCCAT charges
GAAP EPS	~$0.02	$0.70-$0.90	$10-12M incremental OpEx for PC headsets & ROCCAT plus estimated $3M in transaction costs, 10% tax rate
Adj. EPS[2]	~$0.05	$0.90-$1.10	
Diluted Shares	~16.5M	~16.6M	
Adj. EBITDA	~$3M	$27-$31M	Higher promotional allowances related to new products, increased marketing spend, PC & ROCCAT investments

1. Guidance effective on March 14, 2019.
2. Excludes impact of mark-to-market adjustments associated with the retirement of the Company's Series B preferred stock in April 2018. Also exclude transaction & integration costs related to the acquisition of ROCCAT, currently estimated to be 0.6M in Q1-19 & ~$3M in 2019.

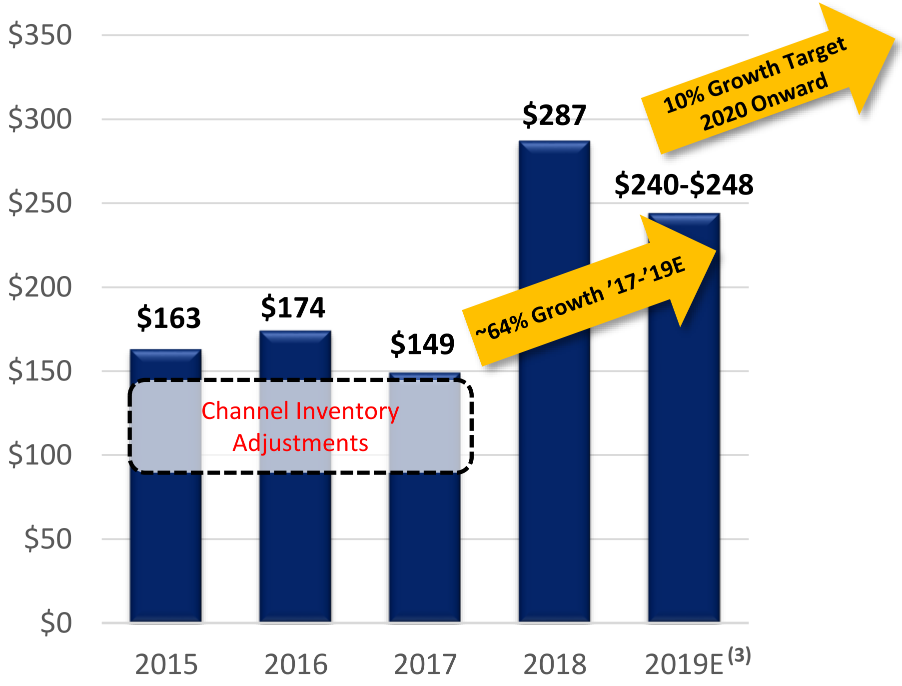
SHARE COUNT BRIDGE

Weighted average diluted shares outstanding – Q4 2017	**12,364**
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	594
Incremental dilutive effect of outstanding stock options and restricted stock	1,074
Incremental dilutive effect of outstanding warrants[1]	874
Weighted average diluted shares outstanding – Q4 2018	**16,213**
Weighted average diluted shares outstanding – 2018	**14,289**
Estimated weighted average diluted shares outstanding – 2019	**16,600**

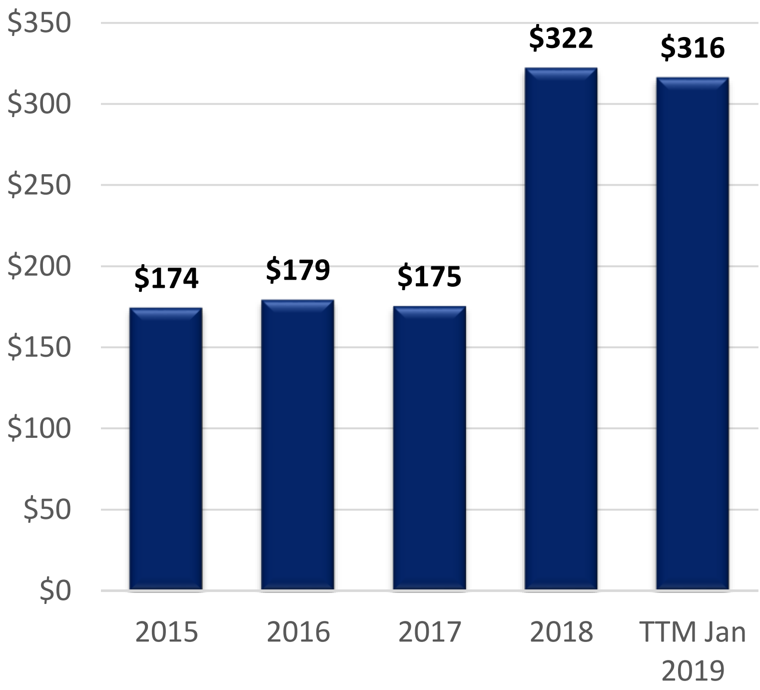
1. Includes 550,000 fully-funded warrants issued in connection with the exchange for Series B preferred stock and warrants held by Stripes

REVENUE PROFILE

Company Revenues (1)
Millions



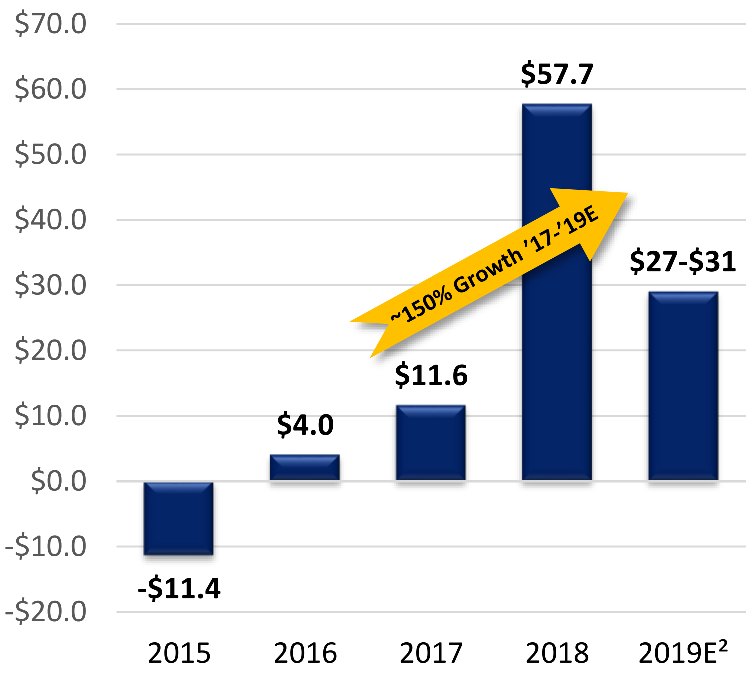
Company Product Retail Sell-Through in US & Canada Markets (2)
Millions



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 Feb 2018-Jan 2019.
3. Guidance effective on March 14, 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. Enter PC headsets 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 on March 14, 2019.

STRONG FREE CASH FLOW GROWTH

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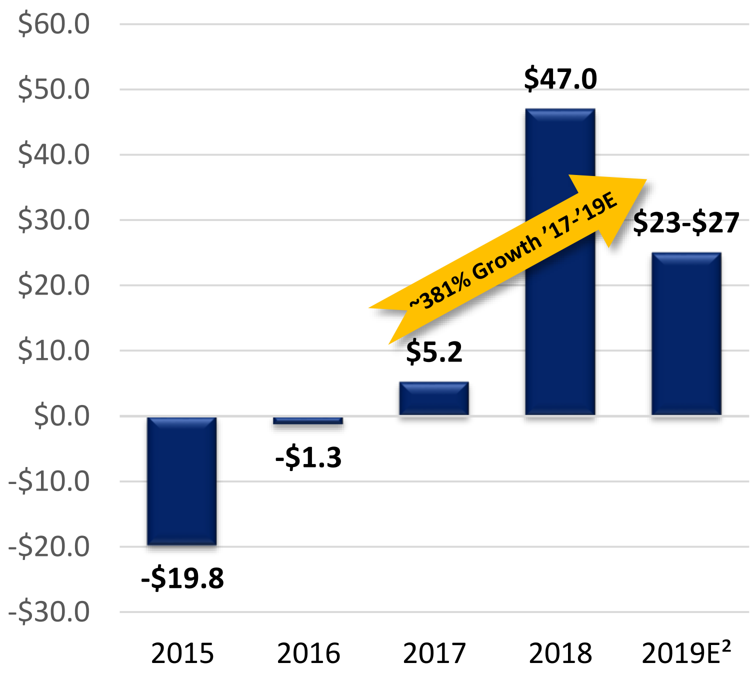
Free Cash Flow[1]
Millions



Strong free cash flow generation…

Positioned the Company to amend and improve debt agreements March 2018

Expected to enable growth investments

1. Free cash flow defined as consolidated adjusted EBITDA less capital expenditures, less cash interest.
2. Estimated based on guidance effective on March 14, 2019.

KEY TAKEAWAYS

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- Record Q4 and 2018 results, significantly exceeded outlook
- Market share gains in a healthy overall market with strong execution to capture opportunity
- 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

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

HEAR EVERYTHING. DEFEAT EVERYONE.

	Three Months Ended December 31, 2018					
	As Reported	**Adj Depreciation**	**Adj Amortization**	**Adj Stock Compensation**	**Other (1)**	**Adj EBITDA**
Net Revenue	$ 111,319	$ —	$ —	$ —	$ —	$ 111,319
Cost of Revenue	68,428	(260)	—	111	—	68,279
Gross Profit	**42,891**	**260**	**—**	**(111)**	**—**	**43,040**
Operating Expense	17,427	(750)	(73)	(579)	—	16,025
Operating income (loss)	**25,464**	**1,010**	**73**	**468**	**—**	**27,015**
Interest expense	979					
Other non-operating expense (income), net	(1,104)				3,119	2,015
Earnings before income tax expense	25,589					
Income tax expense	975					
Net income	**$ 24,614**				**Adjusted EBITDA**	**$ 25,000**

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

GAAP TO ADJUSTED EBITDA RECONCILIATION – YEAR ENDED DECEMBER 31, 2018

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	Year Ended December 31, 2018					
	As Reported	**Adj Depreciation**	**Adj Amortization**	**Adj Stock Compensation**	**Other (1)**	**Adj EBITDA**
Net Revenue	$ 287,437	$ —	$ —	$ —	$ —	$ 287,437
Cost of Revenue	178,738	(627)	—	(289)	—	177,822
Gross Profit	**108,699**	**627**	**—**	**289**	**—**	**109,615**
Operating Expense	54,658	(3,327)	(303)	(1,588)	—	49,440
Operating income (loss)	**54,041**	**3,954**	**303**	**1,877**	**—**	**60,175**
Interest expense	5,335					
Other non-operating expense (income), net	7,779				(5,291)	2,488
Earnings before income tax expense	40,927					
Income tax expense	1,737					
Net income	**$ 39,190**				**Adjusted EBITDA**	**$ 57,687**

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

GAAP TO ADJUSTED EBITDA RECONCILIATION – THREE MONTHS ENDED DECEMBER 31, 2017

	Three Months Ended December 31, 2017					
	As Reported	Adj Depreciation	Adj Amortization	Adj Stock Compensation	Other (2)	Adj EBITDA
Net Revenue	$ 79,696	$ —	$ —	$ —	$ —	$ 79,696
Cost of Revenue	49,748	(99)	—	—	120	49,769
Gross Profit	**29,948**	**99**	**—**	**—**	**(120)**	**29,927**
Operating Expense	13,969	(975)	(89)	(243)	(24)	12,638
Operating income (loss)	**15,979**	**1,074**	**89**	**243**	**(96)**	**17,289**
Interest expense	2,199					
Other non-operating expense (income), net	54					54
Earnings before income tax benefit	13,726					
Income tax benefit	(505)					
Net income	**$ 14,231**				**Adjusted EBITDA**	**$ 17,235**

(2) Other includes business transition costs and restructuring charges.

GAAP TO ADJUSTED EBITDA RECONCILIATION – YEAR ENDED DECEMBER 31, 2017

TURTLE BEACH
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	Year Ended December 31, 2017					
	As Reported	Adj Depreciation	Adj Amortization	Adj Stock Compensation	Other (2)	Adj EBITDA
Net Revenue	$ 149,135	$ —	$ —	$ —	$ —	$ 149,135
Cost of Revenue	98,132	(578)	—	66	79	97,699
Gross Profit	**51,003**	**578**	**—**	**(66)**	**(79)**	**51,436**
Operating Expense	46,205	(3,496)	(348)	(1,496)	(533)	40,332
Operating income (loss)	**4,798**	**4,074**	**348**	**1,430**	**454**	**11,104**
Interest expense	7,916					
Other non-operating expense (income), net	(463)					(463)
Loss before income tax expense	(2,655)					
Income tax expense	593					
Net loss	**$ (3,248)**				**Adjusted EBITDA**	**$ 11,567**

(2) Other includes business transition costs and restructuring charges.

GAAP TO ADJUSTED EBITDA RECONCILIATION

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)**