

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 15, 2017

FORM HOLDINGS CORP.  
(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or other jurisdiction of incorporation)

001-34785  
(Commission File Number)

20-4988129  
(I.R.S. Employer Identification No.)

780 Third Avenue, 12<sup>th</sup> Floor  
New York, New York 10017  
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: (646) 525-4319

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company
  - If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
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**Item 2.02 Results of Operations and Financial Condition.**

Attached hereto as Exhibit 99.1 is a copy of a press release of FORM Holdings Corp. (the “Company”), dated May 15, 2017, announcing certain operating results for the three months ended March 31, 2017. The information in the press release is incorporated by reference into this Item 2.02 of this Current Report on Form 8-K.

The information set forth under this Item 2.02 of this Current Report on Form 8-K, including the exhibit attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference.

**Item 7.01. Regulation FD Disclosure.**

The Company has prepared an investor presentation to be used in connection with general corporate presentations, a copy which is attached to this Current Report on Form 8-K as Exhibit 99.2.

In accordance with General Instruction B.2 on Form 8-K, the information set forth in this Item 7.01 and the investor presentation attached to this report as Exhibit 99.2 is “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall such information be deemed incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended.

**Item 9.01 Financial Statements and Exhibits.****(d) Exhibits.**

Exhibit Number	Description of Exhibits
99.1	Press release, dated May 15, 2017.
99.2	Investor Presentation.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**FORM HOLDINGS CORP.**

Dated: May 15, 2017

By: /s/ Andrew D. Perlman

Name: Andrew D. Perlman

Title: Chief Executive Officer

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## FORM HOLDINGS REPORTS FIRST QUARTER 2017 RESULTS

*XpresSpa and Group Mobile Subsidiaries Deliver Strong Q1 2017 Growth*

NEW YORK – May 15, 2017 – FORM Holdings Corp. (NASDAQ: FH), a diversified holding company, today announced financial results for the first quarter ended March 31, 2017.

**First Quarter Highlights**

- Consolidated revenues were \$14.6 million in the first quarter of fiscal 2017, an increase of 615% year-over-year, driven primarily by the positive impact from acquisitions
- Revenues in the *Wellness* segment, which consists of XpresSpa, were \$11.0 million for the first quarter of 2017 compared to zero in the first quarter of 2016; XpresSpa was acquired in December 2016
  - o XpresSpa total revenue grew 18% (compared to the pre-acquisition first quarter 2016)
  - o XpresSpa comparable store sales\* grew 7% in Q1
  - o Approximately 20% store-level gross profit margin
- Revenues in the *Technology* segment, which is comprised of Group Mobile and the developmental asset FLI Charge, grew 172% in the first quarter of 2017 as compared to the same period last year driven by the strength of Group Mobile
  - o Group Mobile generated \$3.5 million in revenue in Q1 2017, an increase of 173% from Q1 2016
  - o Group Mobile generated \$4.1 million in bookings and committed orders\* in the first quarter of 2017, an increase of 97% from the prior year
  - o Expanded gross margins by approximately 300 basis points to 16% in Q1 2017 from 13% in Q1 2016
  - o Acquired Excalibur Integrated Systems, expanding technology services and customer base
- Extended terms of \$6.5 million note by one year to 2019 with no additional consideration
- Realigned reporting segments into *Wellness*, *Technology* and *Intellectual Property* to better reflect financial and human capital resources

\*Comparable-store sales, store-level contribution margin and bookings and customer commitments are non-GAAP financial measures; see "Use of Non-GAAP Financial Measures" below.

"We are pleased with our top-line growth we achieved in both of our growth segments during the first quarter and the progress we are making on integrating and optimizing each, putting us on track to meet our guidance for 2017," said Andrew D. Perlman, FORM's Chief Executive Officer. "We made several transformative changes in the last year that established our presence in the travel, health and wellness industries and redefined our presence in the technology industry. Since then, we have continued our strategic evolution and our leadership team has been focused on refining our operating model as we manage through the integration process, being vigilant in our review of cost structures to ensure the full potential of the market opportunities unique to each segment.

"Within our *Wellness* segment, we remain excited about the current and future growth we are generating against an anemic retail industry landscape, highlighting the differentiated nature of our business. From an operational standpoint, we have heightened conviction that the initiatives in place at XpresSpa, which include improving our culture, maximizing customer impressions, increasing brand awareness and enhancing productivity are having their desired impact. Within our *Technology* segment, Group Mobile has transformed into a full-service integrated solutions provider through the addition of a growing services business, and our new platform is providing a strong point of differentiation and enabling us to achieve strong year-over-year revenue growth. Our execution on these initiatives is central to our goal of accelerating growth, achieving profitability and delivering long-term sustainable value for our shareholders.

"We incurred a disproportionately high level of expenses in the first quarter related to integration, but this will moderate in the second quarter as we complete this transition. We anticipate improved cash flow and enhanced margins in the second half of the year. Our integration process has allowed greater insight into all our businesses and we are making the necessary changes, including seeking strategic alternatives for our non-core assets, and cutting costs both at the parent and subsidiary level to drive growth and put the company on a path toward profitability. We are committed to maximizing returns on our capital and look forward to demonstrating our progress in the quarters to come."

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## Operating Results

For the first quarter of fiscal 2017, the Company reported total revenue of \$14.6 million, an increase of 615% as compared to the same period in the prior year, primarily driven by the acquisition of XpresSpa in December 2016 and Excalibur in February 2017.

Gross profit margin for the first quarter expanded to 19% from 10% in the first quarter of the prior year due to the increase in revenue and shift in the mix of business operations.

Total operating expenses were \$20.7 million for the first quarter of 2017 as compared to \$5.7 million for the same period last year due to an increase in cost of sales as a result of the acquisitions, higher merger, acquisition and integration costs and an increase in stock-based compensation expense.

Operating loss was \$6.0 million for the first quarter of fiscal 2017 as compared to a loss of \$3.6 million in the first quarter of fiscal 2016. The Company's operating loss for the first quarter of fiscal 2017 included approximately \$0.5 million of merger, acquisition and integration costs and \$0.7 million of stock-based compensation expense. The first quarter of fiscal 2016 included \$0.4 million of stock-based compensation expense.

## Segment Operating Results

### Wellness

Revenue for the *Wellness* segment, which consists of XpresSpa, was \$11.0 million in the first quarter of fiscal 2017 following the acquisition of XpresSpa in December 2016. Comparable-store sales increased 7%, reflecting the Company's store-level design and labor initiatives. As anticipated, the Company's performance was negatively impacted by the shift of the Easter holiday out of the first quarter and into the second quarter of fiscal 2017. In addition, revenue was negatively affected by airport closures in the Northeast as a result of a major winter snowstorm in March. As a reminder, traditionally approximately 21% of revenues are generated in the first quarter.

Gross margin, which includes store-related labor expenses, for the first quarter was 20%. The Company anticipates that this will improve as it integrates XpresSpa's corporate functions and optimizes the segment's performance.

Operating loss in the *Wellness* segment was \$2.4 million, including approximately \$0.5 million of merger, acquisition and integration costs, \$0.6 million of XpresSpa brand amortization and \$1.1 million of leasehold and equipment depreciation. Operating loss before depreciation, amortization and integration costs was \$0.2 million.

During the first quarter of fiscal 2017, the Company opened one in-line XpresSpa unit in New York's John F. Kennedy International Airport and closed two airline employee kiosks that did not align with the Company's strategy. At the end of the first quarter of 2017, XpresSpa operated 53 locations in 22 airports. Since then, the Company has opened its first XpresSpa in Phoenix Sky Harbor International Airport and anticipates opening one additional location, also in Phoenix Sky Harbor International Airport, at the end of May 2017. For the fiscal 2017 full year, the Company currently has five new store openings scheduled.

### Technology

Revenue for the *Technology* segment was \$3.5 million in the first quarter of fiscal 2017, up 172% from the same period last year driven by the strength of Group Mobile. Bookings and customer commitments in the first quarter were \$4.1 million, an increase of 97% compared to the first quarter of 2016.

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Gross profit margin for the first quarter was 16%, compared to 13% in the first quarter of fiscal 2016.

Operating loss in the *Technology* segment was \$1.5 million, compared to a loss of \$1.1 million in the prior year quarter. The increase in operating loss was primarily attributable to development activities for FLI Charge and expansion of workforce for Group Mobile.

#### Intellectual Property

The Company's intellectual property segment generated \$0.1 million in revenue, compared to \$0.8 million in the same period last year.

#### **Balance Sheet & Cash Flows**

As of March 31, 2017, the Company had current assets of \$17.7 million, a cash balance of \$11.7 million and long-term debt of \$6.5 million.

Net cash used in operations for the first quarter of 2017 was \$4.9 million, compared to net cash used in operations of \$5.4 million in the same period of the prior year. The Company had approximately \$2.8 million in non-recurring cash expenditures related to the merger, acquisition and integration of XpresSpa, capital expenditures and financing matters associated with the acquisition of Excalibur. A table of the aforementioned items is contained on page 20 of FORM's most recently filed Quarterly Report on Form 10-Q. The Company anticipates that cash and anticipated cash flow from operations, along with the sale of non-core assets, will provide sufficient capital to support the growth of the business, including opening new XpresSpa locations, maintaining existing XpresSpa locations and purchasing inventory for Group Mobile, for the foreseeable future.

In addition, following the close of the first quarter, XpresSpa completed an one-year extension of its \$6.5 million term loan to 2019, with no additional consideration.

#### **2017 Outlook**

Mr. Perlman concluded, "We are confident in our outlook for fiscal 2017. By the end of the second quarter, we expect to have resolved all outstanding litigation at XpresSpa, right-sized the cost structures of our wellness and technology businesses and refined our capital allocation framework to ensure that we are achieving the best possible returns on capital for our shareholders. As a result, we expect to realize improved cash flow in the second half of 2017 and to begin enjoying the resultant leverage of our fixed cost base as revenues continue to grow."

The Company is reaffirming its previously issued guidance for 2017 of over \$70 million of consolidated revenue, of which approximately \$50 million is expected to come from XpresSpa based on approximately 10% comparable store sales growth and new store locations. Group Mobile is expected to generate the remaining \$20 million by adding new products, exploring new distribution verticals, such as military and government, and increasing its geographic coverage. Group Mobile is expected to be profitable for 2017. Regarding the seasonality of the business, the second quarter typically represents approximately 26% of annual revenue in the wellness segment, and 37% of annual revenue in the technology segment. In addition, the Company will continue to have the benefit of the \$139 million net operating loss carryforward relating to losses generated in prior years, and will have the ability to utilize the carryforward against future federal and state income taxes.

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## Conference Call Information

FORM will host a conference call and audio webcast today, May 15, 2017, at 4:30 p.m. ET, to discuss financial results for the first quarter of fiscal 2017.

### Join the Conference Call via Webcast

1. Visit the Investor Relations section of the Company's website at [www.formholdings.com](http://www.formholdings.com). Visitors to the website should select the "Investors" tab and navigate to the "Events" link to access the webcast.
2. Enter your First Name, Last Name, Company, and Email Address and select "Submit".
3. Select the "Launch Webcast" icon to view the event.

### Join the Conference Call via Assisted Dial-In

To access the conference call by telephone, interested parties should dial (888) 428-7458 (U.S and Canada dial-in) or (862) 255-5400 (Toll) (For international dial-in) and reference FORM Holdings.

## Use of Non-GAAP Financial Measures

XpresSpa uses GAAP and non-GAAP measurements to assess the trends in its business. Items XpresSpa reviews on an ongoing basis are revenues, Comp Store Sales (which it defines as sales from stores opened longer than a year compared to the same period sales of those stores a year ago), number of transactions (which is a way to measure traffic in spas). The table below shows XpresSpa sales and Comp Store Sales:

	Q1 2017	Q1 2016 (unaudited)
Comp	\$ 9,656,956	\$ 9,010,934
Non-Comp	\$ 1,327,125	\$ 307,112
Total Sales	\$ 10,984,081	\$ 9,318,046
Total Sales growth	18%	
Comp Growth	7%	

In addition, XpresSpa monitors stores' performance compared to its model store metrics to ensure that it is consistently opening spas that have the same or similar return dynamics as historical stores. XpresSpa believes the trends exhibited by its business are strong and substantiate its continued investment in additional locations and infrastructure.

Group Mobile uses bookings and customer commitments as a non GAAP measure to assess the health of the business. They represent orders placed and orders committed from the customers, which will be fulfilled in the future. Group Mobile expects to recognize bookings and commitments from customers as revenues throughout 2017.

## About FORM Holdings Corp.

FORM Holdings Corp. (Nasdaq: FH) is a publicly held diversified holding company that specializes in identifying, investing in and developing companies with superior growth potential. FORM's current holdings include XpresSpa, Group Mobile, FLI Charge, Infomedia and intellectual property assets. XpresSpa is the world's largest airport spa company. Group Mobile is a provider of rugged, mobile and field-use computing products, serving customers worldwide. FLI Charge designs, develops, licenses, manufactures and markets wireless conductive power and charging solutions. Infomedia is a leading provider of customer relationship management and monetization technologies to mobile carriers and device manufacturers. FORM Holdings' intellectual property division is engaged in the development and monetization of intellectual property. To learn more about FORM Holdings Corp., visit: [www.FormHoldings.com](http://www.FormHoldings.com).

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## **Forward-Looking Statements**

This press release contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. These include statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "estimates," "projects," "intends," "should," "seeks," "future," "continue," or the negative of such terms, or other comparable terminology. Forward-looking statements relating to expectations about future results or events are based upon information available to FORM Holdings as of today's date, and are not guarantees of the future performance of the company, and actual results may vary materially from the results and expectations discussed. Additional information concerning these and other risks is contained in FORM's most recently filed Annual Report on Form 10-K, recent Current Reports on Form 8-K and other SEC filings. All subsequent written and oral forward-looking statements concerning FORM, or other matters and attributable to FORM or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. FORM does not undertake any obligation to publicly update any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof.

## **Contacts**

### **FORM Holdings**

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ICR

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The logo for FORM HOLDINGS is centered on a black horizontal bar. The word "FORM" is written in large, bold, pink capital letters. Below it, the word "HOLDINGS" is written in smaller, white, spaced-out capital letters. A thin white horizontal line is positioned under the letter "O" in "FORM".

**F O R M**  
H O L D I N G S

The text "INVESTOR PRESENTATION" is written in bold, pink capital letters. Below it, "2017 | SECOND QUARTER" is written in a smaller, grey font. A thin pink horizontal line is positioned above the text.

**INVESTOR PRESENTATION**  
2017 | SECOND QUARTER

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## DISCLAIMERS

### Safe Harbor Statement

This presentation includes forward-looking statements, which may be identified by words such as "believes," "expects," "anticipates," "estimates," "projects," "intends," "should," "seeks," "future," "continue," or the negative of such terms, or other comparable terminology. Forward-looking statements are statements that are not historical facts. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from the forward-looking statements contained herein. Statements in this presentation regarding the merger between FORM and XpresSpa, the potential value created by the merger for FORM's stockholders and XpresSpa's equity holders; the potential of FORM's business after the merger; the ability to raise capital to fund FORM's operations and business plan; market acceptance of FORM's products; the collective ability to protect intellectual property rights; competition from other providers and products; FORM's management and board of directors after the merger; and any other statements about FORM's management team's future expectations, beliefs, goals, plans, revenues or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including, but not limited to: the inability to realize the potential value created by the merger for FORM's stockholders; the potential lack of market acceptance of FORM's products; FORM's inability to monetize and recoup FORM's investment with respect to assets and other businesses that that we have acquired or will acquire in the future; general economic conditions and level of information technology and consumer electronics spending; unexpected trends in the mobile phone and telecom computing industries; the potential loss of one or more of FORM's significant Original Equipment Manufacturer ("OEM") suppliers; market acceptance, quality, pricing, availability and useful life of FORM's products and services, as well as the mix of FORM's products and services sold; potential competition from other providers and products; FORM's inability to license and monetize FORM's patents, including the outcome of litigation; FORM's inability to develop and introduce new products and/or develop new intellectual property; FORM's inability to protect FORM's intellectual property rights; new legislation, regulations or court rulings related to enforcing patents, that could harm FORM's business and operating results; FORM's inability to retain key members of its management team; and other risks and uncertainties and other factors discussed from time to time in our filings with the Securities and Exchange Commission ("SEC"), including FORM's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on March 10, 2016. FORM expressly disclaims any obligation to publicly update any forward-looking statements contained herein, whether as a result of new information, future events or otherwise, except as required by law.

### Trademark Usage

FORM Holdings, the FORM Holdings logo, and other FORM Holdings trademarks, service marks, and designs are registered or unregistered trademarks of FORM Holdings Corp. and its subsidiaries in the United States and in foreign countries. This presentation contains trade names, trademarks and service marks of other companies. All such trade names, trademarks and service marks of other companies are property of their respective owners. FORM Holdings Corp. does not intend its use or display of other parties' trade names, trademarks and service marks to imply a relationship with, or endorsement or sponsorship of or by, such other parties.

### Use of Non-GAAP Financial Measures

XpresSpa uses GAAP and non-GAAP measurements to assess the trends in its business. Items XpresSpa reviews on an ongoing basis are revenues, Comp Store Sales (which it defines as sales from stores opened longer than a year compared to the same period sales of those stores a year ago), store contribution margins, and number of transactions (which is a way to measure traffic in spas). In addition, XpresSpa monitors stores' performance compared to its model store metrics to ensure that it is consistently opening spas that have the same or similar return dynamics as historical stores. XpresSpa believes the trends exhibited by its business are strong and substantiate its continued investment in additional locations and infrastructure.

Please note that FORM's consolidated Statement of Operations will include XpresSpa results from December 23, 2016 onwards. During the full year of 2016, XpresSpa generated \$43.4 million of revenue.

Group Mobile uses bookings and customer commitments as a non GAAP measure to assess the health of the business. They represent orders placed and orders committed from the customers, which will be fulfilled in the future. Group Mobile expects to recognize bookings and commitments from customers as revenues throughout 2017.

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## CORPORATE SNAPSHOT

FORM Holdings is a diversified holding company with a focus on the Health & Wellness and Technology industries

<b>SYMBOL</b>	FH
<b>EXCHANGE</b>	NASDAQ
<b>MARKET CAPITALIZATION</b>	\$41.7 million <sup>1</sup>
<b>AVERAGE TRADING VOLUME</b>	119,651 (3 month) <sup>2</sup>
<b>52 WEEK RANGE</b>	\$1.55 – 4.05 <sup>2</sup>
<b>CORPORATE HEADQUARTERS</b>	New York, NY
<b>AUDITOR</b>	CohnReznick LLP

<sup>1</sup> based on 19.2 million shares of common stock outstanding as of March 31, 2017  
<sup>2</sup> as of March 31, 2017

# CORPORATE STRUCTURE

## FORM HOLDINGS

### HEALTH & WELLNESS

Approximately 70% of 2016 Revenue







- Airport terminal spa and wellness + retail
- Acquired in December 2016
- 53 locations in 22 airports<sup>1</sup>

100%

### TECHNOLOGY

Approximately 30% of 2016 Revenue

100%	 <ul style="list-style-type: none"><li>▪ Provider of rugged, mobile and field-use computing products</li><li>▪ Acquired in October 2015</li></ul>
100%	 <ul style="list-style-type: none"><li>▪ Fast, powerful and easy to use conductive charging &amp; power</li><li>▪ Acquired October 2015</li></ul>
100%	 <ul style="list-style-type: none"><li>▪ Engaged in the monetization of intellectual property</li><li>▪ Portfolio of 75+ technology patents</li></ul>
8.5%	 <ul style="list-style-type: none"><li>▪ Customer relationship management and monetization technologies. Invested in 2014</li></ul>

<sup>1</sup> as of March 31, 2017



HEALTH & WELLNESS



- Airport terminal spa and wellness + retail
- Acquired in December 2016
- Industry leader with 53 locations in 22 airports<sup>1</sup>
- 20% store-level profit
- \$43.8M of revenue in 2016
- ~\$50M forecasted revenues in 2017 (+14% growth)

TECHNOLOGY



GROUPMOBILE  
ADVANCED MOBILE TECHNOLOGY

- Provider of rugged, mobile and field-use computing products and services
- Acquired in October 2015
- Services offering added in February 2017 supports higher margins and differentiates platform within industry
- \$6.6M of revenue in 2016
- ~\$20M forecasted revenues in 2017 (+200% growth)

<sup>1</sup> as of March 31, 2017

XpRES SPA<sup>®</sup>

**F O R M**

H O L D I N G S

# XpRESpa® THE LEADING AIRPORT SPA COMPANY IN THE WORLD

- Approximately 50% market share in the United States
  - 53 spa locations in 22 airports<sup>1</sup>
  - Well recognized and popular airport spa brand
  - More than three times the number of domestic locations as its closest competitor
- Full range of spa services and retail offerings

SPA		RETAIL	
➢ Massage	➢ Skin Care	➢ Travel Pillows	➢ Massage Tools
➢ Nail Care	➢ Waxing	➢ Blankets	➢ Travel Kits
➢ Blow Dry			
- Large and growing industry with additional upside
  - Demand from travelers for upscale airport retail options
  - Multiple locations within airports and within terminals
- Steady sales and store profitability metrics regardless of size
- Benefits from the health and wellness movement
  - Massages are seen as a key aspect of a healthy lifestyle
- Positioned for accelerated growth in 2017 and beyond



<sup>1</sup> as of March 31, 2017



## ESTABLISHED AIRPORT PRESENCE

DOMESTIC	AIRPORT	STORE	KIOSK	TOTAL <sup>1</sup>
Atlanta	ATL	3	-	3
Charlotte	CLT	-	1	1
Chicago O'Hare	ORD	1	-	1
Dallas	DFW	4	1	5
Denver	DEN	2	-	2
Houston	HOU	1	-	1
Las Vegas	LAS	2	1	3
Los Angeles	LAX	1	1	2
Miami	MIA	1	-	1
Minneapolis	MSP	2	1	3
New York	JFK	7	1	8
New York	LGA	1	-	1
Orlando	MCO	4	-	4
Philadelphia	PHI	3	-	3
Pittsburgh	PIT	1	-	1
Raleigh-Durham	RDU	1	-	1
Salt Lake City	SLC	3	-	3
San Francisco	SFO	4	-	4
Santa Ana	SNA	1	-	1
Washington DC	DCA	1	-	1
<b>TOTAL</b>		<b>43</b>	<b>6</b>	<b>49</b>

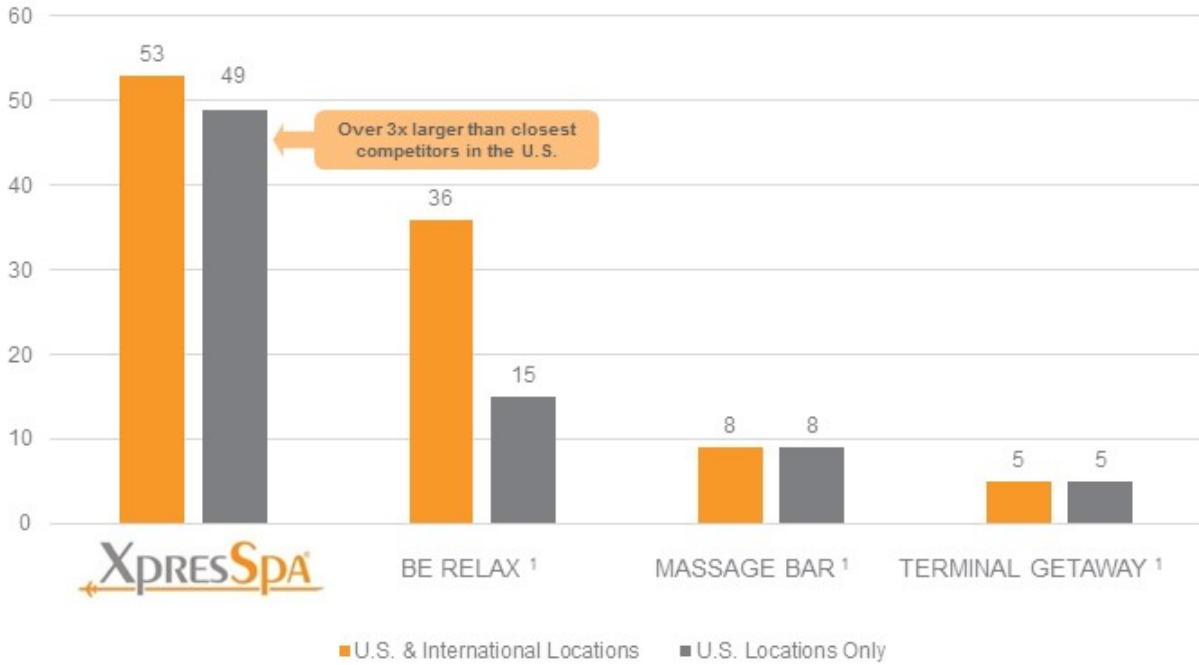
INTERNATIONAL	AIRPORT	STORE	KIOSK	TOTAL <sup>1</sup>
Amsterdam	AMS	3	-	3
Dubai	DXB	1	-	1
<b>TOTAL</b>		<b>4</b>	<b>-</b>	<b>4</b>

SUMMARY	STORE	KIOSK	TOTAL <sup>1</sup>
Domestic	43	6	49
International	4	-	4
<b>TOTAL</b>	<b>47</b>	<b>6</b>	<b>53</b>

- 53 locations in many of the largest and most desirable airport hubs in the world
  - > 49 US & 4 international locations
  - > 47 inline & 6 kiosk locations
- Opened 3 new store locations since announcing FORM's acquisition on August 8, 2016
- Opened 5<sup>th</sup> location at JFK Terminal 4 in February 2017
- 4 additional openings targeted for 2017
  - > 2 locations at PHX opening Q2 2017
  - > 1 location at each JFK & CLT opening in Q4 2017



**53 LOCATIONS IN MANY OF THE LARGEST AND MOST DESIRABLE HUB AIRPORTS IN THE WORLD, 49 IN THE UNITED STATES**

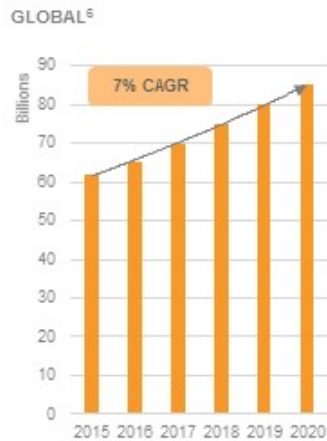
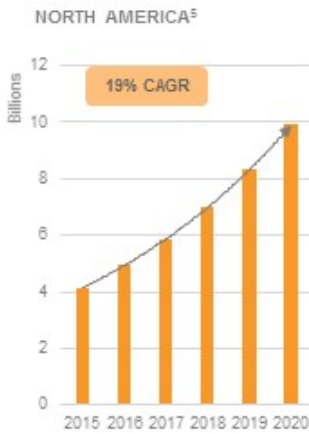


<sup>1</sup> Based on respective company websites as of March 31, 2017

# XpresSpa GROWING TRAVELER DEMANDS

- Increased travel security and screening has driven innovation and growth in airport retail
  - Travelers at large hub airports typically spend ~75 minutes in the airport after going through security<sup>1</sup>
- Premium concepts like XpresSpa are suited for typical traveler demographic
  - Air travelers in the US have median household income (HHI) of \$75,000 - \$99,000, as compared to national median HHI of \$52,250<sup>2</sup>
  - Frequent fliers (18% of travelers) have a HHI > \$100,000<sup>3</sup>
  - ~70% of purchases occur on impulse because these affluent customers are bored, rushed, and stressed<sup>4</sup>

## AIRPORT RETAIL SPENDING ON PACE TO GROW SIGNIFICANTLY THROUGH 2020



<sup>1</sup>ACI, 2016  
<sup>2</sup>Airport World Magazine, 2016  
<sup>3</sup>New Market Research & Micro Market Monitor, 2016

<sup>4</sup>ACI, 2016  
<sup>5</sup>Airport Revenue News  
<sup>6</sup>Generation Research, 2014

# XpresSpa OPERATIONAL HIGHLIGHTS & OUTLOOK

- Acquired on December 23, 2016
- **Attractive Unit Economics:**
  - Approximately 20% store-level margins
  - Comp-store average annual sales<sup>1</sup>
    - \$984,000 per in-line store
    - \$490,000 per kiosk
  - Unit-level Cash ROI of ~40% at end of Year One
  - Seasonality (average unit quarterly revenue cadence):
    - 1Q: 21%, 2Q: 26%, 3Q: 27%, 4Q: 26%
- **2017 Outlook:**
  - Revenue of ~\$50 million
  - 5 new spas in 2017
  - SSS of 10%
- Anticipate growing to 100 spas by end of 2020



<sup>1</sup> as of March 31, 2017

**CORPORATE**

- Increase profitability by reducing corporate overhead
- Leverage FORM Holdings resources to create synergies

**SAME STORE**

- Better recruitment and retention of employees
- Schedule staff based on enplanements
- Improve store productivity
  - Rollout new store design to maximize ROI and further enhance customer experience
    - Layouts and service offerings optimized for efficiency
    - More appealing aesthetics
  - Introduce new POS system by Q4 2017
    - Integrates with reservation system
    - Enhanced digital marketing
    - Market to and track 140,000+ affinity members that have already signed up

**EXPANSION**

- 25 domestic RFPs for new locations will be offered in the next 12 months
  - Historically, XpresSpa wins 80% of RFPs it submits
- Consistent engagement with terminal owners and prime lease holders
- International expansion
- Explore franchise model for secondary and tertiary airports in late 2017 with projected revenue in 2018



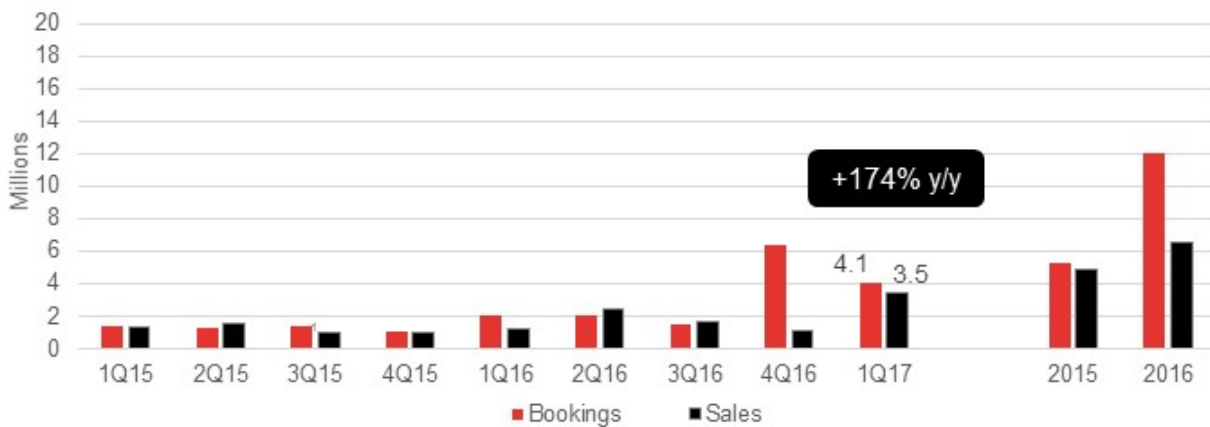
GROUP**MOBILE**  
ADVANCED MOBILE TECHNOLOGY

**F O R M**

H O L D I N G S



- Provider of rugged computing systems and solutions services
- Focused on enterprise sales contracts with large corporations and municipalities
- Growing services business with integration of Excalibur Integrated Systems acquisition
- Experienced sales & leadership teams with strong relationships with manufacturer representatives and brand agnostic approach differentiates Group Mobile from competition
- Strong pipeline of RFP's in law enforcement and long-term corporate contracts
- Year-over-year growth in revenues and bookings/customer commitments<sup>1</sup>



<sup>1</sup> Bookings and customer commitments is a Non-GAAP financial measure that assesses the health of the business. It represents orders placed and orders committed from customers, which will be fulfilled in the future. Group Mobile expects to recognize bookings and commitments from customers as revenues throughout 2017.



**CATEGORIES**



RUGGED LAPTOPS



RUGGED TABLETS



RUGGED HANDHELDS



BARCODE SCANNERS



PRINTERS



GATEWAYS & MODEMS



RUGGED MOBILE ACCESSORIES (MOUNTS ETC.)



IN-CAR VIDEO & BODY WORN CAMERAS



DRONES

**BRANDS**



**SERVICE CENTERS**

CHATTANOOGA, TN &  
PHOENIX, AZ

**SERVICE OFFERINGS**

FLEXIBLE TECHNOLOGY:  
DESIGN, INSTALLATION, INTEGRATION, IMPLEMENTATION, WARRANTY

# APPENDIX

**F O R M**  
HOLDINGS



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## FORM HOLDINGS LEADERSHIP TEAM



### ANDREW PERLMAN

CEO & Director

- Former Head of Digital, Classic Media
- Former Vice President of Global Digital Business Development, EMI Music
- George Washington University, B.A.



### ANASTASIA NYRKOVSKAYA

CPA, CFO & Treasurer

- Former Vice President and Assistant Global Controller, NBC Universal Media, LLC
- Former Auditor, KPMG LLP
- Moscow State University of Publishing and Printing Arts



### ED JANKOWSKI

Senior Vice President of FORM Holdings & CEO of XpresSpa

- Former Vice President, Luxottica
- Former Senior Vice President, Godiva
- Former Chief Operating Officer, Safilo Group
- Former President, World Duty Free Group
- Former Vice President, Liz Claiborne



### DARIN WHITE

Vice President of FORM Holdings & President of Group Mobile

- Former Senior Southeastern Regional Sales Manager, Getac USA
- Former Southeast Regional Sales Manager, General Dynamics Itronix
- Former Managing Director, Virtual Mobile Technologies LLC
- Former Vice President of Sales Strategic Markets, ICM



### JASON CHARKOW

Senior Vice President of Business & Legal Affairs

- Former of Counsel, Intellectual Property Litigation, Winston & Strawn LLP
- Former Attorney, Jones Day
- Hofstra University, J.D.

## FORM HOLDINGS BOARD OF DIRECTORS



### **SALVATORE GIARDINA**

Director & Chair of Audit Committee

- CFO Pragma Weeden Holdings LLC
- Former SVP & CFO, G-Trade Services & ConvergeX Global Markets
- Former EVP, CFO & Controller, Ladenburg Thalmann & Co., Inc.
- Current Director & Audit Committee Chair, National Holdings Corporation



### **BRUCE BERNSTEIN**

Director & Chair of Compensation Committee

- President, Rookmore Capital, LLC
- Former Co-President, Omicron Capital, LP
- Former President, Fortis Investments Inc.
- Current Board Member, Summit Digital Health
- City University of New York (Baruch), B.B.A.



### **JOHN ENGELMAN**

Director

- Co-head International TV & DreamWorks Classics, DreamWorks Animation
- Co-founder, Boomerang Media
- Founder & CEO, ClassicMedia
- Former CEO, Broadway Video
- Harvard College, B.A.; Harvard Law School, J.D.



### **DONALD STOUT**

Director

- Co-founder, NTP Inc.
- Partner, Antonelli Terry Stout & Kraus LLP
- Former patent examiner, USPTO
- Pennsylvania State University, B.S.; George Washington University, J.D.



### **RICHARD ABBE**

Director

- Co-Founder, Principal, Managing Partner & Co-Chief Investment Officer, Iroquois Capital Management LLC
- Co-Founder & Former Chief Investment Officer, Vertical Ventures LLC
- Former Senior Managing Director & Member of the Board of Directors, Gruntal & Company



### **ANDREW HEYER**

Director

- Managing Partner & CEO, Mistral Equity Partners
- Founder & Partner, Trimaran Capital Partners
- Vice Chairman, CIBC World Markets
- Founder & Partner, The Argosy Group
- Managing Director, Drexel Burnham Lambert
- University of Pennsylvania, B.S.; The Wharton School, M.B.A.



### **ANDREW PERLMAN**

CEO & Director

- Former Head of Digital, Classic Media
- Former VP of Global Digital Business Development, EMI Music
- George Washington University, B.A.

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## CAPITALIZATION TABLE <sup>1</sup>

FULLY DILUTED SHARES	32,068,758	
COMMON STOCK	19,565,531	
PREFERRED STOCK (AS CONVERTED BASIS AT \$6.00 PER SHARE)	3,532,676	
WARRANTS OUTSTANDING	\$17.60 STRIKE, EXPIRE JULY 2017	343,377
	\$5.00 STRIKE, EXPIRE APRIL 2021	50,000
	\$3.00 STRIKE, EXPIRE MAY 2020	537,500
	\$3.00 STRIKE, EXPIRE OCTOBER 2021	2,500,000
EMPLOYEE INCENTIVE PLAN OUTSTANDING	5,539,674	

<sup>1</sup> as of May 8, 2017

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## CONTACT INFORMATION

For more information, please contact:

**F O R M**  
H O L D I N G S

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