

XpresSpa Group

INVESTOR PRESENTATION
2018 | First Quarter

NASDAQ: XSPA

Disclaimers

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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 relating to expectations about future results or events are based upon information available to XpresSpa Group 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 XpresSpa Group's most recently filed Annual Report on Form 10-K, Quarterly Report on Form 10-Q, recent Current Reports on Form 8-K and other SEC filings. All subsequent written and oral forward-looking statements concerning XpresSpa Group, or other matters and attributable to XpresSpa Group or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. XpresSpa Group 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.

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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 XpresSpa Group's consolidated Statement of Operations includes XpresSpa results from December 23, 2016 onwards. During the full year of 2016, XpresSpa generated \$43.4 million of revenue.



**In 2018,
air travel is
projected to
grow by 6%.¹**

**Average wait
time is 137
minutes.²**

¹ IATA, 2017

² Aviation Pros, 2017



**We offer
busy people
a moment
to relax
and renew
on the go**

XpresSpa®

The leading
airport spa
company in
the world

**Over 50%
market share
in the U.S.**

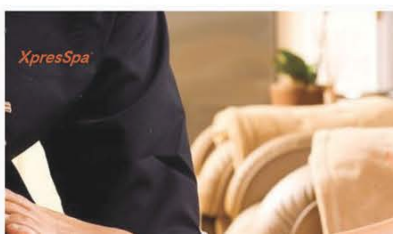
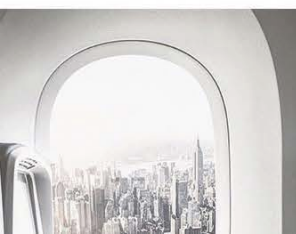
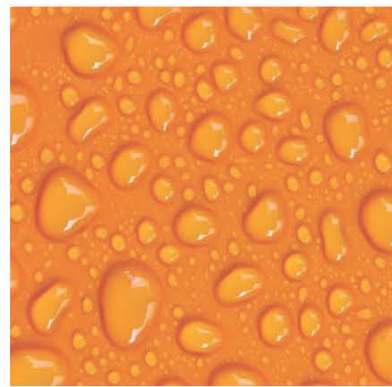
- Perfected the fast-spa format
- Win approximately 80% of RFPs we participate in
- 57 locations in 23 airports globally

Investment Highlights

- **We dominate** our category
- Attractive **Unit Economics**
- Vast **Expansion Potential**
- Approaching **Inflection Point** to Profitability
- **Insiders own 35%** and are incented to create **shareholder value**
- **Opportunity**
 - ▶ **Rebranding to XSPA** occurred on January 8
 - ▶ Nearing completion with **transition to pure-play** health and wellness company
 - ▶ Net operating loss **carryforwards**



Spa Xpre
XpresSpa
Spa Xpre



Wellness On The Go

We are the **leader** in fast-spa services, providing premier wellness solutions in **30 minutes or less**.

Dedicated to keeping people looking and feeling their best **on the go**.

Our cutting-edge services and products are designed to **move with you**.

We are **XpresSpa** Group

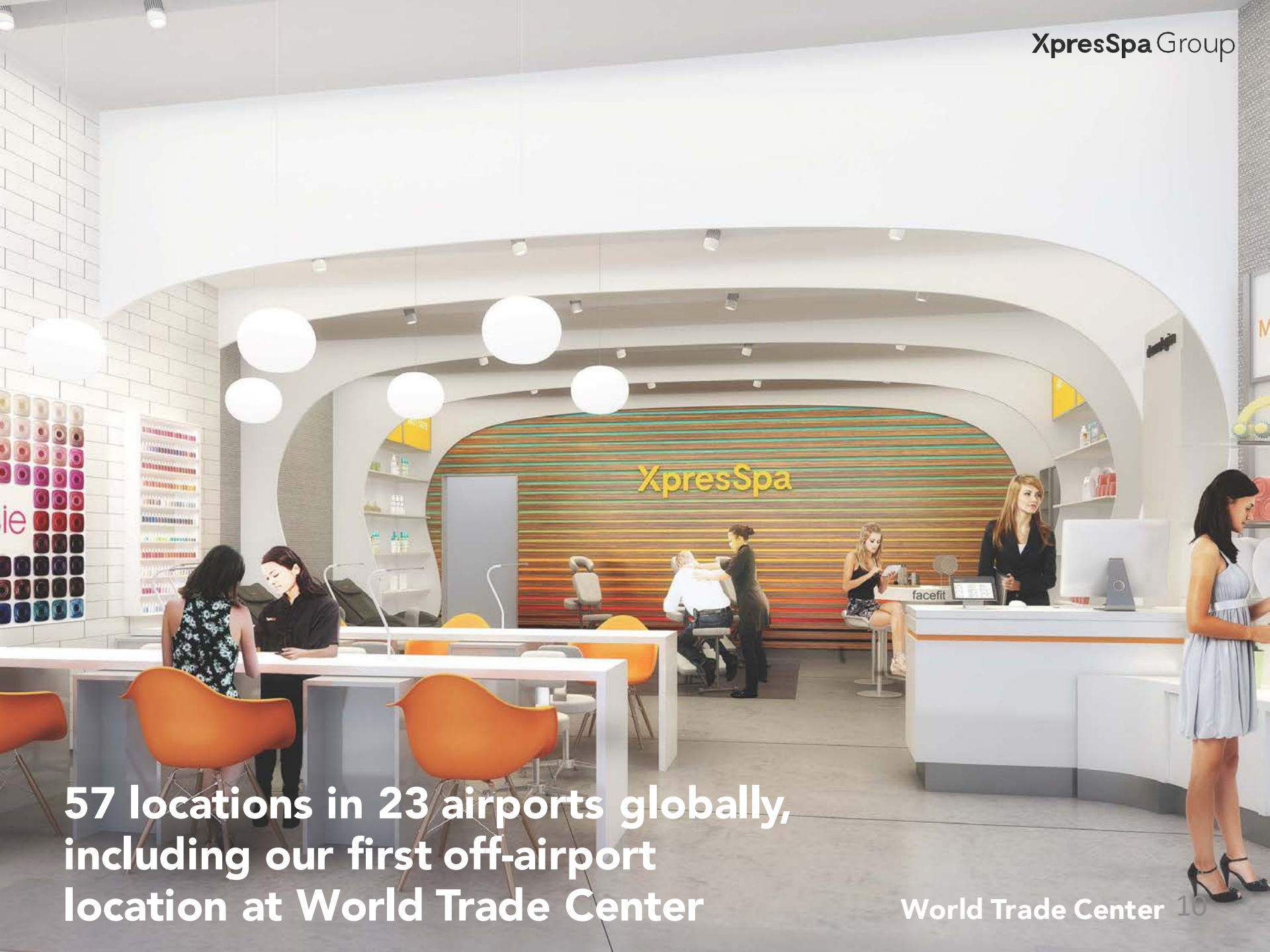
The Experience Economy & Wellness Industry

- Nearly 1 million XpresSpa customers in 2017
- XpresSpa services are "not-Amazonable"
- The global wellness industry is a \$3.7 trillion market. ²
- Millennials Spend Nearly 25% of Disposable Income on Health and Wellness. ³
- Consumer Spending patterns are shifting to experience-based spending. 72% of millennials would rather spend money on experiences than on material goods.¹

¹ Forbes, 2017

² Global Wellness Institute, 2016

³ Market Wired, 2017



57 locations in 23 airports globally,
including our first off-airport
location at World Trade Center

Strong Unit Level Economics

80% Service Revenue
20% Retail Revenue

AVERAGE BOX SIZE **1,225**

AUV / SALES **\$985,615**

SALES PER SQ. FT. **\$786**

STORE PROFIT / EBITDA **19.6%**

2018 PROJECTED AVERAGE **\$400,000**
INVESTMENT COST PER NEW
LOCATION

PAYBACK PERIOD **2.1 years**

CASH-ON-CASH RETURN **48%**



XpresSpa is the answer to growing traveler demands

Increased travelers, security and wait times have driven innovation and growth in airport retail

Travelers at large hub airports typically spend
~137 minutes in the airport after going through security.¹

- Nearly 20% of flights were delayed in 2017.²

Premium concepts like XpresSpa are suited for typical traveler demographic

- Frequent fliers (18% of travelers) have a HHI > \$100,000.³
- 70% of purchases occur on impulse because these affluent customers are bored, rushed, and stressed.⁴

Airport infrastructure spending is increasing

- \$1.2-1.5 trillion is expected to be spent on global airport infrastructure development up to 2030.⁵

¹Aviation Pros, 2017

²TRANSTATS, 2017

³ Airport World Magazine, 2016

⁴ Airport Revenue News

⁵ New Market Research & Micro Market Monitor

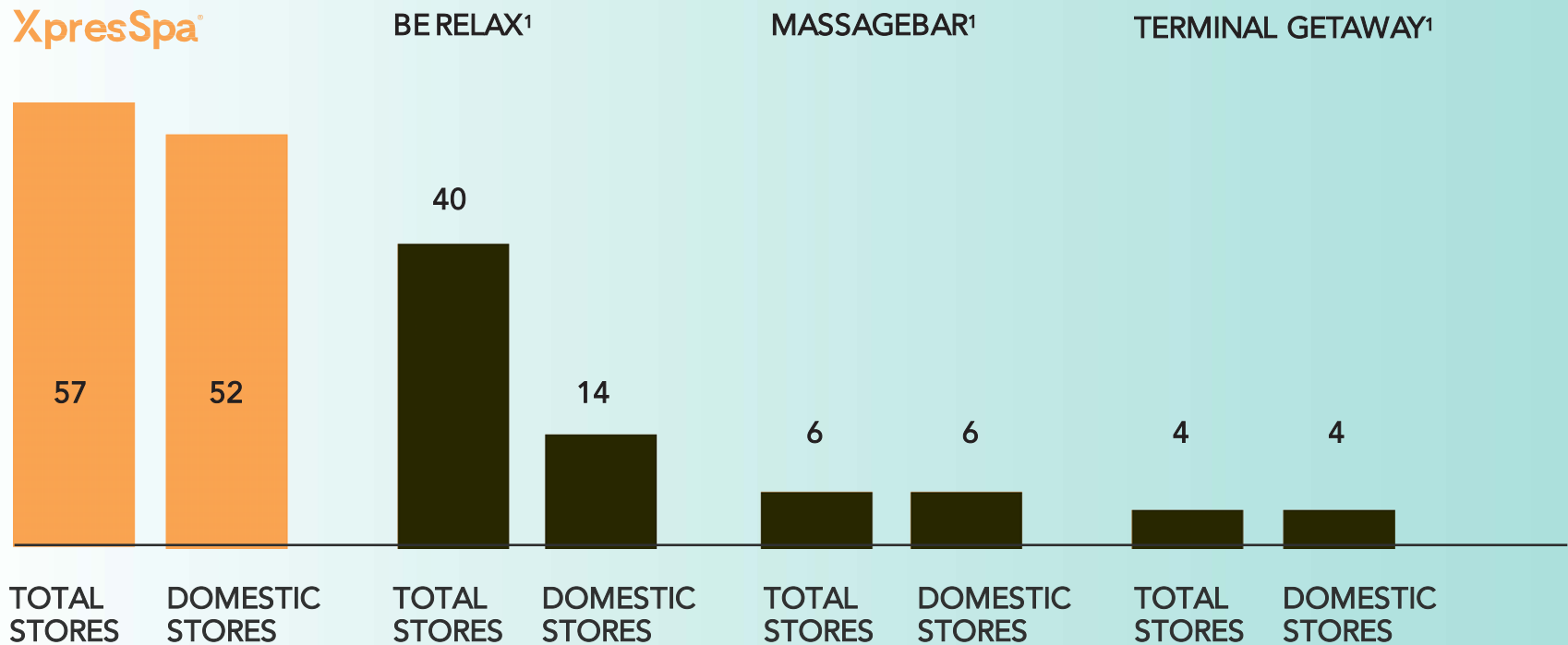
Established Airport Presence

Over 10 new locations already scheduled to open in 2018



We believe company owned domestic in-airport market opportunity 170 units, plus additional franchising*, international and off airport opportunities

Dominant Market Share Position



Significant Growth Opportunities

Same Store

- Better recruitment and retention of employees
- Improve labor optimization
- Improve store productivity
- Roll-out new store design
- Improve in-store technology
- Improve corporate culture

Expansion

- Add New U.S. locations
- Franchising*
- International Expansion
- Off-airport expansion
- Brand Extension: Launching XpresRecover focused on technology-driven wellness

XpresSpa

Xpres
Spa X
presSp
a Xpre

XpresRecover

Brand Extension

XpresRecover will launch first location in first half of 2018.

Featuring:

- **cryotherapy**
- **compression therapy**
- **salt chambers**
- **healthy grab & go**



Accelerating Growth Under New Management

2017 Accomplishments

- Opened Net 9 Locations
- Same store sales growth
- Recruited top talent for corporate and field teams
- Improved technology in stores
- Major rebrand completed
- Introduced retail partnerships with Dermalogica and Essie
- Created innovate partnership for XpresSpa branded product with Capelli

XpresSpa Group is leveraging and **scaling** its core asset XpresSpa in building a preeminent **pure-play** health and wellness services company.

Corporate Snapshot

SYMBOL **XSPA**

EXCHANGE **NASDAQ**

MARKET CAPITALIZATION¹ **\$39.7 MILLION**

AVERAGE TRADING VOLUME (3 MO)² **340,674**

52 WEEK RANGE² **\$1.07 – \$2.60**

REVENUE (YTD-9/30/17) **\$48.7 MILLION**
(XpresSpa: **\$36.6 MILLION**)

CASH (9/30/17) **\$10.1 MILLION**

DEBT **\$6.5 MILLION** (May 2019 Maturity)

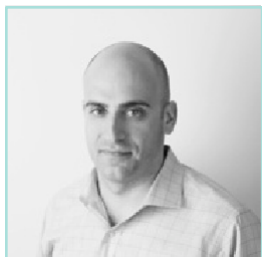
CORPORATE HEADQUARTERS **New York, NY**

AUDITOR **CohnReznick LLP**

¹based on 26.5 million shares of common stock outstanding on September 30, 2017 and closing price of \$1.52 on January 5, 2018

²as of January 5, 2018

Experienced Senior Management



ANDREW PERLMAN
CEO & Director XpresSpa Group

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



KERRY DUCHI
Visual, Merchandising and Marketing Manager

- ▶ Former Retail Merchandising & Analytics Manager, Godiva
- ▶ Former Merchandise Planner, Calvin Klein Jeans
- ▶ Former Merchandiser, Polo Ralph Lauren
- ▶ Northwood University, B.A.



ED JANKOWSKI
President 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



IGA WYRZYKOWSKI
Construction Project Manager

- ▶ Former Project Architect, Gensler
- ▶ Former Project Manager for Drybar, Heitler Houstoun Architects
- ▶ Wentworth Institute of Technology, BSA & M.Arch



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



ANGELIA YAUN
Senior Director of Spas XpresSpa, North America

- ▶ Former Senior Director of Stores, Luxottica Luxury
- ▶ Former Regional Director, Godiva
- ▶ Former Regional Manager Safilo/Solstice

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



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.



JOHN ENGELMAN
Director

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



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



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 PERLMAN
CEO & Director

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



BRUCE BERNSTEIN
Director & Chair of Compensation Committee

- ▶ President, Rockmore 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.

Capitalization Table¹

FULLY DILUTED SHARES			38,324,415
COMMON STOCK			26,540,689
PREFERRED STOCK (AS CONVERTED BASIS AT \$6.00 PER SHARE)			3,364,429
WARRANTS OUTSTANDING²	\$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			5,331,797

¹ as of September 18, 2017

² warrants convertible into 343,377 shares of common stock with a strike price of \$17.60 expired on July 19, 2017

Opportunity

- Growth of wellness market
- Powerful brand
- Store operating model
- Expansion of existing model
- Extensive ways to leverage the brand experience to partner and expand

XpresSpa Group

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