
**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 14, 2019

GLOBAL EAGLE ENTERTAINMENT INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35176
(Commission
File Number)

27-4757800
(IRS Employer
Identification No.)

6080 Center Drive, Suite 1200, Los Angeles, California 90045
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (310) 437-6000

Not Applicable
(Former name or former address, if changed since last report)

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value	ENT	The Nasdaq Capital Market

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.

Item 2.02 Results of Operations and Financial Condition.

On May 14, 2019, Global Eagle Entertainment Inc. (the “Company” or “we”) issued a press release (the “Press Release”) announcing its unaudited financial results for the first quarter ended March 31, 2019. We have furnished a copy of the Press Release as Exhibit 99.1 to this Current Report on Form 8-K.

Also on May 14, 2019, the Company will conduct a webcast to discuss the results of operations for the same period. We have provided the webcast details in the Press Release.

The information in this Item 2.02 and Exhibit 99.1 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The Company’s Board of Directors (the “Board”) has appointed Christian Mezger to serve as the Company’s Executive Vice President and Chief Financial Officer effective May 16, 2019. Mr. Mezger replaces Paul Rainey, who, on May 13, 2019, delivered notice of his resignation as Executive Vice President and Chief Financial Officer of the Company effective May 16, 2019 and will remain an employee of the Company until May 31, 2019 to assist with Mr. Mezger’s transition into his new role. Mr. Rainey’s resignation is not due to any disagreement with the Company.

Christian Mezger, 50, previously served as Ciber, Inc.’s President and Chief Executive Officer from June 2017 until December 2017 and as Chief Executive Officer of CMTSU Liquidation Inc. (f/k/a Ciber, Inc.) from January 2018 through May 2019. Prior to that, he served as Ciber’s Executive Vice President and Chief Financial Officer from February 2014 to December 2017, and its Senior Vice President, Corporate Finance from August 2011 to February 2014. Prior to joining Ciber, Mr. Mezger served as Vice President of Hewlett Packard Company / Compaq Computer Corporation’s (NYSE: HPQ) Technology Services business from June 2010 to July 2011, Vice President of its Worldwide Financial Planning & Analysis team from April 2009 to May 2010, and Senior Director of its Corporate Planning and Global Function Finance team from June 2007 to April 2009. Prior to 2007, Mr. Mezger served as Hewlett Packard’s Director of its Office of Strategy and Technology Finance team, Manager of its Operational Management Reporting and HP Financial Analysis team, and Finance Manager for its Strategic Finance & Special Reports team. Mr. Mezger received an MBA-equivalent degree in International Business Management with a specialization in International Finance and International Marketing from the University of Vienna. Mr. Mezger currently sits on the Advisory Board at the University of Denver’s School of Accountancy.

Mezger Employment Letter Agreement

Pursuant to an employment letter agreement (the “Employment Agreement”) between the Company and Mr. Mezger, Mr. Mezger’s employment commenced on May 8, 2019 (“Employment Commencement Date”).

The Employment Agreement provides for the following:

- *Initial Annual Base Salary.* Mr. Mezger will receive an initial annual base salary of \$425,000.
- *Annual Incentive Plan Bonus Target.* Mr. Mezger will be eligible for an annual performance bonus under the Company’s Annual Incentive Plan with an initial target of 75% of his annual base salary.
- *Temporary Living Allowance and Expense Reimbursement.* Mr. Mezger will initially perform his employment duties at the Company’s offices in Los Angeles, California, but will maintain his primary residence in Denver, Colorado. Mr. Mezger will receive an allowance of \$357 per day (*i.e.*, the IRS per diem rate) to cover his housing/hotel, food and transportation for each working day he is in the Company’s Los Angeles, California office, until the earlier of (i) the 12-month anniversary of the Employment Commencement Date and (ii) the date on which he establishes a primary residence in a location to be mutually agreed upon between him and the Company. In addition, Mr. Mezger will receive reimbursement for his weekly airfare between Denver and Los Angeles until the 12-month anniversary of the Employment Commencement Date, and for his relocation expenses in line with the Company’s relocation policy.
- *Initial Equity Grants.* Mr. Mezger will receive the following initial equity awards:

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- *RSUs.* 300,000 “time-vesting” restricted stock units representing shares of the Company’s common stock (the “RSU Award”). The RSU Award will vest as follows: (i) 50% of the RSU Award vesting on the second anniversary of the vesting commencement date, (ii) 25% of the RSU Award vesting on the third anniversary of the vesting commencement date, and (iii) 25% vesting on the fourth anniversary of the vesting commencement date (subject to continuous employment through each vesting date).
 - *PSUs.* 150,000 time vesting and “performance-based” restricted stock units representing shares of the Company’s common stock (the “PSU Award”). The PSU Award will vest as follows: (i) 50% of the PSU Award vesting on the second anniversary of the vesting commencement date, (ii) 25% of the PSU Award vesting on the third anniversary of the vesting commencement date, and (iii) 25% vesting on the fourth anniversary of the vesting commencement date (subject to continuous employment through each vesting date). The vesting of the PSUs is further subject to the Company’s common stock achieving a volume-weighted average price per share (“VWAP”) equal to or exceeding \$4.00 for 45 consecutive trading days at any time on or prior to the fifth anniversary of the date the Compensation Committee of our Board of Directors (the “Compensation Committee”) grants the PSU Award.
 - *\$4 Goal Stock Options.* 138,994 cash-settled stock options (“\$4 Goal Stock Options”) representing the right to receive a cash payment on the exercise date equal to the value of a share of the Company’s common stock on the exercise date less the exercise price, multiplied by the number of shares for which the \$4 Goal Stock Options are being exercised. The \$4 Goal Stock Options will vest as follows: (i) 50% on the second anniversary of the vesting commencement date, (ii) 25% on the third anniversary of the vesting commencement date, and (iii) 25% on the fourth anniversary of the vesting commencement date (subject to continuous employment through each vesting date). The vesting of the \$4 Goal Stock Options is further subject to the Company’s common stock achieving a VWAP equal to or exceeding \$4.00 for 45 consecutive trading days at any time on or prior to the fifth anniversary of the date the Compensation Committee grants the \$4 Goal Stock Options.
 - *\$8 Goal Stock Options.* 347,586 cash-settled stock options (“\$8 Goal Stock Options”) representing the right to receive a cash payment on the exercise date equal to the value of a share of the Company’s common stock on the exercise date less the exercise price, multiplied by the number of shares for which the \$8 Goal Stock Options are being exercised. The \$8 Goal Stock Options will vest as follows: (i) 50% on the second anniversary of the vesting commencement date; and (ii) 50% on the third anniversary of the vesting commencement date (subject to continuous employment through each vesting date). The vesting of the \$8 Goal Stock Options is further subject to the Company’s common stock achieving a VWAP equal to or exceeding \$8.00 for 45 consecutive trading days at any time on or prior to the seventh anniversary of the date the Compensation Committee grants the \$8 Goal Stock Options.

The exercise price per share for the \$4 and \$8 Stock Options shall be the per-share Nasdaq closing price on the date the Compensation Committee grants the awards.

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- *Change in Control and Severance Benefits.* Mr. Mezger will be eligible to participate in the Company's Change in Control and Severance Plan for Senior Management as a "Tier II" participant thereunder.

We qualify the foregoing summary of the Employment Agreement by reference to the full text of the Employment Agreement, a copy of which we have filed as Exhibit 10.1 attached hereto and incorporated by reference herein.

Mr. Mezger will become a party to a customary indemnity agreement that the Company enters into with its directors and executive officers. Except for the foregoing agreements, there are no arrangements or understandings between Mr. Mezger and the Company or any other person pursuant to which he was appointed as its Chief Financial Officer. There are no family relationships between Mr. Mezger and any director or executive officer of the Company, or any person that the Company has nominated or chosen to become a director or executive officer. There are also no transactions requiring disclosure under Item 404(a) of Regulation S-K in which Mr. Mezger has an interest.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

**Exhibit
No.**

Description

10.1 [Employment Agreement.](#)

99.1 [Press Release.](#)

SIGNATURE

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.

GLOBAL EAGLE ENTERTAINMENT INC.

By: /s/ Paul Rainey
Name: Paul Rainey
Title: Chief Financial Officer

Dated: May 14, 2019



6080 CENTER DRIVE, SUITE 1200
LOS ANGELES, CA 90045

May 6, 2019

Christian Mezger
c/o Global Eagle Entertainment Inc.
6080 Center Drive, Suite 1200
Los Angeles, CA 90045

Re: Offer of Employment

Dear Christian:

Global Eagle Entertainment Inc. (the "**Company**") is pleased to offer you employment on the following terms:

1. **Position.** You will be hired into a grade 15 (exempt status) and, subject to Paragraph 2 below, your initial title will be Executive Vice President and Chief Financial Officer in the Company's Finance Department. You will initially report to the Company's Chief Executive Officer.

2. **Commencement Date.** Your anticipated commencement date for employment is May 8, 2019 (the "**Commencement Date**") and you shall assume the title of Executive Vice President and Chief Financial Officer one day following the date the Company files its Quarterly Report on Form 10-Q for the three months ended March 31, 2019.

3. **Validity of the Agreement.** The agreement shall become null and void if not signed and returned with three (3) days of the date first written above.

4. **Location.** You shall initially perform your employment duties at the Company's offices in Los Angeles, California. You may initially keep your primary residence in Denver, Colorado, but you shall later relocate your primary residence to a location mutually agreed upon between you and the Company at a future date.

5. **Base Salary.** Your initial base salary will be a rate of \$425,000.00 per year ("**Base Salary**"), payable in accordance with the Company's standard payroll schedule from time to time and subject to all tax withholdings.

6. **Employee Benefits.** You will be eligible to participate in customary employee benefit plans and programs made generally available by the Company to its employees from time to time on a basis that is comparable in all material respects to that provided to other executives of the Company. The Company reserves the right to add, terminate and/or amend any employee benefit plans, policies, programs and/or arrangements from time to time without notice or consideration paid to you.

7. **Annual Bonus.** You will be eligible for an annual performance bonus under the Company's Annual Incentive Plan (as in effect from time to time) with an initial target of 75% of your Base Salary (the "**Annual Bonus**") (but prorated for the 2019 performance year based on the number of full months including pro rata the month of your Commencement Date elapsed in 2019 after your Commencement Date). Your actual Annual Bonus will however be subject to the achievement of individual and Company performance metrics to be established by the Company for you from time to time, and the final calculation and bonus determination (including determination of achievement of performance objectives) will be in the sole discretion of the Company. The Company typically pays its Annual Bonuses in March following each performance-year end, *e.g.*, in March 2020 for the 2019 performance year, but the Company will determine the actual date of payment in its sole discretion. You must be employed on the payment date to receive any Annual Bonus, and if you are not employed for any reason on the payment date (subject to the terms of any severance plan in which you then participate), then you will not be entitled to any Annual Bonus or any portion of it.

8. **Initial Equity Incentive.** Subject to the approval of the Compensation Committee of the Company's Board of Directors, you will receive an initial equity award package consisting of the following:

A. *Time-Vesting Restricted Stock Units*

You will receive an award of 300,000 Restricted Stock Units ("RSUs"). The RSUs—each of which represents a share of our Common Stock—will generally vest as follows:

(i) 50% on the second anniversary of your vesting commencement date, (ii) 25% on the third anniversary of your vesting commencement date and (iii) 25% on the fourth anniversary of your vesting commencement date, subject to your continuous employment through each applicable vesting date.

B. *Performance Share Units*

You will receive an award of 150,000 Performance Stock Units ("PSUs"). The PSUs—each of which represents a share of our Common Stock—will have both time-and performance-based vesting conditions and will generally vest as follows:

(i) 50% on the second anniversary of your vesting commencement date, (ii) 25% on the third anniversary of your vesting commencement date and (iii) 25% on the fourth anniversary of your vesting commencement date, subject to your continuous employment through each applicable vesting date. The vesting of the PSUs is further subject to our Common Stock achieving a volume-weighted average price per share ("VWAP") equal to or exceeding \$4.00 for 45 consecutive trading days at any time on or prior to the fifth anniversary of the date our Compensation Committee grants your award.

C. *\$4 Goal Stock Options*

You will receive an award of 138,994 cash-settled stock options (“\$4 Goal Stock Options”). These \$4 Goal Stock Options—which have both time- and performance-based vesting conditions—represent your right to receive a cash payment on the exercise date equal to the value of a share of our Common Stock on the exercise date less the exercise price, multiplied by the number of shares for which the \$4 Goal Stock Options are being exercised. These \$4 Goal Stock Options have a five-year term and will generally vest and become exercisable as follows:

(i) 50% will vest on the second anniversary of your vesting commencement date, (ii) 25% will vest on the third anniversary of your vesting commencement date and (iii) 25% will vest on the fourth anniversary of your vesting commencement date, subject to your continuous employment through each applicable vesting date. The vesting of the \$4 Goal Stock Options is further subject to our Common Stock achieving a VWAP equal to or exceeding \$4.00 for 45 consecutive trading days at any time on or prior to the fifth anniversary of the date our Compensation Committee grants your award.

D. *\$8 Goal Stock Options*

You will receive an award of 347,586 cash-settled stock options (“\$8 Goal Stock Options”). These \$8 Goal Stock Options—which have both time- and performance-based vesting conditions—represent your right to receive a cash payment on the exercise date equal to the value of a share of our Common Stock on the exercise date less the exercise price, multiplied by the number of shares for which the stock options are being exercised. These \$8 Goal Stock Options have a seven-year term and will generally vest and become exercisable as follows:

(i) 50% will vest on the second anniversary of your vesting commencement date, and (ii) 50% will vest on the third anniversary of your vesting commencement date, subject to your continuous employment through each applicable vesting date. The vesting of the \$8 Goal Stock Options is further subject to our Common Stock achieving a VWAP equal to or exceeding \$8.00 for 45 consecutive trading days at any time on or prior to the seventh anniversary of the date our Compensation Committee grants your award.

For all Stock Options, the exercise price per share will be equal to our per-share Nasdaq closing price on the date that our Compensation Committee grants your award. If the Committee approves your award prior to your Commencement Date, the “grant date” for purposes of your awards shall be your Commencement Date.

In addition, note that although we currently intend to “net settle” the Stock Options in cash (as outlined above), we may later decide to settle all or a portion of them in shares of our Common Stock.

All equity grants, including the RSUs, PSUs and Stock Options, are subject to the terms and conditions (including relating to vesting) applicable thereto under the Company’s equity incentive plan and your actual equity award agreement(s).

9. Change in Control and Severance Protection. You will participate in the Company’s Change in Control and Severance Plan for Senior Management (as amended from time to time) (the “*Executive Severance Plan*”), as a “Tier II participant” thereunder. In addition to your Executive Severance Plan protections, if the Company terminates your employment without “Cause” or if you terminate your employment for “Good Reason” (each as defined in the Executive Severance Plan), then the Company shall reimburse you for (i) contractual lease penalties arising out of the termination of your Los Angeles, California apartment lease (if you continue to rent an apartment in Los Angeles at that time) and (ii) transportation expenses for one vehicle and your apartment contents from Los Angeles, California to Denver, Colorado (if you continue to rent an apartment in Los Angeles at that time).

10. Clawback. Notwithstanding any other provision in this agreement to the contrary, any incentive-based compensation or any other compensation paid to you pursuant to the agreement or any other agreement or arrangement with the Company or any of its subsidiaries from time to time shall be subject to recovery or deductions as may be required under any law, government regulation, stock exchange listing requirement or policy adopted by the Board from time to time, including the Policy Regarding Recoupment of Certain Executive Incentive-Based Compensation adopted by the Board on September 18, 2017, or as determined by the Board pursuant to such law, government regulation, stock exchange listing requirement, or Board policy.

11. Outside Activities. While you render services to the Company, you agree that you will not engage in any other directorships, employment, consulting or other business activity without the Company’s prior written consent; provided that you may, without the Company’s prior written consent (i) serve any boards of directors of non-profit organizations on which you already serve, (ii) participate in charitable, civic, educational, professional, community or industry affairs, and (iii) manage your passive personal investments so long as such activities in the aggregate do not interfere or conflict with your duties hereunder or create a potential business or fiduciary conflict. You have indicated that you may request in the future to serve on the board of directors of one for-profit company, and the Board will consider that request in good faith at such time under the Company’s Conflicts of Interest Policy. While you render services to the Company, you will not assist any person or entity in competing with the Company, in preparing to compete with the Company or in hiring any employees or consultants of the Company.

12. Temporary Living Allowance. The Company will pay you an allowance of \$357 per day (*i.e.*, the IRS per diem rate) to cover your housing/hotel, food and transportation for each working day that you are in the Company's Los Angeles, California offices, until the earlier of (i) the 12-month anniversary of the Commencement Date and (ii) the date on which you establish a primary residence in a location to be mutually agreed upon between you and the Company. The Company's expectation is that you will work from its Los Angeles office from Monday through Friday each week until it determines otherwise.

13. Expense Reimbursement. In accordance with the Company's travel and expense-reimbursement policies, the Company shall reimburse you for all business travel, including your airfare between Denver and any location the Company requires your presence in connection with the performance of your services (including your weekly airfare to and from Los Angeles during your first year of employment with the Company). The Company will also reimburse other out-of-pocket business expenses reasonably incurred by you in the performance of your services hereunder during the term of your employment. The Company will reimburse your relocation expenses in line with the Company's relocation policy. The Company will reimburse your legal expenses incurred in the preparation and execution of this agreement and any related documents.

All reimbursable expenses shall be appropriately documented in reasonable detail by you upon submission of any request for reimbursement, and in a format and manner consistent with the Company's expense reporting policies and procedures, as well as applicable federal and state tax record-keeping requirements, and shall be promptly reimbursed by the Company. The parties intend that reimbursements of expenses described in this Section 13 shall, to the maximum extent permitted, be made under an "accountable plan" in accordance with Treasury Regulations Section 1.62-2(c) and this Section 13 shall be construed and administered in accordance with such intention.

14. Indemnification. You will be entitled to customary indemnification for executive officers of the Company pursuant to terms of an indemnity agreement to be entered into between you and the Company.

15. Drug Testing and Background Check. You must undergo a drug test for illegal use of drugs within 72 hours of your acceptance of this agreement. This test (and satisfactory results on it) is a condition precedent to your employment with the Company, even if you commence employment prior to our receiving the results of that test. If you refuse to submit to the test for any reason or test positive for illegal drug use without sufficient explanation (as determined by an independent medical review officer), then the Company may rescind this Agreement and the offer of employment in its discretion without liability. You also authorize the Company to conduct a background check prior to your Commencement Date, and this check (and satisfactory results on it) is also a condition precedent to your employment with the Company. This check will include a criminal investigation and verification of citizenship/immigration status, employment history and education. It also may include a credit check if we determine that to be appropriate. You will receive additional written disclosure(s) of the background check and credit check and a written authorization form for your completion. You hereby consent to the foregoing drug test and background checks, and waive all claims that you may have against the Company and its employees, representatives and vendors for invasion of your privacy or under any other legal theory or statute in respect thereof.

16. **Employment Relationship.** Your employment with the Company will be “at will,” meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. If you decide to resign from your employment, we will consider your notice of resignation effective only when delivered in writing to your manager.

17. **Restrictive Covenant Agreement.** As a condition to your employment with the Company, you are required to concurrently enter into an Employee Statement and Agreements Regarding Confidentiality, Proprietary Information, Invention Assignment and Non-Solicitation (the “*Restrictive Covenant Agreement*”), which is attached hereto as Attachment A.

18. **Employee Representations, Warranties and Covenants; Company Policies.** You represent and warrant that you have no contractual commitments or other legal obligations or restrictions (including to a current or prior employer) that would prohibit or impair you from performing your duties for the Company. You agree not to violate any confidentiality, restrictive covenant (*e.g.*, a non-solicitation or non-competition obligation) or other obligations that you owe to any other person (including to a current or prior employer) during your employment with the Company. You agree to abide by the Company’s general employment policies and practices, including those set forth in its Employee Handbook, its Conflicts of Interest Policy, its Code of Ethics, its Whistleblower Policy and Procedures and Global Business Conduct and Compliance Policies Manual (as each may be amended from time to time) as well as such other policies and procedures as the Company shall from time to time establish.

19. Arbitration. Any and all claims or controversies arising out of or relating to your employment, the termination thereof, or otherwise arising between the parties hereto shall, in lieu of a jury or other civil trial, be settled by final and binding arbitration before a single arbitrator in Los Angeles, California, in accordance with then-current rules of the American Arbitration Association applicable to employment disputes. This agreement to arbitrate includes all claims whether arising in tort or contract and whether arising under statute or common law including, but not limited to, any claim of breach of contract, discrimination or harassment of any kind. Judgment on any award rendered by the arbitrator may be entered and enforced by any court having jurisdiction thereof. The Company shall be solely responsible for all costs of the arbitration, provided that each party shall be responsible for paying its own costs for the arbitration process, including attorneys' fees, witness fees, transcript costs, lodging and travel expenses, expert witness fees, and online research charges, subject to the last sentence of this paragraph. Notwithstanding the foregoing, the parties may seek injunctive or equitable relief to enforce the terms of this Agreement in any court of competent jurisdiction.

Except where prohibited by law, the parties must bring "covered claims" (which are any and all claims or controversies arising out of or relating to your employment, the termination thereof or otherwise arising between the parties hereto, except for "non-covered claims" described in the following paragraph) on an individual basis only, and arbitration on an individual basis is the parties' exclusive remedy. Neither party may submit a multi-plaintiff, class, collective or representative action for resolution under this Agreement, and no arbitrator has the authority to proceed with arbitration on such a basis. A court of competent jurisdiction (but not the arbitrator) can decide any disputes concerning the validity of the waivers in the preceding two sentences. In the event that a court determines that these waivers are unenforceable with respect to any claim or portion of a claim, then these waivers will not apply to that claim or portion of the claim, and that claim (or portion thereof) may then only proceed in a court as the exclusive forum.

"Non-covered claims" are: claims for workers' compensation or unemployment benefits; petitions or charges that could be brought before the National Labor Relations Board; claims under a collective bargaining agreement; claims under employee pension, welfare benefit or stock-option plans if those plans provide a dispute resolution procedure; representative claims under California's Labor Code Private Attorneys General Act of 2004, California Labor Code §§ 2698, *et seq.*; and any other claims which are not subject to arbitration or pre-dispute arbitration agreements.

Please accept this offer by signing below and by signing the attached Restrictive Covenant Agreement.

Very truly yours,

GLOBAL EAGLE ENTERTAINMENT INC.

By: _____

Name: _____

Title: _____

I hereby accept this employment offer:

Christian Mezger

Dated: _____

Attachment

Attachment A: Employee Statement and Agreements Regarding Confidentiality, Proprietary Information, Invention Assignment and Non-Solicitation

Signature Page to Offer of Employment

Attachment A

See attached.

GLOBAL EAGLE ENTERTAINMENT INC.

**EMPLOYEE STATEMENT & AGREEMENTS REGARDING
CONFIDENTIALITY, PROPRIETARY INFORMATION, INVENTION ASSIGNMENT AND NON-SOLICITATION**

In consideration of and as a condition of my employment with Global Eagle Entertainment Inc. ("Global Eagle") and my receipt of the salary and other compensation to be paid to me by Global Eagle, I, the undersigned employee, do hereby agree to the following (this "Restrictive Covenant Agreement"):

1. PROPRIETARY INFORMATION, COPYRIGHTS, MASK WORKS & INVENTIONS The success of Global Eagle, along with its subsidiaries, affiliates, successors and assigns (the "Company Group") depends, among other things, upon strictly maintaining confidential and secret information relating to its trade secrets, technology, accounting, costs, research, development, sales, manufacturing, methods, production, testing, implementation, marketing, financial information, financial results, products, customers, suppliers, staffing levels, employees, shareholders, officers and other information peculiarly within the knowledge of and relating to Global Eagle's business, and to which employees may acquire knowledge or have access to during the course of their employment by the Company Group. All such information is hereinafter collectively referred to as "Proprietary Information." Proprietary Information shall be broadly defined. It includes all information, data, trade secrets or know-how that has or could have commercial value or other utility in Global Eagle's business or in which the Company Group contemplates engaging. Proprietary Information also includes all Company Group information the unauthorized disclosure of which is or could be detrimental to the interests of the Company Group, whether or not such information is identified as confidential or proprietary information by the Company Group.

Notwithstanding the above, Proprietary Information shall not include any information, data, trade secrets or know-how that (i) was known by me prior to the commencement of my employment with the Company Group or (ii) is or becomes publicly known from another source that is under no obligation of confidentiality to the Company Group without fault on my part.

The success of the Company Group also depends upon the timely disclosure of inventions made by the Company Group employees in the course of their employment and, in appropriate circumstances, the full cooperation of employee inventors in filing, maintaining and enforcing United States and foreign country patent applications and patents covering such inventions.

In view of the foregoing and in consideration of my employment by Global Eagle and as a further condition thereof, I agree as follows:

A. PREVIOUS EMPLOYMENT

I acknowledge that it is the policy of Global Eagle to require that its employees strictly honor all obligations regarding proprietary information of former employers. I acknowledge and agree that I have a continuing obligation to protect and safeguard the proprietary information of my former employer(s), if any. I will not use any confidential or proprietary information of my former employer(s) in connection with my employment by Global Eagle.

B. PROPRIETARY INFORMATION

I shall exercise utmost diligence to protect and guard the Proprietary Information of the Company Group. Neither during my employment by Global Eagle nor thereafter shall I, directly or indirectly, use for myself or another, or disclose to another, any Proprietary Information (whether acquired, learned, obtained or developed by me alone or in conjunction with others) of the Company Group except as such disclosure or use is (i) required in connection with my employment with Global Eagle, (ii) consented to in writing by Global Eagle, or (iii) legally required to be disclosed pursuant to a subpoena or court order, and in the case of (iii), disclosure may only be made after I have informed Global Eagle of such requirement and assisted Global Eagle in taking reasonable steps to seek a protective order or other appropriate action. Except in connection with the performance of my duties and responsibilities as provided for in the Offer of Employment to which this Restrictive Covenant Agreement is attached, I agree not to remove any materials relating to the work performed at the Company Group without the prior written permission of the Chief Executive Officer (or his designee) of Global Eagle. Upon request by Global Eagle at any time, including in the event of my termination of employment with Global Eagle, I shall promptly deliver to Global Eagle, without retaining any copies, notes or excerpts thereof, all memoranda, journals, notebooks, diaries, notes, records, plans, sketches, plans, specifications, or other documents (including documents on electronic media and all records of inventions, if any) relating directly or indirectly to any Proprietary Information made or compiled by or delivered or made available to or otherwise obtained by me. Each of the foregoing obligations shall apply with respect to Proprietary Information of customers, contractors and others with whom any member of the Company Group has a business relationship, learned or acquired by me during the course of my employment by the Company Group. The provisions of this section shall continue in full force and effect after my termination of employment for whatever reason. Notwithstanding anything herein to the contrary, nothing in this Restrictive Covenant Agreement shall (i) prohibit me from making reports or participating in the investigation of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of local, state or federal law or regulation, or (ii) require notification to or prior approval by the Company Group of any reporting described in clause (i).

C. COPYRIGHT & MASK WORKS

All rights in and to any copyrightable material (including, but not limited to, computer programs) or material protectable as a mask work under the Semiconductor Chip Protection Act of 1984 which I may originate pursuant to or in connection with the Business, and which are not expressly released by Global Eagle in writing, shall be deemed as a work for hire and shall be the sole and exclusive property of the Company Group.

D. INVENTIONS

With the exception of "EXEMPT" inventions, as defined herein, any and all inventions, including original works of authorship, concepts, trade secrets, improvements, developments and discoveries, whether or not patentable or registrable under copyright or similar laws, which I may conceive or first reduce to practice (or cause to be conceived or first reduced to practice), either alone or with others during the period of my employment with the Company Group (hereinafter referred to as "Inventions") shall be the sole and exclusive property of the Company Group, its successors, assigns, designees, or other legal representatives ("Company Group Representatives") and shall be promptly disclosed to Global Eagle in writing, and I hereby assign to the Company Group all of my right, title and interest in such Inventions.

I agree to keep and maintain adequate and current written records of all Inventions and their development that I make (solely or jointly with others) during the period of employment. These records will be in the form of notes, sketches, drawings, and any other format that may be specified by the Company Group. The records will be available to and remain the sole property of the Company Group at all times.

I shall, without further compensation or consideration, but at no expense to me:

- (a) communicate to Global Eagle any facts known by me respecting the Inventions;
- (b) do all lawful acts, including the execution and delivery of all papers and proper oaths and the giving of testimony deemed necessary or desirable by Global Eagle or the Company Group, with regard to said Inventions, for protecting, obtaining, securing rights in, maintaining and enforcing any and all copyrights, patents, mask work rights or other intellectual property rights in the United States and throughout the world for said Inventions, and for perfecting, affirming, recording and maintaining in the Company Group and Company Group Representatives sole and exclusive right, title and interest in and to the Inventions, and any copyrights, Patents, mask work rights or other intellectual property rights relating thereto; and
- (c) generally cooperate to the fullest extent in all matters pertaining to said Inventions, original works of authorship, concepts, trade secrets, improvements, developments and discoveries, any and all applications, specifications, oaths, assignments and all other instruments which Global Eagle shall deem necessary in order to apply for and obtain such rights and in order to assign and convey to Global Eagle, its successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto.

Compliance with California Labor Code Section 2870 – Inventions Made on Your Own Time – An “EXEMPT” invention is one which:

- (a) was developed entirely on my own time without using Company Group equipment, supplies, facilities, or trade secret information;
- (b) does not relate at the time of conception or reduction to practice of the invention to the Business, or to its actual or demonstrably anticipated research or development; and
- (c) does not result from any work performed by me for the Company Group.

Inventions which I consider to be “EXEMPT” but made solely or jointly with others during the term of my employment, shall be disclosed in confidence to Global Eagle for the purpose of determining such issues as may arise.

I acknowledge and agree that my obligations with respect to the foregoing shall continue after the termination of my employment with Global Eagle. If I am unable because of my mental or physical incapacity or for any other reason to secure my signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Inventions or original works of authorship assigned to the Company Group as above, then I hereby irrevocably designate and appoint Global Eagle and its duly authorized officers and agents as my agent and attorney in fact, to act for and in my behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters, patents or copyright registrations thereon with the same legal force and effect as if executed by me.

Pursuant to the Defend Trade Secrets Act of 2016, I understand that: (i) an individual may not be held criminally or civilly liable under any U.S. federal or state trade secrets law for the disclosure of a trade secret that: (A) is made (x) in confidence to a federal, state or local government official, either directly or indirectly, or to any attorney and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding; and (ii) further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer’s trade secrets to the attorney and use the trade secret information in the court proceeding if the individual (A) files any document containing the trade secret under seal and (B) does not disclose the trade secret except pursuant to court order.

Listed on the attached sheet by descriptive title for purposes of identification only are all of the inventions made by me (conceived and reduced to practice) prior to my employment by Global Eagle that I consider to be my property and excluded from this Restrictive Covenant Agreement. If I have not attached any such sheet, then I acknowledge that there are no such inventions.

2. NON-SOLICITATION

I acknowledge that Global Eagle is making a substantial investment in time, money, effort, goodwill and other resources in the business of the Company Group, and in my continued employment with Global Eagle. I acknowledge and agree that Global Eagle and the Company Group are entitled to protect their legitimate business interests and investments and prevent me from using my knowledge of its trade secrets and Proprietary Information to the detriment of the Company Group. I also acknowledge that the nature of the business of the Company Group is such that the on-going relationship among each member of the Company Group and their respective employees, clients and customers is material and has a significant effect on the ability of the Company Group to obtain business. In view of the foregoing and in consideration of my employment by Global Eagle and as further condition thereof, I agree as follows:

A. NON-SOLICITATION OF EMPLOYEES

During the period of my employment and for twelve (12) months following the termination thereof for any reason, I will not, without Global Eagle's prior written consent, directly or indirectly, on behalf of myself or any other person or organization, induce, knowingly solicit or encourage to leave the employment of any member of the Company Group, any employee of any member of the Company Group, or any such person who has been an employee thereof for the six months preceding my termination of employment.

I acknowledge that the limits set forth herein are reasonable and properly required to adequately protect the Company Group's legitimate business interests and to prevent unfair competition. However, if in any proceeding, a court or arbitrator shall refuse to enforce this Restrictive Covenant Agreement, whether because the time limit is too long or because the restrictions contained herein are more extensive (whether as to geographic area, scope of business or otherwise) than is necessary to protect the business of Global Eagle, it is expressly understood and agreed between the parties hereto that this Restrictive Covenant Agreement is deemed modified to the extent necessary to permit this Restrictive Covenant Agreement to be enforced in any such proceedings. I further agree that if there is a breach or threatened breach of the provisions of this Section 2, the Company Group shall be entitled to an injunction restraining me from such breach or threatened breach, in addition to any other relief permitted under applicable law or pursuant to my Offer of Employment. Global Eagle will not be required to post a bond or other security in connection with, or as a condition to, obtaining such relief before a court of competent jurisdiction. Nothing herein shall be construed as prohibiting Global Eagle from pursuing any other remedies, at law or in equity, for such breach or threatened breach.

3. ARBITRATION

Any and all claims or controversies arising out of or relating to my employment, the termination thereof, or this Restrictive Covenant Agreement hereto shall, in lieu of a jury or other civil trial, be settled by final and binding arbitration before a single arbitrator in Los Angeles, California, in accordance with then-current rules of the American Arbitration Association applicable to employment and related disputes. This agreement to arbitrate includes all claims whether arising

in tort or contract and whether arising under statute or common law including, but not limited to, any claim of breach of contract, discrimination or harassment of any kind. The obligation to arbitrate such claims shall continue forever, and the arbitrator shall have jurisdiction to determine the arbitrability of any claim. The arbitrator shall have the authority to award any and all damages otherwise recoverable in a court of law. The arbitrator shall not have the authority to add to, subtract from or modify any of the terms of this Agreement. Judgment on any award rendered by the arbitrator may be entered and enforced by any court having jurisdiction thereof. Global Eagle shall be solely responsible for all costs of the arbitration, provided that each party shall be responsible for paying its own costs for the arbitration process, including attorneys' fees, witness fees, transcript costs, lodging and travel expenses, expert witness fees, and online research charges, subject to the last sentence of this paragraph. I shall not be required to pay any type or amount of expense if such requirement would invalidate this agreement or would otherwise be contrary to the law as it exists at the time of the arbitration. Notwithstanding and in addition to the foregoing, Global Eagle may seek injunctive or equitable relief to enforce the terms of this Restrictive Covenant Agreement in any court of competent jurisdiction.

Except where prohibited by law, the parties must bring "covered claims" (which are any and all claims or controversies arising out of or relating to your employment, the termination thereof or otherwise arising between the parties hereto, except for "non-covered claims" described in the following paragraph) on an individual basis only, and arbitration on an individual basis is the parties' exclusive remedy. Neither party may submit a multi-plaintiff, class, collective or representative action for resolution under this Agreement, and no arbitrator has the authority to proceed with arbitration on such a basis. A court of competent jurisdiction (but not the arbitrator) can decide any disputes concerning the validity of the waivers in the preceding two sentences. In the event that a court determines that these waivers are unenforceable with respect to any claim or portion of a claim, then these waivers will not apply to that claim or portion of the claim, and that claim (or portion thereof) may then only proceed in a court as the exclusive forum.

"Non-covered claims" are: claims for workers' compensation or unemployment benefits; petitions or charges that could be brought before the National Labor Relations Board; claims under a collective bargaining agreement; claims under employee pension, welfare benefit or stock-option plans if those plans provide a dispute resolution procedure; representative claims under California's Labor Code Private Attorneys General Act of 2004, California Labor Code §§ 2698, *et seq.*; and any other claims which are not subject to arbitration or pre-dispute arbitration agreements.

4. GENERAL PROVISIONS

- A.** This Restrictive Covenant Agreement will be governed by the laws of the State of Delaware.
- B.** Nothing contained herein shall be construed to require the commission of any act contrary to law. Should there be any conflict between any provisions hereof and any present or future statute, law, ordinance, regulation, or other pronouncement having the force of law, the latter shall prevail, but the provision of this Restrictive Covenant Agreement affected thereby shall be curtailed and limited only to the

extent necessary to bring it within the requirement of the law, and the remaining provisions of this Restrictive Covenant Agreement shall remain in full force and effect. This Restrictive Covenant Agreement may not be assigned by me without the prior written consent of Global Eagle. Subject to the foregoing sentence, this Restrictive Covenant Agreement will be binding upon my heirs, executors, administrators and other legal representatives and will be for the benefit of Global Eagle, its successors, and its assigns, and may be assigned by Global Eagle and shall be binding and inure to the benefit of Global Eagle, its successors and assigns.

- C. The provisions of this Restrictive Covenant Agreement are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions or parts thereof shall nevertheless be binding and enforceable. In the event that any provision of this Restrictive Covenant Agreement is deemed unenforceable, Global Eagle and I agree that a court or an arbitrator chosen pursuant to the terms hereof shall reform such provision to the extent necessary to cause it to be enforceable to the maximum extent permitted by law. Global Eagle and I agree that each desires the court or arbitrator to reform such provision, and therefore agree that the court or arbitrator will have jurisdiction to do so and that each will abide by the determination of the court or arbitrator.
- D. I have had the opportunity to review this Restrictive Covenant Agreement and have had the opportunity to ask questions regarding the nature of my employment with Global Eagle I have also been advised that I have been given the opportunity to allow legal counsel to assist me in the review of this Restrictive Covenant Agreement prior to my execution of this Restrictive Covenant Agreement. I represent that my performance of all the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment with Global Eagle. I have not entered into, and I agree I will not enter into any oral or written agreements in conflict herewith.

I have read, and I understand and agree to comply with all terms and conditions above without any reservation whatsoever.

Christian Mezger

Signature: _____

Date: _____

Global Eagle Entertainment Inc.

By: _____

Name: _____

Title: _____

Signature Page to Restrictive Covenant Agreement



GLOBAL EAGLE REPORTS FINANCIAL RESULTS

FOR THE FIRST QUARTER OF 2019

Gross Margin Increased 6 percentage points Sequentially Driven by Aviation Connectivity

Record First-Quarter Revenue and Major New Inflight Connectivity Award

Christian Mezger Appointed Chief Financial Officer

LOS ANGELES, CA, May 14, 2019—Global Eagle Entertainment Inc. (Nasdaq: ENT) (“Global Eagle,” the “Company” or “we”), a leading provider of media, content, connectivity and data analytics to markets across air, sea and land, today announced financial results for the first quarter ended March 31, 2019. For the first quarter of 2019, Global Eagle recorded revenue of \$167 million; incurred a net loss of \$37.6 million and generated Adjusted EBITDA* of \$18.5 million. The Company also announced that it is considering the sale of certain businesses and assets which may include elements of its Maritime, Enterprise, and Government business as well as equity interests in joint ventures.

Financial Results

During the first quarter, Global Eagle made significant financial progress with record revenue, substantial gross margin improvement and lower operating expenses. Revenue grew 6.5% year-over-year driven by aircraft installations in our Connectivity segment and commencement of Media & Content contracts announced in previous quarters. We continue to win new business based on our technology, program execution and reliability. Gross margin recovered 6 percentage points sequentially versus the fourth quarter of 2018 trough, consistent with our guidance. Gross margin improvement was driven primarily by our Connectivity segment while our Media & Content segment maintained its gross margin performance. Operating expense improvement continues through the implementation of our Phase II cost initiatives which are expected to be fully implemented by the third quarter of 2019. The 2019 in-year benefit of our Phase II initiatives is expected to be approximately \$25 million.

Connectivity

Global Eagle’s Connectivity segment is a leading provider of satellite-based passenger connectivity for single-aisle airliners and broadcaster of live television to aviation and maritime markets. Connectivity segment revenue was up 6.2% year-over-year. Inflight connectivity installations and activations remain on track at Air France powered by Global Eagle’s Ku high-throughput satellite (HTS) network. This is the first EMEA HTS inflight connectivity network to provide consistent coverage throughout Europe, Russia, the Nordics and Scandinavia, and North Africa, capable of delivering speeds up to 500 Mbps to each aircraft cabin. In the first quarter of 2019, Global Eagle was awarded a major new connectivity program by an existing Media & Content customer that will leverage our EMEA aviation network. This program is our largest inflight connectivity award in recent years. Connectivity revenue growth was also supported by sequential quarterly growth in our maritime business, reflecting the roll-out of television services across a new cruise customer.



The Company continues to implement its patented and patent-pending software-defined network resource management (NRM) technology. NRM optimizes passenger traffic flow, automates network configuration and increases the efficiency of satellite links. Our platform is now in live customer service across both airline and cruise ship applications. The platform optimizes the end-user experience, enables freemium business models, boosts traffic flow over legacy widebeam satellites, and seamlessly fuses satellite links to enable gigabit-class data throughput. In the second quarter, our technology will be deployed to our first yacht and government customers.

The Company ended the first quarter of 2019 with 26 737 MAX 8 aircraft in its fleet of connected aircraft. Due to regulatory actions beyond our control and unrelated to passenger connectivity systems, our MAX connected aircraft were grounded as of quarter-end. Our equipment deliveries to support new MAX installations continue and we forecast at least 40 additional MAX installations to occur during 2019. As the grounding continues, we now expect that our activation schedule for 2019 will be concentrated in the fourth quarter. We forecast that MAX program issues will impact second-quarter and third-quarter service revenue by approximately \$3-4 million total, with about half of this impact dropping to the bottom line. We are working with our airline partners and with Boeing to mitigate and reduce this impact, and to be ready when the MAX returns to service.

Media & Content

During the first quarter, Global Eagle's market-leading Media & Content segment revenue was up 6.8% over the prior-year quarter. Revenue growth was driven by the startup of major new wins that were announced in 2018. The large new customer announced in March 2019 will begin service in the second half of this year. In addition to traditional seatback installations, our Media & Content segment is experiencing enhanced growth from new media libraries on wireless IFE servers and connectivity systems on single-aisle aircraft. Global Eagle now delivers movies and digital services to more than 2,300 single-aisle aircraft without seatback systems.

Operational and Strategic Initiatives

In late February, Global Eagle initiated Phase II of its Cost Realignment Plan. This phase focuses on improving gross margin and reducing operating expenses. Cost improvement is driven by repricing of expiring bandwidth contracts, consolidation of headcount and facilities, reduction in third-party professional services, and other cost initiatives. The Phase II initiatives are the second step towards an efficient cost structure, and we continue to pursue additional opportunities to operate more efficiently. We expect Phase II of our Cost Realignment Plan, in concert with revenue growth, to drive the Company's transition to sustainable positive free cash flow generation and a minimum of \$25 million of Adjusted EBITDA by the fourth quarter of 2019.

In addition, the Company is considering the divestiture of various businesses and assets, including the potential sale of elements of our Maritime, Enterprise and Government business unit. Based on inbound interest, the Company retained Barclays Capital Inc. as financial advisor to evaluate offers for non-aviation components of our Connectivity business. We expect to conclude our evaluation during the second quarter. Separately, the Company is considering the sale of certain joint venture interests, consistent with our strategy to reduce leverage and focus our resources.

First Quarter Summary

- Total revenue for the first quarter of 2019 was \$167 million, a 6.5% increase over the prior-year period. This increase was driven by growth in both our Media & Content and Connectivity segments. Revenue growth in Media & Content was driven by the initiation of new or expanded contracts with several airlines, including United, Saudia, Vietnam and Kuwait. Connectivity revenue was driven by a continued ramp-up of Southwest and Air France inflight connectivity installations.
- Gross margin improved to 19.5% during the quarter, a 6 percentage point increase versus the fourth quarter of 2018, driven by additional aircraft activations, repriced bandwidth contracts and cost controls. Operating expenses were \$51.5 million, decreasing \$8.1 million versus the fourth quarter of 2018.
- Net loss for the first quarter of 2019 was \$37.6 million, down slightly over the prior-year period. The improvement versus the prior-year period was driven by the revenue growth as described above and lower operating expenses as a result of cost savings initiatives.
- Adjusted EBITDA for the first quarter of 2019 was \$18.5 million, which was a 7.0% increase versus the prior-year period. The improvement in Adjusted EBITDA was driven by the increase in revenue and lower operating expenses, as mentioned above.
- Total liquidity at quarter-end was \$50.7 million, including cash and available revolver. First-quarter capital expenditures were \$9.1 million of which approximately \$4.2 million was related to programs that will not recur moving forward as they have completed.

“Our new inflight connectivity win confirms our best-in-class product offering of high-speed connectivity and connectivity-enabled content, and increases our robust pipeline of aircraft,” commented Josh Marks, CEO of Global Eagle. “Our commercial success in winning new business along with gross margin improvement is a result of our ability to leverage our world class network and realize benefits from our 2018 investments. In addition, our Phase II cost savings initiatives are visible in our first quarter financials and in our significant EBITDA improvement, consistent with our goal of positive free cash flow by year-end.”

“We delivered accelerating top-line growth, gross margin improvement and operating cost reduction in the first quarter,” said Paul Rainey, CFO of Global Eagle. “Progress on our cost controls is partially visible now and will be increasingly visible in our second and third quarter results. While we have adequate liquidity on hand to support our growth and cost actions, the business and asset divestitures we are considering would allow us to reduce leverage and focus our business.”

CFO Appointment

Global Eagle also announced that Christian Mezger has been appointed Executive Vice President and Chief Financial Officer, effective May 16, 2019. He succeeds Paul Rainey, who will remain with the Company through May 31, 2019 to facilitate the transition. Mr. Mezger is a global executive who brings significant leadership, financial planning, transformation, budgeting, corporate finance, and technology services experience, most recently at Ciber, Inc. and Hewlett Packard.



“It is an honor and privilege to join Global Eagle,” said Mezger. “I am excited to work with the management team to build on its recent momentum, enhance the financial and operational discipline and drive toward our goal of positive free cash flow in the fourth quarter 2019 and beyond.”

Mr. Mezger is a global technology executive who brings significant finance and operational leadership, as well as transformation and corporate finance experience, most recently from Ciber, Inc. and Hewlett Packard. Mr. Mezger joined Ciber in 2011, where he was Chief Financial Officer before becoming President & Chief Executive Officer. He led all aspects of finance including treasury, capital structuring, risk management, tax efficiency, global planning and budgeting, controllership, and investor relations. Prior to Ciber, Mr. Mezger led finance for Hewlett Packard’s \$11B Technology Services business unit across multiple regions. Mr. Mezger holds a degree in international management from The University of Vienna in Austria.

The Company and the Board of Directors thank Mr. Rainey for his many contributions over the past two years. Global Eagle’s finance and accounting processes significantly improved under his leadership.

Webcast

We will host a live webcast on Tuesday, May 14, 2019 at 5:00 p.m. EDT (2:00 p.m. PDT). We will make the webcast and an accompanying slide presentation available on the Investor Relations section of our website at <http://investors.geemedia.com/events-and-presentations>. We will maintain an archive of the webcast on our website for 30 days following the event.

About Global Eagle

Global Eagle is a leading provider of media, content, connectivity and data analytics to markets across air, sea and land. Global Eagle offers a fully integrated suite of rich media content and seamless connectivity solutions to airlines, cruise lines, commercial ships, high-end yachts, ferries and land locations worldwide. With approximately 1,200 employees and 50 offices on six continents, the Company delivers exceptional service and rapid support to a diverse customer base. Find out more at: www.GlobalEagle.com.

Contact:

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investor.relations@geemedia.com
pr@geemedia.com

*** About Non-GAAP Financial Measures**

To supplement our consolidated financial statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States, or GAAP, we present Adjusted EBITDA, which is a non-GAAP financial measure, as a measure of our performance. The presentation of Adjusted EBITDA is not intended to be considered in isolation from, or as a substitute for, or superior to, net income (loss) or any other performance measures derived in accordance with GAAP or as an



alternative to net cash provided by operating activities or any other measures of our cash flows or liquidity. For a reconciliation of Adjusted EBITDA to its most comparable measure under GAAP, please see the table entitled “Reconciliation of GAAP to Non-GAAP Measure” at the end of this press release. Further, we note that Adjusted EBITDA as presented herein is defined and calculated differently than the “Consolidated EBITDA” definition in our senior secured credit agreement and in our second lien notes, which Consolidated EBITDA definition we use for financial-covenant-compliance purposes and as a measure of our liquidity.

Adjusted EBITDA is one of the primary measures used by our management and Board of Directors to understand and evaluate our financial performance and operating trends, including period to period comparisons, to prepare and approve our annual budget and to develop short and long term operational plans. Additionally, Adjusted EBITDA is one of the primary measures used by the Compensation Committee of our Board of Directors to establish the funding targets for (and subsequent funding of) our Annual Incentive Plan bonuses for our employees. We believe our presentation of Adjusted EBITDA is useful to investors both because it allows for greater transparency with respect to key metrics used by our management in their financial and operational decision-making and because our management frequently uses it in discussions with investors, commercial bankers, securities analysts and other users of our financial statements.

We define Adjusted EBITDA as net income (loss) before (a) interest expense (income), (b) income tax expense (benefit) and (c) depreciation and amortization (including relating to equity-method investments) and (gain) loss on disposal and impairment of fixed assets, and we then further adjust that result to exclude (when applicable in the period) (1) change in fair value of financial instruments, (2) other (income) expense, including (gains) losses from foreign-currency-transaction (gains) and from other investments, which include impairment charges relating to our joint ventures, (3) goodwill impairment expense, (4) stock-based compensation expense, (5) strategic-transaction, integration and realignment expenses (as described below), (6) auditor and third-party professional fees and expenses related to our internal-control deficiencies (and the remediation thereof) and complications in our audit process relating to our control environment, (7) excess content expenses (as described below), (8) non-ordinary-course legal expenses (as described below) and (9) losses related to significant customer bankruptcies or financial distress (as described below). Management does not consider these items to be indicative of our core operating results.

“Excess content expenses” includes the additional purchasing costs that we incurred in 2017 to procure movie content for our customers, notwithstanding that we could have procured equivalent content under our (preferential-pricing) output arrangements with major studios. We incurred these additional costs because we could not timely identify and measure our movie-content expenditures and procurement during the period due to weaknesses in our control environment.

“Losses related to significant customer bankruptcies or financial distress” includes (1) our provision for bad debt associated with the bankruptcies of Air Berlin and Alitalia (two of our Media & Content customers) in 2017 and Ocean Air (our Media & Content and Connectivity customer) in 2018, (2) the costs (*e.g.*, content acquisition fees) that we incurred to maintain service to those customers during their bankruptcy proceedings in order to preserve the customer relationship and (3) costs relating to providing services to customers for whom we recognize revenue on a cash basis due to their financial distress.

“Non-ordinary-course legal expenses” includes third-party professional fees and expenses and estimated loss contingencies, provisions for legal settlements and other expenses associated with the securities class-action lawsuits filed against us in 2017, non-ordinary-course employment, corporate and intellectual-property-infringement disputes, and the initial setup of our General Data Protection Regulation (GDPR) and Communications Assistance for Law Enforcement Act (CALEA) compliance programs.

“Strategic-transaction, integration and realignment expenses” includes (1) transaction and procurement-related expenses and costs (including third-party professional fees) attributable to acquisition, financing, investment and other strategic-transaction activities (including for new product and proof-of-concept testing), (2) integration and realignment expenses and allowances, (3) employee-severance, -retention and -relocation expenses, (4) purchase-accounting adjustments for deferred revenue, costs and credits associated with companies and businesses that we have acquired through our M&A activities, (5) service-level-agreement penalties incurred during our Eagle-1 migration and setup in its new orbital slot in 2017 and (6) estimated loss contingencies, provisions for legal settlements and other expenses related to claims at companies or businesses that we acquired through our M&A activities for underlying liabilities that pre-dated our acquisition of those companies or businesses.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this press release may constitute “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements with respect to our expected Adjusted EBITDA, revenue and margin growth in future periods, our aviation-connectivity installations in future periods, the impact of Boeing 737 MAX aircraft grounding on our financial performance, our business and financial-



performance outlook, industry, business strategy, plans, the potential sale of certain businesses and assets, business and M&A integration activities, operating-expense and cost-structure improvements and reductions and our ability to execute and realize the benefits of our cost-savings plans, international expansion, future technologies, future operations, financial covenant compliance, margins, profitability, future efficiencies, liquidity, ability to generate positive cash flow from operating activities, and other financial and operating information. The words “anticipate,” “assume,” “believe,” “budget,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “future” and the negative of these or similar terms and phrases are intended to identify forward-looking statements in this press release.

Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These expectations may or may not be realized. Although we believe the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others, the following:

- our ability to timely remediate material weaknesses in our internal control over financial reporting; the effect of those weaknesses on our ability to report and forecast our operations and financial performance; and the impact of our remediation efforts (and associated management time and costs) on our liquidity and financial performance;
- our ability to maintain effective disclosure controls and internal control over financial reporting;
- our ability to execute on our operating-expense and cost-structure realignment plan and realize the benefits of those initiatives;
- our ability to sell certain businesses and/or assets on favorable terms or at all, and our ability to realize the anticipated benefits from any such sales;
- the continuation of the Boeing 737 MAX aircraft grounding for a period of time beyond our expectations;
- our ability to properly implement the new leasing standard (ASC 842);
- our dependence on the travel industry;
- future acts or threats of terrorism;
- our ability to obtain new customers and renew agreements with existing customers;
- our customers’ solvency, inability to pay and/or delays in paying us for our services;
- our ability to retain and effectively integrate and train key members of senior management;
- our ability to recruit, train and retain highly skilled technical employees;
- negative external perceptions that damage our reputation among potential customers, investors, employees, advisors and vendors;
- our ability to receive the anticipated cash distributions or other benefits from our investment in the Wireless Maritime Services joint venture;
- customer attrition due to direct arrangements between satellite providers and customers;
- the effect of a variety of complex U.S. and foreign tax laws and regimes due to the global nature of our business;
- our ability to continue to be able to make claims for e-business and multimedia tax credits in Canada;
- our exposure to foreign currency risks;
- the effect of the United Kingdom’s referendum to withdraw from the European Union;
- our dependence on our existing relationship and agreement with Southwest Airlines;
- our need to invest in and develop new broadband technologies and advanced communications and secure networking systems, products and services and antenna technologies as well as their market acceptance;
- increased demand by customers for greater bandwidth, speed and performance and increased competition from new technologies and market entrants;



- our reliance on “sole source” service providers and other third parties for key components and services that are integral to our product and service offerings;
- the potential need to materially increase our investments in product development and equipment beyond our current investment expectations;
- our ability to expand our international operations and the risks inherent in our international operations, especially in light of current trade and national-security disputes between the United States and China (which may adversely impact our ability to conduct business in that market);
- service interruptions or delays, technology failures, damage to equipment or software defects or errors and the resulting impact on our reputation and ability to attract, retain and serve our customers;
- equipment failures or software defects or errors that may damage our reputation or result in claims in excess of our insurance or warranty coverage;
- satellite failures or degradations in satellite performance;
- our ability to integrate businesses or technologies we have acquired or may acquire in the future;
- increased on-board use of personal electronic devices and content accessed and downloaded prior to travel and our ability to compete as a content provider against “over the top” download services and other companies that offer in-flight entertainment products;
- pricing pressure from suppliers and customers in our Media & Content segment and a reduction in the aviation industry’s use of intermediary content service providers (such as us);
- a reduction in the volume or quality of content produced by studios, distributors or other content providers or their refusal to license content or other rights upon terms acceptable to us;
- a reduction or elimination of the time between our receipt of content and it being made available to the rental or home viewing market (*i.e.*, the “early release window”);
- increased competition in the in-flight entertainment (“IFE”) and in-flight connectivity (“IFC”) system supply chain;
- our ability to plan expenses and forecast revenue due to the long sales cycle of many of our Media & Content segment’s products;
- the refusal of content providers to license content to us and operational complexity and increased costs related to maintaining and tracking our music content licenses and rights related thereto;
- our use of fixed-price contracts for satellite bandwidth and potential cost differentials that may lead to losses if the market price for our services declines relative to our committed cost;
- our use of fixed-price contracts in our Media & Content segment that may lead to losses in the future if the market price for our services declines relative to our committed cost;
- our ability to develop new products or enhance those we currently provide in our Media & Content segment;
- our ability to successfully implement a new enterprise resource planning system;
- the effect on our business and customers due to disruption of the technology systems utilized in our business operations;
- our ability to protect our intellectual property;
- the effect of cybersecurity attacks, data or privacy breaches, data or privacy theft, unauthorized access to our internal systems or connectivity or media and content systems, or phishing or hacking, especially in light of recently publicized security incidents affecting our industry and our systems;
- the costs to defend and/or settle current and potential future civil intellectual property lawsuits (including relating to music and other content infringement) and related claims for indemnification;
- changes in regulations and our ability to obtain regulatory approvals to provide our services or to operate our business in particular countries or territorial waters;



- compliance with U.S. and foreign regulatory agencies, including the Federal Aviation Administration (“FAA”), the U.S. Department of Treasury’s Office of Foreign Asset Control (“OFAC”), Federal Communications Commission (“FCC”), and Federal Trade Commission (“FTC”) and their foreign equivalents in the jurisdictions in which we and our customers operate;
- regulation by foreign government agencies that increases our costs of providing services or requires us to change services;
- changes in government regulation of the Internet, including e-commerce or online video distribution;
- our ability to comply with trade, export, anti-money laundering and anti-bribery practices and data protection laws, especially the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and GDPR;
- changes in foreign and domestic civil aviation authorities’ orders, airworthiness directives, or other regulations that restrict our customers’ ability to operate aircraft on which we provide services;
- our (along with our directors’ and officers’) exposure to civil stockholder litigation relating to our investor disclosures and the related costs of defending and insuring against such litigation;
- uninsured or underinsured costs associated with stockholder litigation and any uninsured or underinsured indemnification obligations with respect to current and former executive officers and directors;
- limitations on our cash flow available to make investments due to our substantial indebtedness and our ability to generate sufficient cash flow to make payments thereon, comply with our reporting and financial covenants, or fund our operations;
- our ability to repay the principal amount of our bank debt, second lien notes due June 30, 2023 (the “Second Lien Notes”) and/or 2.75% convertible senior notes due 2035 (the “Convertible Notes”) at maturity, to raise the funds necessary to settle conversions of our Convertible Notes or to repurchase our Convertible Notes upon a fundamental change or on specified repurchase dates or due to future indebtedness;
- the conditional conversion of our Convertible Notes;
- the effect on our reported financial results of the accounting method for our Convertible Notes;
- the impact of the fundamental change repurchase feature and change of control repurchase feature of the securities purchase agreement governing our Second Lien Notes on our price or potential as a takeover target;
- the dilution or price depression of our common stock that may occur as a result of the conversion of our Convertible Notes and/or Searchlight warrants;
- our ability to meet the continued listing requirements of The Nasdaq Stock Market (“Nasdaq”), in particular given our recent history of delinquent periodic filings with the U.S. Securities and Exchange Commission (“SEC”) and the need to maintain a minimum \$1.00 per share stock price pursuant to Nasdaq rules;
- conflicts between our interests and the interests of our largest stockholders;
- volatility of the market price of our securities;
- anti-takeover provisions contained in our charter and bylaws;
- the dilution of our common stock if we issue additional equity or convertible debt securities; and
- other risks and factors listed under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018 as filed with the SEC on March 18, 2019.

The forward-looking statements herein speak only as of the date the statements are made (which is the date of this press release). You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.



Financial Information

The table below presents financial results for the three months ended March 31, 2019 and 2018.

Global Eagle Entertainment Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Revenue:		
Licensing and services	150,478	146,526
Equipment	16,141	9,971
Total revenue	166,619	156,497
Cost of sales:		
Licensing and services	123,269	112,414
Equipment	10,925	6,082
Total cost of sales	134,194	118,496
Gross margin	32,425	38,001
Operating Expenses:		
Sales and marketing	8,249	9,654
Product development	6,979	8,358
General and administrative	27,980	38,285
Provision for legal settlements	508	516
Amortization of intangible assets	7,799	10,747
Total operating expenses	51,515	67,560
Loss from operations	(19,090)	(29,559)
Other (expense) income:		
Interest expense, net	(21,277)	(15,597)
Income from equity method investments	2,129	1,161
Change in fair value of derivatives	938	564
Other (expense) income, net	(179)	438
Loss before income taxes	(37,479)	(42,993)
Income tax expense (benefit)	130	(4,709)
Net loss	(37,609)	(38,284)
Net loss per share – basic and diluted	(0.41)	(0.42)
Weighted average shares outstanding – basic and diluted	91,831	90,792



Global Eagle Entertainment Inc.
Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	March 31, 2019	December 31, 2018
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 20,813	\$ 39,154
Restricted cash	1,019	801
Accounts receivable, net	106,797	97,623
Inventories	34,233	34,649
Prepaid expenses	7,164	9,104
Other current assets	<u>13,882</u>	<u>10,498</u>
TOTAL CURRENT ASSETS:	183,908	191,829
Content library	5,232	6,966
Property, plant and equipment, net	180,555	176,577
Right-of-use assets, net	21,939	—
Goodwill	159,587	159,562
Intangible assets, net	76,335	84,136
Equity method investments	85,230	83,135
Other non-current assets	<u>22,070</u>	<u>14,882</u>
Total Assets	<u>\$ 734,856</u>	<u>\$ 717,087</u>
Liabilities and Stockholders' Equity		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	183,205	177,056
Deferred revenue	9,018	7,430
Current portion of long-term debt	38,190	22,673
Other current liabilities	<u>10,322</u>	<u>5,032</u>
TOTAL CURRENT LIABILITIES:	240,735	212,191
Deferred revenue, non-current	255	1,116
Long-term debt	692,328	686,938
Deferred tax liabilities	8,394	8,406
Other non-current liabilities	<u>57,271</u>	<u>34,771</u>
Total Liabilities	998,983	943,422
Stockholders' Deficit		
Common stock	10	10
Treasury stock	(30,659)	(30,659)
Additional paid-in capital	814,072	814,488
Subscriptions receivable	(597)	(597)
Accumulated deficit	(1,047,067)	(1,009,458)
Accumulated other comprehensive income (loss)	<u>114</u>	<u>(119)</u>
Total Stockholder's Deficit	<u>(264,127)</u>	<u>(226,335)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 734,856</u>	<u>\$ 717,087</u>



Global Eagle Entertainment Inc.
Reconciliation of GAAP to Non-GAAP Measures
(In thousands)
(Unaudited)

	Three Months Ended	
	March 31,	
	2019	2018
Net loss to Adjusted EBITDA reconciliation		
Net loss	(37,609)	(38,284)
Interest expense, net	21,277	15,597
Income tax expense (benefit)	130	(4,709)
Depreciation and amortization and loss on disposal and impairment of fixed assets	22,116	25,253
Change in fair value of financial instruments	(938)	(564)
Other expense	2,311	(438)
Stock-based compensation expense	1,289	3,644
EBITDA	8,576	499
Strategic-transaction, integration and realignment expenses	4,700	3,079
Internal-control and delayed audit expenses	3,453	13,706
Excess content expenses	—	—
Non-ordinary-course legal expenses	596	—
Losses on significant customer bankruptcies	1,164	—
Adjusted EBITDA	18,489	17,284

See "About Non-GAAP Financial Measures" above, including our definition of Adjusted EBITDA described therein.