Gogo Announces Closing of $238 Million Convertible Notes Offering

December 6, 2018

CHICAGO, Dec. 6, 2018 /PRNewswire/ -- Gogo Inc. (NASDAQ: GOGO), the leading global provider of broadband connectivity products and services for aviation, today announced the closing of its approximately $238 million offering of 6.00% convertible senior notes due in May 2022.

Under the terms of the transaction, Gogo effectively extended the maturity of approximately $200 million of its outstanding convertible senior notes from March 2020 until May 2022. Approximately $162 million in convertible senior notes due 2020 remain outstanding.

In connection with the transaction, the Company's gross debt increased by approximately $38 million, offset by an approximately $28 million increase in cash on the balance sheet after the execution of the greenshoe, which closed on December 5, 2018. An entity affiliated with Oakleigh Thorne, President and CEO of Gogo, also purchased $8 million of the new 2022 convertible senior notes in a concurrent private placement.

"Over the past several months, we have been pursuing a range of solutions to address our balance sheet before the 2020 convertible senior notes become current in March of 2019," Mr. Thorne said. "We believe this transaction strengthens Gogo's position as we continue to evaluate both strategic and financial options to maximize shareholder value."

Gogo also provided additional background and rationale for the transaction:

1. The Company considered various refinancing alternatives before selecting this transaction, and it believes that refinancing approximately $200 million of the 2020 convertible senior notes strikes the right balance of mitigating dilution while managing risk.
2. This transaction was impacted by the sale of nearly 5.7 million shares of the Company's common stock by a significant shareholder on the day the Company priced the 2022 convertible senior notes, and a challenging market environment for technology stocks at the time of the transaction.
3. Gogo chose to refinance a portion of the 2020 convertible senior notes at this time because the Company:
    a. Believes that completing the sale of approximately $238 million of 2022 convertible senior notes demonstrates its access to capital markets;
    b. Believes that refinancing the entire $362 million aggregate principal amount of 2020 convertible senior notes would have resulted in excessive dilution; and
    c. Is confident in the performance of its business and believes the Company should be able to refinance the remaining approximately $162 million aggregate principal amount of 2020 convertible senior notes at a later date on a less dilutive basis.
4. In addition to refinancing the remaining $162 million of 2020 senior convertible notes, the Company believes it will be well-positioned to refinance its $690 million of outstanding senior secured notes due 2022, which are callable in July 2019, at an interest rate lower than its current 12.5% coupon.

Forward-Looking Statements
This press release includes forward-looking statements regarding the Company's financing plans, including statements related to the Company's intended use of net proceeds from the sale of the 2022 Convertible Senior Notes. Such statements, as well as the Company's future financial condition

and future results of operations, are subject to certain risks and uncertainties including, without limitation, market and other general economic conditions; the portion of the net proceeds from the sale of the 2022 Convertible Senior Notes reserved to fund future interest payments on the 2022 Convertible Senior Notes, together with funds upstreamed from the Company's subsidiaries and from other potential sources of liquidity (if any), not being adequate to fund any future liquidity shortfall; the loss of, or failure to realize benefits from, agreements with the Company's airline partners or customers or any failure to renew any existing agreements upon expiration or termination; the failure to maintain airline and passenger satisfaction with the Company's equipment or the Company's service; any inability to timely and efficiently deploy the Company's 2Ku service or develop and deploy the technology to which the Company's ATG network evolves or other components of the Company's technology roadmap for any reason, including technological issues and related remediation efforts, changes in regulations or regulatory delays or failures affecting the Company or the Company's suppliers, some of whom are single source, or the failure by the Company's airline partners or customers to roll out equipment upgrades or new services or adopt new technologies in order to support increased network capacity demands; the timing of deinstallation of the Company's equipment from aircraft, including deinstallations resulting from aircraft retirements and other deinstallations permitted by certain airline contract provisions; the loss of relationships with original equipment manufacturers or dealers; the Company's ability to make its equipment factory line-fit available on a timely basis; the Company's ability to develop or purchase ATG and satellite network capacity sufficient to accommodate current and expected growth in passenger demand in North America and internationally as it expands; the Company's reliance on third-party suppliers, some of whom are single source, for satellite capacity and other services and the equipment the Company uses to provide services to commercial airlines and their passengers and business aviation customers; unfavorable economic conditions in the airline industry and/or the economy as a whole; the Company's ability to expand its international or domestic operations, including the Company's ability to grow its business with current and potential future airline partners and customers and the effect of shifts in business models; an inability to compete effectively with other current or future providers of in-flight connectivity services and other products and services that the Company offers, including on the basis of price, service performance and line-fit availability; the Company's ability to successfully develop and monetize new products and services such as Gogo Vision and Gogo TV, including those that were recently released, are currently being offered on a limited or trial basis, or are in various stages of development; the Company's ability to certify and install its equipment and deliver its products and services, including newly developed products and services, on schedules consistent with its contractual commitments to customers; the failure of the Company's equipment or material defects or errors in its software resulting in recalls or substantial warranty claims; a revocation of, or reduction in, the Company's right to use licensed spectrum, the availability of other air-to-ground spectrum to a competitor or the repurposing by a competitor of other spectrum for air-to-ground use; the Company's use of open source software and licenses; the effects of service interruptions or delays, technology failures and equipment failures or malfunctions arising from defects or errors in the Company's software or defects in or damage to its equipment; the limited operating history of the Company's CA-ROW segment; contract changes and implementation issues resulting from decisions by airlines to transition from the turnkey model to the airline-directed model; increases in the Company's projected capital expenditures due to, among other things, unexpected costs incurred in connection with the roll-out of its technology roadmap or its international expansion; compliance with U.S. and foreign government regulations and standards, including those related to regulation of the Internet, including e-commerce or online video distribution changes, and the installation and operation of satellite equipment and the Company's ability to obtain and maintain all necessary regulatory approvals to install and operate its equipment in the United States and foreign jurisdictions; the Company's, or its technology suppliers', inability to effectively innovate; changes as a result of U.S. federal tax reform; costs associated with defending pending or future intellectual property infringement, securities and derivative litigation and other litigation or claims and any negative outcome or effect of pending or future litigation; the Company's ability to protect its intellectual property; breaches of the security of the Company's information technology network, resulting in unauthorized access to its customers' credit card information or other personal information; the Company's substantial indebtedness; limitations and restrictions in the agreements governing the Company's indebtedness and its ability to service its indebtedness; the Company's ability to obtain additional financing for operations, or financing intended to refinance its existing indebtedness, on acceptable terms or at all; fluctuations in the Company's operating results; the Company's ability to attract and retain customers and to capitalize on revenue from its platform; the demand for and market acceptance of the Company's products and services; changes or developments in the regulations that apply to the Company, its business and its industry, including changes or developments affecting the ability of passengers or airlines to use its in-flight connectivity services, including the recent U.S. and U.K. bans on the use of certain personal devices such as laptops and tablets on certain aircraft flying certain routes; a future act or threat of terrorism, cyber-security attack or other events that could result in adverse regulatory changes or developments as referenced above, or otherwise adversely affect the Company's business and industry; the Company's ability to attract and retain qualified employees, including key personnel; the effectiveness of the Company's marketing and advertising and its ability to maintain and enhance its brands; the Company's ability to manage its growth in a cost-effective manner and integrate and manage acquisitions; compliance with anti-corruption laws and regulations in the jurisdictions in which it operates, including the Foreign Corrupt Practices Act and the (U.K.) Bribery Act 2010; restrictions on the ability of U.S. companies to do business in foreign countries, including, among others, restrictions imposed by the U.S. Office of Foreign Assets Control; difficulties in collecting accounts receivable; and the Company's ability to successfully implement its new enterprise resource planning system, its new integrated business plan and other improvements to systems, operations, strategy and procedures needed to support its growth.

The Company's forward-looking statements also involve assumptions that, if they never materialize or prove correct, could cause its results to differ materially from those expressed or implied by such forward-looking statements. These and other risks concerning the Company and its businesses are described in additional detail in its Annual Report on Form 10-K for the year ended December 31, 2017, its Quarterly Reports on Form 10-Q for the quarters ending March 31, 2018 and June 30, 2018 and other filings made by the Company which are on file with the Securities and Exchange Commission.

Any one of these factors or a combination of these factors could materially affect the Company's financial condition or future results of operations and could influence whether any forward-looking statements contained in this press release ultimately prove to be accurate. the Company's forward-looking statements are not guarantees of future performance, and you should not place undue reliance on them. All forward-looking statements speak only as of the date made and the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

About the Company:
Gogo is the Inflight Internet Company. We are the leading global provider of broadband connectivity products and services for aviation. We design and source innovative network solutions that connect aircraft to the Internet, and develop software and platforms that enable customizable solutions for and by our aviation partners. Once connected, we provide industry leading reliability around the world. You can find Gogo's products and services on thousands of aircraft operated by the leading global commercial airlines and thousands of private aircraft, including those of the largest fractional ownership operators. Gogo is headquartered in Chicago, IL with additional facilities in Broomfield, CO and locations across the globe. Connect with us at gogoair.com.

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