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

FORM 10-Q

(Mark One):

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from __________ to __________

Commission File Number: 001-35975

Gogo Inc.
(Exact name of registrant as specified in its charter)

Delaware	**27-1650905**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

105 Edgeview Dr., Suite 300
Broomfield, CO 80021
(Address of principal executive offices) (Zip Code)

(303) 301-3271
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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, par value $0.0001 per share	GOGO	NASDAQ Global Select Market
Preferred Stock Purchase Rights	GOGO	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of May 1, 2026, 135,238,523 shares of $0.0001 par value common stock were outstanding.

Gogo Inc.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Gogo Inc. and Subsidiaries
Unaudited Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 103,544	$ 125,206
Accounts receivable, net of allowances of $8,462 and $6,783, respectively	115,141	112,558
Inventories	101,794	98,853
Assets held for sale	26,268	26,253
Prepaid expenses and other current assets	83,723	69,039
Total current assets	430,470	431,909
Non-current assets:		
Property and equipment, net	116,529	117,274
Intangible assets, net	233,382	248,818
Goodwill	193,187	193,187
Operating lease right-of-use assets	55,585	57,990
Other non-current assets, net of allowances of $603 and $538, respectively	49,805	44,928
Deferred income taxes	202,236	209,666
Total non-current assets	850,724	871,863
Total assets	$ 1,281,194	$ 1,303,772
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 81,688	$ 92,514
Accrued liabilities	117,709	139,020
Deferred revenue	36,360	35,194
Current portion of long-term debt	23,589	2,500
Total current liabilities	259,346	269,228
Non-current liabilities:		
Long-term debt	813,043	833,579
Non-current operating lease liabilities	52,871	55,772
Other non-current liabilities	37,914	44,064
Total non-current liabilities	903,828	933,415
Total liabilities	1,163,174	1,202,643
Commitments and contingencies (Note 15)		
Stockholders' equity		
Common stock, par value $0.0001 per share; 500,000,000 shares authorized at March 31, 2026 and December 31, 2025; 135,093,685 shares issued and outstanding at March 31, 2026; and 134,511,275 shares issued and outstanding at December 31, 2025	14	13
Additional paid-in capital	1,291,858	1,288,294
Accumulated other comprehensive income	285	44
Accumulated deficit	(1,174,137)	(1,187,222)
Total stockholders' equity	118,020	101,129
Total liabilities and stockholders' equity	$ 1,281,194	$ 1,303,772

See the Notes to Unaudited Condensed Consolidated Financial Statements

Gogo Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)

	For the Three Months Ended March 31, 2026	2025
Revenue:		
Service revenue	$ 187,732	$ 198,612
Equipment revenue	38,587	31,695
Total revenue	226,319	230,307
Operating expenses:		
Cost of service revenue (exclusive of amounts shown below)	98,314	94,047
Cost of equipment revenue (exclusive of amounts shown below)	34,988	29,326
Engineering, design and development	6,492	13,875
Sales and marketing	13,491	14,210
General and administrative	26,208	29,519
Depreciation and amortization	15,139	14,143
Total operating expenses	194,632	195,120
Operating income	31,687	35,187
Other expense (income):		
Interest income	(1,154)	(590)
Interest expense	16,846	16,558
Change in fair value of Earnout Liability	(4,943)	—
Other expense (income), net	(95)	234
Total other expense	10,654	16,202
Income before income taxes	21,033	18,985
Income tax provision	7,948	6,943
Net income	$ 13,085	$ 12,042
Net income attributable to common stock per share:		
Basic	$ 0.10	$ 0.09
Diluted	$ 0.10	$ 0.09
Weighted average number of shares:		
Basic	135,656	132,472
Diluted	136,849	135,314

See the Notes to Unaudited Condensed Consolidated Financial Statements

Gogo Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss)
(in thousands)

	For the Three Months Ended March 31,	
	2026	2025
Net income	$ 13,085	$ 12,042
Other comprehensive income (loss), net of tax		
Currency translation adjustments	(97)	238
Cash flow hedges:		
Amount recognized in other comprehensive income	812	(617)
Less: income realized and reclassified to earnings	474	1,642
Changes in fair value of cash flow hedges	338	(2,259)
Other comprehensive income (loss), net of tax	241	(2,021)
Comprehensive income	$ 13,326	$ 10,021

See the Notes to Unaudited Condensed Consolidated Financial Statements

Gogo Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	For the Three Months Ended March 31,	
	2026	2025
Operating activities:		
Net income	$ 13,085	$ 12,042
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	15,139	14,143
Loss on asset disposals, abandonments and write-downs	208	13
Provision for expected credit losses	1,855	945
Deferred income taxes	7,273	6,136
Stock-based compensation expense	4,833	5,491
Amortization of deferred financing costs and interest rate caps	1,356	1,577
Accretion of debt discount	462	416
Change in fair value of Earnout Liability	(4,943)	—
Change in fair value of convertible note investment	(230)	253
Changes in operating assets and liabilities:		
Accounts receivable	(4,341)	(4,785)
Inventories	(2,939)	4,148
Prepaid expenses and other current assets	(11,590)	(3,527)
Contract assets	(4,665)	(1,947)
Accounts payable	(2,051)	126
Accrued liabilities	(20,941)	2,716
Deferred revenue	973	(2,438)
Accrued interest	(5)	(2,046)
Other non-current assets and liabilities	(715)	(791)
Net cash (used in) provided by operating activities	(7,236)	32,472
Investing activities:		
Purchases of property and equipment	(25,721)	(2,751)
Acquisition of intangible assets—capitalized software	(2,292)	(3,418)
Proceeds from FCC Reimbursement Program for property, equipment and intangibles	14,886	564
Proceeds from interest rate caps	1,180	3,170
Net cash used in investing activities	(11,947)	(2,435)
Financing activities:		
Payments on term loan	(625)	(625)
Payments on financing leases	(15)	(2)
Stock-based compensation activity	(1,971)	(947)
Net cash used in financing activities	(2,611)	(1,574)
Effect of exchange rate changes on cash	129	55
(Decrease) increase in cash, cash equivalents and restricted cash	(21,665)	28,518
Cash, cash equivalents and restricted cash at beginning of period	125,690	42,304
Cash, cash equivalents and restricted cash at end of period	$ 104,025	$ 70,822
Cash, cash equivalents and restricted cash at end of period	$ 104,025	$ 70,822
Less: current restricted cash	87	70
Less: non-current restricted cash	394	470
Cash and cash equivalents at end of period	$ 103,544	$ 70,282
Supplemental cash flow information:		
Cash paid for interest	$ 17,472	$ 20,926
Cash paid for taxes	160	162
Non-cash investing activities:		
Purchases of property, equipment and intangibles in liabilities	$ 6,933	$ 6,112

See the Notes to Unaudited Condensed Consolidated Financial Statements

Gogo Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share data)

	For the Three Months Ended March 31, 2026							
	Common Stock		Additional	Accumulated Other Comprehensive	Accumulated	Treasury Stock		
	Shares	Par Value	Paid-In Capital	Income	Deficit	Shares	Amount	Total
Balance at January 1, 2026	134,511,275	$ 13	$ 1,288,294	$ 44	$ (1,187,222)	—	$ —	$ 101,129
Net income	—	—	—	—	13,085	—	—	13,085
Currency translation adjustments, net of tax	—	—	—	(97)	—	—	—	(97)
Fair value adjustments of cash flow hedges, net of tax	—	—	—	338	—	—	—	338
Stock-based compensation expense	—	—	4,833	—	—	—	—	4,833
Issuance of common stock upon exercise of stock options	10,015	—	22	—	—	—	—	22
Issuance of common stock upon vesting of restricted stock units	522,573	—	—	—	—	—	—	—
Tax withholding related to vesting of restricted stock units	—	—	(1,481)	—	—	—	—	(1,481)
Issuance of common stock in connection with employee stock purchase plan	49,822	1	190	—	—	—	—	191
Balance at March 31, 2026	135,093,685	$ 14	$ 1,291,858	$ 285	$ (1,174,137)	—	$ —	$ 118,020

	For the Three Months Ended March 31, 2025							
	Common Stock		Additional	Accumulated Other Comprehensive	Accumulated	Treasury Stock		
	Shares	Par Value	Paid-In Capital	Income	Deficit	Shares	Amount	Total
Balance at January 1, 2025	130,918,997	$ 14	$ 1,460,270	$ 5,567	$ (1,200,145)	13,176,999	$ (196,382)	$ 69,324
Net income	—	—	—	—	12,042	—	—	12,042
Currency translation adjustments, net of tax	—	—	—	238	—	—	—	238
Fair value adjustments of cash flow hedges, net of tax	—	—	—	(2,259)	—	—	—	(2,259)
Stock-based compensation expense	—	—	5,491	—	—	—	—	5,491
Issuance of common stock upon exercise of stock options	224,889	—	564	—	—	—	—	564
Issuance of common stock upon vesting of restricted stock units	580,970	—	—	—	—	—	—	—
Tax withholding related to vesting of restricted stock units	—	—	(2,689)	—	—	—	—	(2,689)
Repurchase of common stock	35,939	—	237	—	—	—	—	237
Balance at March 31, 2025	131,760,795	$ 14	$ 1,463,873	$ 3,546	$ (1,188,103)	13,176,999	$ (196,382)	$ 82,948

See the Notes to Unaudited Condensed Consolidated Financial Statements

1. Basis of Presentation

The Business – Gogo Inc. ("Gogo," the "Company," "we," "us," or "our") is the only multi-orbit, multi-band in-flight connectivity provider offering connectivity technology purpose-built for business and military/government aviation. We have a holistic approach of providing broadband connectivity services to our customers from small to large aircraft and heavy jets through our air-to-ground ("ATG") technology and integrated low earth orbit ("LEO") and geostationary earth orbit ("GEO") satellite solutions provided by multiple satellite constellations owned by our satellite network partners. We aim to deliver to our customers consistent, global tip-to-tail connectivity with a suite of software, hardware, and advanced infrastructure supported by a 24/7/365 in-person customer support team to fit their every need.

Segments – The Company's chief operating decision maker ("CODM") is the Chief Executive Officer. The CODM makes resource and operating decisions by evaluating performance and business results of the consolidated company. As a result, the Company has a single reportable segment, with net income (loss) utilized as the performance measure.

Basis of Presentation – The accompanying Unaudited Condensed Consolidated Financial Statements and notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and in conformity with Article 10 of Regulation S-X promulgated under the Securities Act of 1933, as amended (the "Securities Act"). Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements and should be read in conjunction with our annual audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025 as filed with the Securities and Exchange Commission (the "SEC") on February 27, 2026 (the "2025 10-K"). These Unaudited Condensed Consolidated Financial Statements reflect, in the opinion of management, all material adjustments (which include normal recurring adjustments) necessary to fairly state, in all material respects, our financial position, results of operations and cash flows for the periods presented.

The results of operations and cash flows for the three-month period ended March 31, 2026 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2026.

We had one class of common stock outstanding as of March 31, 2026 and December 31, 2025.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates the significant estimates and bases such estimates on historical experience and various other assumptions believed to be reasonable under the circumstances. However, actual results could differ materially from those estimates.

Recently Issued Accounting Pronouncements

The Company considers the applicability and impact of all Accounting Standards Updates ("ASUs") issued by the Financial Accounting Standards Board ("FASB"). ASUs not listed below were assessed and determined to be either not applicable or expected to have minimal impact on our consolidated financial statements and related notes.

Accounting standards not yet adopted:

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income (Subtopic 220-40): Disaggregation of Income Statement Expenses* which requires disclosure about specific types of expenses included in the expense captions presented in the Consolidated Statements of Operations. This guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted and the amendments should be applied on a prospective basis, however, retrospective application is permitted. We are currently evaluating the impact that this guidance will have upon our consolidated financial statements and related notes.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles-Goodwill and Other Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software,* which details the criteria for capitalization of internal-use software costs. The ASU is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years, and may be adopted on a prospective, modified, or retrospective transition approach, and early adoption is permitted. We are currently evaluating the impact that this guidance will have upon our consolidated financial statements and related notes.

In December 2025, the FASB issued ASU No. 2025-10, *Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities*, which establishes authoritative guidance on the recognition, measurement, presentation and disclosure of government grants. The ASU is effective for fiscal years beginning after December 15, 2028, including interim periods within those fiscal years, with early adoption permitted. We are currently evaluating the impact that this guidance will have upon our consolidated financial statements and related notes.

2. Earnings Per Share

Basic earnings per share is computed using the weighted average number of common shares outstanding for the period. Diluted earnings per share is computed using the weighted average number of common shares outstanding and the treasury stock method for stock-based compensation. Contingently issuable shares are only included in the diluted earnings per share computation once all necessary conditions have been satisfied.

The diluted earnings per share calculations exclude the effect of stock options, deferred stock units, performance stock units, restricted stock units and the potential Earnout Liability related to the acquisition of Satcom Direct when the computation is anti-dilutive. For the three-month periods ended March 31, 2026 and 2025, the weighted average number of shares excluded from the computation was 51.9 million and 28.7 million, respectively.

The following table sets forth the computation of basic and diluted earnings per share for the three-month periods ended March 31, 2026 and 2025 (*in thousands, except per share amounts*):

	For the Three Months Ended March 31,	
Basic	**2026**	**2025**
Net income	$ 13,085	$ 12,042
Weighted average shares outstanding	135,656	132,472
Earnings per share - basic	$ 0.10	$ 0.09

	For the Three Months Ended March 31,	
Diluted	**2026**	**2025**
Net income	$ 13,085	$ 12,042
Average shares		
Weighted average shares outstanding	135,656	132,472
Effect of dilutive securities - stock-based compensation	1,193	2,842
Total weighted average diluted shares outstanding	136,849	135,314
Earnings per share - diluted	$ 0.10	$ 0.09

3. Revenue Recognition

Remaining performance obligations

As of March 31, 2026, the aggregate amount of the transaction price in our contracts allocated to the remaining unsatisfied performance obligations ("RPO") was approximately $522 million and excludes consideration from contracts that have an original duration of one year or less. Approximately $512 million of the RPO primarily represents connectivity and entertainment service revenues which are recognized as services are provided, which is expected to occur through the remaining term of the contracts. Our contracts vary in length and generally have terms of two to ten years. We expect to recognize approximately 38% of our connectivity and entertainment service RPO within the next year, approximately 47% in one to five years and the remaining 15% in five to ten years. The remaining $10 million of the RPO represents future equipment revenue that is expected to be recognized primarily within the next three years as equipment is shipped.

Disaggregation of revenue

The following table presents our revenue disaggregated by category *(in thousands)*:

	For the Three Months Ended March 31,	
	2026	2025
Service revenue by type		
Satellite broadband	$ 80,102	$ 77,679
ATG broadband	64,802	75,970
Narrowband and other	42,828	44,963
Total service revenue by type	$ 187,732	$ 198,612
Service revenue by market		
Business aviation	$ 154,355	$ 169,281
Military / Government	33,377	29,331
Total service revenue by market	$ 187,732	$ 198,612
Equipment revenue		
Satellite broadband	$ 12,413	$ 6,375
ATG broadband	19,654	18,672
Narrowband and other	6,520	6,648
Total equipment revenue	$ 38,587	$ 31,695

Contract balances

Our current and non-current contract asset balances totaled $44.1 million and $39.6 million as of March 31, 2026 and December 31, 2025, respectively. Contract assets represent the aggregate amount of revenue recognized in excess of billings and recoverable contract costs primarily for certain sales programs.

Our current and non-current deferred revenue balances totaled $37.0 million and $36.0 million as of March 31, 2026 and December 31, 2025, respectively. Deferred revenue includes, among other things, prepayments for equipment and subscription connectivity products. For the three-month periods ended March 31, 2026 and 2025, we recognized revenue of $13.5 million and $16.8 million, respectively, that was previously included in the beginning balance of deferred revenue.

4. Government Assistance

Federal Communications Commission ("FCC") Reimbursement Program

On July 15, 2022, the Company was notified that it was approved for participation in the FCC Reimbursement Program, designed to reimburse providers of advanced communications services for reasonable costs incurred in the required removal, replacement, and disposal of covered communications equipment or services, that have been deemed to pose a national security risk, from their networks. Pursuant to the FCC Reimbursement Program, the FCC approved up to approximately $334 million in reimbursements to the Company to cover documented and approved costs to (i) remove and securely destroy all ZTE communications equipment and services in the Company's terrestrial U.S. networks and replace such equipment and (ii) remove and replace certain equipment installed on aircraft operated by the Company's ATG customers that is not compatible with the terrestrial equipment that will replace ZTE equipment. Due to an initial shortfall in the amount appropriated by Congress to fund the FCC Reimbursement

Program, approximately $132 million of the approved amount was allocated to the Company under the program. Following passage of the Fiscal Year 2025 National Defense Authorization Act, the Company was allocated its full approved amount of approximately $334 million and the program completion deadline was recently extended to November 8, 2026.

As of March 31, 2026 and December 31, 2025, we have recorded a $41.2 million and $27.8 million receivable from the FCC, respectively, which is included in Prepaid expenses and other current assets in our Unaudited Condensed Consolidated Balance Sheets.

The following are the FCC Reimbursement Program-related deductions to the carrying value of asset balances in our Unaudited Condensed Consolidated Balance Sheets as of March 31, 2026 and December 31, 2025 *(in thousands):*

	March 31, 2026	December 31, 2025
Assets:		
Inventories	$ (2,030)	$ (1,380)
Prepaids expenses and other current assets	(9,041)	(7,349)
Property and equipment, net	(59,366)	(48,001)
Intangible assets, net	(9,942)	(2,200)
Other non-current assets	(26,761)	(21,376)
Operating lease right-of-use assets	(2,326)	(2,712)

The following are the increases to Net income in our Unaudited Condensed Consolidated Statements of Operations for the three-month periods ended March 31, 2026 and 2025 *(in thousands)*:

	For the Three Months Ended March 31,	
	2026	2025
Revenue:		
Service revenue	$ 3,633	$ 1,729
Operating expenses:		
Cost of service revenue	1,164	5
Cost of equipment revenue	2,085	2,493
General and administrative	383	100
Engineering, design and development	6,039	—
Depreciation and amortization	14	—

5. Composition of Certain Balance Sheet Accounts

Inventories consist primarily of telecommunications systems and parts and are recorded at the lower of average cost or net realizable value. We evaluate the need for write-downs associated with obsolete, slow-moving and nonsalable inventory by reviewing net realizable inventory values on a periodic basis.

Inventories as of March 31, 2026 and December 31, 2025 were as follows (*in thousands*):

	March 31, 2026	December 31, 2025
Work-in-process component parts	$ 39,390	$ 41,713
Finished goods	62,404	57,140
Total inventory[(1)]	$ 101,794	$ 98,853

(1) See Note 4, "Government Assistance," for additional information.

Prepaid expenses and other current assets as of March 31, 2026 and December 31, 2025 were as follows (*in thousands*):

	March 31, 2026	December 31, 2025
Interest rate caps and receivable	$ 3,188	$ 3,365
FCC reimbursement receivable[(1)]	41,158	27,769
Contract assets[(1)]	10,812	10,092
Prepaid inventories	2,399	2,545
Other	26,166	25,268
Total prepaid expenses and other current assets	$ 83,723	$ 69,039

(1) See Note 4, "Government Assistance," for additional information.

Property and equipment as of March 31, 2026 and December 31, 2025 were as follows (*in thousands*):

	March 31, 2026	December 31, 2025
Office equipment, furniture, fixtures and other	$ 60,591	$ 59,391
Leasehold improvements	16,857	16,855
Network equipment[(1)]	194,100	193,222
	271,548	269,468
Accumulated depreciation	(155,019)	(152,194)
Total property and equipment, net	$ 116,529	$ 117,274

(1) See Note 4, "Government Assistance," for additional information.

In addition to the above, the Company classified $26.3 million of property and equipment as Assets held for sale on our Unaudited Condensed Consolidated Balance Sheets as of both March 31, 2026 and December 31, 2025. Assets held for sale represent the main corporate facility and data center of Satcom Direct and associated land in Melbourne, Florida. The Company expects to sell the assets within the next twelve months.

Other non-current assets as of March 31, 2026 and December 31, 2025 were as follows (*in thousands*):

	March 31, 2026	December 31, 2025
Interest rate caps	$ 1,179	$ 1,108
Contract assets, net of allowances of $603 and $538, respectively[(1)]	33,276	29,500
Revolving credit facility deferred financing costs	1,396	1,584
Other	13,954	12,736
Total other non-current assets	$ 49,805	$ 44,928

(1) See Note 4, "Government Assistance," for additional information.

Accrued liabilities as of March 31, 2026 and December 31, 2025 were as follows (*in thousands*):

	March 31, 2026	December 31, 2025
Earnout Liability	$ 39,957	$ 38,900
Employee compensation and benefits	13,546	28,174
Operating leases	13,663	13,850
Customer credit reserve	13,257	14,647
Accrued inventory	4,084	8,845
Warranty reserve	5,749	5,720
Taxes	5,806	5,437
Accrued interest	127	132
Other	21,520	23,315
Total accrued liabilities	$ 117,709	$ 139,020

Other non-current liabilities as of March 31, 2026 and December 31, 2025 were as follows (*in thousands*):

	March 31, 2026	December 31, 2025
Earnout Liability	$ 27,000	$ 33,000
Other	10,914	11,064
Total other non-current liabilities	$ 37,914	$ 44,064

6. Research and Development Costs

Expenditures for research and development are charged to expense as incurred and totaled $6.5 million and $13.9 million, respectively, during the three-month periods ended March 31, 2026 and 2025. Research and development costs are reported as Engineering, design and development expenses in our Unaudited Condensed Consolidated Statements of Operations.

7. Goodwill and Other Intangible Assets

Our intangible assets are comprised of both indefinite-lived and finite-lived intangible assets and goodwill. Intangible assets with indefinite lives are not amortized but are reviewed for impairment at least annually or whenever events or circumstances indicate the carrying value of the asset may not be recoverable. We perform our annual impairment test of our indefinite-lived intangible assets during the fourth quarter of each fiscal year, and the results from the test performed in the fourth quarter of 2025 indicated no impairment. We also reevaluate the useful life of indefinite-lived intangible assets each reporting period to determine whether events and circumstances continue to support an indefinite useful life.

The carrying value of goodwill was $193.2 million as of both March 31, 2026 and December 31, 2025.

Our intangible assets, other than goodwill, as of March 31, 2026 and December 31, 2025 were as follows (*in thousands*):

	March 31, 2026			December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-lived intangible assets[(1)]:						
Software	$ 136,422	$ (57,647)	$ 78,775	$ 141,942	$ (55,524)	$ 86,418
Service customer relationships	152,681	(46,640)	106,041	152,681	(39,410)	113,271
OEM and dealer relationships	17,024	(8,441)	8,583	17,024	(8,119)	8,905
Other	10,540	(1,876)	8,664	10,373	(1,468)	8,905
Total amortized intangible assets	316,667	(114,604)	202,063	322,020	(104,521)	217,499
Indefinite-lived intangible assets:						
FCC License	31,319	—	31,319	31,319	—	31,319
Total intangible assets	$ 347,986	$ (114,604)	$ 233,382	$ 353,339	$ (104,521)	$ 248,818

(1) See Note 4, "Government Assistance," for additional information.

Amortization expense was $10.1 million and $9.8 million, respectively, for the three-month periods ended March 31, 2026 and 2025.

Amortization expense for the remainder of 2026, each of the next four years and thereafter is estimated to be as follows (*in thousands*):

Years ending December 31,	Amortization Expense
2026 (period from April 1 to December 31)	$ 32,193
2027	$ 42,891
2028	$ 42,897
2029	$ 40,254
2030	$ 13,084
Thereafter	$ 30,744

Actual future amortization expense could differ from the estimated amount as a result of future investments and other factors.

8. Long-Term Debt and Other Liabilities

Long-term debt as of March 31, 2026 and December 31, 2025 was as follows (*in thousands*):

	March 31, 2026	December 31, 2025
2021 Term Loan Facility	$ 600,342	$ 600,225
HPS Term Loan Facility	242,992	243,273
Less: deferred financing costs	(6,702)	(7,419)
Less: current portion of long-term debt	(23,589)	(2,500)
Total long-term debt	$ 813,043	$ 833,579

2021 Credit Agreement

On April 30, 2021, Gogo and Gogo Intermediate Holdings LLC ("GIH") (a wholly owned subsidiary of Gogo) entered into a credit agreement (the "Original 2021 Credit Agreement," and, as it may be amended, supplemented or otherwise modified from time to time, the "2021 Credit Agreement") among Gogo, GIH, the lenders and issuing banks party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent, which provides for (i) a term loan credit facility (the "2021 Term Loan Facility") in an aggregate principal amount of $725.0 million, issued with a discount of 0.5%, and (ii) a revolving credit facility (the "Revolving Facility" and together with the 2021 Term Loan Facility, the "2021 Facilities") of up to $100.0 million, which includes a letter of credit sub-facility. The 2021 Term Loan Facility matures on April 30, 2028.

On December 3, 2024, Gogo and GIH entered into a second amendment to the 2021 Credit Agreement, by and among, Gogo, GIH, guarantors party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent, and the lenders party thereto, among other purposes, (a) increase the aggregate principal amount of revolving commitments available under the 2021 Credit Agreement to an aggregate amount of revolving commitments equal to $122 million and (b) extend the maturity date of the revolving facility to December 3, 2029 (subject to such maturity date springing to the date that is 90 days prior to the then-current maturity date of (a) the 2021 Term Loan Facility under the 2021 Credit Agreement and (b) the HPS Term Loan Facility under the HPS Credit Agreement under certain conditions).

The 2021 Term Loan Facility amortizes in quarterly installments equal to one percent of the aggregate initial principal amount thereof per annum, with the remaining balance payable upon final maturity of the 2021 Term Loan Facility. There are no amortization payments under the Revolving Facility.

The 2021 Term Loan Facility bears annual interest at a floating rate measured by reference to, at GIH's option, either (i) an adjusted term secured overnight financing rate as administered by the Federal Reserve Bank of New York ("SOFR") (subject to a floor of 0.75%) plus an applicable margin of 3.75% and a credit spread adjustment of approximately 0.11%, 0.26% or 0.43% per annum based on 1-month, 3-month or 6-month term SOFR, respectively or (ii) an alternate base rate plus an applicable margin of 2.75%.

Loans outstanding under the Revolving Facility bear annual interest at a floating rate measured by reference to, at GIH's option, either (i) an adjusted term SOFR rate (subject to a floor of 0.00%) plus an applicable margin ranging from 3.50% to 4.00% per annum depending on GIH's senior secured first lien net leverage ratio or (ii) an alternate base rate plus an applicable margin ranging from 2.50% to 3.00% per annum depending on GIH's senior secured first lien net leverage ratio. Additionally, unused commitments under the Revolving Facility are subject to a fee ranging from 0.25% to 0.50% per annum depending on GIH's senior secured first lien net leverage ratio. As of March 31, 2026, the fee for unused commitments under the Revolving Facility was 0.25% and the applicable margin was 4.00% for SOFR rate loans and 3.00% for alternate rate loans.

The 2021 Facilities may be prepaid at GIH's option at any time without premium or penalty (other than customary breakage costs), subject to minimum principal payment amount requirements. On May 3, 2023, the Company prepaid $100 million of the outstanding principal amount of the 2021 Term Loan Facility. This prepayment satisfied the required amortization payments for the remaining term of the 2021 Term Loan Facility.

Subject to certain exceptions and de minimis thresholds, the 2021 Term Loan Facility is subject to mandatory prepayments in an amount equal to:

- 100% of the net cash proceeds of certain asset sales, insurance recovery and condemnation events, subject to reduction to 50% and 0% if specified senior secured first lien net leverage ratio targets are met;
- 100% of the net cash proceeds of certain debt offerings; and

- 50% of annual excess cash flow (as defined in the 2021 Credit Agreement), subject to reduction to 25% and 0% if specified senior secured first lien net leverage ratio targets are met.

The 2021 Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants. The negative covenants include restrictions on, among other things: incurrence of indebtedness or issuance of disqualified equity interests; incurrence or existence of liens; consolidations or mergers; activities of Gogo and any subsidiary holding a license issued by the FCC; investments, loans, advances, guarantees or acquisitions; asset sales; dividends or other distributions on equity; purchase, redemption or retirement of capital stock; payment or redemption of certain junior indebtedness; entry into other agreements that restrict the ability to incur liens securing the 2021 Facilities; and amendment of organizational documents; in each case subject to customary exceptions.

The Revolving Facility includes a financial covenant set at a maximum senior secured first lien net leverage ratio of 7.50:1.00, which will apply if the outstanding amount of loans and unreimbursed letter of credit drawings thereunder at the end of any fiscal quarter exceeds 35% of the aggregate of all commitments thereunder.

The 2021 Credit Agreement contains customary events of default, which, if any of them occurred, would permit or require the principal, premium, if any, and interest on all of the then outstanding obligations under the 2021 Facilities to be due and payable immediately and the commitments under the Revolving Facility to be terminated.

The Revolving Facility is available for working capital and general corporate purposes of GIH and its subsidiaries and was undrawn as of March 31, 2026 and December 31, 2025.

As of both March 31, 2026 and December 31, 2025, the outstanding principal amount of the 2021 Term Loan Facility was $601.4 million, the unaccreted debt discount was $1.1 million and $1.2 million, respectively, and the net carrying amount was $600.3 million and $600.2 million, respectively.

We paid approximately $21.6 million of loan origination and financing costs related to the 2021 Facilities, which are being accounted for as deferred financing costs on our Unaudited Condensed Consolidated Balance Sheets and are amortized over the terms of the 2021 Facilities. Total amortization expense was $0.8 million and $0.7 million, respectively, for the three-month periods ended March 31, 2026 and 2025 and is included in interest expense in our Unaudited Condensed Consolidated Statements of Operations. As of March 31, 2026 and December 31, 2025, the balance of unamortized deferred financing costs related to the 2021 Facilities was $6.7 million and $7.4 million, respectively.

On April 30, 2021, Gogo, GIH, and each direct and indirect wholly-owned U.S. restricted subsidiary of GIH (Gogo and such subsidiaries collectively, the "Guarantors") entered into a guarantee agreement (the "Guarantee Agreement") in favor of Morgan Stanley Senior Funding, Inc., as collateral agent (the "Collateral Agent"), whereby GIH and the Guarantors guarantee the obligations under the 2021 Facilities and certain other secured obligations as set forth in the Guarantee Agreement, and GIH and the Guarantors entered into a collateral agreement (the "Collateral Agreement"), in favor of the Collateral Agent, whereby GIH and the Guarantors grant a security interest in substantially all of their respective tangible and intangible assets (including the equity interests in each direct material wholly-owned U.S. restricted subsidiary owned by GIH or any Guarantor, and 65% of the equity interests in any non-U.S. subsidiary held directly by GIH or any Guarantor), subject to certain exceptions, to secure the obligations under the 2021 Facilities and certain other secured obligations as set forth in the Collateral Agreement. The liens granted under the 2021 Term Loan Facility are subject to an intercreditor agreement and are *pari passu* with the liens granted under the HPS Term Loan Facility (as defined below).

HPS Credit Agreement

On December 3, 2024, the Company and GIH entered into a credit agreement (the "HPS Credit Agreement" and together with the 2021 Credit Agreement, the "Credit Agreements") with HPS Investment Partners, LLC, as the administrative agent, and the lenders party thereto, which provides for a term loan credit facility (the "HPS Term Loan Facility") in an aggregate principal amount of $250 million. The HPS Term Loan Facility amortizes in quarterly installments equal to one percent of the aggregate initial principal amount thereof per annum, with the remaining balance payable upon final maturity of the HPS Term Loan Facility on April 30, 2028.

The HPS Term Loan Facility bears annual interest at a floating rate measured by reference to, at the Company's option, either (i) an adjusted term SOFR (subject to a floor of 1.00%) plus an initial applicable margin of 6.00%, which is subject to two leverage-based step-downs of up to 0.25% each or (ii) an alternate base rate plus an applicable margin of 5.00%, which is subject to two leverage-based step-downs of up to 0.25% each.

The HPS Term Loan Facility may be prepaid at the Company's option, at any time, without premium or penalty (other than customary breakage costs, and except that (a) during the first 12 months following the closing of the HPS Credit Agreement, certain prepayments of the HPS Term Loan Facility are subject to a 3.00% prepayment premium and (b) during the period from 12 months to

24 months following the closing of the HPS Credit Agreement, certain prepayments of the HPS Term Loan Facility are subject to a 1.00% prepayment premium), subject to minimum principal repayment amount requirements.

Subject to certain exceptions and de minimis thresholds, the HPS Term Loan Facility is subject to mandatory prepayments in an amount equal to:

- 100% of the net cash proceeds of certain asset sales, insurance recovery and condemnation events;
- 100% of the net cash proceeds of certain debt offerings; and
- 75% of annual excess cash flow (as defined in the HPS Credit Agreement), subject to reduction to 50% if specified senior secured first lien net leverage ratio targets are met.

The HPS Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants. The negative covenants include restrictions on, among other things: the incurrence of indebtedness or issuance of disqualified equity interests; the incurrence or existence of liens; consolidations or mergers; activities of the Company; the making of investments, loans, advances, guarantees or acquisitions; asset sales; the making of dividends or other distributions on equity; the purchase, redemption or retirement of capital stock; payment or redemption of certain junior indebtedness; activities of Federal Communications Commission license holders; entry into other agreements that restrict the ability to incur liens securing the HPS Term Loan Facility.

The HPS Credit Agreement contains customary events of default, which, if any of them occurred, would permit or require the principal, premium, if any, and interest on all of the then outstanding obligations under the HPS Term Loan Facility to be due and payable immediately.

As of March 31, 2026 and December 31, 2025, the outstanding principal amount of the HPS Term Loan Facility was $246.3 million and $246.9 million, respectively, the unaccreted debt discount was $3.3 million and $3.6 million, respectively, and the net carrying amount was $243.0 million and $243.3 million, respectively. In accordance with the HPS Credit Agreement, the Company paid $21.1 million of the outstanding principal amount of the HPS Term Loan Facility in April 2026.

We paid approximately $2.2 million of loan origination and financing costs related to the HPS Credit Agreement which are being accounted for as deferred financing costs on our consolidated balance sheets and are amortized over the term of the HPS Credit Agreement. Total amortization expense was $0.1 million and $0.1 million, respectively, for the three-month periods ended March 31, 2026 and 2025 and is included in interest expense in our Unaudited Condensed Consolidated Statements of Operations. As of March 31, 2026 and December 31, 2025 the balance of unamortized deferred financing costs related to the HPS Credit Agreement was $1.4 million and $1.6 million, respectively.

On December 3, 2024, Gogo, GIH, and the Guarantors entered into a guarantee agreement (the “HPS Guarantee Agreement”) in favor of HPS Investment Partners, LLC, as collateral agent (the “HPS Collateral Agent”), whereby GIH and the Guarantors guarantee the obligations under the HPS Term Loan Facility and certain other secured obligations as set forth in the HPS Guarantee Agreement, and GIH and the Guarantors entered into a collateral agreement (the “HPS Collateral Agreement”), in favor of the Collateral Agent, whereby GIH and the Guarantors grant a security interest in substantially all of their respective tangible and intangible assets (including the equity interests in each direct material wholly-owned U.S. restricted subsidiary owned by GIH or any Guarantor, and 65% of the equity interests in any non-U.S. subsidiary held directly by GIH or any Guarantor), subject to certain exceptions, to secure the obligations under the HPS Term Loan Facility and certain other secured obligations as set forth in the HPS Collateral Agreement. The liens granted under the HPS Term Loan Facility are subject to an intercreditor agreement and are *pari passu* with the liens granted under the 2021 Term Loan Facility.

9. Derivative Instruments and Hedging Activities

We are exposed to interest rate risk on our variable rate borrowings. We currently use interest rate caps to manage our exposure to interest rate changes, and have designated these interest rate caps as cash flow hedges for accounting purposes. Accordingly, the earnings impact of the derivatives designated as cash flow hedges is recorded upon the recognition of the variable interest payments related to the hedged debt.

In May 2021, we purchased interest rate caps with an aggregate notional amount of $650.0 million for $8.6 million. The cost of the interest rate caps will be amortized to interest expense using the caplet method, from the effective date through termination date. We receive payments in the amount calculated pursuant to the caps for any period in which the daily compounded SOFR rate plus a credit spread adjustment recommended by the Alternative Reference Rate Committee of 0.26% increases beyond the applicable strike rate. The notional amounts of the interest rate caps periodically decrease over the life of the caps.

The notional amounts, strike rates and end dates of the cap agreements are as follows *(notional amounts in thousands)*:

Start Date	End Date	Notional Amounts	Strike Rate
7/31/2021	7/30/2023	$ 650,000	0.75%
7/31/2023	7/30/2024	525,000	0.75%
7/31/2024	7/30/2025	350,000	1.25%
7/31/2025	7/30/2026	250,000	2.25%
7/31/2026	7/30/2027	200,000	2.75%

We record the effective portion of changes in the fair value of our cash flow hedges to other comprehensive income (loss), net of tax, and subsequently reclassify these amounts into earnings in the period during which the hedged transaction is recognized. The amounts included in accumulated other comprehensive income (loss) will be reclassified to interest expense in the event the hedges are no longer considered effective, in accordance with ASC 815, *Derivatives and Hedging*. No gains or losses of our cash flow hedges were considered to be ineffective and reclassified from other comprehensive income (loss) to earnings for the three-month periods ended March 31, 2026 and 2025. We estimate that approximately $1.3 million currently recorded in accumulated other comprehensive income (loss) will be recognized in earnings over the next 12 months. We assess the effectiveness of the hedges on an ongoing basis, and the remaining outstanding caps are still considered to be highly effective, and remain designated as a cash flow hedge. Cash flows from interest rate caps are classified in the Unaudited Condensed Consolidated Statements of Cash Flows as investing activities.

For the three-month period ended March 31, 2026, we recorded a decrease in fair value on the interest rate caps of $0.1 million, net of an immaterial amount of tax, and for the three-month period ended March 31, 2025, we recorded a decrease in fair value on the interest rate caps of $3.0 million, net of tax of $0.8 million. Increases and decreases in fair value on interest rate caps above exclude amortization of the purchase price paid for the interest rate caps.

When derivatives are used, we are exposed to credit loss in the event of non-performance by the counterparties; however, non-performance is not anticipated. ASC 815, *Derivatives and Hedging*, requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the balance sheet. The fair values of the interest rate derivatives are based on quoted market prices for similar instruments from commercial banks (based on significant observable inputs - Level 2 inputs).

The following table presents the fair value of our interest rate derivatives included in the Unaudited Condensed Consolidated Balance Sheets for the periods presented (in thousands):

Derivatives designated as hedging instruments	Balance sheet location	March 31, 2026	December 31, 2025
Current portion of interest rate caps	Prepaid expenses and other current assets	$ 2,491	$ 2,568
Non-current portion of interest rate caps	Other non-current assets	$ 1,179	$ 1,108

Fair Value Measurement

Our derivative assets and liabilities consist principally of interest rate caps, which are carried at fair value based on significant observable inputs (Level 2 inputs). Derivatives entered into by us are typically executed over-the-counter and are valued using discounted cash flows along with fair value models that primarily use market observable inputs. These models take into account a variety of factors including, where applicable, maturity, interest rate yield curves, and counterparty credit risks.

10. Interest Costs

We capitalize a portion of our interest on funds borrowed during the active construction period of major capital projects. Capitalized interest is added to the cost of the underlying assets and amortized over the useful lives of the assets.

The following is a summary of our interest costs for the three-month periods ended March 31, 2026 and 2025 *(in thousands)*:

	For the Three Months Ended March 31,	
	2026	2025
Interest costs charged to expense	$ 16,108	$ 17,493
Amortization of deferred financing costs	904	837
Amortization of the purchase price of interest rate caps	452	740
Interest rate cap benefit	(1,080)	(2,928)
Accretion of debt discount	462	416
Interest expense	16,846	16,558
Interest costs capitalized to property and equipment	1,004	929
Interest costs capitalized to software	345	458
Total interest costs	$ 18,195	$ 17,945

11. Fair Value of Financial Assets and Liabilities

A three-tier fair value hierarchy has been established which prioritizes the inputs used in measuring fair value. These tiers include:

- *Level 1* - defined as observable inputs such as quoted prices for identical assets or liabilities in active markets;
- *Level 2* - defined as observable inputs other than Level 1 inputs such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- *Level 3* - defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Refer to Note 9, "Derivative Instruments and Hedging Activities," for fair value information relating to our interest rate caps.

Earnout Liability:

In connection with the acquisition of Satcom Direct, LLC and certain of its affiliates (collectively, "Satcom Direct") in December 2024, the purchase price included up to an additional $225 million in potential earnout payments of cash and/or common stock of the Company tied to realizing certain financial performance milestones over a four-year period following the acquisition (the "Earnout Liability"). The fair value of the Earnout Liability was calculated using a Monte Carlo simulation based on future gross profit projections of Satcom Direct, gross profit volatility rates of comparable companies and a risk adjusted discount rate. The fair value measurement was based on significant unobservable inputs and thus represents a Level 3 measurement. The Earnout Liability has an estimated fair value of $67.0 million and $71.9 million as of March 31, 2026 and December 31, 2025, respectively. In April 2026, the Company paid cash of $40.0 million related to the 2025 financial performance milestones of the Earnout Liability.

Investment in Convertible Note:

On February 26, 2024, Gogo invested $5 million in a convertible note offering ("Investment in Convertible Note"). The Investment in Convertible Note accrues interest at 5% per annum, payable upon maturity of the note or upon conversion, and matures two years after the date of issuance. In February 2026, the maturity date of the note was extended for two additional years. In connection with the amendment, the Company was issued warrants to purchase common stock of the issuer. We have elected to measure our Investment in Convertible Note, including the warrants, using the fair value option and record changes in fair value, including accrued interest, in Other (income) expense, net on the Unaudited Condensed Consolidated Statements of Operations. The

Company elected the fair value option for the Investment in Convertible Note to eliminate complexities of applying certain accounting models.

The Investment in Convertible Note is included in Other non-current assets and in Prepaid and other current assets on our Unaudited Condensed Consolidated Balance Sheets as of March 31, 2026 and December 31, 2025, respectively, and the reconciliation of beginning and ending balances were as follows *(in thousands)*:

	For the Three Months Ended March 31,	
	2026	**2025**
Balance at beginning of period	$ 655	$ 4,207
Investment	—	—
Change in fair value	230	(253)
Balance at end of period	$ 885	$ 3,954

Debt:

As of March 31, 2026 and December 31, 2025, our only financial assets and liabilities disclosed but not measured at fair value are the 2021 Term Loan Facility and the HPS Term Loan Facility, which are reflected on the consolidated balance sheets at cost. The fair value measurements are classified as Level 2 within the fair value hierarchy since they are based on quoted market prices of our instruments in markets that are not active. We estimated the fair values of the 2021 Term Loan Facility and the HPS Term Loan Facility by calculating the upfront cash payments a market participant would require to assume these obligations. The upfront cash payments used in the calculations of fair values on our Unaudited Condensed Consolidated Balance Sheets, excluding any issuance costs, are the amounts that a market participant would be willing to lend at such date to an entity with a credit rating similar to ours and that would allow such an entity to achieve sufficient cash inflows to cover the scheduled cash outflows under the 2021 Term Loan Facility and HPS Term Loan Facility.

The fair value and carrying value of debt as of March 31, 2026 and December 31, 2025 were as follows *(in thousands)*:

	March 31, 2026		December 31, 2025	
	Fair Value *(1)*	**Carrying Value**	**Fair Value** *(1)*	**Carrying Value**
2021 Term Loan Facility	$ 529,000	$ 600,342 *(2)*	$ 550,000	$ 600,225 *(2)*
HPS Term Loan Facility	229,000	242,992 *(3)*	238,000	243,273 *(3)*

(1) Fair value amounts are rounded to the nearest million.
(2) Carrying value of the 2021 Term Loan Facility reflects the unaccreted debt discount of $1.1 million and $1.2 million as of March 31, 2026 and December 31, 2025, respectively. See Note 8, "Long-Term Debt and Other Liabilities," for further information.
(3) Carrying value of the HPS Term Loan Facility reflects the unaccreted debt discount of $3.3 million and $3.6 million as of March 31, 2026 and December 31, 2025, respectively. See Note 8, "Long-Term Debt and Other Liabilities," for further information.

12. Income Tax

The effective income tax rates for the three-month periods ended March 31, 2026 and 2025 were 37.8% and 36.6%, respectively. For the three-month period ended March 31, 2026, our effective income tax rate was higher than the U.S. federal statutory rate of 21% primarily due to state income taxes, the establishment of a valuation allowance on deferred tax assets, stock-based compensation, and nondeductible officer's compensation. For the three-month period ended March 31, 2025, our effective income tax rate was higher than the U.S. federal statutory rate of 21% primarily due to state income taxes and stock-based compensation.

We regularly assess the need for a valuation allowance related to our deferred income tax assets to determine, based on the weight of all available positive and negative evidence, whether it is more likely than not that some or all of such deferred assets will not be realized. In our assessments, the Company considers recent financial operating results, the scheduled expiration of our net operating losses, future taxable income, the reversal of existing taxable differences, and tax planning strategies. The remaining valuation allowance is still required for deferred tax assets related to foreign, state and local net operating losses and a valuation allowance related to our convertible note investment, as it is more likely than not as of March 31, 2026 that these deferred tax assets will not be realized.

We are subject to taxation and file income tax returns in the United States federal jurisdiction, various states, and several foreign jurisdictions including, but not limited to, Canada, Switzerland, United Kingdom, Australia, Brazil and Singapore. With a few exceptions, as of March 31, 2026, we are no longer subject to U.S. federal, state, local or foreign examinations by tax authorities for years before 2010.

We record penalties and interest relating to uncertain tax positions in the income tax provision line item in the Unaudited Condensed Consolidated Statements of Operations. No penalties or interest related to uncertain tax positions were recorded for the three-month periods ended March 31, 2026 and 2025, and as of March 31, 2026 and December 31, 2025, we did not have a liability recorded for interest or potential penalties.

13. Stock-Based Compensation and Retirement Plans

Stock-Based Compensation — As of March 31, 2026, we maintained the 2024 Omnibus Equity Incentive Plan (the “2024 Plan”). The 2024 Plan provides for the grant of both equity and cash awards, including non-qualified stock options, incentive stock options, stock appreciation rights, performance awards (shares and units), restricted stock, restricted stock units (“RSUs”), deferred share units and other stock-based awards and dividend equivalents to eligible employees, directors and consultants, as determined by the Compensation Committee of our Board of Directors. See Note 14, “Stock-Based Compensation and Retirement Plans,” in our 2025 10-K for further information regarding the 2024 Plan. The majority of our equity grants are awarded on an annual basis.

Additionally, in connection with the Company’s acquisition of Satcom Direct on December 3, 2024, 2,275,000 shares were granted, consisting of a combination of RSUs and performance-based restricted stock units (“PSUs”) (together, the “Inducement Awards”) by the Compensation Committee. The RSUs will vest in equal annual installments over the five-year period following the grant date. The PSUs are subject to performance-based vesting and will vest when the performance-based vesting conditions are met. Though not awarded pursuant to the 2024 Plan, the Inducement Awards have been issued subject to the terms and conditions of the 2024 Plan.

For the three-month period ended March 31, 2026, no options to purchase shares of common stock were granted, options to purchase 10,015 shares of common stock were exercised, no options to purchase shares of common stock were forfeited and 34,092 options to purchase shares of common stock expired.

For the three-month period ended March 31, 2026, 1,827,850 RSUs were granted, 575,396 RSUs vested and 146,777 RSUs were forfeited. The fair value of the RSUs granted during the three-month period ended March 31, 2026 was approximately $8.5 million, which will generally be recognized over a period of four years.

For the three-month period ended March 31, 2026, 101,362 deferred stock units were granted and none were vested or forfeited. The fair value of the deferred stock units granted during the three-month period ended March 31, 2026 was approximately $0.4 million, which will generally be recognized over a period of 12 months.

For the three-month period ended March 31, 2026, 49,822 shares of common stock were issued under the Employee Stock Purchase Plan.

The following is a summary of our stock-based compensation expense by operating expense line in the Unaudited Condensed Consolidated Statements of Operations *(in thousands)*:

	For the Three Months Ended March 31,	
	2026	2025
Cost of service revenue	$ 399	$ 435
Cost of equipment revenue	335	313
Engineering, design and development	790	905
Sales and marketing	797	758
General and administrative	2,512	3,080
Total stock-based compensation expense	$ 4,833	$ 5,491

Retirement Plans — We have a 401(k) plan for U.S.-based employees, as well as various defined contribution plans for international employees. Eligible U.S. employees may make tax-deferred contributions under the 401(k) plan, subject to Internal Revenue Service limitations. We match contributions towards the 401(k) plan and international defined contribution plans, subject to annual limitations. Our matching contributions were $0.8 million and $1.1 million, respectively, during the three-month periods ended March 31, 2026 and 2025.

14. Leases

Operating and Financing Leases — We determine whether a contract contains a lease at contract inception and calculate the lease liability and right-of-use asset using our incremental borrowing rate. We have operating lease agreements primarily related to cell sites, data centers, satellites and office buildings. Our cell site leases generally have terms of five to ten years, with renewal options for an additional five to 25 years. For certain cell sites, the renewal options are deemed to be reasonably certain to be exercised. Our data center leases have original terms between one to four years with unlimited one-year renewal options, some of which are reasonably certain to be exercised. Our building leases have original terms of ten years, with renewal options for an additional five years. We recognize operating lease expense on a straight-line basis over the lease term. As of March 31, 2026, there were no significant leases which had not commenced.

The following is a summary of our lease expense included in the Unaudited Condensed Consolidated Statements of Operations *(in thousands)*:

	For the Three Months Ended March 31,	
	2026	2025
Operating lease cost[1]	$ 13,517	$ 4,492
Financing lease cost:		
Amortization of leased assets	13	14
Interest on lease liabilities	1	3
Total lease cost	$ 13,531	$ 4,509

(1) Includes $9.0 million of short-term lease cost for the three-month period ended March 31, 2026.

Other information regarding our leases is as follows *(in thousands, except lease terms and discount rates)*:

	For the Three Months Ended March 31,	
	2026	2025
Supplemental cash flow information		
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows used in operating leases	$ 4,787	$ 4,671
Operating cash flows used in financing leases	$ 1	$ 3
Financing cash flows used in financing leases	$ 15	$ 2
Non-cash items:		
Operating leases obtained	$ 1,306	$ 598
Financing leases obtained	$ —	$ —
Weighted average remaining lease term		
Operating leases	5 years	6 years
Financing leases	1 year	2 years
Weighted average discount rate		
Operating leases	7.1%	7.0%
Financing leases	9.1%	9.1%

Annual future minimum lease payments as of March 31, 2026 *(in thousands)*:

Years ending December 31,	**Operating Leases**	**Financing Leases**
2026 (period from April 1 to December 31)	$ 13,345	$ 50
2027	17,322	15
2028	14,918	—
2029	13,360	—
2030	9,486	—
Thereafter	10,522	—
Total future minimum lease payments	78,953	65
Less: Amount representing interest	(12,419)	(2)
Present value of net minimum lease payments	$ 66,534	$ 63
Reported as of March 31, 2026		
Accrued liabilities	$ 13,663	$ 63
Non-current operating lease liabilities	52,871	—
Other non-current liabilities	—	—
Total lease liabilities	$ 66,534	$ 63

15. Commitments and Contingencies

Contractual Commitments – We have agreements with various vendors under which we have remaining commitments to purchase hardware components and development services. Such commitments will become payable as we receive the hardware components, or as development services are provided.

SmartSky Litigation – On February 28, 2022, SmartSky Networks, LLC (“SmartSky”) brought suit against Gogo Inc. and its subsidiary Gogo Business Aviation LLC in the U.S. District Court for the District of Delaware (the “Court”) alleging that Gogo 5G infringes four patents owned by the plaintiff. On February 21, 2023, the plaintiff amended its complaint to allege that Gogo 5G infringes two additional patents that had been recently issued to the plaintiff. The suit seeks compensatory damages as well as treble damages for alleged willful infringement and reimbursement of plaintiff's costs, disbursements and attorneys' fees. On May 29, 2024, Gogo Inc. and its subsidiary Gogo Business Aviation LLC amended their answer and counterclaims in the same suit, alleging that three of the six patents asserted by the plaintiff are unenforceable due to inequitable conduct before the U.S. Patent Office. A number of dispositive motions were filed on October 25, 2025, and the Court issued orders resolving those motions. SmartSky’s motions were denied. Gogo’s motion for summary judgment of invalidity on one of SmartSky’s asserted patents was granted. The Court also granted Gogo’s motion for summary judgment of no lost profits and Gogo’s motion to exclude SmartSky’s damages expert’s opinions on lost profits and reasonable royalty damages. On November 17, 2025, the Court commenced a jury trial on the plaintiff’s claims. On November 21, 2025, the jury determined that Gogo willfully infringed the plaintiff’s asserted patents and returned a verdict in the total amount of $22.7 million. A one-day bench trial was held on March 4, 2026, to address Gogo’s inequitable conduct defense. Post-trial briefs on the jury trial were filed on March 18, 2026, and post-trial briefs on the bench trial were filed on March 30, 2026. Briefing is expected to be completed on these motions by May 8, 2026. We continue to vigorously defend our position in the infringement suit challenging both the verdict and the amount of the award in the trial court and will do so in the appellate court if necessary. The outcome of the underlying litigation is inherently uncertain. No judgment has been entered and Gogo has not paid any portion of the award.

On March 5, 2024, Gogo Inc. and its subsidiary Gogo Business Aviation LLC filed counterclaims in the same suit, alleging that SmartSky’s ATG network, Flagship equipment, and LITE ATG equipment infringe three patents owned by Gogo. Gogo’s counterclaim suit seeks an unspecified amount of compensatory damages as well as reimbursement of Gogo's costs and attorneys' fees. On April 10, 2024, the Court held that Gogo's counterclaims would proceed under a separate schedule and would be tried separately from SmartSky's claims. On December 31, 2025, Gogo Inc. and its subsidiary Gogo Business Aviation LLC amended their counterclaims to add Apcela IFC JV, LLC as a counterclaim defendant. Under a schedule agreed upon by the parties, fact discovery and claim construction proceedings will be substantially completed by June 26, 2026, and expert discovery by September 25, 2026, with dispositive motions to follow. A trial date has been scheduled for March 8, 2027.

On December 16, 2024, SmartSky sued Gogo Inc. and its subsidiaries in the U.S. District Court for the Western District of North Carolina alleging that Gogo maintains an illegal monopoly over air-to-ground broadband inflight connectivity products and services and has blocked SmartSky from entering the market in violation of antitrust laws. SmartSky also alleges claims of false advertising, unfair and deceptive trade practices, and tortious interference. The suit seeks actual damages, treble damages, punitive damages, disgorgement of profits, reimbursement of plaintiff's costs, attorneys' fees, pre- and post-judgment interest, and interest on actual damages. On March 14, 2025, Gogo Inc. and its subsidiary Gogo Business Aviation LLC filed a motion to dismiss for failure to state a claim. That motion is still pending. On April 21, 2026, at SmartSky's request, the parties filed a joint motion to modify the case schedule with fact discovery set to be completed by October 2, 2026 and expert discovery by January 31, 2027, with dispositive motions to follow. That motion is still pending and a trial date has not been set. We will vigorously defend our position in this lawsuit. The outcome of the litigation is inherently uncertain.

From time to time we may become involved in legal proceedings arising in the ordinary course of our business. We cannot predict with certainty the outcome of any litigation or the potential for future litigation. With respect to such legal proceedings, we accrue a loss when it is probable and its amount can be reasonably estimated. Regardless of the outcome of any particular litigation and the merits of any particular claim, litigation can have a material adverse impact on our Company due to, among other reasons, any injunctive relief granted, which could inhibit our ability to operate our business, amounts paid as damages or in settlement of any such matter, diversion of management resources and defense costs. The Company's accrual for probable and estimable loss contingencies for the aforementioned litigation in which we are a defendant was $10.0 million and $11.5 million as of March 31, 2026 and December 31, 2025, respectively, and is recorded in Accrued liabilities on the Consolidated Balance Sheets.

16. Accumulated Other Comprehensive Income (Loss)

The following is a summary of changes in accumulated other comprehensive income (loss) by component *(in thousands):*

	Currency Translation Adjustment	Change in Fair Value of Cash Flow Hedges	Total
Balance at January 1, 2026	$ (1,045)	$ 1,089	$ 44
Other comprehensive income (loss) before reclassifications	(97)	812	715
Less: income realized and reclassified to earnings	—	474	474
Net current period comprehensive income (loss)	(97)	338	241
Balance at March 31, 2026	$ (1,142)	$ 1,427	$ 285

	Currency Translation Adjustment	Change in Fair Value of Cash Flow Hedges	Total
Balance at January 1, 2025	$ (1,757)	$ 7,324	$ 5,567
Other comprehensive income (loss) before reclassifications	238	(617)	(379)
Less: income realized and reclassified to earnings	—	1,642	1,642
Net current period comprehensive income (loss)	238	(2,259)	(2,021)
Balance at March 31, 2025	$ (1,519)	$ 5,065	$ 3,546

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q 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 regarding our industry, business strategy, acquisitions, plans, goals and expectations concerning our market position, international expansion, future technologies, future operations, margins, profitability, future efficiencies, capital expenditures, liquidity and capital resources and other financial and operating information. When used in this discussion, the words "anticipate," "assume," "believe," "budget," "continue," "could," "estimate," "expect," "forecast," "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 Quarterly Report on Form 10-Q.

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 continue to generate revenue from the provision of our connectivity and other service offerings;
- our reliance on our key OEMs and dealers for equipment sales;
- our dependence on single-source, third party satellite network providers;
- our reliance on third parties for equipment components and services;
- the impact of competition;
- our ability to maintain high-quality customer support;
- our development and fixed-price contracts;
- our participation in U.S. government contracts;
- our participation in non-U.S. government contracts;
- the finite useful life of satellites;
- the impact of global supply chain and logistics issues, tariffs and inflationary trends;
- the continued expansion of our business outside of the United States;
- foreign currency risk;
- the impact of our expansion geographically and otherwise on our corporate culture;
- our ability to recruit, train and retain highly skilled employees, and the loss of any key personnel;
- the impact of pandemics or other outbreaks of contagious diseases, and the measures implemented to combat them;
- the impact of adverse economic conditions and geopolitical instability;
- our ability to fully utilize portions of our deferred tax assets;
- the impact of global climate change and other sustainability-related matters;
- our ability to evaluate or pursue strategic opportunities;
- our recently deployed Gogo 5G and Gogo Galileo services may not compete well in the market or face problems relating to implementation;
- our ability to innovate next-generation technologies and provide products and services useful to our customers and passengers without delay in developing or deploying such technologies, products and services;
- our ability to maintain our rights to use our licensed 4MHz of ATG spectrum in the United States and obtain rights to additional spectrum if needed;
- the impact of service interruptions or delays, cyber incidents, technology failures, equipment damage or system disruptions or failures;

- the impact of assertions by third parties of infringement, misappropriation or other violations;
- our ability to protect our intellectual property rights;
- risks associated with the use of artificial intelligence in our products and services;
- the impact of our use of open-source software;
- the impact of equipment failure or material defects or errors in our software;
- our ability to comply with applicable foreign ownership limitations;
- the impact of government regulation of communication networks, and the internet;
- our possession and use of personal information;
- risks associated with participation in the Federal Communications Commission ("FCC") Supply Chain Reimbursement Program;
- our ability to comply with anti-bribery, anti-corruption, anti-money laundering and export control laws;
- the extent of expenses, liabilities or business disruptions resulting from litigation;
- the impact of the distribution of income among various jurisdictions in which we operate as well as changes in tax law or regulation on our U.S. and non-U.S. tax liabilities;
- the impact of changes in laws and regulations on U.S. government contractors;
- the impact of our substantial indebtedness;
- our ability to obtain additional financing to refinance or repay our existing indebtedness;
- the impact of restrictions and limitations in the agreements governing our debt;
- the impact of increases in interest rates;
- the impact of a substantial portion of our indebtedness being secured by substantially all of our assets;
- the impact of a downgrade, suspension or withdrawal of the rating assigned by a rating agency;
- the volatility of our stock price;
- our ability to fully utilize our tax losses;
- the dilutive impact of potential future stock issuances;
- the impact of our stockholder concentration and of our chair of the Board being a significant stockholder;
- our ability to fulfill our obligations associated with being a public company;
- the impact of an identified material weakness in our internal control over financial reporting;
- the impact of anti-takeover provisions, ownership provisions and certain other provisions in our charter, our bylaws, Delaware law, and our existing and any future credit facilities; and
- other risks and factors listed under "Risk Factors" in the 2025 10-K.

Any one of these factors or a combination of these factors could materially affect our financial condition or future results of operations and could influence whether any forward-looking statements contained in this Quarterly Report on Form 10-Q ultimately prove to be accurate. Our 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 unless required by law we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

In addition, while we do, from time to time, communicate with securities analysts, it is against our policy to disclose to them any material non-public information or other confidential information. Accordingly, stockholders should not assume that we agree with any statement or report issued by any analyst irrespective of the content of the statement or report. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts, or opinions, such reports are not our responsibility.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis is intended to help the reader understand our business, financial condition, results of operations, liquidity and capital resources. You should read this discussion in conjunction with our unaudited condensed consolidated interim financial statements and the related notes contained elsewhere in this Quarterly Report on Form 10-Q. Unless the context otherwise indicates or requires, the terms "we," "our," "us," "Gogo," and the "Company," as used in this Quarterly Report on Form 10-Q, refer to Gogo Inc. and its directly and indirectly owned subsidiaries as a combined entity, except where otherwise stated or where it is clear that the terms refer only to Gogo Inc. exclusive of its subsidiaries.

The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described under "Risk Factors" in the 2025 10-K. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Our fiscal year ends December 31 and, unless otherwise noted, references to "years" or "fiscal" are for fiscal years ended December 31. See "—Results of Operations."

Company Overview

Gogo is the only multi-orbit, multi-band in-flight connectivity provider offering connectivity technology purpose-built for business and military/government aviation. We have a holistic approach of providing broadband connectivity services to our customers from small to large aircraft and heavy jets through our ATG technology and integrated LEO and GEO satellite solutions provided by multiple satellite constellations owned by our satellite network partners. We aim to deliver to our customers consistent, global tip-to-tail connectivity with a suite of software, hardware, and advanced infrastructure supported by a 24/7/365 in-person customer support team to fit their every need.

Factors and Trends Affecting Our Results of Operations

We believe that our operating and business performance is driven by various factors that affect the business and military/government aviation industries, including trends affecting the travel industry and trends affecting the customer bases that we target, as well as factors that affect wireless Internet service providers and general macroeconomic factors. Key factors that may affect our future performance include:

- our ability to implement on a timely basis and costs associated with the ongoing implementation of our technology roadmap, including installation of and/or upgrades to the ATG Broadband technologies we currently offer, Gogo 5G, Gogo Galileo, LTE and any other next generation or other new technology that we develop or acquire;
- our ability to manage issues and related costs that may arise in connection with the implementation of our technology roadmap, including technological issues and related remediation efforts, technological shifts, failures or delays on the part of antenna, chipset, and other equipment developers and providers or satellite network providers, some of which are single-source;
- our ability to license additional spectrum and make other improvements to our ATG network and operations as technology and user expectations change;
- the number of aircraft in service in our markets, including consolidations or changes in fleet size by one or more of our large-fleet customers;
- the economic environment and other trends that affect both business and leisure aviation travel, including the impact on demand for aviation travel of increases in fuel costs and other inflationary pressures stemming from the ongoing conflicts in the Middle East;
- disruptions to supply chains in the aviation industry and installations of our equipment driven by, among other things, labor shortages;
- the extent of our customers' adoption of our products and services, which is affected by, among other things, willingness to pay for the services that we provide, the quality and reliability of our products and services, changes in technology and competition from current competitors and new market entrants;
- our ability to engage suppliers of equipment components and network services on a timely basis and on commercially reasonable terms, including, without limitation, electronic components such as semiconductor memory and storage products (among others, dynamic random access memory ("DRAM") and NAND flash memory), due to the surging buildout of artificial intelligence-related computing infrastructure;

- our ability to fully utilize portions of our deferred income tax assets;
- changes in laws, regulations, policies and interpretations affecting our business, the business of our customers and suppliers globally, including changes that impact the design of our equipment and our ability to obtain required certifications for our equipment and services, and telecommunications services globally, including those affecting our ability to maintain our licenses for ATG spectrum in the United States, obtain sufficient rights to use additional ATG spectrum and/or other sources of broadband connectivity to deliver our services, including Gogo Galileo and Gogo 5G, expand our service offerings and manage our network; and
- the enactment of, and proposals for, trade protection measures by the United States as well as other countries (including United States "reciprocal" tariffs that began in 2025), including increases or changes in tariffs and trade barriers, changes in government policies and international trade arrangements, geopolitical volatility, and global macroeconomic conditions, or uncertainty regarding the impact of proposed or future trade protection measures, may affect our results of operations in some markets.

Key Business Metrics

Our management regularly reviews financial and operating metrics, including the following key business metrics, to evaluate the performance of our business and our success in executing our business plan, make decisions regarding resource allocation and corporate strategies, and evaluate forward-looking projections.

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Aircraft online (at period end)		
ATG AVANCE	4,851	4,716
Gogo Biz	1,265	2,186
Total ATG	6,116	6,902
GEO aircraft online	1,306	1,280
Gogo Galileo aircraft online	111	—
Average monthly connectivity service revenue per ATG aircraft online	$ 3,351	$ 3,451
ATG units sold	511	317

- *AVANCE aircraft online.* We define AVANCE aircraft online as the total number of aircraft equipped with our AVANCE L5 or L3 system for which we provide ATG services to business aviation customers in the last month of the period presented. This number excludes military/government AVANCE aircraft online.
- *Gogo Biz aircraft online.* We define Gogo Biz aircraft online as the total number of aircraft not equipped with our AVANCE L5 or L3 system for which we provide ATG services to business aviation customers in the last month of the period presented. This number excludes commercial aircraft operated by Intelsat's airline customers as well as military/government aircraft receiving ATG service.
- *GEO aircraft online*. We define GEO aircraft online as the total number of aircraft for which we provide GEO broadband services to business aviation customers as of the last day of each period presented. This number excludes aircraft receiving services through GEO satellite networks that are end-of-life and military/government GEO aircraft online.
- *Gogo Galileo aircraft online*. We define Gogo Galileo aircraft online as the total number of aircraft for which we provide Gogo Galileo LEO broadband services in the last month of the period presented. This number excludes military/government Gogo Galileo aircraft online. This metric was not presented prior to the fiscal year ended December 31, 2025, as Gogo Galileo was only first deployed in 2025.
- *Average monthly connectivity service revenue per ATG aircraft online ("ARPU").* We define ARPU as the aggregate ATG connectivity service revenue for the period divided by the number of months in the period, divided by the number of ATG aircraft online during the period (expressed as an average of the month end figures for each month in such period). Revenue share earned from Intelsat is excluded from this calculation.
- *ATG units sold*. We define units sold as the number of ATG units for which we recognized revenue during the period.

Key Components of Consolidated Statements of Operations

There have been no material changes to our key components of Unaudited Condensed Consolidated Statements of Operations as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") in our 2025 10-K.

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations are based on our Unaudited Condensed Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of our Unaudited Condensed Consolidated Financial Statements and related disclosures requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related exposures. We base our estimates and assumptions on historical experience and other factors that we believe to be reasonable under the circumstances. In some instances, we could reasonably use different accounting estimates, and in some instances, actual results could differ significantly from our estimates. We evaluate our estimates and assumptions on an ongoing basis. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

We believe that the assumptions and estimates associated with our goodwill impairment analysis and the fair value of the Earnout Liability associated with the acquisition of Satcom Direct have the greatest potential impact on and are the most critical to fully understanding and evaluating our reported financial results, and that they require our most difficult, subjective or complex judgments.

There have been no material changes to our critical accounting estimates described in the MD&A in our 2025 10-K.

Recent Accounting Pronouncements

See Note 1, "Basis of Presentation," to our Unaudited Condensed Consolidated Financial Statements for additional information.

Results of Operations

The following tables set forth, for the periods presented, certain data from our Unaudited Condensed Consolidated Statements of Operations. The information contained in the table below should be read in conjunction with our Unaudited Condensed Consolidated Financial Statements and related notes.

Gogo Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations
(in thousands)

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Revenue:		
Service revenue	$ 187,732	$ 198,612
Equipment revenue	38,587	31,695
Total revenue	226,319	230,307
Operating expenses:		
Cost of service revenue (exclusive of amounts shown below)	98,314	94,047
Cost of equipment revenue (exclusive of amounts shown below)	34,988	29,326
Engineering, design and development	6,492	13,875
Sales and marketing	13,491	14,210
General and administrative	26,208	29,519
Depreciation and amortization	15,139	14,143
Total operating expenses	194,632	195,120
Operating income	31,687	35,187
Other expense (income):		
Interest income	(1,154)	(590)
Interest expense	16,846	16,558
Change in fair value of Earnout Liability	(4,943)	—
Other expense (income), net	(95)	234
Total other expense	10,654	16,202
Income (loss) before income taxes	21,033	18,985
Income tax provision	7,948	6,943
Net income	$ 13,085	$ 12,042

Three Months Ended March 31, 2026 and 2025

Below is a discussion of changes in the results in operations for the three-month periods ended March 31, 2026 and 2025.

Revenue:

Revenue and percent change for the three-month periods ended March 31, 2026 and 2025 were as follows *(in thousands, except for percent change)*:

	For the Three Months Ended March 31,		% Change
	2026	2025	2026 over 2025
Service revenue	$ 187,732	$ 198,612	(5.5)%
Equipment revenue	38,587	31,695	21.7%
Total revenue	$ 226,319	$ 230,307	(1.7)%

Total revenue decreased to $226.3 million for the three-month period ended March 31, 2026, as compared with $230.3 million for the prior-year period.

Service revenue decreased to $187.7 million for the three-month period ended March 31, 2026, as compared with $198.6 million for the prior-year period due to a decrease in ATG units online.

Equipment revenue increased to $38.6 million for the three-month period ended March 31, 2026, as compared with $31.7 million for the prior-year period due to an increase in Gogo Galileo units sold.

We expect service revenue to decline in the near term as a result of the expected decline in ATG services sold and increase in the future as additional aircraft come online due to the launch of Gogo 5G and Gogo Galileo. We expect equipment revenue to increase in the future driven by growth in sales of Gogo 5G and Gogo Galileo units.

Cost of Revenue:

Cost of revenue and percent change for the three-month periods ended March 31, 2026 and 2025 were as follows *(in thousands, except for percent change)*:

	For the Three Months Ended March 31,		% Change
	2026	2025	2026 over 2025
Cost of service revenue	$ 98,314	$ 94,047	4.5%
Cost of equipment revenue	$ 34,988	$ 29,326	19.3%

Cost of service revenue increased 4.5% to $98.3 million for the three-month period ended March 31, 2026, as compared with $94.0 million for the prior-year period due to an increase in satellite broadband costs.

Cost of equipment revenue increased 19.3% to $35.0 million for the three-month period ended March 31, 2026, as compared with $29.3 million for the prior-year period due to an increase in Gogo Galileo units sold.

We expect that our cost of service revenue will increase in the future driven by the growth in satellite broadband services. We expect that our cost of equipment revenue will increase with growth in units sold, including Gogo 5G and Gogo Galileo units, due to the launch of those products.

Engineering, Design and Development Expenses:

Engineering, design and development expenses decreased 53.2% to $6.5 million for the three-month period ended March 31, 2026, as compared with $13.9 million for the prior-year period due to the reimbursement of costs related to the FCC Reimbursement Program.

We expect engineering, design and development expenses as a percentage of service revenue to decrease, following the completion of Gogo Galileo and 5G programs.

Sales and Marketing Expenses:

Sales and marketing expenses decreased 5.1% to $13.5 million for the three-month period ended March 31, 2026, as compared with $14.2 million for the prior-year period due to lower personnel costs.

We expect sales and marketing expenses as a percentage of service revenue to increase in the near term and remain relatively steady in the long term due to the launch and market adoption of the Gogo 5G and Gogo Galileo offerings.

General and Administrative Expenses:

General and administrative expenses decreased 11.2% to $26.2 million for the three-month period ended March 31, 2026, as compared with $29.5 million for the prior-year period due to a $4.5 million decrease in personnel costs and $3.8 million decrease in acquisition and integration-related costs, partially offset by a $3.6 million increase in legal costs.

We expect general and administrative expenses as a percentage of service revenue to decrease over time as acquisition and integration activities complete.

Depreciation and Amortization:

Depreciation and amortization expense increased 7.0% to $15.1 million for the three-month period ended March 31, 2026, as compared with $14.1 million for the prior-year period.

We expect that our depreciation and amortization expense will increase in the future due to the launch of the Gogo 5G network.

Other Expense (Income):

Other expense (income) and percent change for the three-month periods ended March 31, 2026 and 2025 were as follows *(in thousands, except for percent change)*:

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025	% Change 2026 over 2025
Interest income	$ (1,154)	$ (590)	95.6%
Interest expense	16,846	16,558	1.7%
Change in fair value of Earnout Liability	(4,943)	—	nm
Other expense (income), net	(95)	234	(140.6)%
Total	$ 10,654	$ 16,202	(34.2)%

Percentage changes that are considered not meaningful are denoted with nm.

Total other expense decreased to $10.7 million for the three-month period ended March 31, 2026 as compared with $16.2 million for the prior-year period due to the change in fair value of the Earnout Liability from the Satcom Direct acquisition.

We expect the change in fair value of the Earnout Liability to fluctuate in the future depending on performance of the Satcom Direct business. We expect our interest expense to fluctuate in the future based on changes in the variable rates associated with our indebtedness. The benefit we receive from our interest rate caps will decrease over time as our hedge notional amount decreases and the strike rate increases. See Note 8, “Long-Term Debt and Other Liabilities,” to our Unaudited Condensed Consolidated Financial Statements for additional information.

Income Taxes:

The effective income tax rate for the three-month period ended March 31, 2026 was 37.8% as compared with 36.6% for the prior-year period. For the three-month period ended March 31, 2026, our income tax provision was $7.9 million, due to pre-tax income, stock-based compensation, nondeductible officer’s compensation, and establishment of a valuation allowance on deferred tax assets. For the three-month period ended March 31, 2025, our income tax provision was $6.9 million, due to pre-tax income. See Note 12, “Income Tax,” to our Unaudited Condensed Consolidated Financial Statements for additional information.

We expect our income tax provision to increase in the long term as we continue to generate positive pre-tax income.

Non-GAAP Measures

In our discussion below, we discuss EBITDA, Adjusted EBITDA and Free Cash Flow, as defined below, which are non-GAAP financial measures. Management uses EBITDA, Adjusted EBITDA and Free Cash Flow for business planning purposes, including managing our business against internally projected results of operations and measuring our performance and liquidity. These supplemental performance measures also provide another basis for comparing period-to-period results by excluding potential differences caused by non-operational and unusual or non-recurring items. These supplemental performance measures may vary from and may not be comparable to similarly titled measures used by other companies. EBITDA, Adjusted EBITDA and Free Cash Flow are not recognized measurements under GAAP; when analyzing our performance with EBITDA or Adjusted EBITDA or liquidity with Free Cash Flow, as applicable, investors should (i) evaluate each adjustment in our reconciliation to the corresponding GAAP measure, and the explanatory footnotes regarding those adjustments, (ii) use EBITDA or Adjusted EBITDA in addition to, and not as an alternative to, net income attributable to common stock as a measure of operating results and (iii) use Free Cash Flow in addition to, and not as an alternative to, consolidated net cash provided by operating activities when evaluating our liquidity.

Definition and Reconciliation of Non-GAAP Measures

EBITDA represents net income attributable to common stock before interest expense, interest income, income taxes and depreciation and amortization expense.

Adjusted EBITDA represents EBITDA adjusted for (i) stock-based compensation expense, (ii) acquisition and integration-related costs, including amortization of acquisition-related inventory step-up costs and changes in fair value of the Earnout Liability, and (iii) change in fair value of convertible note investment. Our management believes that the use of Adjusted EBITDA eliminates items that management believes have less bearing on our operating performance, thereby highlighting trends in our core business which may not otherwise be apparent. It also provides an assessment of controllable expenses, which are indicators management uses to determine whether current spending decisions need to be adjusted in order to meet financial goals and achieve optimal financial performance.

We believe that the exclusion of stock-based compensation expense from Adjusted EBITDA provides a clearer view of the operating performance of our business and is appropriate given that grants made at a certain price and point in time do not necessarily reflect how our business is performing at any particular time. While we believe that investors should have information about any dilutive effect of outstanding options and the cost of that compensation, we also believe that stockholders should have the ability to consider our performance using a non-GAAP financial measure that excludes these costs and that management uses to evaluate our business.

Acquisition and integration-related costs include direct transaction costs, such as due diligence and advisory fees and certain compensation and integration-related expenses as well as the amortization of acquisition-related inventory step-up costs. We believe it is useful for an understanding of our operating performance to exclude acquisition and integration-related costs from Adjusted EBITDA because they are infrequent, are outside of the ordinary course of our operations and do not reflect our operating performance.

We believe it is useful for an understanding of our operating performance to exclude the changes in fair value of the Earnout Liability related to the acquisition of Satcom Direct from Adjusted EBITDA because this activity is outside of the ordinary course of our operations and does not reflect our operating performance.

We believe it is useful for an understanding of our operating performance to exclude the change in fair value of convertible note investment from Adjusted EBITDA because this activity is not related to our operating performance.

We also present Adjusted EBITDA as a supplemental performance measure because we believe that this measure provides investors, securities analysts and other users of our consolidated financial statements with important supplemental information with which to evaluate our performance and to enable them to assess our performance on the same basis as management.

Free Cash Flow represents net cash provided by operating activities, plus the proceeds received from the FCC Reimbursement Program and the interest rate caps, less purchases of property and equipment and the acquisition of intangible assets. We believe that Free Cash Flow provides meaningful information regarding our liquidity. Management believes that Free Cash Flow is useful for investors because it provides them with an important perspective on the cash available for strategic measures, after making necessary capital investments in property and equipment to support the Company’s ongoing business operations and provides them with the same measures that management uses as the basis of making capital allocation decisions.

Gogo Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
(in thousands, unaudited)

	For the Three Months Ended March 31, 2026	2025
Adjusted EBITDA:		
Net income attributable to common stock (GAAP)	$ 13,085	$ 12,042
Interest expense	16,846	16,558
Interest income	(1,154)	(590)
Income tax provision	7,948	6,943
Depreciation and amortization	15,139	14,143
EBITDA	51,864	49,096
Stock-based compensation expense	4,833	5,491
Change in fair value of Earnout Liability	(4,943)	—
Acquisition and integration-related costs[(1)]	1,815	6,467
Amortization of acquisition-related inventory step-up costs	—	748
Change in fair value of convertible note investment	(230)	253
Adjusted EBITDA	$ 53,339	$ 62,055
Free Cash Flow:		
Net cash provided by operating activities (GAAP)	$ (7,236)	$ 32,472
Consolidated capital expenditures	(28,013)	(6,169)
Proceeds from FCC Reimbursement Program for property, equipment and intangibles	14,886	564
Proceeds from interest rate caps	1,180	3,170
Free cash flow	$ (19,183)	$ 30,037

(1) For the three-month period ended March 31, 2026, the figure consists of severance and other compensation-related costs of $1.2 million and integration support costs of $0.6 million. For the three-month period ended March 31, 2025, the figure consists of due diligence and advisory fees of $3.9 million and severance and other compensation-related costs of $2.6 million.

Material limitations of Non-GAAP measures

Although EBITDA, Adjusted EBITDA and Free Cash Flow are measurements frequently used by investors and securities analysts in their evaluations of companies, EBITDA, Adjusted EBITDA and Free Cash Flow each have limitations as an analytical tool, and you should not consider them in isolation or as a substitute for, or more meaningful than, amounts determined in accordance with GAAP.

Some of these limitations include:

- EBITDA and Adjusted EBITDA do not reflect interest income or expense;
- EBITDA and Adjusted EBITDA do not reflect cash requirements for our income taxes;
- EBITDA and Adjusted EBITDA do not reflect depreciation and amortization, which are significant and unavoidable operating costs given the level of capital expenditures needed to maintain our business;
- Adjusted EBITDA does not reflect non-cash components of employee compensation;
- Adjusted EBITDA does not reflect the change in the fair value of the Earnout Liability from the Satcom Direct acquisition;
- Adjusted EBITDA does not reflect acquisition and integration-related costs;
- Adjusted EBITDA does not reflect amortization of acquisition-related inventory step-up costs;
- Adjusted EBITDA does not reflect the change in fair value of convertible note investment;
- Free Cash Flow does not represent the total increase or decrease in our cash balance for the period; and
- since other companies in industries related to ours may calculate these measures differently from the way we do, their usefulness as comparative measures may be limited.

Liquidity and Capital Resources

The following table presents a summary of our cash flow activity for the periods set forth below *(in thousands)*:

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Net cash provided by operating activities	$ (7,236)	$ 32,472
Net cash used in investing activities	(11,947)	(2,435)
Net cash used in financing activities	(2,611)	(1,574)
Effect of foreign exchange rate changes on cash	129	55
Net increase in cash, cash equivalents and restricted cash	(21,665)	28,518
Cash, cash equivalents and restricted cash at the beginning of period	125,690	42,304
Cash, cash equivalents and restricted cash at the end of period	$ 104,025	$ 70,822
Supplemental information:		
Cash, cash equivalents and restricted cash at the end of period	$ 104,025	$ 70,822
Less: current restricted cash	87	70
Less: non-current restricted cash	394	470
Cash and cash equivalents at the end of the period	$ 103,544	$ 70,282

We have historically financed our growth and cash needs primarily through the issuance of common stock, debt and cash from operating activities. We continually evaluate our ongoing capital needs in light of increasing demand for our services, capacity requirements, evolving user expectations regarding the in-flight connectivity experience, evolving technologies in our industry and related strategic, operational and technological opportunities. Our capital management activities include the assessment of opportunities to raise additional capital in the public and private markets, utilizing one or more of the types of capital raising transactions through which we have historically financed our growth and cash needs, as well as other means of capital raising not previously used by us.

Liquidity:

Based on our current plans, we expect our cash and cash equivalents, cash flows provided by operating activities and access to the Revolving Facility and capital markets will be sufficient to meet the cash requirements of our business, capital expenditure requirements and debt maturities for at least the next twelve months and thereafter for the foreseeable future.

On September 5, 2023, we announced a share repurchase program that grants the Company authority to repurchase up to $50 million of shares of the Company’s common stock. Repurchases may be made at management's discretion from time to time on the open market, through privately negotiated transactions, or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) in accordance with applicable securities laws and other restrictions, including Rule 10b-18 under the Exchange Act. The repurchase program has no time limit and may be suspended for periods or discontinued at any time and does not obligate us to purchase any shares of our common stock. The timing and total amount of stock repurchases will depend upon business, economic and market conditions, corporate and regulatory requirements, prevailing stock prices, and other considerations. We do not expect to incur debt to fund the share repurchase program. No shares were repurchased during the three-month periods ended March 31, 2026 and 2025. As of March 31, 2026, approximately $12.1 million remains available under the share repurchase program.

As detailed in Note 8, “Long-Term Debt and Other Liabilities,” on April 30, 2021, GIH entered into the 2021 Credit Agreement with Gogo, the lenders and issuing banks party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent, which provides for the 2021 Term Loan Facility in an aggregate principal amount of $725.0 million, issued with a discount of 0.5%, and the Revolving Facility, which includes a letter of credit sub-facility. The 2021 Term Loan Facility matures on April 30, 2028.

On December 3, 2024, Gogo and GIH entered into a second amendment to the 2021 Credit Agreement with Morgan Stanley Senior Funding, Inc., as administrative agent, and the lenders party thereto to, among other purposes, (a) increase the aggregate principal amount of revolving commitments available under the 2021 Credit Agreement to an aggregate amount of revolving commitments equal to $122 million and (b) extend the maturity date of the Revolving Facility to December 3, 2029 (subject to such maturity date springing to the date that is 90 days prior to the then-current maturity date of (a) the 2021 Term Loan Facility under the 2021 Credit Agreement and (b) the HPS Term Loan Facility under the HPS Credit Agreement under certain conditions).

The 2021 Term Loan Facility amortizes in quarterly installments equal to 1% of the aggregate initial principal amount thereof per annum, with the remaining balance payable upon final maturity of the 2021 Term Loan Facility. There are no amortization payments under the Revolving Facility. On May 3, 2023, the Company prepaid $100 million of the outstanding principal amount of the 2021 Term Loan Facility. This prepayment satisfied the required amortization payments for the remaining term of the 2021 Term Loan Facility.

As detailed in Note 8, “Long-Term Debt and Other Liabilities,” on December 3, 2024, the Company and GIH entered into a credit agreement (the “HPS Credit Agreement” and together with the 2021 Credit Agreement, the “Credit Agreements”) with HPS Investment Partners, LLC, as the administrative agent, and the lenders party thereto, which provides for a term loan credit facility (the “HPS Term Loan Facility” and together with the 2021 Facilities, the “Facilities”) in an aggregate principal amount of $250 million. The HPS Term Loan Facility, which is subject to mandatory prepayments under certain circumstances, amortizes in quarterly installments equal to one percent of the aggregate initial principal amount thereof per annum, with the remaining balance payable upon final maturity of the HPS Term Loan Facility on April 30, 2028.

The Credit Agreements contain customary events of default, which, if any of them occurred, would permit or require the principal, premium, if any, and interest on all of the then outstanding obligations under the Facilities to be due and payable immediately and the commitments under the Revolving Facility to be terminated.

The Credit Agreements contain covenants that limit the ability of GIH and its subsidiaries to incur additional indebtedness. Further, market conditions and/or our financial performance may limit our access to additional sources of equity or debt financing, or our ability to pursue potential strategic alternatives. As a result, we may be unable to finance the growth of our business to the extent that our cash, cash equivalents and short-term investments and cash generated through operating activities prove insufficient or we are unable to raise additional financing through the issuance of equity, permitted incurrences of debt (by us or by GIH and its subsidiaries), or the pursuit of potential strategic alternatives.

In May 2021, we purchased interest rate caps with an aggregate notional amount of $650.0 million for $8.6 million. We receive payments in the amount calculated pursuant to the caps for any period in which the daily compounded SOFR rate plus a credit spread adjustment recommended by the Alternative Reference Rates Committees of 0.26% increases beyond the applicable strike rate. The termination date of the cap agreements is July 31, 2027. The aggregate notional amount of the interest rate caps as of March 31, 2026 is $250.0 million. The notional amounts of the interest rate caps periodically decrease over the life of the caps with the latest reduction of $100.0 million having occurred on July 31, 2025. While the interest rate caps are intended to limit our interest rate exposure under our variable rate indebtedness, which includes the Facilities, if our variable rate indebtedness does not decrease in proportion to the periodic decreases in the notional amount hedged under the interest rate caps, then the portion of such indebtedness that will be effectively hedged against possible increases in interest rates will decrease. In addition, the strike prices periodically increase over the life of the caps. As a result, the extent to which the interest rate caps will limit our interest rate exposure will decrease in the future.

For additional information on the interest rate caps, see Note 9, “Derivative Instruments and Hedging Activities,” to our Unaudited Condensed Consolidated Financial Statements.

Cash flows provided by Operating Activities:

The following table presents a summary of our cash flows from operating activities for the periods set forth below *(in thousands)*:

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Net income	$ 13,085	$ 12,042
Non-cash charges and credits	25,953	28,974
Changes in operating assets and liabilities	(46,274)	(8,544)
Net cash provided by operating activities	$ (7,236)	$ 32,472

For the three-month period ended March 31, 2026, net cash used in operating activities was $7.2 million as compared with cash provided by operating activities of $32.5 million in the prior-year period. The principal contributors to the year-over-year change in operating cash flows were:

- A $2.0 million decrease in net income and non-cash charges and credits, as noted above under “Results of Operations — Three Months Ended March 31, 2026 and 2025.”
- A $37.7 million decrease in cash flows related to operating assets and liabilities resulting from:
  - A decrease in cash flows due to the following:
    - Changes in accrued liabilities due to the timing of payments related to personnel costs and inventory; and
    - Changes in prepaid expenses and other current assets related to the FCC Reimbursement Program.

Cash flows used in Investing Activities:

Cash used in investing activities was $11.9 million for the three-month period ended March 31, 2026, due to $28.0 million of capital expenditures noted below, partially offset by $14.9 million of proceeds received from the FCC Reimbursement Program related to the reimbursement of capital expenditures and $1.2 million of proceeds from interest rate caps.

Cash used in investing activities was $2.4 million for the three-month period ended March 31, 2025, due to $6.2 million of capital expenditures noted below, partially offset by $3.2 million of proceeds from interest rate caps and $0.6 million of proceeds received from the FCC Reimbursement Program associated with the reimbursement of capital expenditures.

Cash flows used in Financing Activities:

Cash used in financing activities for the three-month period ended March 31, 2026 was $2.6 million due to stock-based compensation activities and principal payments on the HPS Term Loan Facility.

Cash used in financing activities for the three-month period ended March 31, 2025 was $1.6 million, due to stock-based compensation activities and principal payments on the HPS Term Loan Facility.

Capital Expenditures

Our operations require capital expenditures associated with the expansion of our ATG network and data centers. We capitalize software development costs related to network technology solutions and new product/service offerings. We also capitalize costs related to the build-out of our office locations.

Capital expenditures for the three-month periods ended March 31, 2026 and 2025 were $28.0 million and $6.2 million, respectively, due to the build out of the LTE and 5G networks.

We expect that our capital expenditures will decrease in the future as the build out of the LTE network nears completion.

Other

Contractual Commitments: We have agreements with various vendors under which we have remaining commitments to purchase hardware components and development services. Such commitments will become payable as we receive the hardware components or as development services are provided. See Note 15, "Commitments and Contingencies," to our Unaudited Condensed Consolidated Financial Statements for additional information.

Leases and Cell Site Contracts: We have lease agreements relating to certain facilities and equipment, which are considered operating leases. See Note 14, "Leases," to our Unaudited Condensed Consolidated Financial Statements for additional information.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk.

Our exposure to market risk is currently confined to our cash and cash equivalents, short-term investments and debt. We have not used derivative financial instruments for speculation or trading purposes. The primary objectives of our investment activities are to preserve our capital for the purpose of funding operations while maximizing the income we receive from our investments without significantly increasing risk. To achieve these objectives, our investment policy allows us to maintain a portfolio of cash equivalents and short-term investments through a variety of securities, including U.S. Treasury securities, U.S. government agency securities, and money market funds. Our cash and cash equivalents as of both March 31, 2026 and December 31, 2025 primarily included amounts in bank deposit accounts, U.S. Treasury securities and money market funds with U.S. Government and U.S. Treasury securities. The primary objective of our investment policy is to preserve capital and maintain liquidity while limiting concentration and counterparty risk.

The risk inherent in our market risk sensitive instruments and positions is the potential loss arising from interest rates as discussed below. The sensitivity analyses presented do not consider the effects that such adverse changes may have on the overall economic activity, nor do they consider additional actions we may take to mitigate our exposure to such changes. Actual results may differ.

Interest Rate Risk: We are exposed to interest rate risk on our variable rate indebtedness, which includes borrowings under each of the 2021 Facilities (if any) and the HPS Term Loan Facility. We assess our market risks based on changes in interest rates utilizing a sensitivity analysis that measures the potential impact on earnings and cash flows based on a hypothetical one percentage point change in interest rates. As of March 31, 2026, we had interest rate cap agreements to hedge a portion of our exposure to interest rate movements of our variable rate debt and to manage our interest expense. Currently, we receive payments in the amounts calculated pursuant to the caps for any period in which the daily compounded SOFR rate plus a credit spread adjustment recommended by the Alternative Reference Rates Committee of 0.26% increases beyond the applicable strike rate. The termination date of the cap agreements is July 31, 2027. Over the life of the interest rate caps, the notional amounts of the caps periodically decrease, while the applicable strike prices increase.

The notional amount of outstanding debt associated with interest rate cap agreements as of March 31, 2026 was $250.0 million. Based on our March 31, 2026 outstanding variable rate debt balance, a hypothetical one percentage point change in the applicable interest rate would impact our annual interest expense by approximately $6.3 million for the next twelve-month period, which includes the impact of our interest rate caps at a strike rate of 2.25% and the $50 million reduction in the notional amount and an increase of the strike rate to 2.75% that will occur on July 31, 2026. Excluding the impact of our interest rate caps, a hypothetical one percentage point change in the applicable interest rate would impact our annual interest expense by approximately $8.5 million for the next twelve-month period.

Our earnings are affected by changes in interest rates due to the impact those changes have on interest income generated from our cash, cash equivalents and short-term investments. We believe we have minimal interest rate risk as a 10% decrease in the average interest rate on our portfolio would have reduced interest income for the three-month periods ended March 31, 2026 and 2025 by immaterial amounts.

Inflation: We do not believe that inflation has had a material effect on our results of operations. However, there can be no assurance that our business will not be affected by inflation in the future.

ITEM 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

Management, with the participation of our Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of March 31, 2026. Based upon this evaluation, our Chief Executive Officer and the Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of March 31, 2026 due to a material weakness in internal control over financial reporting which, as previously disclosed in Part II, Item 9A "Controls and Procedures" in the 2025 10-K, existed as of December 31, 2025 and, as discussed below, continued to exist as of March 31, 2026.

Notwithstanding the ineffective disclosure controls and procedures due to the material weakness in internal control over financial reporting, our Chief Executive Officer and the Chief Financial Officer have concluded that the consolidated financial statements in this Quarterly Report on Form 10-Q present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

The following material weakness disclosed in the 2025 10-K remains unremediated as of March 31, 2026:

- There were insufficient effective controls in place at Satcom Direct to ensure the completeness and accuracy of Satcom Direct's financial reporting information that is consolidated into Gogo's financial statements, due to the following deficiencies at Satcom Direct:
  - Satcom Direct had ineffective general information technology controls ("GITCs") over relevant information technology ("IT") systems. Specifically, Satcom Direct management did not design and maintain effective GITCs for information systems and applications that are relevant to the preparation of the consolidated financial statements. Specifically, they did not design and maintain: (i) sufficient user access controls to ensure appropriate segregation of duties and adequately restrict user and privileged access to financial applications, programs and data to appropriate company personnel; and (ii) program change management controls to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately with appropriate segregation of duties.
  - Satcom Direct's management did not design and implement control activities necessary to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

Remediation Plan for Material Weaknesses in Internal Control over Financial Reporting

As previously reported, with the oversight of the Audit Committee of our Board of Directors, we began implementing in 2025, and continued implementing in the first quarter of 2026, a remediation plan to address the material weakness described above. Action items include the following:

- We expanded our finance and accounting team, including hiring additional individuals with the requisite public company financial reporting, accounting, and internal control knowledge and experience.
- We designed and implemented effective GITCs related to user access and change management over relevant Satcom Direct's IT systems.

While we believe that our efforts have improved our internal control over financial reporting, remediation of the material weakness as of March 31, 2026 is expected to require further strengthening of our internal control environment and substantial effort throughout 2026, including:

- Continuing to design and implement internal control over financial reporting for processes specific to Satcom Direct.
- Migrating from or enhancing certain legacy Satcom Direct IT systems to allow for the ability to obtain sufficiently reliable information and facilitate the effective design, implementation and operating effectiveness of relevant internal control over financial reporting.
- Migrating from or enhancing certain legacy Satcom Direct IT systems to improve functionality and sufficiently enforce segregation of duties, including segregation of duties related to the posting and review of manual journal entries.

We will test the effectiveness of the new and existing controls in future periods. The material weakness cannot be considered completely remediated until the applicable controls have been implemented and management has concluded, through testing, that these controls are operating effectively.

(b) Changes in Internal Control over Financial Reporting

Except as described above, there have been no changes to our internal control over financial reporting in connection with the evaluation required by Rules 13a-15(f) and 15d-15(f) under the Exchange Act during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings.

We are subject to lawsuits arising out of the conduct of our business. See Note 15, “Commitments and Contingencies,” to our Unaudited Condensed Consolidated Financial Statements for a discussion of litigation matters.

From time to time we may become involved in legal proceedings arising in the ordinary course of our business. We cannot predict with certainty the outcome of any litigation or the potential for future litigation. Regardless of the outcome of any particular litigation and the merits of any particular claim, litigation can have a material adverse impact on our Company due to, among other reasons, any injunctive relief granted, which could inhibit our ability to operate our business, amounts paid as damages or in settlement of any such matter, diversion of management resources and defense costs.

ITEM 1A. Risk Factors.

“Item 1A. Risk Factors” of our 2025 10-K includes a discussion of our risk factors. There have been no material changes to the risk factors previously disclosed in our 2025 10-K.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.

a) Sales of Unregistered Securities

None.

b) Use of Proceeds from Public Offering of Common Stock

Not applicable.

c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 3. Defaults Upon Senior Securities.

None.

ITEM 4. Mine Safety Disclosures.

None.

ITEM 5. Other Information.

During the fiscal quarter ended March 31, 2026, none of our directors or officers adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” as such terms are defined in Item 408 of Regulation S-K.

ITEM 6. Exhibits.

Exhibit Number	Description of Exhibits
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document – The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

** This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

Date: May 7, 2026

Gogo Inc.

/s/ Christopher Moore

Christopher Moore
Chief Executive Officer and Director
(Principal Executive Officer)

/s/ Zachary Cotner

Zachary Cotner
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

Gogo Inc.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher Moore, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gogo Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 7, 2026

/s/ Christopher Moore
Christopher Moore
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 31.2

Gogo Inc.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Zachary Cotner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gogo Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2026

/s/ Zachary Cotner
Zachary Cotner
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Gogo Inc.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher Moore, Chief Executive Officer and Director of Gogo Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2026

/s/ Christopher Moore
Christopher Moore
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 32.2

Gogo Inc.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Zachary Cotner, Executive Vice President and Chief Financial Officer of Gogo Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2026

/s/ Zachary Cotner
Zachary Cotner
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)