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, 2021

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.)

111 North Canal St., Suite 1400
Chicago, IL 60606
(Address of principal executive offices)

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

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

Title of Class	Trading Symbol	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 April 30, 2021, 109,609,821 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, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 455,152	$ 435,345
Accounts receivable, net of allowances of $813 and $1,044, respectively	36,232	39,833
Inventories	28,560	28,114
Prepaid expenses and other current assets	9,625	8,934
Total current assets	529,569	512,226
Non-current assets:		
Property and equipment, net	61,519	63,493
Intangible assets, net	51,128	52,693
Operating lease right-of-use assets	32,473	33,690
Other non-current assets, net of allowances of $375 and $375, respectively	13,043	11,486
Total non-current assets	158,163	161,362
Total assets	$ 687,732	$ 673,588
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	$ 11,322	$ 11,013
Accrued liabilities	94,134	83,009
Deferred revenue	3,759	3,113
Current portion of long-term debt	-	341,000
Total current liabilities	109,215	438,135
Non-current liabilities:		
Long-term debt	1,163,822	827,968
Non-current operating lease liabilities	36,354	38,018
Other non-current liabilities	9,844	10,581
Total non-current liabilities	1,210,020	876,567
Total liabilities	1,319,235	1,314,702
Commitments and contingencies (Note 13)		-
Stockholders' deficit		
Common stock, par value $0.0001 per share; 500,000,000 shares authorized at March 31, 2021 and December 31, 2020; 97,158,550 and 91,086,191 shares issued at March 31, 2021 and December 31, 2020, respectively; and 92,071,085 and 85,990,499 shares outstanding at March 31, 2021 and December 31, 2020, respectively	9	9
Additional paid-in capital	1,080,305	1,088,590
Accumulated other comprehensive loss	(912)	(1,013)
Treasury stock, at cost	(98,857)	(98,857)
Accumulated deficit	(1,612,048)	(1,629,843)
Total stockholders' deficit	(631,503)	(641,114)
Total liabilities and stockholders' deficit	$ 687,732	$ 673,588

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, 2021	2020
Revenue:		
Service revenue	$ 59,355	$ 57,726
Equipment revenue	14,514	13,201
Total revenue	73,869	70,927
Operating expenses:		
Cost of service revenue (exclusive of items shown below)	14,095	11,007
Cost of equipment revenue (exclusive of items shown below)	8,282	8,511
Engineering, design and development	5,493	7,357
Sales and marketing	3,729	4,450
General and administrative	10,373	14,706
Depreciation and amortization	4,117	3,579
Total operating expenses	46,089	49,610
Operating income	27,780	21,317
Other (income) expense:		
Interest income	(57)	(578)
Interest expense	29,294	31,143
Loss on settlement of convertible notes	4,397	-
Other income	(5)	(1)
Total other expense	33,629	30,564
Loss from continuing operations before income taxes	(5,849)	(9,247)
Income tax provision	35	141
Net loss from continuing operations	(5,884)	(9,388)
Net loss from discontinued operations, net of tax	(1,801)	(75,390)
Net loss	$ (7,685)	$ (84,778)
Net loss attributable to common stock per share – basic and diluted:		
Net loss from continuing operations	$ (0.07)	$ (0.12)
Net loss from discontinued operations	(0.02)	(0.93)
Net loss	$ (0.09)	$ (1.05)
Weighted average number of shares—basic and diluted	84,649	81,205

See the Notes to Unaudited Condensed Consolidated Financial Statements

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

	For the Three Months Ended March 31,	
	2021	2020
Net loss	$ (7,685)	$ (84,778)
Currency translation adjustments, net of tax	101	(2,871)
Comprehensive loss	$ (7,584)	$ (87,649)

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, 2021	For the Three Months Ended March 31, 2020
Operating activities from continuing operations:		
Net loss	$ (5,884)	$ (9,388)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation and amortization	4,117	3,579
(Gain) Loss on asset disposals, abandonments and write-downs	(100)	74
Provision for expected credit losses	15	687
Deferred income taxes	95	45
Stock-based compensation expense	1,849	2,322
Amortization of deferred financing costs	1,703	1,419
Accretion and amortization of debt discount and premium	84	3,326
Loss on settlement of convertible notes	4,397	
Changes in operating assets and liabilities:		
Accounts receivable	3,586	4,220
Inventories	(446)	(2,196)
Prepaid expenses and other current assets	(375)	(3,872)
Contract assets	(1,886)	(2,558)
Accounts payable	292	6,108
Accrued liabilities	(10,424)	(6,882)
Deferred revenue	646	308
Accrued interest	27,559	26,413
Other non-current assets and liabilities	(654)	285
Net cash provided by operating activities from continuing operations	24,574	23,890
Investing activities from continuing operations:		
Purchases of property and equipment	(360)	(150)
Acquisition of intangible assets—capitalized software	(342)	(726)
Net cash provided by (used in) investing activities from continuing operations	(702)	(876)
Financing activities from continuing operations:		
Proceeds from credit facility draw	-	22,000
Repurchase of convertible notes	-	(2,498)
Payment of debt issuance costs	(550)	-
Payments on financing leases	(124)	-
Stock-based compensation activity	(2,646)	(397)
Net cash provided by (used in) financing activities from continuing operations	(3,320)	19,105
Cash flows from discontinued operations:		
Cash provided by (used in) operating activities	(748)	14,137
Cash used in investing activities	-	(14,345)
Cash used in financing activities	-	(247)
Net cash used in discontinued operations	(748)	(455)
Effect of exchange rate changes on cash	3	51
Increase in cash, cash equivalents and restricted cash	19,807	41,715
Cash, cash equivalents and restricted cash at beginning of period	435,870	177,675
Cash, cash equivalents and restricted cash at end of period	$ 455,677	$ 219,390
Cash, cash equivalents and restricted cash at end of period	$ 455,677	$ 219,390
Less: current restricted cash	525	560
Less: non-current restricted cash	-	4,601
Cash and cash equivalents at end of period	$ 455,152	$ 214,229
Supplemental Cash Flow Information:		
Cash paid for interest	$ 31	$ 66
Cash paid for taxes	1	1

See the Notes to Unaudited Condensed Consolidated Financial Statements

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

	For the Three Months Ended March 31, 2021							
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury Stock		Total
	Shares	Par Value				Shares	Amount	
Balance at January 1, 2021	85,990,499	$ 9	$ 1,088,590	$ (1,013)	$ (1,629,843)	5,077,400	$ (98,857)	$ (641,114)
Net loss	-	-	-	-	(7,685)	-	-	(7,685)
Currency translation adjustments, net of tax	-	-	-	101	-	-	-	101
Stock-based compensation expense	-	-	7,927	-	-	-	-	7,927
Issuance of common stock upon exercise of stock options	177,646	-	458	-	-	-	-	458
Issuance of common stock upon vesting of restricted stock units and restricted stock awards	602,826	-	-	-	-	-	-	-
Tax withholding related to vesting of restricted stock units	-	-	(3,220)	-	-	-	-	(3,220)
Issuance of common stock in connection with employee stock purchase plan	11,637	-	116	-	-	-	-	116
Settlement of convertible notes	5,288,477	-	33,857	-	-	-	-	33,857
Impact of the adoption of ASU 2020-06	-	-	(47,423)	-	25,480	-	-	(21,943)
Balance at March 31, 2021	92,071,085	$ 9	$ 1,080,305	$ (912)	$ (1,612,048)	5,077,400	$ (98,857)	$ (631,503)

	For the Three Months Ended March 31, 2020							
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury Stock		Total
	Shares	Par Value				Shares	Amount	
Balance at January 1, 2020	88,240,877	$ 9	$ 979,499	$ (2,256)	$ (1,376,142)	-	$ -	$ (398,890)
Net loss	-	-	-	-	(84,778)	-	-	(84,778)
Currency translation adjustments, net of tax	-	-	-	(2,871)	-	-	-	(2,871)
Stock-based compensation expense	-	-	3,995	-	-	-	-	3,995
Issuance of common stock upon vesting of restricted stock units and restricted stock awards	522,490	-	-	-	-	-	-	-
Tax withholding related to vesting of restricted stock units	-	-	(682)	-	-	-	-	(682)
Issuance of common stock in connection with employee stock purchase plan	87,681	-	285	-	-	-	-	285
Settlement of prepaid forward shares	(5,077,400)	(1)	98,858	-	-	5,077,400	(98,857)	-
Impact of the adoption of ASU 2016-13	-	-	-	-	(3,665)	-	-	(3,665)
Balance at March 31, 2020	83,773,648	$ 8	$ 1,081,955	$ (5,127)	$ (1,464,585)	5,077,400	$ (98,857)	$ (486,606)

See the Notes to Unaudited Condensed Consolidated Financial Statements

1. Basis of Presentation

The Business - Gogo ("we", "us," "our") is the world's largest provider of broadband connectivity services for the business aviation market. Our mission is to provide ground-like connectivity to every passenger on every flight around the globe, enabling superior passenger experiences and efficient flight operations. To accomplish our mission, we design, build and operate dedicated air-to-ground ("ATG") networks, engineer, install and maintain in-flight systems of proprietary hardware and software, and deliver customizable connectivity and wireless entertainment services and global support capabilities to our aviation partners. Our services include satellite-based voice and data services through our strategic alliances with satellite providers.

On December 1, 2020, we completed the previously announced sale of our commercial aviation ("CA") business to a subsidiary of Intelsat Jackson Holdings S.A. ("Intelsat") for a purchase price of $400 million in cash, subject to certain adjustments (the "Transaction").

At the closing of the Transaction, the parties entered into certain ancillary agreements, including a transition services agreement, an intellectual property license agreement and commercial agreements. These agreements include an ATG network sharing agreement, pursuant to which we provide certain inflight connectivity services on our current ATG network and, when available, our Gogo 5G network, subject to certain revenue sharing obligations. Under the ATG network sharing agreement, Intelsat will have exclusive access to the ATG network for commercial aviation in North America, subject to minimum revenue guarantees starting at $5 million in the first year of the agreement.

As a result of the Transaction, the CA business is reported in discontinued operations and all periods presented in this Form 10-Q have been conformed to present the CA business as a discontinued operation. We report the financial results of discontinued operations separately from continuing operations to distinguish the financial impact of disposal transactions from ongoing operations. Discontinued operations reporting occurs only when the disposal of a component or a group of components (i) meets the held-for-sale classification criteria or is disposed of by sale or other than by sale, and (ii) represents a strategic shift that will have a major effect on our operations and financial results. The results of operations and cash flows of a discontinued operation are restated for all comparative periods presented.

Unless otherwise noted, discussion in these Notes to Consolidated Financial Statements refers to our continuing operations. Refer to Note 2, "Discontinued Operations" for further information.

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, 2020 as filed with the Securities and Exchange Commission ("SEC") on March 11, 2021 (the "2020 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, 2021 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2021.

We have one class of common stock outstanding as of March 31, 2021 and December 31, 2020.

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 at 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.

2. Discontinued Operations

As discussed in Note 1, "Basis of Presentation," on December 1, 2020, we completed the sale of our CA business to Intelsat. As a result of the Transaction, the CA business is reported for all periods as discontinued operations.

The following table summarizes the results of discontinued operations which are presented as Net loss from discontinued operations in our unaudited condensed consolidated statements of operations *(in thousands)*:

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Revenue:		
Service revenue	$ -	$ 93,056
Equipment revenue	-	20,492
Total revenue	-	113,548
Operating expenses:		
Cost of service revenue (exclusive of items shown below)	-	59,748
Cost of equipment revenue (exclusive of items shown below)	-	17,529
Engineering, design and development	-	15,506
Sales and marketing	-	5,202
General and administrative	1,801	12,460
Impairment of long-lived assets	-	46,389
Depreciation and amortization	-	29,091
Total operating expenses	1,801	185,925
Operating income (loss)	(1,801)	(72,377)
Total other (income) expense	-	2,997
Loss before income taxes	(1,801)	(75,374)
Income tax provision	-	16
Net loss from discontinued operations, net of tax	$ (1,801)	$ (75,390)

Gain on sale – Upon the closing of the Transaction on December 1, 2020, we received initial gross proceeds of $386.3 million, which reflects the $400.0 million purchase price, adjusted for cash, debt, transaction expenses and working capital. The final purchase price remains subject to change due to customary post-closing purchase price adjustment procedures set forth in the purchase and sale agreement between Gogo and Intelsat that are not yet complete. In February 2021, Intelsat delivered a draft closing statement that would reduce the working capital portion of the purchase price computation by $9.4 million, which would result in Gogo returning to Intelsat $9.4 million of the initial gross proceeds. Gogo is reviewing Intelsat’s draft closing statement in accordance with the terms of the purchase and sale agreement. As this post-closing purchase price adjustment is not yet finalized and therefore represents a contingent gain, $9.4 million has been recorded as a deferred gain on sale included within Accrued liabilities. As a result, during December 2020, we recognized within Gain on sale of CA business a pretax gain on sale of $38.0 million, computed as the $386.3 million of initial gross proceeds less (i) the potential $9.4 million post-closing purchase price adjustment not yet finalized, (ii) the carrying value of the assets and liabilities transferred in the Transaction and (iii) Transaction-related costs.

Stock-based compensation – In August 2020, the compensation committee of our Board of Directors (the “Compensation Committee”) approved modifications to the vesting conditions and exercise periods of outstanding equity compensation awards held by certain of our then-current employees who became employees of Intelsat in the Transaction. These modifications became effective upon the consummation of the Transaction. Pursuant to such modifications, the options and restricted stock units (“RSUs”) held by Intelsat employees generally vest on the earlier of (i) the original vesting date and (ii) November 30, 2021; provided that the employee does not voluntarily resign from and is not terminated for cause by Intelsat prior to such date. Certain of these awards vest based on conditions that are not classified as a service, market or performance condition and as a result such awards are classified as a liability. Other than mark-to-market accounting adjustments, all costs related to stock-based compensation for our prior employees who became employees of Intelsat in the Transaction were recognized as of December 31, 2020.

The following is a summary of our stock-based compensation expense by operating expense line contained within the results of discontinued operations *(in thousands)*:

	For the Three Months Ended March 31, 2021	2020
Cost of service revenue	$ -	$ 444
Engineering, design and development	-	597
Sales and marketing	-	423
General and administrative	1,053	209
Total stock-based compensation expense	$ 1,053	$ 1,673

For additional information on our stock-based compensation plans, see Note 16, "Employee Retirement and Postretirement Benefits."

Other Costs Classified to Discontinued Operations – During the three months ended March 31, 2021, we incurred $0.7 million of additional costs (exclusive of the stock-based compensation expense noted above) primarily due to employer-paid taxes arising from the exercise of stock options by former employees now employed by Intelsat**.**

3. Recent Accounting Pronouncements

Accounting standards adopted:

On January 1, 2021, we adopted ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity ("ASU 2020-06").* ASU 2020-06 simplifies the accounting for certain convertible instruments by removing the separation models for convertible debt with a cash conversion feature or convertible instruments with a beneficial conversion feature. As a result, convertible debt instruments will be reported as a single liability instrument with no separate accounting for embedded conversion features. Additionally, ASU 2020-06 amends the diluted earnings per share calculation for convertible instruments by requiring the use of the if-converted method. The treasury stock method is no longer available. This standard is effective beginning on January 1, 2022, with early adoption permitted. Adoption of the standard requires using either a modified retrospective or a full retrospective approach. We elected to early adopt ASU 2020-06 using the modified retrospective approach.

The cumulative impact of using the modified retrospective approach for the adoption of ASU 2020-06 on our unaudited condensed consolidated balance sheet as of January 1, 2021 is summarized below:

	Balance at December 31, 2020	Impact of ASU 2020-06	Balances with Adoption of ASU 2020-06
Liabilities			
Long-term debt	$ 827,968	$ 21,943	$ 849,911
Equity			
Additional paid-in capital	$ 1,088,590	$ (47,423)	$ 1,041,167
Accumulated deficit	$ (1,629,843)	$ 25,480	$ (1,604,363)

On January 1, 2021, we adopted Accounting Standards Update No. 2019-12 – *Income Taxes (Topic 740) Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). The amendments in ASU 2019-12 eliminate certain exceptions to the incremental approach for intraperiod tax allocation and interim period income tax accounting for year-to-date losses that exceed projected losses. ASU 2019-12 also clarifies and simplifies other aspects of the accounting for income taxes. Adoption of this standard did not have a material impact on our unaudited condensed consolidated financial statements.

4. Revenue Recognition

Remaining performance obligations

As of March 31, 2021, the aggregate amount of the transaction price in our contracts allocated to the remaining unsatisfied performance obligations was approximately $86 million. Approximately $84 million represents connectivity and entertainment service revenues which are recognized as services are provided, which is expected to occur through the remaining term of the contract. The remaining $2 million represents future equipment revenue that is expected to be recognized within the next year. We have excluded from this amount consideration from contracts that have an original duration of one year or less.

Disaggregation of revenue

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

	For the Three Months Ended March 31,	
	2021	2020
Service revenue:		
Connectivity	$ 58,403	$ 56,975
Entertainment and other	952	751
Total service revenue	$ 59,355	$ 57,726
Equipment revenue:		
ATG	$ 10,597	$ 9,624
Satellite	3,703	3,374
Other	214	203
Total equipment revenue	$ 14,514	$ 13,201
Customer type:		
Aircraft owner/operator/service provider	$ 59,355	$ 57,726
OEM and aftermarket dealer	14,514	13,201
Total revenue	$ 73,869	$ 70,927

Contract balances

Our current and non-current deferred revenue balances totaled $3.8 million and $3.1 million as of March 31, 2021 and December 31, 2020, respectively. Deferred revenue includes, among other things, fees paid for equipment and subscription connectivity products.

Our current and non-current contract asset balances totaled $14.1 million and $12.2 million as of March 31, 2021 and December 31, 2020, respectively. Contract assets represent the aggregate amount of revenue recognized in excess of billings primarily for certain sales programs.

Major Customers

No customer accounted for more than 10% of revenue during the three month periods ended March 31, 2021 and 2020 and no customer accounted for more than 10% of accounts receivable as of March 31, 2021 or December 31, 2020.

5. Net Loss Per Share

Basic and diluted net loss per share have been calculated using the weighted average number of common shares outstanding for the period.

The shares of common stock effectively repurchased in connection with the Forward Transactions (as defined and described in Note 10, “Long-Term Debt and Other Liabilities”) are considered participating securities requiring the two-class method to calculate basic and diluted earnings per share. Net earnings in future periods will be allocated between common shares and participating securities. In periods of a net loss, the shares associated with the Forward Transactions will not receive an allocation of losses, as the counterparties to the Forward Transactions are not required to fund losses. Additionally, the calculation of weighted average shares outstanding as of March 31, 2021 and 2020 excludes approximately 2.1 million shares associated with the Forward Transactions.

As a result of the net loss for the three-month periods ended March 31, 2021 and 2020, all of the outstanding shares of common stock underlying stock options, deferred stock units and restricted stock units were excluded from the computation of diluted shares outstanding because they were anti-dilutive.

The following table sets forth the computation of basic and diluted earnings per share for the three month periods ended March 31, 2021 and 2020; however, for the reasons described above, the shares of common stock associated with the Forward Transactions are excluded from the computation of basic earnings per (*in thousands, except per share amounts*):

	For the Three Months Ended March 31,	
	2021	**2020**
Net loss from continuing operations	$ (5,884)	$ (9,388)
Net loss from discontinued operations	(1,801)	(75,390)
Net loss	(7,685)	(84,778)
Less: Participation rights of the Forward Transactions	-	-
Undistributed losses	$ (7,685)	$ (84,778)
Weighted-average common shares outstanding-basic and diluted	84,649	81,205
Net loss attributable to common stock per share from continuing operations-basic and diluted	$ (0.07)	$ (0.12)
Net loss attributable to common stock per share from discontinued operations-basic and diluted	(0.02)	(0.93)
Net loss attributable to common stock per share-basic and diluted	$ (0.09)	$ (1.05)

6. Inventories

Inventories consist primarily of telecommunications systems and parts and are recorded at the lower of average cost or market. 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, 2021 and December 31, 2020 were as follows (*in thousands*):

	March 31, 2021	December 31, 2020
Work-in-process component parts	$ 14,654	$ 15,405
Finished goods	13,906	12,709
Total inventory	$ 28,560	$ 28,114

7. Composition of Certain Balance Sheet Accounts

Prepaid expenses and other current assets as of March 31, 2021 and December 31, 2020 were as follows (*in thousands*):

	March 31, 2021	December 31, 2020
Contract assets	$ 2,729	$ 2,417
Restricted cash	525	525
Other	6,371	5,992
Total prepaid expenses and other current assets	$ 9,625	$ 8,934

Property and equipment as of March 31, 2021 and December 31, 2020 were as follows (*in thousands*):

	March 31, 2021	December 31, 2020
Office equipment, furniture, fixtures and other	$ 11,309	$ 10,986
Leasehold improvements	12,012	12,012
Network equipment	139,159	139,884
	162,480	162,882
Accumulated depreciation	(100,961)	(99,389)
Total property and equipment, net	$ 61,519	$ 63,493

Other non-current assets as of March 31, 2021 and December 31, 2020 were as follows (*in thousands*):

	March 31, 2021	December 31, 2020
Contract assets, net of allowances of $375 and $375, respectively	$ 11,349	$ 9,775
Other	1,694	1,711
Total other non-current assets	$ 13,043	$ 11,486

Accrued liabilities as of March 31, 2021 and December 31, 2020 were as follows (*in thousands*):

	March 31, 2021	December 31, 2020
Accrued interest	$ 44,807	$ 17,836
Employee compensation and benefits *(1)*	19,796	35,516
Operating leases	8,198	8,089
Deferred gain on sale of CA business (2)	9,400	9,400
Warranty reserve	2,400	2,400
Taxes	1,800	2,022
Other	7,733	7,746
Total accrued liabilities	$ 94,134	$ 83,009

(1) Includes $14.1 million and $19.2 million as of March 31, 2021 and December 31, 2020, respectively, expected to be paid in shares of Gogo common stock upon the vesting of certain equity awards issued to former employees now employed by Intelsat and classified within discontinued operations.

(2) Relates to sale of CA business. See Note 2, “Discontinued Operations,” for additional information.

Other non-current liabilities as of March 31, 2021 and December 31, 2020 were as follows (*in thousands*):

	March 31, 2021	December 31, 2020
Asset retirement obligations	$ 4,520	$ 4,401
Deferred tax liabilities	2,203	2,108
Other	3,121	4,072
Total other non-current liabilities	$ 9,844	$ 10,581

8. Intangible Assets

Our intangible assets are comprised of both indefinite-lived and finite-lived intangible assets. Intangible assets with indefinite lives are not amortized; rather, they 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 tests 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 2020 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 results of our annual indefinite-lived intangible assets impairment assessments in the fourth quarter of 2020 indicated no impairment.

As of both March 31, 2021 and December 31, 2020, our goodwill balance was $0.6 million.

Our intangible assets, other than goodwill, as of March 31, 2021 and December 31, 2020 were as follows (*in thousands, except for weighted average remaining useful life*):

	Weighted Average Remaining Useful Life (in years)	As of March 31, 2021			As of December 31, 2020		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:							
Software	2.3	$ 50,357	$ (33,632)	$ 16,725	$ 50,029	$ (31,739)	$ 18,290
Other intangible assets	8.0	1,500	-	1,500	1,500	-	1,500
Service customer relationships		8,081	(8,081)	-	8,081	(8,081)	-
OEM and dealer relationships		6,724	(6,724)	-	6,724	(6,724)	-
Total amortized intangible assets		66,662	(48,437)	18,225	66,334	(46,544)	19,790
Unamortized intangible assets:							
FCC Licenses		32,283	-	32,283	32,283	-	32,283
Total intangible assets		$ 98,945	$ (48,437)	$ 50,508	$ 98,617	$ (46,544)	$ 52,073

Amortization expense was $1.9 million and $1.5 million, respectively, for the three month periods ended March 31, 2021 and 2020.

Amortization expense for the remainder of 2021, each of the next four years and thereafter is estimated to be as follows (*in thousands*):

Years ending December 31,	Amortization Expense
2021 (period from April 1 to December 31)	$ 5,569
2022	$ 4,911
2023	$ 2,435
2024	$ 894
2025	$ 894
Thereafter	$ 3,522

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

9. Warranties

We provide warranties on parts and labor related to our products. Our warranty terms range from two to five years. Warranty reserves are established for costs that are estimated to be incurred after the sale, delivery and installation of the products under warranty. The warranty reserves are determined based on known product failures, historical experience and other available evidence, and are included in accrued liabilities in our unaudited condensed consolidated balance sheets. Our warranty reserve balance was $2.4 million as of both March 31, 2021 and December 31, 2020.

10. Long-Term Debt and Other Liabilities

Long-term debt as of March 31, 2021 and December 31, 2020 was as follows (*in thousands*):

	March 31, 2021	December 31, 2020
2024 Senior Secured Notes	$ 973,623	$ 973,539
2022 Convertible Notes	208,514	215,122
Total debt	1,182,137	1,188,661
Less deferred financing costs	(18,315)	(19,693)
Less current portion of long-term debt	-	(341,000)
Total long-term debt	$ 1,163,822	$ 827,968

2024 Senior Secured Notes

On April 25, 2019 (the “Issue Date”), Gogo Intermediate Holdings LLC (“GIH”) (a wholly owned subsidiary of Gogo Inc.) and Gogo Finance Co. Inc. (a wholly owned subsidiary of GIH) (“Gogo Finance” and, together with GIH, the “Issuers”) issued $905 million aggregate principal amount of 9.875% senior secured notes due 2024 (the “Initial Notes”) under an indenture (the “Base Indenture”), dated as of April 25, 2019, among the Issuers, us, as guarantor, certain subsidiaries of GIH, as guarantors (the “Initial 2024 Subsidiary Guarantors” and, together with us, the “Initial 2024 Guarantors”), and U.S. Bank National Association, as trustee (the “Trustee”) and collateral agent (the “Collateral Agent”). On May 3, 2019, the Issuers, the Initial 2024 Guarantors and the Trustee entered into the first supplemental indenture (the “First Supplemental Indenture”) to increase the amount of indebtedness that may be incurred under Credit Facilities (as defined in the 2024 Indenture) by GIH or its subsidiaries that are 2024 Guarantors (as defined below) by $20 million in aggregate principal amount. On March 6, 2020, the Issuers, the Initial 2024 Guarantors, Gogo Air International GmbH (an indirect subsidiary of GIH) (“Gogo International”) and the Trustee entered into a second supplemental indenture (the “Second Supplemental Indenture”) to add Gogo International as a guarantor under the 2024 Indenture. On July 31, 2020, the Issuers, the Initial 2024 Guarantors, Gogo International and Gogo Inflight Internet Canada Ltd., Gogo ATG LLC and Gogo CA Licenses LLC (collectively, the “Additional Guarantors” and, together with the Initial 2024 Guarantors and Gogo International, the “2024 Guarantors”) and the Trustee entered into a third supplemental indenture (the “Third Supplemental Indenture”) to add the Additional Guarantors as guarantors under the 2024 Indenture. On November 9, 2020, the Company, the Issuers, the 2024 Guarantors and the Trustee entered into a fourth supplemental indenture (together with the Base Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the “2024 Indenture”) to increase the amount of indebtedness under the Credit Facilities (as defined in the Base Indenture) that may be incurred by the Issuers or the Subsidiary Guarantors (as defined in the Base Indenture) by $50 million in aggregate principal amount. On May 7, 2019, the Issuers issued an additional $20 million aggregate principal amount of 9.875% senior secured notes due 2024 (the “2019 Additional Notes”). On November 13, 2020, the Issuers issued an additional $50 million aggregate principal amount of 2024 Senior Secured Notes (the “2020 Additional Notes” and, together with the Initial Notes and the 2019 Additional Notes, the “2024 Senior Secured Notes”). The 2024 Senior Secured Notes were offered and sold in transactions exempt from registration under the Securities Act. The Initial Notes were issued at a price equal to 99.512% of their face value, the 2019 Additional Notes were issued at a price equal to 100.5% of their face value, resulting in aggregate gross proceeds of $920.7 million and the 2020 Additional Notes were issued at a price equal to 103.5% of their face value, resulting in aggregate gross proceeds of $51.8 million. Additionally, we received approximately $0.1 million for interest that accrued from April 25, 2019 through May 7, 2019 with respect to the 2019 Additional Notes that was included in our interest payment on November 1, 2019. On April 1, 2021, the Issuers elected to call for redemption in full all $975,000,000 aggregate principal amount outstanding of the 2024 Senior Secured Notes in accordance with the terms of the 2024 Indenture. The Trustee delivered a notice of conditional full redemption to all registered holders of the 2024 Senior Secured Notes. The redemption was conditioned, among other things, upon the incurrence of indebtedness, pursuant to a new senior secured term loan and/or credit facility or from one or more other sources, in an amount satisfactory to the Issuers. The 2024 Senior Secured Notes were redeemed on May 1, 2021 (the “Redemption Date”), at a redemption price equal to 104.938% of the principal amount of the 2024 Senior Secured Notes redeemed plus accrued and unpaid interest to (but not including) the Redemption Date. The 2024 Senior Secured Notes were guaranteed on a senior secured basis by Gogo Inc. and all of GIH’s existing and future restricted subsidiaries (other than Gogo Finance), subject to certain exceptions. The 2024 Senior Secured Notes and the related guarantees were secured by second-priority liens on the ABL Priority Collateral (as defined below) and by first-priority liens on the Cash Flow Priority Collateral (as defined below), including pledged equity interests of the Issuers and all of GIH’s existing and future restricted subsidiaries guaranteeing the 2024 Senior Secured Notes, except for certain excluded assets and subject to permitted liens. Upon the closing of the Transaction, certain subsidiaries were released from their guarantees under the 2024 Indenture, and certain of the ABL Priority Collateral and Cash Flow Priority Collateral were released.

As of March 31, 2021 and December 31, 2020, the outstanding principal amount of the 2024 Senior Secured Notes was $975 million for both periods, the unaccreted debt discount was $1.4 million and $1.5 million, respectively, and the net carrying amount was $973.6 million and $973.5 million, respectively.

We used a portion of the net proceeds from the issuance of the Initial Notes and the 2019 Additional Notes to fund the redemption of all the outstanding 2022 Senior Secured Notes (as defined below) and to repurchase $159 million aggregate principal amount of Gogo Inc.’s 3.75% Convertible Senior Notes due 2020 (the “2020 Convertible Notes”).

The maturity date of the 2024 Senior Secured Notes was May 1, 2024. The 2024 Senior Secured Notes bore interest at a rate of 9.875% per year, payable semiannually in arrears on May 1 and November 1 of each year, beginning on November 1, 2019.

We paid approximately $22.6 million of origination fees and financing costs related to the issuance of the 2024 Senior Secured Notes, which have been accounted for as deferred financing costs. The deferred financing costs on our consolidated balance sheet are being amortized over the contractual term of the 2024 Senior Secured Notes using the effective interest method. Total amortization expense was $1.0 million and $0.9 million, respectively, for the three month periods ended March 31, 2021 and 2020. Amortization expense is included in interest expense in the unaudited condensed consolidated statements of operations. As of March 31, 2021 and December 31, 2020, the balance of unamortized deferred financing costs related to the 2024 Senior Secured Notes was $15.5 million and $16.6 million, respectively, and is included as a reduction to long-term debt in our unaudited condensed consolidated balance sheets. See Note 11, “Interest Costs,” for additional information.

The 2024 Senior Secured Notes were the senior secured indebtedness of the Issuers and were:

- effectively senior to (i) all of the Issuers’ existing and future senior unsecured indebtedness to the extent of the value of the collateral securing the 2024 Senior Secured Notes and (ii) the Issuers’ indebtedness secured on a junior priority basis by the same collateral securing the 2024 Senior Secured Notes to the extent of the value of such collateral, including the obligations under the ABL Credit Facility (as defined below) to the extent of the value of the Cash Flow Priority Collateral;
- effectively equal in right of payment with the Issuers’ existing and future (i) unsecured indebtedness that is not subordinated in right of payment to the 2024 Senior Secured Notes and (ii) indebtedness secured on a junior priority basis by the same collateral securing the 2024 Senior Secured Notes, if any, in each case to the extent of any insufficiency in the collateral securing the 2024 Senior Secured Notes;
- structurally senior to all of our existing and future indebtedness, including our 2022 Convertible Notes (as defined below);
- senior in right of payment to any and all of the Issuers’ future indebtedness that is subordinated in right of payment to the 2024 Senior Secured Notes;
- structurally subordinated to all of the indebtedness and other liabilities of any non-2024 Guarantors (other than the Issuers); and
- effectively subordinated to all of our existing and future indebtedness secured on a senior priority basis by the same collateral securing the 2024 Senior Secured Notes to the extent of the value of such collateral, including the obligations under the ABL Credit Facility to the extent of the value of ABL Priority Collateral.

Each guarantee was a senior secured obligation of such 2024 Guarantor and was:

- effectively senior in right of payment to all existing and future (i) senior unsecured indebtedness to the extent of the value of the collateral securing such guarantee owned by such 2024 Guarantor and (ii) indebtedness secured on a junior priority basis by the same collateral securing the guarantee owned by such 2024 Guarantor to the extent of the value of the collateral securing the guarantee, including the obligations under the ABL Credit Facility to the extent of the value of the Cash Flow Priority Collateral;
- effectively equal in right of payment with all existing and future unsubordinated indebtedness and indebtedness secured on a junior priority basis by the same collateral securing the guarantee owned by such 2024 Guarantor, if any, in each case to the extent of any insufficiency in the collateral securing such guarantee;
- effectively subordinated to the obligations under the ABL Credit Facility of each 2024 Guarantor to the extent of the value of the ABL Priority Collateral owned by such 2024 Guarantor; and
- effectively senior in right of payment to all existing and future subordinated indebtedness, if any, of such 2024 Guarantor; and structurally subordinated to all indebtedness and other liabilities of any non-2024 Guarantor subsidiary.

The security interests in certain collateral were able to be released without the consent of holders of the 2024 Senior Secured Notes if such collateral was disposed of in a transaction that complied with the 2024 Indenture and related security agreements, and if any grantor of such security interests was released from its obligations with respect to the 2024 Senior Secured Notes in accordance with the applicable provisions of the 2024 Indenture and related security agreements. Under certain circumstances, GIH and the 2024 Guarantors had the right to transfer certain intellectual property assets that on the Issue Date constituted collateral securing the 2024 Senior Secured Notes or the guarantees to a restricted subsidiary organized under the laws of Switzerland, resulting in the release of such collateral. In addition, the 2024 Indenture permitted indebtedness incurred under the ABL Credit Facility to be secured on a first-priority basis by certain of the same collateral that secures the 2024 Senior Secured Notes.

The Issuers were able to redeem the 2024 Senior Secured Notes, in whole or in part, at any time prior to May 1, 2021, at a redemption price equal to 100% of the principal amount of the 2024 Senior Secured Notes redeemed plus the make-whole premium set forth in the 2024 Indenture as of, and accrued and unpaid interest, if any, to (but not including) the applicable redemption date.

On or after May 1, 2021, the 2024 Senior Secured Notes were redeemable at the following redemption prices (expressed in percentages of principal amount), plus accrued and unpaid interest, if any, to (but not including) the redemption date (subject to the right of holders of record on the relevant regular record date on or prior to the redemption date to receive interest due on an interest payment date), if redeemed during the twelve-month period commencing on May 1 of the following years:

Year	Redemption Price
2021	104.938 %
2022	102.469 %
2023 and thereafter	100.000 %

In addition, at any time prior to May 1, 2021, the Issuers were able to redeem up to 40% of the aggregate principal amount of the 2024 Senior Secured Notes with the proceeds of certain equity offerings at a redemption price of 109.875% of the principal amount redeemed, plus accrued and unpaid interest, if any, to (but not including) the date of redemption; provided, however, that 2024 Senior Secured Notes representing at least 50% of the principal amount of the 2024 Senior Secured Notes remained outstanding immediately after each such redemption.

The 2024 Indenture contained covenants that, among other things, limited the ability of the Issuers and the 2024 Subsidiary Guarantors and, in certain circumstances, our ability, to: incur additional indebtedness; pay dividends, redeem stock or make other distributions; make investments; create restrictions on the ability of GIH's restricted subsidiaries to pay dividends to the Issuers or make other intercompany transfers; create liens; transfer or sell assets; merge or consolidate; and enter into certain transactions with the Issuers' affiliates.

The 2024 Indenture also provided that if we completed certain sales or transfers of assets, we were required to apply the Net Cash Proceeds (as defined in the Base Indenture) generated therefrom within 365 days to either permanently repay indebtedness, in accordance with the terms of the 2024 Indenture, or invest in property or non-current assets of a nature or type used in our, or a similar or related, business. If we did not so apply the Net Cash Proceeds from the Transaction by December 1, 2021, GIH would have been required to make an offer to repurchase for cash an aggregate principal amount of the 2024 Senior Secured Notes equal to any Net Cash Proceeds not so applied as of such date, at a repurchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the payment date. As a result, we classified $341 million of the 2024 Senior Secured Notes as short-term debt on the unaudited condensed and consolidated balance sheet as of December 31, 2020, representing the amount of the 2024 Senior Secured Notes potentially to be repurchased with the Net Cash Proceeds. As a result of entering into the Term Loan and Revolving Facility, discussed below, the $341 million has been classified as long-term debt on the unaudited condensed consolidated balance sheet as of March 31, 2021.

Most of these covenants, including the covenant related to the application of Net Cash Proceeds from certain sales or transfers of assets, would have ceased to apply if, and for as long as, the 2024 Senior Secured Notes had investment grade ratings from both Moody's Investment Services, Inc. and Standard & Poor's. If we or the Issuers underwent specific types of change of control accompanied by a downgrade in the rating of the 2024 Senior Secured Notes prior to May 1, 2024, GIH was required to make an offer to repurchase for cash all of the 2024 Senior Secured Notes at a repurchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the payment date.

The 2024 Indenture provided for events of default, which, if any of them occurred, would have permitted or required the principal, premium, if any, and interest on all of the then outstanding 2024 Senior Secured Notes issued under the 2024 Indenture to be due and payable immediately. As of March 31, 2021, no event of default had occurred.

ABL Credit Facility

On August 26, 2019, Gogo Inc., GIH and Gogo Finance (together GIH and Gogo Finance are referred to as the "ABL Borrowers") entered into a credit agreement (the "ABL Credit Agreement") among the ABL Borrowers, the other loan parties party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent"), and Morgan Stanley Senior Funding, Inc., as syndication agent, which provided for an asset-based revolving credit facility (the "ABL Credit Facility") of up to $30 million, subject to borrowing base availability, and includes letter of credit and swingline sub-facilities. On April 30, 2021, the ABL Borrowers terminated the ABL Credit Agreement and all commitments thereunder.

Borrowing availability under the ABL Credit Facility was determined by a monthly borrowing base collateral calculation that is based on specified percentages of the value of eligible accounts receivable (including eligible unbilled accounts receivable) and eligible credit card receivables, less certain reserves and subject to certain other adjustments as set forth in the ABL Credit Agreement. Availability was reduced by issuance of letters of credit as well as any borrowings. As of March 31, 2021 and December 31, 2020, the facility was undrawn and as of March 31, 2021, $20.8 million remained available for borrowing under the terms of the agreement that would allow for the Borrowers to meet the "payment conditions" criteria as described in the ABL Credit Agreement.

The final maturity of the ABL Credit Facility was scheduled to occur on August 26, 2022, unless the aggregate outstanding principal amount of our 2022 Convertible Notes (as defined below) had not, on or prior to December 15, 2021, been repaid in full or refinanced with a new maturity date no earlier than February 26, 2023, in which case the final maturity date would have instead been December 16, 2021.

Loans outstanding under the ABL Credit Facility bore interest at a floating rate measured by reference to, at the ABL Borrowers' option, either (i) an adjusted London inter-bank offered rate plus an applicable margin ranging from 1.50% to 2.00% per annum depending on a fixed charge coverage ratio, or (ii) an alternate base rate plus an applicable margin ranging from 0.50% to 1.00% per annum depending on a fixed charge coverage ratio. Unused commitments under the ABL Credit Facility are subject to a per annum fee ranging from 0.25% to 0.375% depending on the average quarterly usage of the revolving commitments.

The obligations under the ABL Credit Agreement were guaranteed by Gogo Inc. and all of its existing and future subsidiaries, subject to certain exceptions (collectively, the "ABL Guarantors"), and such obligations and the obligations of the ABL Guarantors were secured on a (i) senior basis by a perfected security interest in all present and after-acquired inventory, accounts receivable, deposit accounts, securities accounts, and any cash or other assets in such accounts and other related assets owned by each ABL Guarantor and the proceeds of the foregoing, subject to certain exceptions (the "ABL Priority Collateral") and (ii) junior basis by a perfected security interest in substantially all other tangible and intangible assets owned by each ABL Guarantor (the "Cash Flow Priority Collateral").

The ABL Credit Agreement contained customary representations and warranties and customary affirmative and negative covenants. The negative covenants included restrictions on, among other things: the incurrence of additional indebtedness; the incurrence of additional liens; dividends or other distributions on equity; the purchase, redemption or retirement of capital stock; the payment or redemption of certain indebtedness; loans, guarantees and other investments; entering into other agreements that create restrictions on the ability to pay dividends or make other distributions on equity, make or repay certain loans, create or incur certain liens or guarantee certain indebtedness; asset sales; sale-leaseback transactions; swap agreements; consolidations or mergers; amendment of certain material documents; certain regulatory matters; Canadian pension plans; and affiliate transactions. The negative covenants were subject to customary exceptions and also permitted dividends and other distributions on equity, investments, permitted acquisitions and payments or redemptions of indebtedness upon satisfaction of the "payment conditions." The payment conditions were deemed satisfied upon Specified Availability (as defined in the ABL Credit Agreement) on the date of the designated action and Specified Availability for the prior 30-day period exceeding agreed-upon thresholds, the absence of the occurrence and continuance of any default and, in certain cases, pro forma compliance with a fixed charge coverage ratio of no less than 1.10 to 1.00.

The ABL Credit Agreement included a minimum fixed charge coverage ratio test of no less than 1.00 to 1.00, which was tested only when Specified Availability was less than the greater of (A) $4.5 million and (B) 15.0% of the then effective commitments under the ABL Credit Facility, and continuing until the first day immediately succeeding the last day of the calendar month which included the thirtieth (30th) consecutive day on which Specified Availability was in excess of such threshold so long as no default has occurred and is continuing and certain other conditions are met. As of March 31, 2021, Specified Availability had not fallen below the amount specified and therefore the minimum fixed charge coverage ratio test was not applicable.

The ABL Credit Agreement provided for 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 ABL Credit Facility to be due and payable immediately and the commitments under the ABL Credit Facility to be terminated.

On August 26, 2019, the Borrowers and the ABL Guarantors entered into an ABL collateral agreement (the "ABL Collateral Agreement"), in favor of the Administrative Agent, whereby the ABL Borrowers and the ABL Guarantors granted a security interest in substantially all tangible and intangible assets of each ABL Borrower and each ABL Guarantor, to secure all obligations of the ABL Borrowers and the ABL Guarantors under the ABL Credit Agreement, and U.S. Bank National Association, as cash flow collateral representative, and JPMorgan Chase Bank, N.A., as ABL agent, entered into a crossing lien intercreditor agreement (the "Intercreditor Agreement") to govern the relative priority of liens on the collateral that secures the ABL Credit Agreement and the 2024 Senior Secured Notes and certain other rights, priorities and interests.

On November 30, 2020, the Issuers entered into a limited consent to the ABL Credit Agreement with the financial institutions listed on the signature pages thereof and JPMorgan Chase Bank, N.A., as administrative agent, pursuant to which the Lenders (as defined in the ABL Credit Agreement) provided consent to the consummation of the Transaction.

2021 Credit Agreement

On April 30, 2021, Gogo Inc. and GIH ("the Borrower") entered into a credit agreement (the "2021 Credit Agreement") among Gogo, the Borrower, the lenders and issuing banks party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (the "Administrative Agent"), which provides for (i) a term loan credit facility (the "Term Loan Facility") in an aggregate principal amount of $725 million, issued with a discount of 0.5%, and (ii) a revolving credit facility (the "Revolving Facility" and together with the Term Loan Facility, the "Facilities") of up to $100 million, which includes a letter of credit sub-facility. The Term Loan Facility amortizes in nominal 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 Term Loan Facility on April 30, 2028. There are no amortization payments under the Revolving Facility, and all borrowings under the Revolving Facility mature on April 30, 2026.

The Term Loan Facility bears annual interest at a floating rate measured by reference to, at the Borrower's option, either (i) an adjusted London inter-bank offered rate (subject to a floor of 0.75%) plus an applicable margin of 3.75% 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 the Borrower's option, either (i) an adjusted London inter-bank offered rate (subject to a floor of 0.00%) plus an applicable margin ranging from 3.25% to 3.75% per annum depending on the Borrower's senior secured first lien net leverage ratio or (ii) an alternate base rate plus an applicable margin ranging from 2.25% to 2.75% per annum depending on the Borrower'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 the Borrower's senior secured first lien net leverage ratio.

The Facilities may be prepaid at the Borrower's option at any time without premium or penalty (other than customary breakage costs and except during the first six months following the closing of the Facilities during which certain prepayments of the Term Loan Facility are subject to a prepayment premium), subject to minimum principal payment amount requirements.

Subject to certain exceptions and de minimis thresholds, the 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 Inc. and any subsidiary holding a license issued by the Federal Communications Commission; 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 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 Facilities to be due and payable immediately and the commitments under the Revolving Facility to be terminated.

The proceeds of the Term Facility were used, together with cash on hand, (i) to redeem in full and pay the outstanding principal amount of the 2024 Senior Secured Notes together with accrued and unpaid interest and redemption premiums and to pay fees associated with the termination of the ABL Credit Agreement (collectively, the "Refinancing"), and (ii) to pay fees and expenses incurred in connection with the Refinancing and the Facilities (the "Transaction Costs"). The Revolving Facility will be available for working capital and general corporate purposes of the Company and its subsidiaries.

On April 30, 2021, Gogo Inc., the Borrower, and each direct and indirect wholly-owned U.S. restricted subsidiary of the Borrower (Gogo Inc. 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 the Borrower and the Guarantors guarantee the obligations under the Facilities and certain other secured obligations as set forth in the Guarantee Agreement, and the Borrower and the Guarantors entered into a collateral agreement (the "Collateral Agreement"), in favor of the Collateral Agent, whereby the Borrower 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 the Borrower or any Guarantor, and 65% of the equity interests in any non-U.S. subsidiary held directly by the Borrower or any Guarantor), subject to certain exceptions, to secure the obligations under the Facilities and certain other secured obligations as set forth in the Collateral Agreement.

2022 Convertible Notes

On November 21, 2018, we issued $215.0 million aggregate principal amount of 6.00% Convertible Senior Notes due 2022 (the "2022 Convertible Notes") in private offerings to qualified institutional buyers, including pursuant to Rule 144A under the Securities Act, and in concurrent private placements. We granted an option to the initial purchasers to purchase up to an additional $32.3 million aggregate principal amount of 2022 Convertible Notes to cover over-allotments, of which $22.8 million was subsequently exercised during December 2018, resulting in a total issuance of $237.8 million aggregate principal amount of 2022 Convertible Notes. The 2022 Convertible Notes mature on May 15, 2022, unless earlier repurchased or converted into shares of our common stock under certain circumstances described below. Upon conversion, we have the option to settle our obligation through cash, shares of common stock, or a combination of cash and shares of common stock. We pay interest on the 2022 Convertible Notes semi-annually in arrears on May 15 and November 15 of each year, beginning on May 15, 2019.

Under the accounting standards applicable at the time of issuance, the $237.8 million of proceeds received from the issuance of the 2022 Convertible Notes was initially allocated between long-term debt (the liability component) at $188.7 million and additional paid-in capital (the equity component) at $49.1 million, within the consolidated balance sheet. The fair value of the liability component was measured using rates determined for similar debt instruments without a conversion feature. The carrying amount of the equity component, representing the conversion option, was determined by deducting the fair value of the liability component from the aggregate face value of the 2022 Convertible Notes. If we or the note holders elect not to settle the 2022 Convertible Notes through conversion, at maturity we must repay the principal amount at face value in cash. Therefore, the liability component will be accreted up to the face value of the 2022 Convertible Notes, which will result in additional non-cash interest expense being recognized in the consolidated statements of operations through the 2022 Convertible Notes maturity date (see Note 8, “Interest Costs,” for additional information). The effective interest rate on the 2022 Convertible Notes, including accretion of the notes to par and debt issuance cost amortization, was approximately 13.6%. The equity component will not be remeasured as long as it continues to meet the conditions for equity classification.

As of December 31, 2020, the outstanding principal amount of the 2022 Convertible Notes was $237.8 million, the unaccreted debt discount was $22.7 million and the net carrying amount of the liability component was $215.1 million.

Upon adoption of ASU 2020-06 on January 1, 2021 (see Note 3, “Recent Accounting Pronouncements,” for more information), the 2022 Convertible Notes are accounted for as a single liability. The adoption of this standard resulted in the $49.1 million initially recorded to additional paid-in capital being reclassified and recorded as an increase to long-term debt in the unaudited condensed consolidated balance sheets. Additionally, the $26.5 million of accretion recognized life-to-date was reversed and recorded as a reduction to long-term debt and a reduction to accumulated deficit in the unaudited condensed consolidated balance sheets.

For the three-month period ended March 31, 2021, $1.0 million aggregate principal amount of 2022 Convertible Notes were converted by holders and settled through the issuance of 166,666 shares of common stock.

In addition, on March 17, 2021, we entered into separate, privately negotiated exchange agreements (the “March 2021 Exchange Agreements”) with certain holders of the 2022 Convertible Notes. Pursuant to the March 2021 Exchange Agreements, such holders exchanged a total of $28,235,000 aggregate principal amount of 2022 Convertible Notes for 5,121,811 shares of our common stock on March 24, 2021. The negotiated exchange rate under the March 2021 Exchange Agreements was 181.40 shares of common stock per $1,000 principal amount of the 2022 Convertible Notes, which resulted in a loss on settlement of $4.4 million, which is included in Other (income) expense in our unaudited condensed consolidated statements of operations for the three-month period ended March 31, 2021.

As of March 31, 2021, the outstanding principal amount of the 2022 Convertible Notes was $208.5 million.

On April 1, 2021, we entered into a privately negotiated exchange agreement (the “GTCR Exchange Agreement”) with an affiliate of funds managed by GTCR LLC (“GTCR”). Pursuant to the GTCR Exchange Agreement, GTCR exchanged $105,726,000 aggregate principal amount of 2022 Convertible Notes for 19,064,529 shares of our common stock on April 9, 2021. Following the consummation of the exchange, $102,788,000 aggregate principal amount of 2022 Convertible Notes remained outstanding.

We incurred approximately $8.1 million of issuance costs related to the 2022 Convertible Notes, of which $6.4 million and $1.7 million were recorded to deferred financing costs and additional paid-in capital, respectively, in proportion to the allocation of the proceeds of the 2022 Convertible Notes. However, upon adoption of ASU 2020-06 on January 1, 2021, the $1.7 million that was initially recorded to additional paid-in capital was reclassified and recorded as deferred financing costs, with catch-up amortization of $1.0 million recorded to accumulated deficit in the unaudited condensed consolidated balance sheet. The deferred financing costs are being amortized over the term of the 2022 Convertible Notes using the effective interest method. Total amortization expense was $0.6 million and $0.4 million, respectively, for the three-month periods ended March 31, 2021 and 2020. Amortization expense is included in interest expense in the unaudited condensed consolidated statements of operations. As of March 31, 2021 and December 31, 2020, the balance of unamortized deferred financing costs related to the 2022 Convertible Notes was $2.5 million and $2.7 million, respectively, and is included as a reduction to long-term debt in our unaudited condensed consolidated balance sheets. See Note 11, “Interest Costs,” for additional information.

The 2022 Convertible Notes had an initial conversion rate of 166.6667 shares of common stock per $1,000 principal amount of 2022 Convertible Notes, which is equivalent to an initial conversion price of approximately $6.00 per share of our common stock. Upon conversion, we currently expect to settle in shares for the amount of the 2022 Convertible Notes then outstanding. We may elect to deliver cash in lieu of all or a portion of such shares, and borrowings under the Revolving Facility are permitted to be used for this purpose. The shares of common stock subject to conversion are excluded from diluted earnings per share calculations under the if-converted method as their impact is anti-dilutive.

Holders may convert the 2022 Convertible Notes, at their option, in multiples of $1,000 principal amount at any time prior to January 15, 2022, but only in the following circumstances:

- during any fiscal quarter beginning after the fiscal quarter ended December 31, 2018, if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during the last 30 consecutive trading days of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price of the 2022 Convertible Notes on each applicable trading day (the “Stock Price Condition”);
- during the five-business day period following any five consecutive trading day period in which the trading price for the 2022 Convertible Notes is less than 98% of the product of the last reported sale price of our common stock and the conversion rate for the 2022 Convertible Notes on each such trading day (the “Notes Price Condition”); or
- upon the occurrence of specified corporate events.

The Stock Price Condition was triggered for the periods from October 1, 2020 through December 31, 2020 and January 1, 2021 through March 31, 2021. Regardless of whether any of the foregoing circumstances occurs, a holder may convert its 2022 Convertible Notes, in multiples of $1,000 principal amount, at any time on or after January 15, 2022 until the second scheduled trading day immediately preceding May 15, 2022.

In addition, if we undergo a fundamental change (as defined in the indenture governing the 2022 Convertible Notes), holders may, subject to certain conditions, require us to repurchase their 2022 Convertible Notes for cash at a price equal to 100% of the principal amount of the 2022 Convertible Notes to be purchased, plus any accrued and unpaid interest. In addition, following a make-whole fundamental change, we will increase the conversion rate in certain circumstances for a holder who elects to convert its 2022 Convertible Notes in connection with such make-whole fundamental change.

Forward Transactions

In connection with the issuance of the 2020 Convertible Notes, we paid approximately $140 million to enter into prepaid forward stock repurchase transactions (the “Forward Transactions”) with certain financial institutions (the “Forward Counterparties”), pursuant to which we purchased approximately 7.2 million shares of common stock for settlement on or around the March 1, 2020 maturity date for the 2020 Convertible Notes, subject to the ability of each Forward Counterparty to elect to settle all or a portion of its Forward Transactions early.

On December 11, 2019, we entered into an amendment to one of the Forward Transactions (the “Amended and Restated Forward Transaction”) to extend the expected settlement date with respect to approximately 2.1 million shares of common stock held by one of the Forward Counterparties, JPMorgan Chase Bank, National Association (the “2022 Forward Counterparty”), to correspond with the May 15, 2022 maturity date for the 2022 Convertible Notes. In the future, we may request that the 2022 Forward Counterparty modify the settlement terms of the Amended and Restated Forward Transaction to provide that, in lieu of the delivery of the applicable number of shares of our common stock to us to settle a portion of the Amended and Restated Forward Transaction in accordance with its terms, the 2022 Forward Counterparty would pay to us the net proceeds from the sale by the 2022 Forward Counterparty (or its affiliate) of a corresponding number of shares of our common stock in a registered offering (which may include block sales, sales on the NASDAQ Global Select Market, sales in the over-the-counter market, sales pursuant to negotiated transactions or otherwise, at market prices prevailing at the time of sale or at negotiated prices). Any such sales could potentially decrease (or reduce the size of any increase in) the market price of our common stock. The 2022 Forward Counterparty is not required to effect any such settlement in cash in lieu of delivery of shares of our common stock and, if we request that the 2022 Forward Counterparty effect any such settlement, it will be entered into in the discretion of the 2022 Forward Counterparty on such terms as may be mutually agreed upon at the time. As a result of the Forward Transactions, total shareholders’ equity within our consolidated balance sheet was reduced by approximately $140 million. In March 2020, approximately 5.1 million shares of common stock were delivered to us in connection with the Forward Transactions. The approximately 2.1 million shares of common stock remaining under the Amended and Restated Forward Transaction are treated as retired shares for basic and diluted EPS purposes although they remain legally outstanding.

On April 13, 2021, pursuant to the terms of the Amended and Restated Forward Transaction, the 2022 Forward Counterparty delivered approximately 1.5 million shares of common stock to Gogo Inc. Following settlement, 575,100 shares of common stock remain subject to the Amended and Restated Forward Transaction.

Restricted Cash

Our restricted cash balances were $0.5 million as of both March 31, 2021 and December 31, 2020, consisting of a letter of credit issued for the benefit of the landlord of our current office location in Broomfield, CO.

11. 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, 2021 and 2020 *(in thousands)*:

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Interest costs charged to expense	$ 27,507	$ 26,398
Amortization of deferred financing costs	1,703	1,419
Accretion of debt discount	84	3,326
Interest expense	29,294	31,143
Interest costs capitalized to software	112	89
Total interest costs	$ 29,406	$ 31,232

12. Leases

Operating and Financing Leases — We determine whether a contract contains a lease at contract inception. For leases subsequent to adoption of ASC 842, lease liabilities are calculated using a discount rate based on our incremental borrowing rate at lease commencement. We have operating lease agreements for certain facilities and equipment as well as tower space and base stations. Certain tower space leases have renewal option terms that have been deemed to be reasonably certain to be exercised. These renewal options extend a lease up to 20 years. We recognize operating lease expense on a straight-line basis over the lease term. As of March 31, 2021, there were no significant leases which have 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, 2021	For the Three Months Ended March 31, 2020
Operating lease cost	$ 3,078	$ 2,859
Financing lease cost:		
Amortization of leased assets	3	-
Interest on lease liabilities	15	-
Total lease cost	$ 3,096	$ 2,859

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

	For the Three Months Ended March 31, 2021		For the Three Months Ended March 31, 2020	
Supplemental cash flow information				
Cash paid for amounts included in measurement of lease liabilities:				
Operating cash flows used in operating leases	$	3,382	$	3,115
Operating cash flows used in financing leases	$	15	$	-
Financing cash flows used in financing leases	$	124	$	-
Non-cash items:				
Operating leases obtained	$	618	$	2,197
Financing leases obtained	$	-	$	-
Weighted average remaining lease term				
Operating leases		7 years		8 years
Financing leases		2 years		-
Weighted average discount rate				
Operating leases		10.5%		10.2%
Financing leases		16.5%		-

Annual future minimum lease payments as of March 31, 2021 *(in thousands)*:

Years ending December 31,	Operating Leases		Financing Leases	
2021 (period from April 1 to December 31)	$	9,171	$	351
2022		11,973		428
2023		8,112		187
2024		6,274		-
2025		4,850		-
Thereafter		25,218		-
Total future minimum lease payments		65,598		966
Less: Amount representing interest		(21,046)		(68)
Present value of net minimum lease payments	$	44,552	$	898
Reported as of March 31, 2021				
Accrued liabilities	$	8,198	$	318
Non-current operating lease liabilities		36,354		-
Other non-current liabilities		-		580
Total lease liabilities	$	44,552	$	898

13. Commitments and Contingencies

Contractual Commitments - We have agreements with various vendors under which we have remaining commitments to purchase satellite-based systems, certifications and development services. Such commitments will become payable as we receive the equipment or certifications, or as development services are provided.

Indemnifications and Guarantees - In accordance with Delaware law, we indemnify our officers and directors for certain events or occurrences while the officer or director is, or was, serving at our request in such capacity. The maximum potential amount of future payments we could be required to make under this indemnification is uncertain and may be unlimited, depending upon circumstances. However, our Directors' and Officers' insurance does provide coverage for certain of these losses.

In the ordinary course of business, we may occasionally enter into agreements pursuant to which we may be obligated to pay for the failure of the performance of others, such as the use of corporate credit cards issued to employees. Based on historical experience, we believe that the risk of sustaining any material loss related to such guarantees is remote.

We have entered into a number of agreements pursuant to which we indemnify the other party for losses and expenses suffered or incurred in connection with any patent, copyright, or trademark infringement or misappropriation claim asserted by a third party with respect to our equipment or services. The maximum potential amount of future payments we could be required to make under these indemnification agreements is uncertain and is typically not limited by the terms of the agreements.

Linksmart Litigation - On April 20, 2018, Linksmart Wireless Technology, LLC filed suit against Gogo Inc., Gogo LLC, our former subsidiary and the entity that operated our CA business ("Gogo LLC"), and eight CA airline partners in the U.S. District Court for the Central District of California alleging that CA's redirection server and login portal infringe a patent owned by the plaintiff. The suits seek an unspecified amount of damages. Intelsat is required under its contracts with these airlines, which it assumed in the Transaction, to indemnify them for defense costs and any liabilities resulting from the suit. The Court has stayed the suits against the airline customers pending resolution of the suit against Gogo. Linksmart has also filed suit against other defendants asserting the same patent. Following the filing by one of those defendants of a petition to commence an *inter partes* review against the asserted patent in the U.S. Patent and Trademark Office, the Court stayed the litigation against such other defendant, Gogo Inc. and Gogo LLC, but such stay was lifted in July 2019 when the U.S. Patent and Trademark Office determined that the petitioner had not met the standard of proof required to commence the *inter partes* review. Since the stay was lifted, discovery has been completed and motion practice continues. No date has been set for trial. We believe that the plaintiff's claims are without merit and intend to continue to defend them vigorously. The outcome of this litigation is inherently uncertain. No amounts have been accrued for any potential losses under this matter, as we cannot reasonably predict the outcome of the litigation or any potential losses.

Securities Litigation - On June 27, 2018, a purported stockholder of the Company filed a putative class action lawsuit in the United States District Court for the Northern District of Illinois, Eastern Division styled Pierrelouis v. Gogo Inc., naming the Company, its former Chief Executive Officer and Chief Financial Officer, its current Chief Financial Officer and its then-current President, Commercial Aviation as defendants purportedly on behalf of all purchasers of our securities from February 27, 2017 through May 4, 2018. The complaint asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder, alleging misrepresentations or omissions by us purporting to relate to the reliability of and installation and remediation costs associated with CA's 2Ku antenna. The plaintiffs seek to recover from us and the individual defendants an unspecified amount of damages. In December 2018 the plaintiffs filed an amended complaint and in February 2019, we filed a motion to dismiss such amended complaint. In October 2019 the judge granted the motion to dismiss on two independent grounds, finding that plaintiffs failed to plausibly allege that defendants made materially false or misleading statements and that plaintiffs failed to plead with particularity that defendants acted with scienter. The amended complaint was dismissed without prejudice, and in December 2019, defendants filed a second amended complaint. In July 2020, plaintiffs filed a motion requesting leave to file a proposed third amendment complaint, which was granted by the Court. Plaintiffs proceeded to file the third amended complaint in July 2020 and we filed a motion to dismiss in September 2020. In April 2021, the Court denied our motion to dismiss. We believe that the claims are without merit and intend to continue to defend them vigorously. In accordance with Delaware law, we will indemnify the individual named defendants for their defense costs and any damages they incur in connection with the suit. We have filed a claim with the issuer of our Directors' and Officers' insurance policy with respect to this suit. No amounts have been accrued for any potential losses under this matter, as we cannot reasonably predict the outcome of the litigation or any potential losses.

Derivative Litigation - On September 25, 2018 and September 26, 2018, two purported stockholders of the Company filed substantively identical derivative lawsuits in the United States District Court for the Northern District of Illinois, Eastern Division, styled Nanduri v. Gogo Inc. and Hutsenpiller v. Gogo Inc., respectively. Both lawsuits were purportedly brought derivatively on behalf of us and name us as a nominal defendant and name as defendants each member of the Company's Board of Directors, its former Chief Executive Officer and Chief Financial Officer and its current Chief Executive Officer, Chief Financial Officer and President, Commercial Aviation. The complaints assert claims under Section 14(a) of the Securities Exchange Act of 1934, breach of fiduciary duty, unjust enrichment, and waste of corporate assets, and allege misrepresentations or omissions by us purporting to relate to the 2Ku antenna's reliability and installation and remediation costs, as well as allegedly excessive bonuses, stock options, and other compensation paid to current Officers and Directors and excessive severance paid to former Officers. The two lawsuits were consolidated and were stayed pending a final disposition of the motion to dismiss in the class action suit. Since, as discussed above, the court in the class action suit denied the motion to dismiss, we expect the stay to be lifted and the litigation to resume. We believe that the claims are without merit and intend to defend them vigorously if the litigation resumes. The plaintiffs seek to recover, on our behalf, an unspecified amount of damages from the individual defendants. We have filed a claim with the issuer of our Directors' and Officers' insurance policy with respect to these suits. No amounts have been accrued for any potential costs under this matter, as we cannot reasonably predict the outcome of the litigation or any potential costs.

14. 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 in active markets;
- *Level 2* - defined as observable inputs other than Level 1 prices 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.

Long-Term Debt:

As of March 31, 2021 and December 31, 2020, our financial assets and liabilities that are disclosed but not measured at fair value include the 2024 Senior Secured Notes and the 2022 Convertible Notes, which are reflected on the consolidated balance sheet 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 value of the 2024 Senior Secured Notes and the 2022 Convertible Notes by calculating the upfront cash payment a market participant would require to assume these obligations. The upfront cash payments used in the calculations of fair value on our March 31, 2021 unaudited condensed consolidated balance sheet, excluding any issuance costs, are the amount that a market participant would be willing to lend at March 31, 2021 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 2024 Senior Secured Notes and the 2022 Convertible Notes. The calculated fair value of each of the 2022 Convertible Notes is correlated to our stock price and as a result, significant changes to our stock price could have a significant impact on the calculated fair values.

The fair value and carrying value of long-term debt as of March 31, 2021 and December 31, 2020 were as follows *(in thousands)*:

	March 31, 2021		December 31, 2020	
	Fair Value *(1)*	Carrying Value	Fair Value *(1)*	Carrying Value
2024 Senior Secured Notes	$ 1,026,000	$ 973,623 *(2)*	$ 1,045,000	$ 973,539 *(2)*
2022 Convertible Notes	$ 391,000	$ 208,514	$ 404,000	$ 215,122 *(3)*

(1) Fair value amounts are rounded to the nearest million.
(2) Carrying value of the 2024 Senior Secured Notes reflects the unaccreted debt discount of $1.4 million and $1.5 million, respectively, as of March 31, 2021 and December 31, 2020. See Note 10, “Long-Term Debt and Other Liabilities,” for further information.
(3) Carrying value of the 2022 Convertible Notes reflects the unaccreted debt discount of $22.6 million as of December 31, 2020. See Note 10, “Long-Term Debt and Other Liabilities,” for further information.

15. Income Tax

The effective income tax rates for continuing operations for the three-month periods ended March 31, 2021 and 2020 were (0.6)% and (1.5)%, respectively. For the three month periods ended March 31, 2021 and 2020, our income tax expense was not significant primarily due to the full valuation allowance against our net deferred tax assets.

We are subject to income taxation in the United States and Canada. With few exceptions, as of March 31, 2021, we are no longer subject to U.S. federal, state, local or foreign examinations by tax authorities for years before 2017.

We record penalties and interest relating to uncertain tax positions in the income tax provision line item in the unaudited condensed consolidated statement of operations. No penalties or interest related to uncertain tax positions were recorded for the three-month periods ended March 31, 2021 and 2020. As of March 31, 2021 and December 31, 2020, we did not have a liability recorded for interest or potential penalties.

As a result of the Refinancing and the exchange of certain outstanding 2022 Convertible Notes, we expect our interest expense to decrease. We will consider the decrease in interest expense as we assess whether we need to maintain all, or part, of the valuation allowance on our deferred tax assets for the three month period ending June 30, 2021.

Presently, We do not require a reserve for unrecognized tax benefits, nor do we foresee any change to that position during the next 12 months.

16. Employee Retirement and Postretirement Benefits

Stock-Based Compensation — As of March 31, 2021, we maintained three stock-based incentive compensation plans ("Stock Plans"), as well as an Employee Stock Purchase Plan ("ESPP"). See Note 14, "Stock-Based Compensation," in our 2020 10-K for further information regarding these plans. Most of our equity grants are awarded on an annual basis.

For the three-month period ended March 31, 2021, options to purchase 26,726 shares of common stock were granted, options to purchase 177,646 shares of common stock were exercised, no options to purchase shares of common stock were forfeited and no options to purchase shares of common stock expired. The fair value of the options granted during the three-month period ended March 31, 2021 was approximately $0.2 million, which will be recognized over a period of one year.

For the three-month period ended March 31, 2021, 2,106,134 RSUs were granted, 863,056 RSUs vested and 32,199 RSUs were forfeited. The fair value of the RSUs granted during the three-month period ended March 31, 2021 was approximately $19.5 million, which will be recognized over a period of four years.

For the three-month period ended March 31, 2021, 8,227 restricted shares vested and no shares were cancelled. These shares are deemed issued as of the date of grant, but not outstanding until they vest.

For the three-month period ended March 31, 2021, 24,323 deferred stock units were granted and 87,339 vested. The fair value of the deferred stock units granted during the three-month period ended March 31, 2021 was approximately $0.2 million, which will be recognized over a period of one year.

For the three-month period ended March 31, 2021, 11,637 shares of common stock were issued under our 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, excluding stock-based compensation expense for discontinued operations *(in thousands)*:

	For the Three Months Ended March 31, 2021	2020
Cost of service revenue	$ 31	$ 33
Cost of equipment revenue	47	73
Engineering, design and development	107	156
Sales and marketing	148	329
General and administrative	1516	1,731
Total stock-based compensation expense	$ 1,849	$ 2,322

401(k) Plan — Under our 401(k) plan, all employees who are eligible to participate are entitled to make tax-deferred contributions, subject to Internal Revenue Service limitations. We match 100% of the employee's first 4% of contributions made, subject to annual limitations. Our matching contributions were $0.4 million and $0.3 million, respectively, during the three-month periods ended March 31, 2021 and 2020.

17. Research and Development Costs

Expenditures for research and development are charged to expense as incurred and totaled $5.5 million and $7.4 million, respectively, during the three-month periods ended March 31, 2021 and 2020. Research and development costs are reported as engineering, design and development expenses in our unaudited condensed consolidated statements of operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report 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, 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 attract and retain customers and generate revenue from the provision of our connectivity and entertainment services;
- our reliance on our key OEMs and dealers for equipment sales;
- our ability to develop and deploy Gogo 5G;
- our ability to compete effectively with other current or future providers of in-flight connectivity services and other products and services that we offer, including on the basis of price and performance;
- the impact of the COVID-19 pandemic and the measures implemented to combat it;
- our ability to evaluate or pursue strategic opportunities;
- our reliance on third parties for equipment and services;
- our ability to recruit, train and retain highly skilled employees;
- the achievement of the anticipated benefits of the sale of the CA business or our ability to operate as a standalone business;
- the impact of adverse economic conditions;
- a revocation of, or reduction in, our right to use licensed spectrum, the availability of other air-to-ground spectrum to a competitor or the repurposing by a competitor of other spectrum for air-to-ground use;
- our use of open source software and licenses;
- the availability of additional ATG spectrum in the United States or internationally;
- the effects of service interruptions or delays, technology failures and equipment failures or malfunctions arising from defects or errors in our software or defects in or damage to our equipment;
- the impact of assertions by third parties of infringement, misappropriation or other violations; our ability to innovate and provide products and services;
- the impact of government regulation of the internet;
- our possession and use of personal information;
- the extent of expenses or liabilities resulting from litigation;
- our ability to protect our intellectual property;
- our substantial indebtedness, limitations and restrictions in the agreements governing our current and future indebtedness and our ability to service our indebtedness;

- fluctuations in our operating results;
- the utilization of our tax losses; and other risks and factors listed under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020, as filed with the Securities and Exchange Commission ("SEC") on March 11, 2021 (the "2020 10-K") and in Item 1A of this report.

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 report 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 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 report, 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.

On December 1, 2020, we completed the previously announced sale of our commercial aviation ("CA") business to a subsidiary of Intelsat Jackson Holdings S.A. ("Intelsat") for a purchase price of $400 million in cash, subject to certain adjustments (the "Transaction"). As a result, all periods presented in our unaudited condensed consolidated financial statements and other portions of this Quarterly Report on Form 10-Q have been conformed to present the CA business as discontinued operations.

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 2020 10-K and in Item 1A and "Special Note Regarding Forward-Looking Statements" in this report. 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 world's largest provider of broadband connectivity services for the business aviation market. Our mission is to provide ground-like connectivity to every passenger on every flight around the globe, enabling superior passenger experiences and efficient flight operations. To accomplish our mission, we design, build and operate dedicated air-to-ground ("ATG") networks, engineer, install and maintain in-flight systems of proprietary hardware and software, and deliver customizable connectivity and wireless entertainment services and global support capabilities to our aviation partners. Our services include satellite-based voice and data services made available through strategic partnerships with satellite providers.

Our chief operating decision maker evaluates performance and business results for our operations, and makes resource and operating decisions, on a consolidated basis. As such, we do not present segment information in this Quarterly Report on Form 10-Q.

Impact of COVID-19 Pandemic

The COVID-19 pandemic caused a significant decline in international and domestic business aviation travel, which materially and adversely affected our business in 2020. Beginning in March 2020, our business saw a sharp decrease in flight activity, as well as an increase in requests for account suspensions and decreases in new plan activations. Though we continue to see strong signs of recovery from the lows we experienced in mid-April 2020, we expect COVID-19 to continue to negatively impact our business and we are unable to predict how long or with what degree of severity that impact will continue. The impact of the pandemic has varied across different parts of our customer base – for example corporate flight departments, charter operators and commercial aircraft (under the ATG Network Sharing Agreement) – and we expect the pace of recovery to vary by customer type.

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 aviation industry, 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:

- costs associated with the implementation of, and our ability to implement, on a timely basis, our technology roadmap, including upgrades to and installation of the ATG technologies we currently offer, Gogo 5G, and any other next generation or other new technology;
- 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 and failures or delays on the part of antenna and other equipment developers and providers, some of which are single source;
- our ability to license additional spectrum and make other improvements to our 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 of COVID-19 on restrictions on and demand for air travel, as well as disruptions to supply chains and installations;
- 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;
- changes in laws, regulations and interpretations affecting telecommunications services, 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, expand our service offerings and manage our network; and
- changes in laws, regulations and policies affecting our business or the business of our customers and suppliers, including changes that impact the design of our equipment and our ability to obtain required certifications for our equipment.

Recent Developments

2021 Credit Agreement - On April 30, 2021, Gogo Inc. and Gogo Intermediate Holdings LLC (the "Borrower"), a direct wholly owned subsidiary of Gogo Inc., entered into a credit agreement (the "2021 Credit Agreement") among Gogo, the Borrower, the lenders and issuing banks party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (the "Administrative Agent"), which provides for (i) a term loan credit facility (the "Term Loan Facility") in an aggregate principal amount of $725 million, issued with a discount of 0.5%, and (ii) a revolving credit facility (the "Revolving Facility" and together with the Term Loan Facility, the "Facilities") of up to $100 million, which includes a letter of credit sub-facility. The 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 Term Loan Facility on April 30, 2028. There are no amortization payments under the Revolving Facility, and all borrowings under the Revolving Facility mature on April 30, 2026. The Term Loan Facility bears annual interest at a floating rate measured by reference to, at the Borrower's option, either (i) an adjusted London inter-bank offered rate (subject to a floor of 0.75%) plus an applicable margin of 3.75% 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 the Borrower's option, either (i) an adjusted London inter-bank offered rate (subject to a floor of 0.00%) plus an applicable margin ranging from 3.25% to 3.75% per annum depending on the Borrower's senior secured first lien net leverage ratio or (ii) an alternate base rate plus an applicable margin ranging from 2.25% to 2.75% per annum depending on the Borrower'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 the Borrower's senior secured first lien net leverage ratio. The proceeds of the Term Loan Facility were used, together with cash on hand, (i) to redeem in full and pay the outstanding principal amount of the senior secured notes due 2024 (the "2024 Notes") together with accrued and unpaid interest and redemption premiums and to pay fees associated with the termination of the ABL Credit Agreement (collectively, the "Refinancing"), and (ii) to pay fees and expenses incurred in connection with the Refinancing and the Facilities (the "Transaction Costs"). The Revolving Facility will be available for working capital and general corporate purposes of the Company and its subsidiaries.

Redemption – On April 1, 2021, Gogo Intermediate Holdings LLC and Gogo Finance Co. Inc. (together, the "Issuers") elected to call for redemption in full the $975 million aggregate principal amount outstanding of the 2024 Notes. The redemption was conditioned, among other things, upon the incurrence of indebtedness, pursuant to a new senior secured term loan and/or credit facility or from one or more other sources, in an amount satisfactory to the Issuers. On April 30, 2021, the Issuers irrevocably deposited, or caused to be irrevocably deposited, with U.S. Bank National Association, the trustee for the 2024 Notes (the "Trustee"), solely for the benefit of the holders of the 2024 Notes, cash in an amount sufficient to pay principal, premium and accrued interest on the 2024 Notes to, but not including, the date of redemption and all other sums payable under the indenture governing the 2024 Notes. The Trustee executed and delivered an acknowledgement of satisfaction, discharge and release, dated as of April 30, 2021, among other documents, with respect to the satisfaction and discharge of the indenture governing the 2024 Notes.

Convertible Note Exchanges - On March 17, 2021, we entered into separate, privately negotiated exchange agreements (the "March 2021 Exchange Agreements") with certain holders of our 6% Convertible Senior Notes due 2022 (the "2022 Convertible Notes"). Pursuant to the March 2021 Exchange Agreements, such holders exchanged a total of $28,235,000 aggregate principal amount of 2022 Convertible Notes for 5,121,811 shares of our common stock on March 24, 2021. On April 1, 2021, we entered into a privately negotiated exchange agreement (the "GTCR Exchange Agreement") with an affiliate of funds managed by GTCR LLC ("GTCR"). Pursuant to the GTCR Exchange Agreement, GTCR exchanged $105,726,000 aggregate principal amount of 2022 Convertible Notes for 19,064,529 shares of our common stock on April 9, 2021. In addition, pursuant to the terms of the GTCR

Exchange Agreement, on April 9, 2021, we entered into a registration rights agreement with Silver (Equity) Holdings, LP and Silver (XII) Holdings, LLC (together, the "GTCR Affiliates"), pursuant to which the GTCR Affiliates and their permitted transferees (the "GTCR Holders") have been afforded customary demand and piggyback registration rights with respect to the shares of common stock held by the GTCR Affiliates as of the closing of April 9, 2021. The demand rights of the GTCR Holders under the registration rights agreement are exercisable after the one year anniversary of the date of the Exchange Agreement.

Key Business Metrics

Our management regularly reviews financial and operating metrics, including the following key operating 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.

Business Aviation

	For the Three Months Ended March 31,	
	2021	**2020**
Aircraft online (at period end)		
ATG	5,892	5,713
Satellite	4,614	4,939
Average monthly connectivity service revenue per aircraft online		
ATG	$ 3,085	$ 3,143
Satellite	239	223
Units Sold		
ATG	135	125
Satellite	80	56
Average equipment revenue per unit sold (in thousands)		
ATG	$ 78	$ 77
Satellite	46	60

- *ATG aircraft online.* We define ATG aircraft online as the total number of business aircraft for which we provide ATG services as of the last day of each period presented. This number excludes aircraft receiving ATG service as part of the ATG Network Sharing Agreement with Intelsat.
- *Satellite aircraft online*. We define satellite aircraft online as the total number of business aircraft for which we provide satellite services as of the last day of each period presented.
- *Average monthly connectivity service revenue per ATG aircraft online.* We define average monthly connectivity service revenue per ATG aircraft online 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 the ATG Network Sharing Agreement with Intelsat is excluded from this calculation.
- *Average monthly service revenue per satellite aircraft online*. We define average monthly service revenue per satellite aircraft online as the aggregate satellite service revenue for the period divided by the number of months in the period, divided by the number of satellite aircraft online during the period (expressed as an average of the month end figures for each month in such period).
- *Units sold.* We define units sold as the number of ATG or satellite units for which we recognized revenue during the period.
- *Average equipment revenue per ATG unit sold.* We define average equipment revenue per ATG unit sold as the aggregate equipment revenue from all ATG units sold during the period, divided by the number of ATG units sold.
- *Average equipment revenue per satellite unit sold*. We define average equipment revenue per satellite unit sold as the aggregate equipment revenue earned from all satellite units sold during the period, divided by the number of satellite units sold.

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 2020 10-K.

Off-Balance Sheet Arrangements

We do not have any obligations that meet the definition of an off-balance sheet arrangement.

Critical Accounting Policies and 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 amount 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 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 revenue recognition, long-lived assets, indefinite-lived assets and stock-based compensation have the greatest potential impact on our unaudited condensed consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in MD&A in our 2020 10-K.

Recent Accounting Pronouncements

See Note 3, "Recent Accounting Pronouncements," to our unaudited condensed consolidated financial statements for additional information.

Results of Operations

The following table sets 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, except per share amounts)

	For the Three Months Ended March 31,	
	2021	2020
Revenue:		
Service revenue	$ 59,355	$ 57,726
Equipment revenue	14,514	13,201
Total revenue	73,869	70,927
Operating expenses:		
Cost of service revenue (exclusive of items shown below)	14,095	11,007
Cost of equipment revenue (exclusive of items shown below)	8,282	8,511
Engineering, design and development	5,493	7,357
Sales and marketing	3,729	4,450
General and administrative	10,373	14,706
Depreciation and amortization	4,117	3,579
Total operating expenses	46,089	49,610
Operating income	27,780	21,317
Other (income) expense:		
Interest income	(57)	(578)
Interest expense	29,294	31,143
Loss on settlement of convertible notes	4,397	-
Other expense	(5)	(1)
Total other expense	33,629	30,564
Loss from continuing operations before income taxes	(5,849)	(9,247)
Income tax provision	35	141
Net loss from continuing operations	(5,884)	(9,388)
Net loss from discontinued operations, net of tax	(1,801)	(75,390)
Net loss	$ (7,685)	$ (84,778)

Three Months Ended March 31, 2021 and 2020

Revenue:

Revenue and percent change for the three-month periods ended March 31, 2021 and 2020 were as follows *(in thousands, except for percent change)*:

	For the Three Months Ended March 31,		% Change
	2021	2020	2021 over 2020
Service revenue	$ 59,355	$ 57,726	2.8%
Equipment revenue	14,514	13,201	9.9%
Total revenue	$ 73,869	$ 70,927	4.1%

Revenue increased to $73.9 million for the three-month period ended March 31, 2021, as compared with $70.9 million for the prior-year period, due to increases in service revenue and equipment revenue.

Service revenue increased to $59.4 million for the three-month period ended March 31, 2021, as compared with $57.7 million for the prior-year period, primarily due to an increase in ATG aircraft online and the revenue share earned from the ATG Network Sharing Agreement with Intelsat.

Equipment revenue increased to $14.5 million for the three-month period ended March 31, 2021, as compared with $13.2 million for the prior-year period, primarily due to increases in the number of ATG units sold, with 135 units sold during the three months ended March 31, 2021, as compared with 125 units for the prior-year period.

We expect service and equipment revenue to increase in the future as additional ATG aircraft come online.

Cost of Revenue:

Cost of revenue and percent change for the three-month periods ended March 31, 2021 and 2020 were as follows *(in thousands, except for percent change)*:

	For the Three Months Ended March 31,		% Change
	2021	2020	2021 over 2020
Cost of service revenue	$ 14,095	$ 11,007	28.1%
Cost of equipment revenue	$ 8,282	$ 8,511	(2.7)%

Cost of service revenue increased to $14.1 million for the three-month period ended March 31, 2021, as compared with $11.0 million for the prior-year period, primarily due to an increase in ATG network costs as these costs are no longer shared with the divested CA business.

We expect cost of service revenue to increase over time, primarily due to service revenue growth and increasing ATG network costs associated with Gogo 5G.

Cost of equipment revenue decreased to $8.3 million for the three-month period ended March 31, 2021, as compared with $8.5 million for the prior-year period, primarily due to lower overhead costs and changes in product mix, partially offset by an increase in ATG units sold.

We expect that our cost of equipment revenue will vary with changes in equipment revenue and unit sold.

Engineering, Design and Development Expenses:

Engineering, design and development expenses decreased to $5.5 million for the three-month period ended March 31, 2021, as compared with $7.4 million for the prior-year period, primarily due to a decrease in Gogo 5G development costs.

We expect engineering, design and development expenses to remain flat or increase slightly as a percentage of service revenue in the near term, driven by Gogo 5G development costs, and decrease as a percentage of service revenue over the long term as the level of investment decreases and revenue increases.

Sales and Marketing Expenses:

Sales and marketing expenses decreased to $3.7 million for the three-month period ended March 31, 2021, as compared with $4.5 million for the prior-year period, primarily due to decreased travel, advertising, and personnel expenses.

We expect sales and marketing expenses to remain relatively flat as a percentage of service revenue.

General and Administrative Expenses:

General and administrative expenses decreased to $10.4 million for the three-month period ended March 31, 2021, as compared with $14.7 million for the prior-year period, primarily due to lower outside services costs and decreased personnel expenses.

We expect general and administrative expenses to decrease as a percentage of service revenue over time as we identify efficiencies and drive down costs and as the business grows given the fixed cost nature of this category.

Depreciation and Amortization:

Depreciation and amortization expense increased to $4.1 million for the three-month period ended March 31, 2021, as compared with $3.6 million for the prior-year period, primarily due to the amortization of capitalized software.

We expect that our depreciation and amortization expense will increase in the future as we launch our Gogo 5G network.

Other (Income) Expense:

Other (income) expense and percent change for the three-month periods ended March 31, 2021 and 2020 were as follows *(in thousands, except for percent change)*:

	For the Three Months Ended March 31,		% Change
	2021	**2020**	**2021 over 2020**
Interest income	$ (57)	$ (578)	(90.1)%
Interest expense	29,294	31,143	(5.9)%
Loss on settlement of convertible notes	4,397	-	nm%
Other expense	(5)	(1)	nm%
Total	$ 33,629	$ 30,564	10.0%

Total other expense increased to $33.6 million for the three-month period ended March 31, 2021, as compared with $30.6 million for the prior-year period, primarily due to the loss on settlement of convertible notes, partially offset by a decrease in interest expense.

We expect our interest expense to decrease in the future as a result of the refinancing and the conversions and exchanges of 2022 Convertible Notes that have occurred to date and the maturity or earlier conversion of the remaining 2022 Convertible Notes. See Note 10, "Long-Term Debt and Other Liabilities" to our unaudited condensed consolidated financial statements for additional information.

Income Taxes:

The effective income tax rates for the three-month periods ended March 31, 2021 and 2020 were (0.6)% and (1.5)%, respectively. For the three-month periods ended March 31, 2021 and 2020, our income tax expense was not significant primarily due to the full valuation allowance against our net deferred tax assets.

We expect our income tax provision to increase in future periods to the extent we become profitable.

Non-GAAP Measures

In our discussion below, we discuss Adjusted EBITDA and Free Cash Flow, as defined below, which are non-GAAP financial measures. Management uses 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 nonoperational 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. Adjusted EBITDA and Free Cash Flow are not recognized measurements under accounting principles generally accepted in the United States, or GAAP; when analyzing our performance with 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 Adjusted EBITDA in addition to, and not as an alternative to, net loss 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 (used in) operating activities when evaluating our liquidity.

Definition and Reconciliation of Non-GAAP Measures

EBITDA represents net loss 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 included in the results of continuing operations, (ii) the results of discontinued operations, including stock-based compensation expense, (iii) loss on settlement of convertible notes and (iv) separation costs related to the sale of CA. 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 is appropriate given the significant variation in expense that can result from using the Black-Scholes model to determine the fair value of such compensation. The fair value of our stock options is determined using the Black-Scholes model and varies based on fluctuations in the assumptions used in this model, including inputs that are not necessarily directly related to the performance of our business, such as the expected volatility, the risk-free interest rate and the expected life of the options. Therefore, we believe that the exclusion of this cost provides a clearer view of the operating performance of our business. Further, stock option 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.

We believe it is useful for an understanding of our operating performance to exclude the results of our discontinued operations from Adjusted EBITDA because they are not part of our ongoing operations.

We believe it is useful for an understanding of our operating performance to exclude the loss on settlement of convertible notes from Adjusted EBITDA because of the infrequently occurring nature of this activity.

We believe it is useful for an understanding of our operating performance to exclude separation costs related to the sale of CA from Adjusted EBITDA because of the non-recurring nature of this activity.

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 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, less purchases of property and equipment and the acquisition of intangible assets. We believe that Free Cash Flow provides meaningful information regarding our liquidity.

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

	For the Three Months Ended March 31, 2021	2020
Adjusted EBITDA:		
Net loss attributable to common stock (GAAP)	$ (7,685)	$ (84,778)
Interest expense	29,294	31,143
Interest income	(57)	(578)
Income tax provision	35	141
Depreciation and amortization	4,117	3,579
EBITDA	25,704	(50,493)
Stock-based compensation expense	1,849	2,322
Loss from discontinued operations	1,801	75,390
Loss on settlement of convertible notes	4,397	-
Separation costs related to CA sale	145	-
Adjusted EBITDA	$ 33,896	$ 27,219
Free Cash Flow:		
Net cash provided by operating activities (GAAP) *(1)*	$ 24,574	$ 23,890
Consolidated capital expenditures *(1)*	(702)	(876)
Free cash flow	$ 23,872	$ 23,014

(1) See unaudited condensed consolidated statements of cashflows

Material limitations of Non-GAAP measures

Although EBITDA and Adjusted EBITDA are measurements frequently used by investors and securities analysts in their evaluations of companies, EBITDA and Adjusted EBITDA 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 results of discontinued operations;
- Adjusted EBITDA does not reflect the separation costs related to the sale of CA;
- Adjusted EBITDA does not reflect the loss on settlement of convertible notes;
- Free Cash Flow does not represent the total increase or decrease in our cash balance for the period; and
- since other companies in our or related industries 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, 2021	For the Three Months Ended March 31, 2020
Continuing operations cash flow activity:		
Net cash provided by operating activities	$ 24,574	$ 23,890
Net cash used in investing activities	(702)	(876)
Net cash provided by (used in) financing activities	(3,320)	19,105
Discontinued operations cash flow activity	(748)	(455)
Effect of foreign exchange rate changes on cash	3	51
Net decrease in cash, cash equivalents and restricted cash	19,807	41,715
Cash, cash equivalents and restricted cash at the beginning of period	435,870	177,675
Cash, cash equivalents and restricted cash at the end of period	$ 455,677	$ 219,390
Supplemental information:		
Cash, cash equivalents and restricted cash at the end of period	$ 455,677	$ 219,390
Less: current restricted cash	525	560
Less: non-current restricted cash	-	4,601
Cash and cash equivalents at the end of the period	$ 455,152	$ 214,229

We have historically financed our growth and cash needs primarily through the issuance of common stock, non-convertible debt, senior convertible preferred stock, convertible debt, credit facilities 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. We actively consider 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:

Excluding the impact of our initial public offering, other debt and equity offerings and our prior credit facilities, to date we have not generated positive cash flows on a consolidated basis. However, based on our current plans, including the consummation of the Refinancing, we believe that our cash and cash equivalents and cash flows provided by operating activities will be sufficient to meet our operating obligations, including our committed capital expenditure requirements, for at least the next twelve months.

The 2021 Credit Agreement contains 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 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.

For additional information on the 2021 Credit Agreement, see Note 10, "Long-Term Debt and Other Liabilities," 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, 2021	For the Three Months Ended March 31, 2020
Net loss	$ (5,884)	$ (9,388)
Non-cash charges and credits	12,160	11,452
Changes in operating assets and liabilities	18,298	21,826
Net cash provided by operating activities	$ 24,574	$ 23,890

For the three-month period ended March 31, 2021, net cash provided by operating activities was $24.6 million as compared with net cash provided by operating activities of $23.9 million in the prior-year period. The principal contributors to the year-over-year change in operating cash flows were:

- A $4.2 million improvement in net loss and non-cash charges and credits, as noted above under "-Results of Operations."
- A $3.5 million decrease in cash flows related to operating assets and liabilities resulting from:
  - A decrease in cash flows due to changes in accounts payable and accrued liabilities primarily due to the timing of payments.
  - Partially offset by an increase in cash flows due to the following:
    - Changes in prepaid expenses due to the timing of payments;
    - Changes in inventories primarily due to the timing of inventory purchases; and
    - Changes in accrued interest primarily due to additional debt outstanding resulting from the 2020 Additional Notes issued in November 2020.

Cash flows provided by (used in) Investing Activities:

Cash used in investing activities is primarily for capital expenditures related to cell site construction, software development, and data center upgrades. See "— Capital Expenditures" below.

Cash flows provided by (used in) Financing Activities:

Cash used in financing activities for the three-month period ended March 31, 2021 was $3.3 million primarily due to stock-based compensation activities.

Cash provided by financing activities for the three month period ended March 31, 2020 was $19.1 million primarily due to the $22.0 million of proceeds from the ABL Credit Facility offset in part by the repayment on maturity of the outstanding $2.5 million in aggregate principal amount of the 2020 Convertible Notes on March 1, 2020.

Capital Expenditures

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

Capital expenditures for the three month periods ended March 31, 2021 and 2020 were $0.7 million and $0.9 million, respectively.

We expect that our capital expenditures will vary in the future depending on the timing of network-related capital expenditures as we build out Gogo 5G and further invest in capitalized software.

Other

Leases and Cell Site Contracts: We have lease agreements relating to certain facilities and equipment, which are considered operating leases. See Note 12, "Leases," to our unaudited condensed consolidated financial statements for additional information.

Indemnifications and Guarantees: In accordance with Delaware law, we indemnify our officers and directors for certain events or occurrences while the officer or director is, or was, serving at our request in such capacity. The maximum potential amount of future payments we could be required to make under this indemnification is uncertain and may be unlimited, depending upon circumstances. However, our Directors' and Officers' insurance does provide coverage for certain of these losses.

In the ordinary course of business, we may occasionally enter into agreements pursuant to which we may be obligated to pay for the failure of performance of others, such as the use of corporate credit cards issued to employees. Based on historical experience, we believe that the risk of sustaining any material loss related to such guarantees is remote.

We have entered into a number of agreements pursuant to which we indemnify the other party for losses and expenses suffered or incurred in connection with any patent, copyright, or trademark infringement or misappropriation claim asserted by a third party with respect to our equipment or services. The maximum potential amount of future payments we could be required to make under these indemnification agreements is uncertain and is typically not limited by the terms of the agreements.

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, 2021 and December 31, 2020 included amounts in bank deposit accounts and money market funds, and we did not have any short-term investments as of either such date. We believe that a change in average interest rates would not affect our interest income and results of operations by a material amount.

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: 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. Our cash and cash equivalents as of both March 31, 2021 and December 31, 2020 included amounts in bank deposit accounts and money market funds. 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, 2021 and 2020 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 design and operation of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) as of March 31, 2021. Based upon this evaluation, our Chief Executive Officer and the Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of March 31, 2021.

(b) Changes in Internal Control over Financial Reporting

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

Contractual Commitments - We have agreements with various vendors under which we have remaining commitments to purchase satellite-based systems, certifications and development services. Such commitments will become payable as we receive the equipment or certifications, or as development services are provided.

Indemnifications and Guarantees - In accordance with Delaware law, we indemnify our officers and directors for certain events or occurrences while the officer or director is, or was, serving at our request in such capacity. The maximum potential amount of future payments we could be required to make under this indemnification is uncertain and may be unlimited, depending upon circumstances. However, our Directors' and Officers' insurance does provide coverage for certain of these losses.

In the ordinary course of business, we may occasionally enter into agreements pursuant to which we may be obligated to pay for the failure of the performance of others, such as the use of corporate credit cards issued to employees. Based on historical experience, we believe that the risk of sustaining any material loss related to such guarantees is remote.

We have entered into a number of agreements pursuant to which we indemnify the other party for losses and expenses suffered or incurred in connection with any patent, copyright, or trademark infringement or misappropriation claim asserted by a third party with respect to our equipment or services. The maximum potential amount of future payments we could be required to make under these indemnification agreements is uncertain and is typically not limited by the terms of the agreements.

Linksmart Litigation - On April 20, 2018, Linksmart Wireless Technology, LLC filed suit against Gogo Inc., Gogo LLC, our former subsidiary and the entity that operated our CA business ("Gogo LLC"), and eight CA airline partners in the U.S. District Court for the Central District of California alleging that CA's redirection server and login portal infringe a patent owned by the plaintiff. The suits seek an unspecified amount of damages. Intelsat is required under its contracts with these airlines, which it assumed in the Transaction, to indemnify them for defense costs and any liabilities resulting from the suit. The Court has stayed the suits against the airline customers pending resolution of the suit against Gogo. Linksmart has also filed suit against other defendants asserting the same patent. Following the filing by one of those defendants of a petition to commence an *inter partes* review against the asserted patent in the U.S. Patent and Trademark Office, the Court stayed the litigation against such other defendant, Gogo Inc. and Gogo LLC, but such stay was lifted in July 2019 when the U.S. Patent and Trademark Office determined that the petitioner had not met the standard of proof required to commence the *inter partes* review. Since the stay was lifted, discovery has been completed and motion practice continues. No date has been set for trial. We believe that the plaintiff's claims are without merit and intend to continue to defend them vigorously. The outcome of this litigation is inherently uncertain. No amounts have been accrued for any potential losses under this matter, as we cannot reasonably predict the outcome of the litigation or any potential losses.

Securities Litigation - On June 27, 2018, a purported stockholder of the Company filed a putative class action lawsuit in the United States District Court for the Northern District of Illinois, Eastern Division styled Pierrelouis v. Gogo Inc., naming the Company, its former Chief Executive Officer and Chief Financial Officer, its current Chief Financial Officer and its then-current President, Commercial Aviation as defendants purportedly on behalf of all purchasers of our securities from February 27, 2017 through May 4, 2018. The complaint asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder, alleging misrepresentations or omissions by us purporting to relate to the reliability of and installation and remediation costs associated with CA's 2Ku antenna. The plaintiffs seek to recover from us and the individual defendants an unspecified amount of damages. In December 2018 the plaintiffs filed an amended complaint and in February 2019, we filed a motion to dismiss such amended complaint. In October 2019 the judge granted the motion to dismiss on two independent grounds, finding that plaintiffs failed to plausibly allege that defendants made materially false or misleading statements and that plaintiffs failed to plead with particularity that defendants acted with scienter. The amended complaint was dismissed without prejudice, and in December 2019, defendants filed a second amended complaint. In July 2020, plaintiffs filed a motion requesting leave to file a proposed third amendment complaint, which was granted by the Court. Plaintiffs proceeded to file the third amended complaint in July 2020 and we filed a motion to dismiss in September 2020. In April 2021, the Court denied our motion to dismiss. We believe that the claims are without merit and intend to continue to defend them vigorously. In accordance with Delaware law, we will indemnify the individual named defendants for their defense costs and any damages they incur in connection with the suit. We have filed a claim with the issuer of our Directors' and Officers' insurance policy with respect to this suit. No amounts have been accrued for any potential losses under this matter, as we cannot reasonably predict the outcome of the litigation or any potential losses.

Derivative Litigation - On September 25, 2018 and September 26, 2018, two purported stockholders of the Company filed substantively identical derivative lawsuits in the United States District Court for the Northern District of Illinois, Eastern Division, styled Nanduri v. Gogo Inc. and Hutsenpiller v. Gogo Inc., respectively. Both lawsuits were purportedly brought derivatively on behalf of us and name us as a nominal defendant and name as defendants each member of the Company's Board of Directors, its former Chief Executive Officer and Chief Financial Officer and its current Chief Executive Officer, Chief Financial Officer and

President, Commercial Aviation. The complaints assert claims under Section 14(a) of the Securities Exchange Act of 1934, breach of fiduciary duty, unjust enrichment, and waste of corporate assets, and allege misrepresentations or omissions by us purporting to relate to the 2Ku antenna's reliability and installation and remediation costs, as well as allegedly excessive bonuses, stock options, and other compensation paid to current Officers and Directors and excessive severance paid to former Officers. The two lawsuits were consolidated and were stayed pending a final disposition of the motion to dismiss in the class action suit. Since, as discussed above, the court in the class action suit denied the motion to dismiss, we expect the stay to be lifted and the litigation to resume.

We believe that the claims are without merit and intend to defend them vigorously. The plaintiffs seek to recover, on our behalf, an unspecified amount of damages from the individual defendants. We have filed a claim with the issuer of our Directors' and Officers' insurance policy with respect to these suits. No amounts have been accrued for any potential costs under this matter, as we cannot reasonably predict the outcome of the litigation or any potential costs.

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 Form 10-K includes a discussion of our risk factors. The information presented below updates, and should be read in conjunction with, the risk factors and information disclosed in our 2020 10-K. Except as set forth below, there have been no material changes to the risk factors previously disclosed in our 2020 10-K.

The COVID-19 pandemic and the measures implemented to combat it have had, and may continue to have, a material adverse effect on our business.

In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China, and the World Health Organization (the "WHO") subsequently declared COVID-19 a "Public Health Emergency of International Concern." On March 13, 2020, the U.S. government declared a national emergency and on March 19, 2020, the U.S. Department of State issued a global Level 4 "do not travel" advisory advising U.S. citizens to avoid all international travel due to the global impact of COVID-19. The U.S. government has also implemented enhanced screenings, mandatory quarantine requirements and other travel restrictions in connection with the COVID-19 pandemic, including restrictions on travel from Asia, Europe, Mexico and Canada, and many foreign and U.S. state governments have instituted similar measures (including travel restrictions to and within the European Union) and declared states of emergency. At various points, most states and U.S. territories have issued instructions for their residents to stay home or "shelter in place" and to avoid any non-essential travel for varied durations of time and may lift, have lifted or will be lifting or easing these instructions at varied times, often with certain restrictions still in place. In addition, depending on the results of any easing or lifting of instructions and other restrictions, federal, state or local governments or authorities may determine to reinstate, enhance or enforce the same or other instructions or restrictions in the future. Governments, non-governmental organizations and entities in the private sector have also issued and may continue to issue non-binding advisories or recommendations regarding air travel or other social distancing measures, including limitations on the number of persons that should be present at public gatherings.

The COVID-19 pandemic caused a significant decline in international and domestic business aviation travel, which materially and adversely affected our business in 2020. Beginning in March 2020, our business saw a sharp decrease in flight activity, as well as an increase in requests for account suspensions, an increase in downgrades to pay-as-you-go plans, and a decrease in new plan activations. Though we continue to see strong signs of recovery from the lows we experienced in mid-April 2020, there can be no assurance that such recovery will continue at the current pace. The impact of the pandemic has varied across different parts of our customer base – for example corporate flight departments, charter operators and commercial aircraft (under the ATG Network Sharing Agreement) – and we expect the pace of recovery to vary by type of customer. The negative impact of COVID-19 on demand for commercial air travel could have an adverse effect on the revenue share payable to us by Intelsat under the ATG Network Sharing Agreement.

We expect COVID-19 to continue to negatively impact our business and we are unable to predict how long or with what degree of severity that impact will continue. The extent of the impact of COVID-19 on our financial and operational performance will depend on future developments, including the duration, spread and severity of the outbreak, the timetable for administering and efficacy of vaccines, the duration and geographic scope of related travel advisories and restrictions and the extent of the impact of COVID-19 on overall demand for commercial and business aviation travel, all of which are highly uncertain and cannot be predicted.

In addition to directly impacting demand for air travel, COVID-19 and related restrictions may have a material and adverse impact on other aspects of our business, including:

- delays and difficulties in completing installations on certain aircraft; and
- limitations on our ability to market and grow our business and to promote technological innovation.

In addition, COVID-19 could have an adverse effect on our supply chain. Many manufacturers of electronic components reduced their capacity in response to the reduced demand that accompanied the pandemic. While manufacturers have begun to increase manufacturing capacity as demand recovers from the impact of COVID, demand has exceeded supply in certain areas, and shortages of electronic components have occurred. We have experienced longer lead times and encountered delays in obtaining electronic components used in the airborne equipment that we manufacture. While we believe that we have adequate inventory or will be able to acquire sufficient electronic components to meet customer demand as currently forecasted, a continued shortage of electronic components could cause product delays or shortages.

At this time we are also not able to predict whether the COVID-19 pandemic will result in long-term changes to business practices and consumer behavior, with such changes including but not limited to a long-term reduction in travel as a result of increased usage of "virtual" and "teleconferencing" products. The full extent of the ongoing impact of COVID-19 on our longer-term operational and financial performance will depend on future developments, many of which are outside of our control.

We may be unsuccessful or delayed in developing and deploying Gogo 5G or other next generation technologies.

We are currently developing a next generation ATG network using 5G technology and unlicensed spectrum which we intend to deploy on a nationwide basis in 2022. Gogo 5G will be capable of working with different spectrums and supporting different next generation technologies. There can be no assurance that we will launch Gogo 5G or any other next generation technology in sufficient time to meet growing user expectations regarding the in-flight connectivity experience and to effectively compete in the business aviation market, due to, among other things, risks associated with: (i) our failure to design and develop a technology that provides the features and performance we require; (ii) integrating the solution with our existing ATG network; (iii) the availability of adequate spectrum; (iv) the failure of spectrum to perform as expected; (v) the failure of equipment and software to perform as expected; (vi) problems arising in the manufacturing process; (vii) our ability to negotiate contracts with suppliers on acceptable commercial and other terms; (viii) our reliance on single-source suppliers for the development and manufacturing of the core elements of the network and on other suppliers to provide certain components and services; and (ix) delays in obtaining or failures to obtain the required regulatory approvals for installation and operation of such equipment and the provision of service to passengers. As disclosed above in this Item 1A under the caption "—***The COVID-19 pandemic and the measures implemented to combat it have had, and may continue to have, a material adverse effect on our business,***" manufacturing capacity is lagging behind demand as the economy recovers from COVID-19, and we have experienced longer lead times and encountered delays in obtaining certain electronic components used in our business. A supplier of a Gogo 5G component has identified a manufacturing issue with respect to such component which has necessitated manufacturing process revisions and additional testing which is scheduled to occur in May 2021. We believe that we can accommodate the supplier's current expectations for the delivery date for this component without affecting our service launch, but the resulting compression in our schedule could limit our ability to preserve the current schedule should other significant issues arise. If Gogo 5G or any other next generation technology fails to perform as expected or its commercial availability is significantly delayed as compared to the timelines we establish, our business, financial condition and results of operations may be materially adversely affected.

We and our subsidiaries have substantial debt and may incur substantial additional debt in the future, which could adversely affect our financial health, reduce our profitability, limit our ability to obtain financing in the future and pursue certain business opportunities and reduce the value of your investment.

As of March 31, 2021, we had total consolidated indebtedness of approximately $1.2 billion, including $975.0 million outstanding of our 9.875% senior secured notes due 2024 (the "2024 Senior Secured Notes"), and $208.5 million outstanding of the 2022 Convertible Notes. As of May 1, 2021, following the Refinancing and our entry into the Facilities, we had total consolidated indebtedness of approximately $828 million, including $725 million outstanding under the Term Loan Facility and $103 million aggregate principal amount outstanding of our 2022 Convertible Notes.

We and our subsidiaries may incur additional debt in the future, including up to $100.0 million, under the Revolving Facility, which could increase the risks described below and lead to other risks. The amount of our debt or such other obligations could have important consequences for holders of our common stock, including, but not limited to:

- a substantial portion of our cash flow from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes;
- our ability to obtain additional financing for working capital, capital expenditures, acquisitions, debt service requirements or general corporate purposes is limited, and our ability to satisfy our obligations with respect to our indebtedness may be impaired in the future;
- we may be at a competitive disadvantage compared to our competitors with less debt or with comparable debt at more favorable interest rates and which, as a result, may be better positioned to withstand economic downturns;
- our ability to refinance indebtedness may be limited or the associated costs may increase;
- our ability to engage in acquisitions without raising additional equity or obtaining additional debt financing may be impaired in the future;
- it may be more difficult for us to satisfy our obligations to our creditors, resulting in possible defaults on and acceleration of such indebtedness;

- we may be more vulnerable to general adverse economic and industry conditions; and
- our flexibility to adjust to changing market conditions and our ability to withstand competitive pressures could be limited, or we may be prevented from making capital investments that are necessary or important to our operations in general, growth strategy and efforts to improve operating margins of our business units.

We may have future capital needs and may not be able to obtain additional financing to fund our capital needs on acceptable terms, or at all.

We have from time to time evaluated, and we continue to evaluate, our potential capital needs in light of increasing demand for our services, limitations on bandwidth capacity and performance and generally evolving technology in our industry. We may utilize one or more types of capital raising in order to fund any initiative in this regard, including the issuance of new equity securities and new debt securities, including debt securities convertible into our common stock. Since our IPO, we have obtained debt financing through our entry into our previous credit facilities, issuances of convertible notes and issuances of senior secured notes. In addition, our ability to generate positive cash flows from operating activities and the extent and timing of certain capital and other necessary expenditures are subject to numerous variables, such as costs related to execution of our current technology roadmap, including continuing development and deployment of Gogo 5G and other future technologies. The market conditions and the macroeconomic conditions that affect the markets in which we operate could have a material adverse effect on our ability to secure financing on acceptable terms, if at all. We may be unable to secure additional financing on favorable terms or at all or our operating cash flow may be insufficient to satisfy our financial obligations under the indenture governing the 2022 Convertible Notes, the Facilities and other indebtedness outstanding from time to time.

Our ability to obtain additional financing for working capital, capital expenditures, acquisitions, debt service requirements or general corporate purposes is limited by the 2021 Credit Agreement. In the future, if our subsidiaries are in compliance with certain incurrence ratios or other covenant exceptions set forth in the 2021 Credit Agreement, our subsidiaries may be able to incur additional indebtedness, which indebtedness may be secured or unsecured, the incurrence of which may increase the risks created by our current substantial indebtedness. Events beyond our control can affect our ability to comply with these requirements. The 2021 Credit Agreement also limits the ability of Gogo Inc. to incur additional indebtedness under certain circumstances and limits the amount of cash that our subsidiaries may dividend, transfer or otherwise distribute to us.

The terms of any additional financing may further limit our financial and operating flexibility. Our ability to satisfy our financial obligations will depend upon our future operating performance, the availability of credit generally, economic conditions and financial, business and other factors, many of which are beyond our control. Furthermore, if financing is not available when needed, or is not available on acceptable terms, we may be unable to take advantage of business opportunities or respond to competitive pressures, any of which may have a material adverse effect on our business, financial condition and results of operations. Even if we are able to obtain additional financing, we may be required to use the proceeds from any such financing to repay a portion of our outstanding debt.

If we raise additional funds or seek to reduce our current levels of indebtedness through further issuances of equity, convertible debt securities or other securities convertible into equity, our existing stockholders could suffer significant dilution in their percentage ownership of our company. In addition, any new securities we issue could have rights, preferences and privileges senior to those of holders of our common stock, and we may grant holders of such securities rights with respect to the governance and operations of our business. If we are unable to obtain adequate financing or financing on terms satisfactory to us, if and when we require it, our ability to grow or support our business and to respond to business challenges could be significantly limited.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to satisfy our obligations under our existing indebtedness and any future indebtedness we may incur and to make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, refinancing or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance existing indebtedness or future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities on desirable terms or at all, and such alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations, which could result in a default on existing indebtedness or future indebtedness.

We cannot make assurances that we will be able to refinance any of our indebtedness or obtain additional financing, particularly because of our high levels of debt and the debt incurrence restrictions imposed by the agreements and instruments governing our debt. In the absence of such sources of capital, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The 2021 Credit Agreement restricts our ability to dispose of assets and how we use the proceeds from any such dispositions.

The agreements and instruments governing our debt contain restrictions and limitations that could significantly impact our ability to operate our business.

The 2021 Credit Agreement contains covenants that, among other things, limit the ability of our subsidiaries and, in certain circumstances, us to:

- incur additional debt;
- pay dividends, redeem stock or make other distributions;
- make certain investments;
- create liens;
- transfer or sell assets;
- merge or consolidate with other companies; and
- enter into certain transactions with our affiliates.

Our ability to comply with the covenants and restrictions contained in the 2021 Credit Agreement may be affected by economic, financial and industry conditions beyond our control. Our failure to comply with obligations under the agreements and instruments governing our indebtedness may result in an event of default under such agreements and instruments. We cannot be certain that we will have funds available to remedy these defaults. A default, if not cured or waived, may permit acceleration of our indebtedness. If our indebtedness is accelerated, we cannot be certain that we will have sufficient funds available to pay the accelerated indebtedness or have the ability to refinance the accelerated indebtedness on terms favorable to us or at all. All of these covenants and restrictions could affect our ability to operate our business, may limit our ability in the future to satisfy currently outstanding obligations and may limit our ability to take advantage of potential business opportunities as they arise.

An increase in interest rates would increase the cost of servicing our indebtedness and could reduce our profitability.

Our debt outstanding under the Term Loan Facility bears interest, and any indebtedness under our Revolving Facility would bear interest, at variable rates. As a result, increases in interest rates would increase the cost of servicing our debt and could materially reduce our profitability and cash flows.

Any indebtedness under our 2021 Credit Agreement may bear interest at rates that use the London inter-bank offered rate (“LIBOR”). The upcoming cessation of the availability of LIBOR may adversely affect our business, financial position, results of operations and cash flows. On July 27, 2017, the United Kingdom's Financial Conduct Authority (the “FCA”), which regulates LIBOR, announced that it intends to stop encouraging or compelling banks to submit LIBOR quotations after 2021 (the “FCA Announcement”). The FCA Announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021 and, based on the foregoing, it appears likely that LIBOR will be discontinued or modified before the end of 2021. On March 5, 2021, the ICE Benchmark Administration, which administers LIBOR, and FCA announced that all LIBOR settings will either cease to be provided by any administrator, or no longer be representative immediately after December 31, 2021, for all non-U.S. dollar LIBOR settings and one-week and two-month U.S. dollar LIBOR settings, and immediately after June 30, 2023 for the remaining U.S. dollar LIBOR settings (the “LIBOR Announcement”). It is not possible to predict the effect that the LIBOR Announcement, the discontinuation of LIBOR or the establishment of alternative reference rates may have on LIBOR, but financial products with interest rates tied to LIBOR may be adversely affected. Once LIBOR ceases to be published, it is uncertain whether it will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR or what the effect of any such changes in views or alternatives may be on the markets for LIBOR-indexed financial instruments.

Indebtedness under the Facilities is secured by substantially all of our assets. As a result of these security interests, such assets would only be available to satisfy claims of our general creditors or to holders of our equity securities if we were to become insolvent to the extent the value of such assets exceeded the amount of our secured indebtedness and other obligations. In addition, the existence of these security interests may adversely affect our financial flexibility.

Indebtedness under the Facilities is secured by a lien on substantially all of our assets. Accordingly, if an event of default were to occur under the 2021 Credit Agreement, to the extent amounts were outstanding under the Facilities, the lenders party to the 2021 Credit Agreement would have a prior right to our assets, to the exclusion of our general creditors in the event of our bankruptcy, insolvency, liquidation, or reorganization. In that event, our assets would first be used to repay in full all indebtedness and other obligations under the indenture governing the 2021 Credit Agreement, resulting in all or a portion of our assets being unavailable to satisfy the claims of our unsecured indebtedness. Only after satisfying the claims of our unsecured creditors and our subsidiaries’ unsecured creditors would any amount be available for our equity holders. The pledge of these assets and other restrictions may limit our flexibility in raising capital for other purposes. Because substantially all of our assets are pledged under these financing arrangements, our ability to incur additional secured indebtedness or to sell or dispose of assets to raise capital may be impaired, which could have an adverse effect on our financial flexibility.

We may not have sufficient cash flow or the ability to raise the funds necessary to settle conversions of the 2022 Convertible Notes, to repay the 2022 Convertible Notes at maturity or to purchase the 2022 Convertible Notes upon a fundamental change.

Holders of the 2022 Convertible Notes will have the right to require us to purchase their 2022 Convertible Notes upon the occurrence of a fundamental change at a purchase price equal to 100% of the principal amount of the 2022 Convertible Notes to be purchased, plus accrued and unpaid interest, if any, to, but not including, the fundamental change purchase date. In addition, in the event the conditional conversion feature of the 2022 Convertible Notes remains triggered, holders of the 2022 Convertible Notes are entitled to convert the 2022 Convertible Notes at any time during specified periods at their option. The 2022 Convertible Notes became eligible for conversion at the election of holders on October 1, 2020 and are currently convertible until at least June 30, 2021. Upon conversion of the 2022 Convertible Notes, we will be required to make cash payments in respect of the 2022 Convertible Notes being converted, unless we elect to deliver solely shares of our common stock to settle such conversion (other than cash in lieu of any fractional share). Moreover, we will be required to repay the 2022 Convertible Notes in cash on May 15, 2022, their maturity date, unless earlier converted or repurchased. We may not have enough available cash or be able to obtain financing at the time we are required to make purchases of 2022 Convertible Notes surrendered therefor or repay the 2022 Convertible Notes at maturity or upon 2022 Convertible Notes being converted. While we have reserved a portion of the net proceeds from the issuance of the 2022 Convertible Notes to fund a portion of future interest payments on the 2022 Convertible Notes, the amount of such funds, together with funds up-streamed from subsidiaries and from other potential sources of liquidity (if any) may not be adequate to fund any future liquidity shortfall. See "—*We may have future capital needs and may not be able to obtain additional financing to fund our capital needs on acceptable terms, or at all*."

Our failure to purchase 2022 Convertible Notes as required by the indenture governing the 2022 Convertible Notes or to pay cash payable upon future conversions of the 2022 Convertible Notes as required by the indenture governing the 2022 Convertible Notes would constitute a default under the indenture governing the 2022 Convertible Notes. A default under the indenture governing the 2022 Convertible Notes or the fundamental change itself could also lead to a default under the agreements and instruments governing our other indebtedness and the acceleration of amounts outstanding thereunder, including the 2021 Credit Agreement. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and purchase the 2022 Convertible Notes or make cash payments upon conversions thereof. A default under the indenture governing the 2022 Convertible Notes may have a material adverse effect on our financial condition and results of operations and could cause us to become bankrupt or otherwise insolvent.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to us, our subsidiaries or our indebtedness, if any, could cause our cost of capital to increase.

Our Term Loan has been rated by nationally recognized rating agencies and may in the future be rated by additional rating agencies. We cannot assure you that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. Any future lowering of ratings may make it more difficult or more expensive for us to obtain additional debt financing.

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

a) Sales of Unregistered Securities

The information disclosed in Item 3.02 of the Company’s Form 8-K filed on March 18, 2021 (File Number 001-35975), Form 8-K/A filed on March 23, 2021 (File Number 001-35975) and Form 8-K filed on April 13, 2021 (File Number 001-35975) is incorporated by reference herein.

b) Use of Proceeds from Public Offering of Common Stock

None.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

None.

ITEM 5. Other Information

None.

ITEM 6. Exhibits

Exhibit Number	Description of Exhibits
4.1	Registration Rights Agreement, dated as of April 9, 2021, by and among Gogo Inc., Silver (XII) Holdings, LLC and Silver (Equity) Holdings, LP (incorporated by reference to Exhibit 10.2 to Form 8-K filed on April 14, 2021 (File Number 001-35975))
4.2	Amendment to the Registration Rights Agreement, dated as of April 9, 2021, by and between Gogo Inc. (f/k/a AC HoldCo Inc.) and Thorndale Farm Gogo, LLC (as assignee to the interests of the Thorne Investors, as defined therein) (incorporated by reference to Exhibit 10.3 to Form 8-K filed on April 14, 2021 (File Number 001-35975))
10.1	Exchange Agreement, dated as of April 1, 2021, by and between Gogo Inc. and Silver (XII) Holdings, LLC (incorporated by reference to Exhibit 10.1 to Form 8-K filed on April 14, 2021 (File Number 001-35975))
10.2	Commitment Letter, dated as of March 31, 2021, by and among Gogo Inc., Morgan Stanley Senior Funding, Inc., Credit Suisse AG, Cayman Islands Branch, Credit Suisse Loan Funding LLC, Deutsche Bank AG New York Branch and Deutsche Bank Securities Inc.
10.3	Credit Agreement, dated as of April 30, 2021, among Gogo Inc., Gogo Intermediate Holdings LLC, the lenders and issuing banks party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated by reference to Exhibit 10.1 to Form 8-K filed on May 3, 2021 (File Number 001-35975))
10.4	Guarantee Agreement, dated as of April 30, 2021, among Gogo Inc., Gogo Intermediate Holdings LLC and certain of its subsidiaries, and Morgan Stanley Senior Funding, Inc., as collateral agent. (incorporated by reference to Exhibit 10.2 to Form 8-K filed on May 3, 2021 (File Number 001-35975))
10.5	Collateral Agreement, dated as of April 30, 2021, among Gogo Inc., Gogo Intermediate Holdings LLC and certain of its subsidiaries, and Morgan Stanley Senior Funding, Inc., as collateral agent (incorporated by reference to Exhibit 10.3 to Form 8-K filed on May 3, 2021 (File Number 001-35975))
10.6#	Director Compensation Policy, effective March 4, 2021
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 Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

# Indicates management contract or compensatory plan or arrangement.
* This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (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 and 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 6, 2021

Gogo Inc.

/s/ Oakleigh Thorne
Oakleigh Thorne
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Barry Rowan
Barry Rowan
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.2

MORGAN STANLEY SENIOR FUNDING, INC.

1585 Broadway

New York, NY 10036

CREDIT SUISSE AG

CREDIT SUISSE LOAN FUNDING LLC

Eleven Madison Avenue

New York, NY 10010

DEUTSCHE BANK AG NEW YORK BRANCH

DEUTSCHE BANK SECURITIES INC.

60 Wall Street

New York, NY 10005

CONFIDENTIAL

March 31, 2021

Gogo Inc.
111 N. Canal St.
Chicago, IL 60606
Attention: Barry Rowan

Project G
Commitment Letter

Ladies and Gentlemen:

You have advised Morgan Stanley Senior Funding, Inc. ("***MSSF***"), Credit Suisse AG (acting through any of its affiliates or branches as it deems appropriate "***CS***"), Credit Suisse Loan Funding LLC ("***CSLF***" and together with CS, "***Credit Suisse***"), and Deutsche Bank AG New York Branch ("***DBNY***") and Deutsche Bank Securities, Inc. ("***DBSI***" and together with DBNY, "***DB***"; MSSF, Credit Suisse and DB are collectively referred to herein as "***we,***" "***us***" and each a "***Commitment Party***", and together with any Additional Commitment Parties appointed in accordance with Section 2, the "***Commitment Parties***") that Gogo Inc., a Delaware corporation ("***Holdings***" or "***you***"), and Gogo Intermediate Holdings LLC, a Delaware limited liability company (the "***Borrower***") intend to consummate the Transactions described and defined in the attached Exhibit A. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Summary of Principal Terms and Conditions attached hereto as Exhibit A (the "***Term Sheet***", this commitment letter, the Term Sheet and the Summary of Additional Conditions attached hereto as Exhibit B. collectively, the "***Commitment Letter***"). All references to "***dollars***" or "***$***" in this Commitment Letter and the Fee Letter are references to United States dollars. Commitments.

In connection with the Transactions, each of MSSF, CS and DBNY (and any other Initial Lender appointed in accordance with Section 2 below, each an "***Initial Lender***," and collectively, the "***Initial Lenders***") hereby commits to provide the portion of the entire aggregate principal amount of the Senior Credit Facilities in the amount set forth opposite such Initial Lender's name on Schedule 1 hereto (as such schedule may be amended or supplemented in accordance with the terms of this Commitment Letter), in each case subject only to the satisfaction or waiver of the conditions referenced in Section 5 hereof. The commitments of the Initial Lenders and any Additional Commitment Party hereunder will be several and not joint.

1. Titles and Roles.

It is agreed that (i) MSSF, CSLF and DBSI will act as lead arrangers for the Senior Credit Facilities (together with any other lead arranger appointed pursuant to this paragraph, each a "***Lead Arranger***" and, collectively, the "***Lead Arrangers***"), (ii) MSSF, CSLF and DBSI will act as joint bookrunners for the Senior Credit Facilities (together with any other bookrunner appointed pursuant to this paragraph, each a "***Joint Bookrunner***" and, collectively with the Lead Arrangers, the "***Joint Bookrunners***"), and (iii) MSSF will act as administrative agent and collateral agent for the Senior Credit Facilities (in such capacities, the "***Administrative Agent***"). It is further agreed that MSSF shall have "***left side***" designation and shall appear on the top left of any Information Materials (as defined below) and all other offering or marketing materials in respect of the Senior Credit Facilities. You agree that no other agents, co-agents, arrangers or bookrunners will be appointed, no other titles will be awarded and no compensation (other than compensation expressly contemplated by this Commitment Letter and the Fee Letter referred to below) will be required to be paid to any Lender (as defined below) expressly in order to obtain its commitment to participate in the Senior Credit Facilities unless you and we shall so agree; *provided* that within seven (7) business days after the date of your acceptance of this Commitment Letter (the "***Signing Date***") and prior to the Closing Date, you may appoint up to (i) 3 additional lead arrangers, joint bookrunners, agents or co-agents (the "***Additional Commitment Parties***") with respect to the Senior Credit Facilities and such appointees shall receive no more than 10% of the aggregate economics of each of the Senior Credit Facilities (it being understood that, to the extent you appoint additional agents, co-agents, lenders or bookrunners or confer other titles in respect of any Senior Credit Facility, such financial institution or affiliates thereof shall commit to providing a percentage of the aggregate principal amount of the Senior Credit Facilities at least commensurate with the economics and fees awarded to such financial institution and its affiliates, shall assume a pro rata portion of the commitments across the Senior Credit Facilities, and the commitments of the Initial Lenders in respect of the Senior Credit Facilities will be reduced in aggregate by the amount of the commitments of such Additional Commitment Parties (or their relevant affiliates), with such reduction allocated to reduce the commitments of the Initial Lenders on the date hereof on a pro rata basis according to the respective amounts of their commitments, unless each of the Initial Lenders in respect of the Senior Credit Facilities otherwise consents in writing, and, upon the execution by such financial institution (and any relevant affiliate) of customary joinder documentation or an amendment to this Commitment Letter and the Fee Letter, thereafter, each such financial institution (and any relevant affiliate) shall constitute a "Commitment Party" and, "Joint Bookrunner" hereunder and thereunder and it or its relevant affiliate providing such commitment shall constitute an "Initial Lender" hereunder and thereunder); *provided further* that in no event shall the Initial Lenders party hereto on the date hereof receive a lesser percentage of the commitments in respect of the Senior Credit Facilities (in each case, and corresponding economics) than any Joint Bookrunner appointed after the date hereof. We agree to execute such customary joinder agreements and amendments to this Commitment Letter and the Fee Letter as you may reasonably request and that are reasonably acceptable to us in connection with your appointment rights pursuant to this Section 2.

2. <u>Syndication.</u>

The Joint Bookrunners reserve the right, prior to, on or after the Closing Date (as defined below), but subject to the limitations set forth herein, to syndicate all or a portion of the Initial Lenders' respective commitments hereunder to a group of banks, financial institutions and other institutional lenders and investors (together with the Initial Lenders, the "***Lenders***") identified by the Joint Bookrunners in consultation with you and reasonably acceptable to you; ***provided*** that (a) we agree not to syndicate our commitments to (i) competitors of you, the Borrower and your respective subsidiaries identified by you to us in writing from time to time, (ii) (x) any persons that are engaged as principals primarily in private equity, mezzanine financing or venture capital and (y) certain banks, financial institutions, other institutional lenders and other entities, in each case of (x) and (y) that have been specified to us by you in writing on or prior to the date hereof and (iii) as to any entity referenced in each case of clauses (i) and (ii) above (the "***Primary Disqualified Institution***"), any of such Primary Disqualified Institutions's known affiliates or affiliates identified in writing to us or otherwise readily identifiable by name, but excluding any affiliate that is primarily engaged in, or that advises funds or other investment vehicles that are engaged in, making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit or securities in the ordinary course and with respect to which the Primary Disqualified Institution does not, directly or indirectly, possess the power to direct or cause the direction of the investment policies of such entity (clauses (i), (ii) and (iii) above collectively, the "***Disqualified Institutions***") and that no Disqualified Institutions may become Lenders **(*provided*, *further*** that any additional designation permitted by the foregoing shall not apply retroactively to any prior assignment to any Lender (or prior participation in the Senior Credit Facilities) permitted hereunder at the time of such assignment (or prior participation in the Senior Credit Facilities)) and (b) notwithstanding the Joint Bookrunners' right to syndicate the Senior Credit Facilities and receive commitments with respect thereto, and other than, upon execution and delivery of a joinder agreement or an amendment to this Commitment Letter and/or the Fee Letter, in connection with any assignment to an Additional Commitment Party in respect of the amount allocated to such Additional Commitment Party pursuant to such joinder agreement or amendment, (i) no Initial Lender shall be relieved, released or novated from its obligations hereunder, including its obligation to fund the Senior Credit Facilities on the date of the consummation of the Transactions with the proceeds of the initial funding under the Senior Credit Facilities (the date of such funding, the "***Closing Date***") in connection with any syndication, assignment or participation of the Senior Credit Facilities, including its commitments in respect thereof, until after the initial funding under the Senior Credit Facilities on the Closing Date has occurred, (ii) no assignment or novation shall become effective (as between you and the Initial Lenders) with respect to all or any portion of any Initial Lender's commitments in respect of the Senior Credit Facility, as applicable, until the initial funding of the Senior Credit Facilities has occurred and (iii) unless you otherwise agree in writing, each Initial Lender shall retain exclusive control over all rights and obligations with respect to its commitments in respect of the Senior Credit Facilities, including all rights with respect to consents, modifications, supplements, waivers and amendments, until the initial funding under the Senior Credit Facilities on the Closing Date has occurred; *provided* that the preceding clauses (b)(i) through (iii) shall not apply to any reduction of commitments in connection with the appointment of any additional bookrunner pursuant to Section 2 above.

Without limiting your obligations to assist with syndication efforts as set forth herein, it is understood that the Initial Lenders' commitments hereunder are not conditioned upon the syndication of, or receipt of commitments in respect of, the Senior Credit Facilities and in no event shall the commencement or successful completion of syndication of the Senior Credit Facilities constitute a condition to the availability of the Senior Credit Facilities on the Closing Date. In consultation with you, the Joint Bookrunners shall commence syndication efforts with respect to the Senior Credit Facilities promptly after the date hereof and, as part of their syndication efforts, it is their intent to have Lenders commit to the Senior Credit Facilities as soon as possible after the Acceptance Date and prior to the Closing Date (subject to the limitations set forth in the preceding paragraph). Until the earlier of (i) the date upon which a Successful Syndication (as defined in the Fee Letter referred to below) is achieved and (ii) the date that is 30 days after the Closing Date (such earlier date, the "***Syndication Date***"), you agree to assist the Joint Bookrunners in completing a syndication that is reasonably satisfactory to us and you. Such assistance shall be limited to (a) your using commercially reasonable efforts to ensure that any syndication efforts benefit from your existing lending and investment banking relationships, (b) your providing direct contact (which may be telephonic) between appropriate members of senior management, certain representatives and certain non-legal advisors of you, on the one hand, and the proposed Lenders, on the other hand, in all such cases at times mutually agreed upon, (c) your assistance in the preparation of the Information Materials and other customary offering and marketing materials to be used in connection with the syndication, (d) using your commercially reasonable efforts, with our assistance, to procure prior to or concurrent with the launch of syndication, at your expense, public ratings (but not specific ratings) for the Senior Credit Facilities from each of Standard & Poor's Ratings Services ("***S&P***") and Moody's, Investors Service, Inc. ("***Moody's***") and a public corporate credit rating and a public corporate family rating (but not specific ratings in either case) in respect of the Borrower after giving effect to the Transactions from each of S&P and Moody's, respectively, (e) the hosting, with the

Joint Bookrunners, of one meeting (which may be telephonic) of prospective Lenders at a time and location to be mutually agreed upon and (f) prior to the later of Closing Date and the Syndication Date, there being no competing issues, offerings or placements of debt securities or commercial bank or other syndicated credit facilities by or on behalf of you or any of your subsidiaries being offered, placed or arranged (other than (1) the Senior Credit Facilities, (2) replacements, extensions and renewals of existing indebtedness that matures prior to the Closing Date, (3) intercompany indebtedness, deferred purchase price obligations and debt incurred in the ordinary course of business (including working capital facilities, capital leases, purchase money and equipment financings and letters of credit) and (4) indebtedness in respect of which a fee is payable pursuant to the Fee Letter) without the consent of the Joint Bookrunners, if such issuance, offering, placement or arrangement would reasonably be expected to materially impair the primary syndication of the Senior Credit Facilities (it being understood that working capital debt (including drawings under the Borrower's existing asset based revolving credit facility) and ordinary course debt will not materially impair the syndication of the Senior Credit Facilities). Notwithstanding anything to the contrary contained in this Commitment Letter or the Fee Letter or any other letter agreement or undertaking concerning the financing of the Transactions to the contrary, neither the obtaining of the ratings referenced above nor the compliance with any of the other provisions set forth in this Commitment Letter (other than as set forth in paragraph 5 hereto or on Exhibit B) shall constitute a condition to the commitments hereunder or the funding of the Senior Credit Facilities on the Closing Date. For the avoidance of doubt, you will not be required to provide any information to the extent that the provision thereof would violate any attorney-client privilege, law, rule or regulation, fiduciary duty, binding agreement or any obligation of confidentiality (not created in contemplation hereof) binding on you or your or its respective affiliates; provided that in the event that you do not provide information in reliance on the exclusions in this sentence, you shall use your commercially reasonable efforts to provide notice to the Lead Arrangers promptly upon obtaining knowledge that such information is being withheld; ***provided***, ***further***, that none of the foregoing shall be construed to limit any of your or the Borrower's representations and warranties set forth in Section 4 of this Commitment Letter (and any corresponding representation in the Information Memorandum or the Senior Credit Facilities Documentation, as applicable).

The Joint Bookrunners, in their capacities as such, will manage, in frequent consultation with you, all aspects of any syndication of the Senior Credit Facilities, including decisions as to the selection of institutions to be approached and when they will be approached, when their commitments will be accepted, which institutions will participate, the allocation of the commitments among the Lenders and the amount and distribution of fees among the Lenders (subject, in each case, to your consent rights set forth in the second preceding paragraph and excluding Disqualified Institutions). To assist the Joint Bookrunners in their syndication efforts, you agree to promptly prepare and provide to us all customary and reasonably available information with respect to you and each of your and its respective subsidiaries and the Transactions, including customary financial information and projections prepared by the Borrower and reasonably available to you (including financial estimates, forecasts and other forward-looking information, the "***Projections***"), as the Joint Bookrunners may reasonably request in connection with the structuring, arrangement and syndication of the Senior Credit Facilities. For the avoidance of doubt, you will not be required to provide (i) any financial information (other than the financial statements referenced in numbered paragraph 2 of Exhibit B hereto) that you do not maintain in the ordinary course of business, (ii) any other information not reasonably available to the Borrower under its current reporting systems or (iii) trade secrets or information to the extent that the provision thereof would violate any law, rule or regulation, or any obligation of confidentiality binding upon, or waive any privilege that may be asserted by you or any of your respective affiliates; ***provided*** that in the event you do not provide information pursuant to clause (iii) above in reliance on this sentence, you shall provide notice to the Joint Bookrunners that such information is being withheld to the extent you are able to do so without violating the applicable obligation or waiving privilege; ***provided***, ***further***, that none of the foregoing shall be construed to limit any of your or the Borrower's representations and warranties set forth in Section 4 of this Commitment Letter (and any corresponding representation in the Information Memorandum or the Senior Credit Facilities Documentation, as applicable). Notwithstanding anything herein to the contrary, the only financial statements that shall be required to be provided to the Commitment Parties in connection with the syndication of the Credit Facilities shall be those required to be delivered pursuant to clause 2 of Exhibit B hereto.

You hereby acknowledge that (a) the Joint Bookrunners will make available Information (as defined below), the Projections and other customary offering and marketing materials and presentations, including a confidential lender presentation to be used in connection with the syndication of the Senior Credit Facilities (the "***Information Memorandum***") (such Information, Projections, other customary offering and marketing materials and the Information Memorandum (all of which, when taken as a whole, shall be in form and substance no less favorable to the Borrower and its affiliates than confidential information memoranda and other marketing materials for recent transactions of the Borrower and other affiliates of the Borrower, as modified to take into account the Transactions), collectively, with the Term Sheet, the "***Information Materials***") on a confidential basis to the proposed syndicate of Lenders by posting the Information Materials on Intralinks, Debt X, SyndTrak Online or by similar electronic means and (b) certain of the Lenders may be "***public side***" Lenders who may be engaged in investment and other market-related activities with respect to you or your respective securities that do not wish to receive material information within the meaning of federal and state securities laws with respect to you or your or their securities that is not publicly available or is of a type that would customarily be publicly disclosed (as reasonably determined by you) and has not been made available on EDGAR ("***MNPI***") (such Lenders each, a "***Public Sider***" and each Lender that is not a Public Sider, a "***Private Sider***").

At the reasonable request of the Joint Bookrunners, you agree to assist us in preparing an additional version of the Information Materials to be used in connection with the syndication of the Senior Credit Facilities that does not include MNPI (all such information and documentation being "***Public Information***") to be used by Public Siders. It is understood that in connection with your assistance described above, at our reasonable request, the Borrower shall provide us with customary authorization letters for inclusion in any Information Materials that authorize the distribution thereof to prospective Lenders and shall confirm that the additional version of the Information Materials does not include any information that would be MNPI (other than information about the Transactions or the Senior Credit Facilities) and the Information Materials shall exculpate you,the Borrower, the affiliates of the Borrower and us and our affiliates with respect to any liability related to the use or misuse of the contents of the Information Materials or related offering and marketing materials by the recipients thereof. Before distribution of any Information Materials, you agree to use commercially reasonable efforts to identify that portion of the Information Materials that may be distributed to the Public Siders as containing solely "***Public Information,***" which, at a minimum, shall mean that the word "***PUBLIC***" shall appear prominently on the first page thereof. By marking Information Materials as "***PUBLIC,***" you shall be deemed to have authorized the Commitment Parties and the proposed Lenders to treat such Information Materials as not containing any MNPI (it being understood that you shall not be under any obligation to mark any particular Information Materials "***PUBLIC***"). You agree that, unless expressly identified as "***Public Information,***" each document to be disseminated by the Joint Bookrunners (or any other agent) to any Lender in connection with the Senior Credit Facilities will be deemed to contain MNPI and we will not make any such materials available to Public Siders.

You acknowledge and agree that, subject to the confidentiality and other provisions of this Commitment Letter, the following documents may be distributed to both Private Siders and Public Siders *(provided* that such materials have been provided to you and your counsel for review a reasonable period of time prior thereto), unless you advise the Joint Bookrunners in writing (including by email) within a reasonable time prior to their intended distribution that such materials should only be distributed to Private Siders: (a) administrative materials prepared by the Joint Bookrunners for prospective Lenders (such as a lender meeting invitation, bank allocation, if any, and funding and closing memoranda), (b) term sheets and notification of changes in the Senior Credit Facilities' terms and conditions and (c) drafts and final versions of the Senior Credit Facilities documentation (the "***Senior Credit Facilities Documentation***"). If you so advise us in writing within a reasonable period of time (including by email) prior to dissemination that any of the foregoing should be distributed only to Private Siders, then Public Siders will not receive such materials from the Joint Bookrunners without your consent (which consent shall not be unreasonably withheld, delayed or conditioned). You will be solely responsible for the contents of the Information Memorandum and each of the Commitment Parties shall be entitled to use and rely upon the information contained therein without responsibility for independent verification thereof.

Neither the commencement nor the completion of any syndication of the Senior Credit Facilities (including a Successful Syndication), nor the receipt of the ratings described above, nor compliance with the foregoing provisions of this Section 2, will constitute a condition to the commitments of the Initial Lenders hereunder.

3. Information.

You hereby represent and warrant that, (a) all written factual information and written data (other than the Projections and other than information of a general economic or industry specific nature, the "***Information***"), that has been or will be made available to any Commitment Party by you or by any of your representatives on your behalf in connection with the Transactions contemplated hereby, when taken as a whole after giving effect to all supplements and updates provided thereto, is or will be, when furnished, correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (b) the Projections that have been or will be made available to any Commitment Party by you or by any of your representatives on your behalf in connection with the Transactions contemplated hereby have been, or will be, prepared in good faith based upon assumptions that are believed by you to be reasonable at the time prepared and at the time the related Projections are so furnished; it being understood that the Projections are as to future events and are not to be viewed as facts, the Projections are subject to significant uncertainties and contingencies, many of which are beyond your control, that no assurance can be given that any particular Projections will be realized and that actual results during the period or periods covered by any such Projections may differ significantly from the projected results and such differences may be material. You agree that, if at any time prior to the later of the Closing Date and the Syndication Date, you become aware that any of the representations and warranties in the preceding sentence would be incorrect in any material respect if the Information and the Projections were being furnished, and such representations were being made, at such time, then you will promptly supplement the Information and the Projections such that such representations and warranties are correct in all material respects under those circumstances. The making or accuracy of the foregoing representation and warranties, whether or not cured, shall not be a condition to the obligations of the Commitment Parties hereunder. In arranging and syndicating the Senior Credit Facilities, each of the Commitment Parties (i) will be entitled to use and rely primarily on the Information and the Projections without responsibility for independent verification thereof and (ii) does not assume responsibility for the accuracy or completeness of the Information or the Projections.

4. Fees.

As consideration for the commitments of the Initial Lenders hereunder and for the agreement of the Administrative Agents and the Joint Bookrunners to perform the services described herein, you agree to pay (or cause to be paid) the fees set forth in the Term Sheet and in the Fee Letter dated the date hereof and delivered herewith with respect to the Senior Credit Facilities (the "***Fee Letter***"), if and to the extent payable. Once paid, such fees shall not be refundable under any circumstances except as otherwise expressly agreed in writing.

5. Conditions.

Notwithstanding anything in this Commitment Letter, the Fee Letter, the Senior Credit Facilities Documentation or any other letter agreement or other undertaking concerning the financing of the transactions contemplated hereby to the contrary, the commitments of the Initial Lenders hereunder to fund the Senior Credit Facilities on the Closing Date and the agreements of the Administrative Agent and the Joint Bookrunners to perform the services described herein are subject solely to (a) the conditions in the immediately following paragraph in this Section 5, (b) the conditions in the section entitled "***Initial Conditions***" in Exhibit A hereto, and (c) the conditions set forth in Exhibit B hereto (clauses (a) - (c) collectively, the "***Exclusive Funding Conditions***") and, upon satisfaction (or waiver by each Commitment Party) of such Exclusive Funding Conditions, the initial funding of the Senior Credit Facilities shall occur. There are no conditions (implied or otherwise) to the commitments hereunder, and there will be no conditions (implied or otherwise) under the Senior Credit Facilities Documentation to the initial funding of the Senior Credit Facilities on the Closing Date, including compliance with the terms (but not the conditions) of this Commitment Letter, the Fee Letter and the Senior Credit Facilities Documentation, other than the Exclusive Funding Conditions.

Subject to the Conditionality Provision (as defined below), in addition, the commitments of the Initial Lenders hereunder are subject to the execution and delivery by the Borrower and the Guarantors (as defined below), as applicable, of, (a) the Senior Credit Facilities Documentation, which shall be drafted by counsel to the Borrower and shall be consistent with Documentation Precedent (as defined below), the Commitment Letter, the Term Sheet and Fee Letter as described in the "***Certain Documentation Matters***" paragraph contained in Exhibit A hereto with respect to the Senior Credit Facilities Documentation, subject to the Conditionality Provision, and (b) delivery of customary legal opinions, customary closing officer's certificate (certifying as to authorizing resolutions, organizational documents and incumbency), good standing certificates of the jurisdiction of organization of the Borrower, Holdings and the other Guarantors, and a solvency certificate of a senior financial officer of Holdings or the Borrower in substantially the form of Annex I to Exhibit B hereto. For purposes of this Commitment Letter, the Term Sheet and the Fee Letter, the Senior Credit Facilities Documentation shall be consistent with the Documentation Precedent and "***Documentation Precedent***" shall mean the definitive documentation for the senior secured first lien credit facilities incurred by CommerceHub, Inc., a Delaware corporation, dated December 29, 2020, with (a) modifications as are necessary to reflect the other terms set forth in this Commitment Letter and the Fee Letter and to give due regard to the Model (as defined in Exhibit A hereto), the operational and strategic requirements of the Borrower and its subsidiaries in light of their industries, businesses, geographic locations, business practices, public securities, FCC matters, financial accounting and proposed business plan, (b) modifications to reflect changes in law or accounting standards since the date of such precedent, (c) with respect to basket amounts and leverage-based thresholds and subject to clause (a), with modifications to reflect the Closing Date leverage and Consolidated EBITDA of Borrower (defined consistent with Documentation Precedent) and (d) modifications to reflect administrative and operational requirements of the Administrative Agent.

Notwithstanding anything in this Commitment Letter (including each of the exhibits attached hereto), the Fee Letter, the Senior Credit Facilities Documentation or any other letter agreement or other undertaking concerning the financing of the Transactions to the contrary, (i) [reserved] and (ii) the terms of the Senior Credit Facilities Documentation shall be in a form such that they do not impair the availability of the Senior Credit Facilities on the Closing Date if the conditions set forth in this Section 5, in the section entitled "***Conditions to Initial Borrowing***" in Exhibit A hereto, and in Exhibit B hereto are satisfied or waived (it being understood that, to the extent any lien search, insurance certificate or endorsement or security interest in any Collateral is not or cannot be provided and/or perfected on the Closing Date (other than the pledge and perfection of the security interests in equity securities of the Borrower and its material, wholly owned domestic subsidiaries (to the extent required under the terms of Exhibit A and B hereto) and assets with respect to which a lien may be perfected by the filing of a financing statement under the Uniform Commercial Code)) after your use of commercially reasonable efforts to do so or without undue burden or expense, then the provision and/or delivery of any lien search, insurance certificate or endorsement or the provision and/or perfection of a security interest in such Collateral shall not constitute a condition precedent to the availability of the Senior Credit Facilities on the Closing Date, but instead shall be required to be provided and/or delivered within ninety (90) days after the Closing Date (or such later date as agreed by the Administrative Agent) pursuant to arrangements and timing to be mutually agreed by the Administrative Agent and the Borrower acting reasonably (or, in the case of any possessory collateral, within ninety (90) days after the Closing Date (or such later date as reasonably agreed by the Administrative Agent) giving due regard to stay at home, social distancing and other COVID-19 related measures limiting physical interaction (including any quarantine, "shelter in place," "stay at home," workforce reduction, facility capacity limitation, social distancing, shut down, closure, sequester, safety or similar applicable law, directive, guidelines or recommendations promulgated by any governmental authority, including the Centers for Disease Control and Prevention and the World Health Organization, in each case, in connection with or in response to the disease known as "COVID-19," including the CARES Act and Families First Act). This paragraph, and the provisions herein, shall be referred to as the "***Conditionality Provision.***"

The Initial Lenders and the Joint Bookrunners will negotiate in good faith and cooperate with you as reasonably requested in coordinating the timing and procedures for the allocation and funding of the Senior Credit Facilities.

6. Indemnity.

To induce the Commitment Parties to enter into this Commitment Letter and the Fee Letter and to proceed with the documentation of the Senior Credit Facilities, you agree (a) to indemnify and hold harmless each Commitment Party, its respective affiliates and the respective officers, members, partners, directors, employees, agents, advisors, controlling persons and other representatives of each of the foregoing, in each case other than an Excluded Party (each, an "***Indemnified Person***")**,** from and against any and all losses, claims, damages and liabilities of any kind or nature and reasonable and documented out-of-pocket fees and expenses, joint or several, to which any such Indemnified Person may become subject to the extent arising out of, resulting from or in connection with any claim, litigation, investigation or proceeding resulting from this Commitment Letter (including the Term Sheet), the Fee Letter, the Transactions, the Senior Credit Facilities or any use of the proceeds thereof (any of the foregoing, a "***Proceeding***"), regardless of whether any such Indemnified Person is a party thereto, whether or not such Proceedings are brought by you, your equity holders, affiliates, creditors, or any other third person, and to reimburse each such Indemnified Person within thirty (30) days of written demand (together with reasonable supporting documentation) for any reasonable and documented out-of-pocket legal expenses of one firm of counsel for all such Indemnified Persons, taken as a whole and, if necessary, of a single local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) material to the interests of all such Indemnified Persons, taken as a whole (but limited in the case of fees and expenses of any other advisor or consultant, solely to the extent you have consented to the retention of such person (such consent not to be unreasonably withheld or delayed) and, in the case of an actual or potential conflict of interest where the Indemnified Person affected by such conflict retains its own counsel and informs you, of one other firm of counsel for such affected Indemnified Person) (or otherwise as agreed by Borrower) and other reasonable and documented (together with reasonable supporting documentation) out-of-pocket fees and expenses incurred in connection with investigating or defending any of the foregoing; *provided* that the foregoing indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent that they arise from (i) the willful misconduct, bad faith or gross negligence of such Indemnified Person or any of such Indemnified Person's affiliates or controlling persons or any of its or their respective officers, directors, employees, agents, advisors or other representatives (as determined by a court of competent jurisdiction in a final and non-appealable decision), (ii) a material breach of the obligations of such Indemnified Person or any of such Indemnified Person's affiliates under this Commitment Letter, the Term Sheet or the Fee Letter by any Indemnified Person (or any such Indemnified Person's affiliates or controlling persons or the respective directors, officers, employees, partners, advisors, trustees, agents or other representative of each of the foregoing) (as determined by a court of competent jurisdiction in a final and non-appealable decision) or (iii) any Proceeding that does not involve an act or omission by you or any of your affiliates and that is brought by an Indemnified Person against any other Indemnified Person (other than any claims against a Commitment Party in its capacity or in fulfilling its role as the Administrative Agent, arranger or any similar role under the Senior Credit Facilities) and (b) to the extent that the Closing Date occurs, to reimburse the Administrative Agent from time to time, upon presentation of a detailed statement (together with reasonable supporting documentation), for all reasonable and documented (together with reasonable supporting documentation) out-of-pocket expenses, syndication expenses, travel expenses and reasonable fees, disbursements and other charges of one firm of counsel to the Administrative Agent and the Commitment Parties, collectively, as specified in the Term Sheet and of a single local counsel to the Commitment Parties in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) (and, in the case of an actual or potential conflict of interest where the Indemnified Person affected by such conflict retains its own counsel and informs you, of one other firm of counsel for such affected Indemnified Person) (but limited to in the case of the fees and expenses of other advisors or consultants, solely to the extent you have consented to the retention of such person (such consent not to be unreasonably withheld or delayed) and of such other counsel retained with your prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned) or retained in connection with enforcement of this Commitment Letter or the Fee Letter, in each case incurred in connection with the Senior Credit Facilities and the preparation, negotiation and enforcement of this Commitment Letter, the Fee Letter, the Senior Credit Facilities Documentation and any security arrangements in connection therewith (collectively, the "***Expenses***"). The foregoing provisions in this paragraph shall be superseded by the applicable provisions contained in the Senior Credit Facilities Documentation upon execution thereof and thereafter shall have no further force and effect. It is further agreed that the Initial Lenders shall be severally liable in respect of their respective commitments to the Senior Credit Facilities on a several, and not joint, basis with any other Initial Lender, and no Initial Lender shall be responsible for the commitment of any other Initial Lender.

You shall not, without the prior written consent of any Indemnified Person (which consent shall not be unreasonably withheld, delayed or conditioned), effect any settlement of any pending or threatened proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability or claims that are the subject matter of such proceedings and (ii) does not include any statement as to or any admission of fault, culpability, wrongdoing or a failure to act by or on behalf of such Indemnified Person.

You shall not be liable for any settlement of any Proceeding effected without your consent (which consent shall not be unreasonably withheld, delayed or conditioned), but if settled with your written consent or if there is a final judgment by a court of competent jurisdiction in any such Proceeding, you agree to indemnify and hold harmless each Indemnified Person from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with the other provisions of this Section 6.

Notwithstanding any other provision of this Commitment Letter or the Fee Letter, (i) no Indemnified Person shall be liable for any damages arising from the use by others of information or other materials obtained through internet, electronic, telecommunications or other information transmission systems, except to the extent that such damages have resulted from the willful misconduct, bad faith, gross negligence of, or a material breach of the obligations under this Commitment Letter, the Term Sheet or the Fee Letter by, such Indemnified Person or any of such Indemnified Person's affiliates or any of its or their respective officers, directors, employees, agents, advisors, controlling persons or other representatives (as determined by a court of competent jurisdiction in a final and non-appealable decision) and (ii) none of we, you, your affiliates or any Indemnified Person shall be liable for any indirect, special, punitive or consequential damages in connection with this Commitment Letter, the Fee Letter or the Transactions (including the Senior Credit Facilities and the use of proceeds thereunder), or with respect to any activities related to the Senior Credit Facilities, including the preparation of this Commitment Letter, the Fee Letter and the Senior Credit Facilities Documentation; provided that nothing contained in this paragraph shall limit your indemnity and reimbursement obligations to the extent set forth in the third immediately preceding paragraph. Notwithstanding the foregoing each indemnified person will be obligated to refund and return promptly any and all amounts paid by you under this Section 6 to the extent it has been determined by a court of competent jurisdiction in a final and non-appealable decision that such indemnified person is not entitled to payment of such amounts in accordance with the terms hereof.

7. Sharing of Information. Absence of Fiduciary Relationships. Affiliate Activities.

You acknowledge that the Commitment Parties and their respective affiliates may be providing debt financing, equity capital or other services (including, without limitation, financial advisory services) to other persons in respect of which you and your affiliates may have conflicting interests regarding the transactions described herein and otherwise. The Commitment Parties and their respective affiliates will not use confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or their other relationships with you in connection with the performance by them or their respective affiliates of services for, or the provision by them or their respective affiliates of debt or equity financing for, other persons, and none of the Commitment Parties or their respective affiliates will furnish any such information to other persons, except to the extent permitted below. You also acknowledge that none of the Commitment Parties or their respective affiliates has any obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained by them from other persons.

As you know, certain of the Commitment Parties may be full service securities firms engaged, either directly or through their respective affiliates, in various activities, including securities trading, commodities trading, investment management, financing and brokerage activities and financial planning and benefits counseling for both companies and individuals. In the ordinary course of these activities, certain of the Commitment Parties or their respective affiliates may actively engage in commodities trading or trade the debt and equity securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of you and other companies which may be the subject of the arrangements contemplated by this Commitment Letter for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities. The Commitment Parties or their respective affiliates may also co-invest with, make direct investments in, and invest or co-invest client monies in or with funds or other investment vehicles managed by other parties, and such funds or other investment vehicles may trade or make investments in securities of you or other companies which may be the subject of the arrangements contemplated by this Commitment Letter or engage in commodities trading with any thereof.

The Commitment Parties and their respective affiliates may have economic interests that conflict with those of you. You agree that the Commitment Parties will each act under this letter as an independent contractor and that nothing in this Commitment Letter or the Fee Letter will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Commitment Parties and you, your equity holders or your affiliates. You acknowledge and agree that (i) the transactions contemplated by this Commitment Letter and the Fee Letter are arm's-length commercial transactions between the Commitment Parties and their respective affiliates, on the one hand, and you, on the other, (ii) in connection therewith and with the process leading to such transaction, the Commitment Parties and their respective affiliates are acting solely as a principal and not as agents or fiduciaries of you, your and their management, equityholders, creditors, affiliates or any other person, (iii) the Commitment Parties and their respective affiliates have not assumed an advisory or fiduciary responsibility or any other obligation in favor of you or your affiliates with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether the Commitment Parties or any of their respective affiliates have advised or are currently advising you on other matters) except the obligations expressly set forth in this Commitment Letter and the Fee Letter and (iv) you have consulted your own legal and financial advisors to the extent you deemed appropriate. You further acknowledge and agree that neither we nor any of our affiliates are advising you as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction and you are responsible for making your own independent judgment with respect to the transactions contemplated hereby and the process leading thereto. You agree that you will not claim that the Commitment Parties or their respective affiliates, as the case may be, have rendered advisory services in connection with the services provided pursuant to this Commitment Letter, or owe a fiduciary or similar duty to you or your affiliates, in connection with such transaction or the process leading thereto.

8. Confidentiality.

You agree that you will not disclose the Fee Letter and the contents thereof or this Commitment Letter, the Term Sheet, the other exhibits and attachments hereto and the contents of each thereof to any person or entity without prior written approval of the Commitment Parties (such approval not to be unreasonably withheld, conditioned or delayed), except (a) to your and any of your affiliates and your and their respective officers, directors, affiliates, agents, employees, attorneys, accountants, advisors, controlling persons or equity holders and to existing and potential equity investors who are informed of the confidential nature hereof and thereof (and, in each case, each of their attorneys) on a confidential and need-to-know basis, (b) if the Commitment Parties consent in writing to such proposed disclosure or (c) pursuant to the order of any court or administrative agency in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law or legal process or to the extent requested or required by governmental and/or regulatory authorities, in each case based on the reasonable advice of your legal counsel (in which case you agree, to the extent practicable and not prohibited by applicable law, rule or regulation to inform us promptly thereof prior to disclosure); ***provided*** that you may disclose (i) this Commitment Letter and its contents (but not the Fee Letter) in any syndication or other marketing materials in connection with the Senior Credit Facilities or in connection with any public release or filing relating to the Transactions, (ii) this Commitment Letter, Term Sheet and other exhibits and annexes to this Commitment Letter, and the contents thereof, to potential Lenders but not the Fee Letter (***provided*** that disclosure of the Fee Letter to potential Lenders shall be permitted to the extent in contemplation of adding such Lenders as additional agents, co-agents or bookrunners pursuant to Section 2 hereof (in each case on a confidential basis)) and to rating agencies in connection with obtaining ratings for the Borrower and the Senior Credit Facilities, (iii) the aggregate fee amounts contained in the Fee Letter as part of the Projections, pro forma information or a generic disclosure of aggregate sources and uses related to fee amounts related to the Transactions to the extent customary or required in offering and marketing materials for the Senior Credit Facilities or in any public release or filing relating to the Transactions, (iv) this Commitment Letter, the Term Sheet and other exhibits and annexes to this Commitment Letter, and the contents thereof, (but not the Fee Letter) to the extent that such information becomes publicly available other than by reason of improper disclosure by you in violation of any confidentiality obligations hereunder, (v) this Commitment Letter and the Fee Letter to the extent necessary in connection with the enforcement of your rights hereunder, (vi) this Commitment Letter, the Term Sheet and other exhibits and annexes to this Commitment Letter, and the contents thereof, (but not the Fee Letter) in any proxy, public filing, prospectus, offering memorandum, offering circular, syndication materials or other marketing materials in connection with the Transactions, including as may be required by the rules, regulations, schedules and forms of the Securities and Exchange Commission (the "***SEC***") in connection with any filings with the SEC in connection with the Transactions, or (vii) the Fee Letter on a confidential basis to persons performing customary accounting functions; provided that, the foregoing restrictions shall cease to apply after the Senior Credit Facilities Documentation shall have been executed and delivered by the parties thereto (other than in respect of the Fee Letter and the contents thereof). Notwithstanding anything to the contrary, your obligations under this paragraph will terminate on the second anniversary of the date hereof.

The Commitment Parties and their affiliates will use all information provided to them or such affiliates by or on behalf of you hereunder or in connection with the Transactions solely for the purpose of providing the services which are the subject of this Commitment Letter and shall treat confidentially all such information and shall not publish, disclose or otherwise divulge such information; *provided* that nothing herein shall prevent the Commitment Parties and their respective affiliates from disclosing any such information (a) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law, rule or regulation or compulsory legal process based on the advice of counsel (in which case the Commitment Parties agree (except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, to inform you promptly thereof prior to disclosure), (b) upon the request or demand of any regulatory authority having jurisdiction over the Commitment Parties or any of their respective affiliates (in which case the Commitment Parties agree, to the extent practicable and not prohibited by applicable law, to inform you promptly thereof prior to disclosure (except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority)), (c) to the extent that such information becomes publicly available other than by reason of improper disclosure by the Commitment Parties or any of their respective affiliates or any of their respective members, partners, officers, directors, employees, legal counsel, independent auditors, professionals and other experts or agents, advisors, controlling persons, service providers and other representatives (the "***Related Parties***") thereto in violation of any confidentiality obligations owing to you or any of your affiliates (including those set forth in this paragraph), (d) to the extent that such information is or was received by the Commitment Parties or their Related Parties from a third party that is not, to the Commitment Parties' or such Related Parties' knowledge, subject to contractual or fiduciary confidentiality obligations owing to you or any of your affiliates or Related Parties, (e) to the extent that such information is independently developed by the Commitment Parties or their Related Parties, (f) to the Commitment Parties' respective affiliates and partners and to its and their respective employees, directors, officers, legal counsel, independent auditors, professionals and other experts or agents (other than any of its affiliates that are engaged as principals primarily in private equity, mezzanine financing or venture capital or any of such affiliates' officers, directors, employees, legal counsel, independent auditors, professionals and other experts or agents (each, an "***Excluded Party***"), in each case other than a limited number of senior employees who are required, in accordance with industry regulations or the Commitment Party's internal policies and procedures, to act in a supervisory capacity) and the Commitment Party's internal legal, compliance, risk management, credit or investment committee members (collectively, the "***Representatives***") who need to know such information in connection with the Transactions and who are informed of the confidential nature of such information and are or have been advised of their obligation to keep information of this type confidential (*provided* that such Commitment Party shall be responsible for the compliance of its affiliates and Representatives with the provisions of this paragraph), (g) to potential or prospective Lenders, participants or assignees and to any direct or indirect contractual counterparty to any swap or derivative transaction relating to the Borrower or any of its subsidiaries, subject to the proviso below, (h) to ratings agencies, in connection with obtaining the ratings described in Section 2 hereof, in consultation and coordination with you, (i) for purposes of establishing a "due diligence" defense or to the extent necessary to enforce your rights and remedies hereunder or under the Fee Letter or (j) to the extent you shall have consented to such disclosure in writing; ***provided*** that (x) the disclosure of any such information to any Lenders or prospective Lenders or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender or prospective Lender or participant or prospective participant that such information is being disseminated on a confidential basis (on substantially the terms set forth in this paragraph or as is otherwise reasonably acceptable to you and each Commitment Party, including, without limitation, as agreed in any Information Materials or other marketing materials) in accordance with the standard syndication processes of such Commitment Party or customary market standards for dissemination of such type of information, which shall in any event require "***click through***" or other affirmative actions on the part of the recipient to access such information and (y) no such disclosure shall be made by such Commitment Party to any Disqualified Institution. The Commitment Parties' and their respective affiliates', if any, obligations under this paragraph shall terminate automatically and be superseded by the confidentiality provisions in the Senior Credit Facilities Documentation upon the initial funding thereunder. Notwithstanding anything to the contrary, this paragraph shall automatically terminate on the second anniversary of the date hereof.

9. Miscellaneous.

This Commitment Letter and the commitments hereunder shall not be assignable by any party hereto (other than (i) by you to the Borrower or (ii) by the Initial Lenders in connection with the appointment of an "additional agent" as contemplated by Section 1 hereof, in each case, without the prior written consent of each other party hereto (which consent shall not be unreasonably withheld, delayed or conditioned) (and any attempted assignment without such consent shall be null and void). This Commitment Letter and the commitments hereunder are, and are intended to be, solely for the benefit of the parties hereto (and Indemnified Persons to the extent expressly set forth herein) and do not, and are not intended to, confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and Indemnified Persons to the extent expressly set forth herein). Subject to the limitations set forth in Section 2 above, the Commitment Parties reserve the right to employ the services of their respective affiliates or branches (other than an Excluded Party) in providing services contemplated hereby and to allocate, in whole or in part, to their respective affiliates or branches certain fees payable to the Commitment Parties in such manner as the Commitment Parties and their respective affiliates or branches may agree in their sole discretion and, to the extent so employed, such affiliates and branches shall be entitled to the benefits and protections afforded to, and subject to the provisions governing the conduct of the Commitment Parties hereunder; *provided* that none of the Commitment Parties shall be relieved of any of its obligations hereunder in the event any affiliate, branch or controlled fund through which it shall perform its obligations shall fail to perform the same in accordance with the terms hereof and each Commitment Party must retain exclusive control over all rights and obligations with respect to its commitment prior to the Closing Date. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by each of the Commitment Parties and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile, scan, photograph or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter (including the exhibits hereto), together with the Fee Letter, (i) are the only agreements that have been entered into among the parties hereto with respect to the commitments relating to the Senior Credit Facilities and (ii) supersede all prior understandings, whether written or oral, among us with respect to the Senior Credit Facilities and set forth the entire understanding of the parties hereto with respect thereto. THIS COMMITMENT LETTER AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS COMMITMENT LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Commitment Letter and the transactions contemplated hereby (including without limitation amendments or other modifications, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any other similar and applicable state laws based on the Uniform Electronic Transactions Act.

Each Commitment Party, severally and not jointly, represents and warrants that this Commitment Letter and the Fee Letter constitute its legally valid and binding obligation, including an agreement to negotiate in good faith the Senior Credit Facilities Documentation (except as may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally), including to provide services set forth herein, to negotiate the Senior Credit Facilities Documentation in good faith and fund its commitment under the Senior Credit Facilities, in each case, enforceable at law and in equity in accordance with their terms and subject only to the conditions precedent as provided herein in Section 5, subject to the Conditionality Provision. You represent and warrant that this Commitment Letter and the Fee Letter constitute your legally valid and binding obligations (except as may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally), enforceable at law and in equity against you in accordance with their terms; ***provided*** that (i) nothing contained in this Commitment Letter or the Fee Letter obligates you or any of your affiliates to consummate the Transactions or to draw upon all or any portion of the Senior Credit Facilities and (ii) the making or accuracy of the foregoing representation and warranty shall not be a condition to the obligations of the Commitment Parties hereunder.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER OR THE FEE LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.

Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in the Borough of Manhattan in the City of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such action or proceeding shall be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby in any such New

York State court or in any such Federal court, (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and (d) agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the parties hereto agrees that service of process, summons, notice or document by registered mail addressed to you or us at the addresses set forth above shall be effective service of process for any suit, action or proceeding brought in any such court.

We hereby notify you that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "PATRIOT Act") and of 31 C.F.R. § 1010.230 (as amended, the "***Beneficial Ownership Regulations***"), each of us and each of the Lenders may be required to obtain, verify and record information that identifies the Borrower and the Guarantors, which information may include their names, addresses, tax identification numbers and other information that will allow each of us and the Lenders to identify the Borrower and the Guarantors in accordance with the PATRIOT Act and the Beneficial Ownership Regulations. This notice is given in accordance with the requirements of the PATRIOT Act and the Beneficial Ownership Regulations and is effective for each of us and the Lenders. You acknowledge that the Commitment Parties shall be permitted to share any or all such information with Lenders upon such request in accordance with the confidentiality obligations set forth herein.

The indemnification, compensation (if applicable), reimbursement (if applicable), jurisdiction, governing law, venue, waiver of jury trial, syndication (if applicable), survival, absence of fiduciary relationships and confidentiality provisions contained herein and in the Fee Letter shall remain in full force and effect regardless of whether Senior Credit Facilities Documentation shall be executed and delivered and notwithstanding the termination or expiration of this Commitment Letter or the Initial Lenders' commitments hereunder; provided that your obligations under this Commitment Letter (other (a) than assistance to be provided in connection with the syndication thereof (including supplementing and/or correcting Information and Projections) prior to the Syndication Date and (b) than your obligations with respect to confidentiality of the Fee Letter and the contents thereof), including compensation, reimbursement and indemnification, shall automatically terminate and be superseded by the applicable provisions of the Senior Credit Facilities Documentation upon the initial funding thereunder, and you shall automatically be released from all liability in connection therewith at such time. You may terminate this Commitment Letter, and/or on a pro rata basis, the Initial Lenders' commitments with respect to the Senior Credit Facilities (or portion thereof pro rata across the Senior Credit Facilities) hereunder at any time subject to the provisions of the preceding sentence.

Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Commitment Letter.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms of this Commitment Letter and of the Fee Letter by returning to the Commitment Parties hereto and thereto, executed counterparts hereof and of the Fee Letter not later than 11:59 p.m., New York City time, on April 2, 2021 (the "***Acceptance Date***"). The Initial Lenders' commitments and the obligations of the Joint Bookrunners hereunder will expire at such time in the event that we have not received such executed counterparts in accordance with the immediately preceding sentence. If you do so execute and deliver to the Commitment Parties party hereto this Commitment Letter and the Fee Letter, we agree to hold our commitments hereunder available for you until the earliest of (i) 5 pm (EST) on the forty-fifth (45th) day after the Acceptance Date and (ii) the Closing Date (such earliest date being the "***Termination Date***"). Upon the occurrence of the Termination Date, this Commitment Letter and the commitments of the Commitment Parties hereunder and the agreement of the Administrative Agents and the Joint

Bookrunners to provide the services described herein shall automatically terminate unless the Commitment Parties, in their discretion, agree to an extension in writing.

[*Signature Pages Follow*]

We are pleased to have been given the opportunity to assist you in connection with the financing for the Transactions.

Very truly yours,

MORGAN STANLEY SENIOR FUNDING, INC.

By: /s/ Joanne Braidi
Name: Joanne Braidi
Title: Authorized Signatory

Very truly yours,

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

By: /s/ William O'Daly
Name: William O'Daly
Title: Authorized Signatory

By: /s/ Andrew Griffin
Name: Andrew Griffin
Title: Authorized Signatory

CREDIT SUISSE LOAN FUNDING LLC

By: /s/ Maks Rodzinek
Name: Maks Rodzinek
Title: Managing Director

Very truly yours,

DEUTSCHE BANK AG NEW YORK BRANCH

By: /s/ Joseph Devine
Name: Joseph Devine
Title: Managing Director

By: /s/ Ian Dorrington
Name: Ian Dorrington
Title: Managing Director

DEUTSCHE BANK SECURITIES INC.

By: /s/ Joseph Devine
Name: Joseph Devine
Title: Managing Director

By: /s/ Ian Dorrington
Name: Ian Dorrington
Title: Managing Director

Accepted and agreed to as of the date first above written:

GOGO INC.

By: /s/ Barry Rowan
Name: Barry Rowan
Title: EVP & Chief Financial Officer

Exhibit 10.6

Compensation of Non-Employee Directors (currently consisting of all members of the Board of Directors other than Oakleigh Thorne)

On March 4, 2021, the Board of Directors approved the payment of $15,000 per year in cash to Hugh Jones for his services as Lead Independent Director.

On April 28, 2021, the Board of Directors determined that effective with the payment of compensation for the second quarter of 2021, the equity compensation formerly payable to each non-employee director in stock options and deferred share units shall be paid solely in deferred share units.

With such changes, the non-employee directors' compensation is as follows:

- Each non-employee director will be paid annual compensation of $240,000, consisting of $50,000 in cash and $190,000 in deferred share units.
- The Lead Independent Director will receive additional annual compensation of $15,000 in cash.
- The chair of the Audit Committee will receive additional annual compensation of $20,000 in cash.
- The chair of the Compensation Committee will receive additional annual compensation of $15,000 in cash.
- The chair of the Nominating and Governance Committee will receive additional annual compensation of $10,000 in cash.

All of these amounts will be paid quarterly, with cash payments payable on or before the end of the quarter and deferred stock grants dated the last business day of the quarter.

Directors have the ability to elect to receive all or a portion of the cash portion of their annual retainer and any additional payments for service as a chair in the form of deferred share units granted under our 2016 Gogo Inc. Omnibus Incentive Plan ("2016 Plan").

Directors will continue to be required to retain shares received upon exercise of stock options or settlement of deferred stock units (on an after-tax net basis) until the earlier of one year following termination of Board service or a Change in Control (as defined in the Company's 2013 Gogo Inc. Omnibus Incentive Plan or 2016 Plan. This retention policy applies only to options and deferred stock units granted on and after September 30, 2015.

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, Oakleigh Thorne, 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 6, 2021

/s/ Oakleigh Thorne
Oakleigh Thorne
President and Chief Executive Officer
(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, Barry Rowan, 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 6, 2021

/s/ Barry Rowan
Barry Rowan
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, Oakleigh Thorne, President and Chief Executive 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, 2021 (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 6, 2021

/s/ Oakleigh Thorne
Oakleigh Thorne
President and Chief Executive Officer
(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, Barry Rowan, 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, 2021 (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 6, 2021

/s/ Barry Rowan
Barry Rowan
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)