THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000, as amended, if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in Gama Aviation plc, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected as soon as possible for onward transmission to the purchaser or transferee. However, such documents should not be forwarded to, or transmitted in or into, any jurisdiction where to do so would violate the relevant laws and regulations in that jurisdiction. If you have sold only part of your holding of Ordinary Shares you should retain these documents.

The Existing Ordinary Shares are admitted to trading on AIM. Subject to the Resolutions being passed at the General Meeting, application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that admission of the Placing Shares will become effective and that dealings will commence on 2 March 2018.

The issue of the Placing Shares pursuant to the Placing will not constitute an offer to the public requiring an approved prospectus under section 85 of the Financial Services and Markets Act 2000, as amended, and, accordingly, this document does not constitute a prospectus for these purposes.

The Company and the Directors, whose names appear on page 4 of this document, accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Gama Aviation Plc

(Incorporated in England and Wales under the Companies Act 2006 with registered number 7264678)

Proposed placing of 19,591,837 new Ordinary Shares at a price of 245 pence per new Ordinary Share

and

Notice of General Meeting

Jefferies

Sole Global Co-ordinator

Nominated Adviser and Broker

You should read the whole of this document. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 9 to 22 (inclusive) of this document and which recommends you vote in favour of the Resolutions to be proposed at the General Meeting referred to in this document. Whether or not you intend to attend the General Meeting, you are encouraged to complete and return the enclosed Form of Proxy in accordance with the instructions printed on the form.

The Placing Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States of America, any province or territory of Canada, Australia, Japan or the Republic of South Africa nor will the Placing Shares qualify for distribution under any of the relevant securities laws of the United States of America, Canada Australia, Japan or the Republic of South Africa. Accordingly, subject to certain exceptions, the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States of America, Canada, Australia, Japan or the Republic of South Africa.

This document should be read in conjunction with the Notice of General Meeting and Form of Proxy. Notice of a General Meeting of the Company, to be held at Business Aviation Centre, Farnborough Airport, Farnborough, Hampshire GU14 6XA at 2.00 p.m. on 1 March 2018, is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the Resolutions to be proposed at the General Meeting. To be valid the Form of Proxy must be completed and returned in accordance with the instructions printed thereon to the Company's Registrar, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received as soon as possible but in any event no later than 48 hours (excluding non-working days) before the time fixed for the General Meeting, being 2.00 p.m. on 27 February 2018. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they subsequently wish to do so.

Jefferies International Limited (**Jefferies**), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Jefferies or for advising any other person in relation to the matters described in this document. Jefferies has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Jefferies for the accuracy of any information or opinions contained in this document or for the omission of any information. No representation or warranty, express or implied, is made by Jefferies as to, and no liability whatsoever is accepted by Jefferies in respect of, any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Any failure to comply with these restrictions may constitute a violation of relevant securities laws or regulations of the jurisdictions concerned.

It is the responsibility of any person receiving a copy of this document outside the United Kingdom to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, custodians, nominees and trustees) receiving this document should not distribute or send this document into any jurisdiction when to do so would, or might, contravene local securities laws or regulations.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor.

CONTENTS

FORWARD LOOKING STATEMENTS

All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Group's and/or the Enlarged Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include the words ''targets'', ''believes'', ''expects'', ''aims'', ''intends'', ''plans'', ''will'', ''may'', ''anticipates'', ''would'', ''could'' or similar expressions or the negative thereof, are forward-looking statements. Such forward- looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's and/or the Enlarged Group's control that could cause the actual results, performance, achievements of or dividends paid by the Group and/or the Enlarged Group to be materially different from future results, performance or achievements, or dividend payments expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's and/or the Enlarged Group's present and future business strategies and the environment in which the Group and/or the Enlarged Group will operate in the future. These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Sir Ralph Robins *(Chairman)* Marwan Abdel-Khalek *(Group Chief Executive Officer)* Captain Stephen Wright *(Executive Director)* Neil Medley *(Executive Director)* Peter Brown *(Non-Executive Director)* Michael Peagram *(Non-Executive Director)* Richard Steeves *(Non-Executive Director)*
Company Secretary	Mine Taylor
Company website	www.gamaaviation.com
Registered Office	Business Aviation Centre Farnborough Airport Farnborough Hampshire GU14 6XA
Sole Global Coordinator, Nominated Adviser and Broker	Jefferies International Limited Vintners Place 68 Upper Thames Street London EC4V 3BJ
Solicitors to the Company	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA United Kingdom

KEY STATISTICS

Placing Price	245 pence
Number of Ordinary Shares in issue at the Last Practicable Date	43,994,442
Number of Placing Shares to be issued	19,591,837
Number of Ordinary Shares in issue following Admission*	63,586,279
Gross proceeds of the Placing	£48 million
Net proceeds of the Placing	£45 million
Number of Placing Shares as a percentage of the Enlarged Issued Share Capital	30.8%

* Assuming that all of the Placing Shares are issued and that no other Ordinary Shares are issued prior to Admission

EXPECTED TIMETABLE FOR PRINCIPAL EVENTS

	2018
Date of this document	12 February
Latest time and date for receipt of Form of Proxy	2.00 p.m. on 27 February
General Meeting	2.00 p.m. on 1 March
Admission and dealings in the Placing Shares expected to commence on AIM	8.00 a.m. on 2 March
Expected date for CREST stock accounts to be credited for Placing Shares to be held in uncertificated form	2 March
Expected date for delivery of definitive share certificates for Placing Shares to be held in certificated form	By 19 March

(1) The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company in consultation with Jefferies, in which event details of the new times and dates will be notified to the London Stock Exchange, and where appropriate, Shareholders by announcement by the Company on a regulatory information service.

(2) All references in this document to times are to London time unless otherwise stated.

(3) All references in this document to "£", "pence" or "p" are to the lawful currency of the UK and to "US$" are to the lawful currency of the United States and HK$ are to the lawful currency of Hong Kong. For the purposes of this document, an exchange rate of 1:1.3919 has been applied for the purposes of converting £ to US$ and an exchange rate of 0.12788 has been applied for the purposes of converting HK$ to US$.

DEFINITIONS

The following definitions apply in this document unless the context otherwise requires:

2015 Merger	the reverse take over of Gama Aviation Holdings (Jersey) Limited by Hangar 8 plc which took place in January 2015;
Acquisitions	together, the CASL Acquisition and the GAHH Acquisition;
Act	the Companies Act 2006 (as amended);
Admission	admission of the Placing Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules for Companies;
AIM	the AIM market operated by the London Stock Exchange;
AIM Rules for Companies	the rules of AIM as set out in the publication entitled 'AIM Rules for Companies' published by the London Stock Exchange from time to time;
BJMC Agreement	the Business Jets Maintenance Collaboration Agreement between GAH(HK) and CASL;
CASL	China Aircraft Services Limited, a limited liability company incorporated in Hong Kong;
CASL Acquisition	the acquisition by the Group from Hutchison of 20% of the issued share capital of CASL pursuant to the terms of the CASL SPA;
CASL Completion	completion of the CASL Acquisition in accordance with the terms of the CASL SPA, expected to occur shortly following Admission;
CASL SPA	the sale and purchase agreement dated 9 February 2018 between GGAL and Hutchison in relation to the CASL Acquisition, the key terms of which are described in section 8 of the letter from the Chairman contained in this document;
certificated or **in certificated form**	the description of a share or other security which is not in uncertificated form (that is not in CREST);
Company	Gama Aviation Plc;
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations);
CREST Regulations	the Uncertificated Securities Regulations 2001, as amended;
Directors or **Board**	the directors of the Company whose names are set out on page 4 of this document, or any duly authorised committee thereof, and "**Director**" means any one of them;
Enlarged Group	the Group, as enlarged by the Acquisitions;
Enlarged Issued Share Capital	the issued share capital of the Company immediately following Admission, assuming all of the Placing Shares are allotted and issued;
Existing Ordinary Shares or **Existing Share Capital**	the 43,994,442 Ordinary Shares in issue as at the Last Practicable Date;
FBO	fixed base operations;
Form of Proxy	the form of proxy accompanying this document for use in connection with the General Meeting;
GAHH	Gama Aviation Hutchison Holdings Limited, a limited liability company incorporated in Hong Kong;
GAH(HK)	Gama Aviation Hutchison (Hong Kong) Limited, a limited liability company incorporated in Hong Kong;

GAHH Acquisition	the acquisition by the Company from Hutchison of 50% of the issued share capital of GAHH pursuant to the terms of the GAHH SPA;
GAHH Completion	completion of the GAHH Acquisition in accordance with the terms of the GAHH SPA, expected to occur shortly following Admission;
GAHH SPA	the sale and purchase agreement dated 9 February 2018 between GGAL and Hutchison in relation to the GAHH Acquisition, the key terms of which are described in section 5 of the letter from the Chairman contained in this document;
General Meeting	the general meeting (or any adjournment thereof) of the Shareholders of the Company to be convened for 1 March 2018 pursuant to the Notice of General Meeting;
GGAL	Gama Group (Asia) Limited, a wholly-owned subsidiary of the Company;
Group	the Company, its subsidiaries (construed in accordance with section 1162 of the Act), its associates (as defined in International Accounting Standard 28) and joint ventures as defined in International Financial Reporting Standard 11 at the date of this document being Gama Aviation LLC, GAHH, GAH(HK) and Gama Aviation FZE;
Hangar 8 Group Companies	Hangar 8 plc and its subsidiaries immediately prior to the 2015 Merger;
HKI	Hong Kong International Airport;
Hutchison	Hutchison Whampoa (China) Limited;
Jefferies	Jefferies International Limited;
Last Practicable Date	8 February 2018, being the latest practicable date prior to publication of this document;
London Stock Exchange	London Stock Exchange plc;
MRO	maintenance, repairs and overhaul;
Notice of General Meeting	the notice convening the General Meeting as set out at the end of this document;
Ordinary Shares	ordinary shares of 1 pence each in the capital of the Company;
Placees	persons who have conditionally agreed to subscribe for Placing Shares;
Placing	the conditional placing of the Placing Shares by Jefferies, as agent on behalf of the Company, with the Placees pursuant to the terms of the Placing Agreement, further details of which are set out in this document;
Placing Agreement	the agreement dated 9 February 2018 between the Company and Jefferies in relation to the Placing, the key terms of which are described in section 9 of the letter from the Chairman contained in this document;
Placing Price	245 pence per Placing Share;
Placing Shares	the 19,591,837 new Ordinary Shares to be allotted and issued pursuant to the Placing;
PRC	the People's Republic of China;
Relationship Agreement	the relationship agreement dated 9 February 2018 between the Company and Hutchison, the key terms of which are described in section 10 of the letter from the Chairman contained in this document;

Resolutions	the resolutions to be proposed at the General Meeting which are set out in full in the Notice of General Meeting;
Shareholders	holders of Ordinary Shares and "**Shareholder**" shall be construed accordingly;
UK or **United Kingdom**	the United Kingdom of England, Scotland, Wales and Northern Ireland;
uncertificated or **in uncertificated form**	recorded on a register of securities maintained by Euroclear UK & Ireland Limited in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; and
US or **United States**	the United States of America.

LETTER FROM THE CHAIRMAN

Gama Aviation Plc

(Incorporated in England and Wales under the Companies Act 2006 with registered number 7264678)

Directors:	*Registered Office:*
Sir Ralph Robins *(Chairman)*	Business Aviation Centre
Marwan Abdel-Khalek *(Group Chief Executive Officer)*	Farnborough Airport
Captain Stephen Wright *(Executive Director)*	Farnborough
Neil Medley *(Executive Director)*	Hampshire
Peter Brown *(Non-Executive Director)*	GU14 6XA
Michael Peagram *(Non-Executive Director)*	
Richard Steeves *(Non-Executive Director)*	

12 February 2018

Dear Shareholder,

Proposed placing of 19,591,837 new Ordinary Shares at a price of 245 pence per new Ordinary Share and Notice of General Meeting

1. INTRODUCTION

Your Board today announced that the Company intends to raise £4.8 million (approximately US$67 million) before commissions, fees and expenses by way of a placing of 19,591,837 new Ordinary Shares with existing and new institutional investors at a price of 245 pence per new Ordinary Share.

For the Placing to proceed, the Company requires Shareholders' approval to authorise the Directors to allot the Placing Shares and disapply pre-emption rights in relation to the issue of the Placing Shares. I am writing to provide you with details of the Placing and to give you notice of the General Meeting to consider and, if thought fit, approve the Resolutions to grant these authorities. The General Meeting is to be held at the offices of the Company at Business Aviation Centre, Farnborough Airport, Farnborough, Hampshire GU14 6XA at 2.00 p.m. on 1 March 2018. The formal notice of General Meeting is set out at the end of this document.

The Board believes that raising equity finance using the flexibility provided by a non-pre-emptive placing is the most appropriate and optimal structure for the Company at this time. This allows both existing institutional holders and new institutional investors the opportunity to participate in the Placing and avoids the requirement for a prospectus, which is a costly and time consuming process.

The purpose of this document is to provide you with information about the background to and the reasons for the Placing, to explain why the Board considers the Placing to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their aggregate beneficial holdings of 11,337,140 Ordinary Shares representing approximately 25.8% of the Existing Share Capital of the Company, notice of which is set out at the end of this document.

2. BACKGROUND TO AND REASONS FOR THE PLACING

2.1. Information on the Group

The Group is a global business aviation services group that focuses on air operations (business aircraft management, special missions and charter of business aircraft) and ground operations (engineering, design, software, MRO, passenger handling and consultancy) currently in four geographical regions (Europe, US, Middle East and Asia). The Group was founded in 1983 by Marwan Khalek and Stephen Wright and currently employs over 1300 people in over 40 locations across 4 continents. The Group serves a broad variety of clients including high-net worth individuals, fleet operators, multi-national corporations and government entities, the latter including defence, law enforcement and health services.

The Group has very few competitors who possess the same global scale, breadth of services and depth of capabilities and expertise. The Group has leading positions in highly fragmented markets.

For example, it is estimated that in Europe alone there are over 800 operators and around 4,000 business aircraft. Furthermore, regulatory change is helping to drive growth as it becomes less economical for smaller players to operate independently given the rising costs associated with increasing regulation. The Group has a robust business model with good forward visibility of revenues and derives over 70% of its gross profits from contracted revenues. The Group's gross profits are derived from aircraft being under contract not usage and so are not affected by utilisation rates in the way commercial airlines' profits are. Again, unlike commercial airlines, the Group's Air division has a capital light business model which does not have exposure to aircraft residual value risk (as the Group manages or leases aircraft rather than owns aircraft) and has no direct exposure to fuel cost variations as such cost is passed on to customers.

The Group's Air and Ground divisions are complementary with opportunities to cross sell both within and between the two.

Air division

The Group's Air division provides aircraft management, special mission and charter services. It offers a comprehensive fleet management service to business jet owners including the provision of management services, crew personnel, fuel, airworthiness, engineering oversight, insurance management, hangar space, valeting and all travel arrangements. It also works with a number of public agencies providing outsourced solutions to manage aviation operations for a variety of complex, time critical services such as air ambulance provision and aerial survey. The Group also acts as a charter broker for its managed aircraft with revenue shared between the Group and the underlying aircraft owner. The Air division has further margin expansion potential, with a total operating profit margin target of 5%, compared to a total operating profit margin of 2.9% for the 6 months to 30 June 2017.

Ground division

The Ground division provides base and line maintenance, repair and overhaul, design and modification (**MRO**) and fixed base operations (**FBO**). Base maintenance is the planned maintenance required by the aircraft manufacturer or component supplier, whereas line maintenance is irregular maintenance activity often as a result of component failure or wear and tear and both services are offered on either a fee or contract basis. The design and modification services provided by the Group increase the operating life and/or capability of an aircraft through services such as avionics or cabin system upgrades and incorporation of special mission capability. The Ground division provides FBO facilities at Glasgow, Aberdeen, Jersey and Sharjah airports offering parking, hangarage, line maintenance and other related ground handling tasks such as the fuelling of aircraft. As with the Air division, the Ground division has further margin expansion potential given a total operating profit margin of 13.6% for the 6 months to 30 June 2017 compared to its total operating profit margin target of 20%.

The Group offers its services globally and mainly operates across four regions: Europe, the US, the Middle East and Asia. Each region is at a different stage in its development: Europe is the Group's most mature region in terms of breadth of services provided (yet with opportunities to increase scale across mainland Europe); the Asia business is at start-up stage and the Middle East business is developing. The US business has achieved scale and the Group has the opportunity to add additional services from within its existing range in order to reach maturity.

2.2. Group strategy

The Group's strategy is to become the global market leader in business aviation services through organic, joint venture and acquisition-led growth. In order to execute on this strategy, the Group is focused on increasing the depth of its capabilities and expertise, broadening the regions it operates in and the services it offers in order to increase the scale of its presence in its chosen markets and to drive further revenue growth through cross selling opportunities.

2.3. Progress since the reverse takeover

Since the 2015 Merger, the Group has successfully executed and integrated a number of acquisitions and joint ventures. In particular, it successfully executed the merger of its US Air associate with the US Air business of BBA Aviation Plc (known as Landmark). This merger and acquisition activity has been underpinned by the Group strengthening its leadership team through adding experience and expertise in each of its operating regions during this period, developing the capability to grow both organically and inorganically.

In 2016, the Group acquired Aviation Beauport and FlyerTech. Aviation Beauport is a Jersey based business offering a range of business aviation services including aircraft charter, FBO services (including handling, parking and hangarage services) and aircraft management. FlyerTech is a Gatwick based business offering airworthiness management services. Both businesses have been successfully integrated into the Group's platform and have met or exceeded management's strategic and financial objectives since acquisition. The Group's merger of its US Air associate with the US Air business of BBA Aviation Plc (Landmark) has delivered significant revenue growth in the Group's US Air associate. The Group has also developed its presence in Asia through a joint venture with Hutchison in Hong Kong which is active across both the Air and Ground divisions including its recently established commercial partnership with CASL.

The Company has strengthened its Board and the Group's regional leadership and functional management teams to ensure it can execute its strategy and continue to grow profitably and sustainably. Dr Richard Steeves was appointed as an independent Non-Executive Director of the Company and brings to the Group valuable experience in growing a business organically and through acquisitions, having founded and built Synergy Health Plc from a market capitalisation of £12 million in 2001 to £1.4 billion when it was sold in 2015. Neil Medley, the Group's Chief Operating Officer, who joined the Company in September 2016, was appointed to the Board in January 2018. Neil has a strong track record of managing change and business integration as well as implementing business systems, having previously been at Detica Group Plc and BAE Systems Plc. Furthermore, there have been a number of recent hires to supplement the already strong regional operational management teams. In addition the Group has enhanced its capabilities across a number of key business functions including: legal, finance, IT, business process, risk management and marketing.

2.4. **Hutchison Strategic Partnership**

Hutchison's ultimate parent company is CK Hutchison Holdings Limited which is listed on the Hong Kong Stock Exchange. Hutchison operates across a number of sectors including the manufacture and distribution of healthcare, personal care, home care, traditional Chinese medicine and pharmaceutical products, the provision of aircraft maintenance; engineering and cabin cleaning services, the provision of logistics services and the operation of a rice farm and rice trading. Hutchison and the Group already operate a 50:50 joint venture in Hong Kong, GAHH, which wholly owns GAH(HK) providing both air and ground services. Hutchison is also a 20% shareholder in CASL, with whom the Group has a commercial collaboration. As described later in this document, Hutchison has agreed to subscribe for new Ordinary Shares in the Placing comprising 20% of the Enlarged Issued Share Capital. Hutchison's commitment to the Placing demonstrates its belief in the Group's potential. Hutchison also has a powerful brand, particularly in Asia, and significant financial strength. The Board believes that the combination of the above factors makes Hutchison the ideal partner to support the Group in achieving its long term objectives.

Hutchison has also entered into a Relationship Agreement with the Company, which will become effective on Admission, and is described further in section 8 of this letter. The Relationship Agreement gives Hutchison the right to appoint one director to the Board. Further, Hutchison has agreed to not acquire any interest in shares or other securities of the Company (unless with the prior consent of the Company) for the duration of the Relationship Agreement provided that this restriction shall not apply to certain third party offers in accordance with the City Code on Takeovers and Mergers or where Hutchison's interest in the Company is less than 25% in aggregate.

Chi Keung (Simon) To, aged 66, is Hutchison's proposed appointee to the Board. Simon is the Managing Director of Hutchison and Chairman and Executive Director of Hutchison China MediTech Limited, a company listed on AIM and Nasdaq with a market capitalisation of approximately US$4.3 billion as at the Last Practical Date. Simon joined Hutchison in 1980 and has helped build it from a relatively small trading company into a multi-billion dollar investment and distribution group. Simon holds a First Class Honours Bachelor's Degree in Mechanical Engineering from Imperial College, London and a Master's Degree in Business Administration from Stanford University's Graduate School of Business.

Upon his appointment to the Board, the Company will enter into a non-executive Director letter of appointment with Simon To on terms to be agreed.

The list of Simon To's current and former Directorships required to be disclosed pursuant to paragraph (g) of Schedule 2 of the AIM Rules for Companies is set out in the Placing announcement published by the Company today. In relation to the appointment of Simon To, there is no further information required to be disclosed pursuant to paragraph (g) of Schedule 2 of the AIM Rules for Companies.

2.5. **Reasons for the Placing and use of proceeds**

The Company has identified a number of organic and inorganic investment opportunities some of which are identified below. The Company is in active discussions in relation to some of these opportunities while others are currently under review. These opportunities are across both the Group's divisions and all of the regions in which it operates and the Board considers that these investment opportunities could accelerate the Group's strategy of becoming the leading global business aviation services group. The Group has the operational platform, management skills and leadership team to execute and integrate its investment opportunities and to manage transformative projects. It is however constrained by the amount of capital available to deploy on these opportunities and therefore the Directors believe that this is the appropriate time for the Company to raise further funds through the Placing.

The use of proceeds from the Placing is intended to be as follows:

Acquisition of Hutchison's 50% JV stake in GAHH

The Group is proposing to acquire the 50% of the issued share capital of GAHH that it does not already own for US$3.8 million. In the year ended 31 December 2016, GAHH reported revenue of HK$129.9 million (US$16.7 million), loss after tax of (HK$4.0 million) (US$0.5 million) and net liabilities of (HK$10.4 million) (US$1.3 million). The Board believes that there are significant growth opportunities at HKI and in Asia generally and GAHH is well placed to develop and grow in this context. Accordingly, the Board has decided to increase its economic interest and management control in GAHH by acquiring the company outright in line with its strategy of converting subsidiaries, joint ventures or associates to full ownership where it considers it appropriate to do so and where national ownership rules do not prohibit it. GAH(HK) was set-up in 2015 to provide air and ground services at HKI and currently has four aircraft under management. GAH(HK) also has a commercial collaboration with CASL under which it enhances CASL in providing business aviation maintenance at HKI.

Acquisition of Hutchison's 20% stake in CASL

The Group is also acquiring Hutchison's 20% stake in CASL for US$16 million. The other shareholders in CASL are United Airlines, Inc., China National Aviation Corporation (Group) Limited and China Airlines Limited. CASL was founded in 1995 and is the owner and operator of one of only three MRO facilities at HKI. It provides base and line maintenance, ground support equipment services, and cabin cleaning services to commercial airlines. In the year ended 31 December 2016, CASL reported revenue of US$79.1 million (2015: US$72.1 million), EBITDA of US$13.0 million (2015: US$12.4 million), profit after tax of US$7.8 million (2015: US$7.3 million) and net assets of US$72.2 million (2015: US$67.1 million). CASL's results for the year ended 31 December 2017 are expected to have been impacted by the capacity constraint of the current runways of HKI and an increase in labour costs. However, air traffic growth is expected at HKI, with a third runway planned to be built in the medium term, and CASL has the plan to construct further MRO capacity at HKI. CASL may also have the opportunity to expand its MRO capabilities into airports located in the PRC. Part of CASL's strategy is to develop business aviation maintenance and it has an existing commercial collaboration with GAH(HK) to progress this. Through the acquisition of Hutchison's 20% shareholding in CASL, the Group will gain board representation rights (comprising two directors on the board of CASL) and will be able to inform, guide and influence the performance and growth of business aviation maintenance, for the benefit of CASL's shareholders. The Board believes that this transaction will give the Group access to markets that would otherwise be difficult to penetrate and in a less capital intensive manner. Following completion of the CASL Acquisition, the Group's shareholding in CASL would result in CASL being treated as an associated company of the Group.

Investment to launch US base maintenance capability

The Company has allocated US$10 million of the Placing proceeds for the development of base maintenance facilities on the East and West coasts of the US. The US Ground division has a successful and growing line maintenance capability which it operates from 14 locations across the US. The Group also has proven base maintenance capability but the growth of this business is currently constrained by the Group's lack of base maintenance facilities in the US. US$10 million of

Placing proceeds is intended to be invested in the acquisition of additional hangar capacity and associated tooling and equipment to enable the Group to address these capacity constraints, thereby unlocking the opportunity to grow the Group's base maintenance revenues. This expected revenue growth is underpinned by immediate access to revenues through cross-selling opportunities to the Group's managed fleet of over 200 aircraft in the US and access to existing third party line maintenance customers. The new facilities would provide further depth, breadth, scale and operational efficiencies in line with the Group's stated strategy. It is intended that both facilities would be operational during the second half of 2018.

Investment into Sharjah Business Aviation Centre

The Company has allocated US$10 million of the Placing proceeds as a seed investment in the development of a new business aviation centre at Sharjah International Airport to provide FBO services. The total development cost for the business aviation centre is expected to be approximately US$45 million, with further future funding expected to come from third parties through a sale and lease back arrangement. Based on increasing capacity constraints at Dubai International Airport and the disadvantages of Dubai World Central's location, the Board believes that Sharjah airport represents a geographically convenient and lower cost alternative to both airports. The Group is currently providing FBO services from two rented hangars at Sharjah to evaluate the market potential in line with the Group's strategic plan for new market entry. In July 2017, the Company signed a land lease and a 25 year concession with an associated development commitment, which will cost the Company US$0.6 million per annum, which also gives the Group exclusive rights to provide FBO services at Sharjah airport for five years which helps de-risk the investment. The new facility will create a platform for the growth of the Group's Middle East Air and Ground divisions, for example by opening up special mission contract opportunities and/or providing locations for parts distribution services. It will also allow the future development of a strong regional line and base maintenance capability in this strategically important gateway location.

Further strategic opportunities

The Group has identified a number of acquisition opportunities, other than those referenced above, which are strategically aligned to the Group's divisional and regional growth objectives. The Group also sees the opportunity to build on its current regional capabilities to develop an enhanced global aviation services capability, such as spare parts distribution and aircraft charter brokerage.

2.6. **Summary**

The Group operates a robust and resilient business model and has built a strong operational platform to support the growth of its business through both organic investment and acquisitions. The execution of the Group's growth strategy now requires further capital to capture the wide range of opportunities with which it is currently presented and to accelerate the next stage of its development. Hutchison's investment in the Company gives a strong partner to support the execution of the Group's strategy. The Company intends to deploy all of the Placing proceeds in 2018 with returns on expected investments and acquisitions anticipated to be dilutive to earnings in 2018, neutral in 2019 and enhancing thereafter.

3. INFORMATION ON GAHH

On 12 August 2014, GAHH was incorporated in Hong Kong for the purposes of acting as a holding company in relation to a proposed 50:50 joint venture between the Group and Hutchison. GAHH in turn incorporated GAH(HK) as a subsidiary on 4 September 2014 to be the vehicle through which the joint venture business would be operated.

GAH(HK) provides private aircraft management services across Asia. Based in Hong Kong, the company focuses on two main business divisions: Ground and Air. The Air division provides the full range of aircraft management services for both private and corporate clients, currently operating a fleet of four long range business aircraft, with four more deliveries planned during 2018. Future expansion is intended to allow the company to offer Air services within the PRC.

The Ground division provides MRO services to the Air fleet as well as third party clients in a long-term collaboration with CASL. From CASL's Hong Kong base, base maintenance services are offered across the long-range Gulfstream and Bombardier fleet of aircraft, with approvals for all major National Aviation Authorities.

GAH(HK) also currently works in collaboration with CASL to allow CASL to provide business aviation maintenance services at HKI. The terms of the collaboration are governed by the BJMC Agreement. In connection with the CASL Acquisition, GAH(HK)'s role as general sales agent under the BJMC Agreement has been brought to an end. Following completion of the CASL Acquisition, further changes may be required in connection with the arrangements between GAH(HK) and CASL, but it is not expected that this will alter the economic outcome for either party.

The Hong Kong team of 27 employees is led by an experienced international senior leadership team, under the guidance of General Manager Sergio Oliveira e Silva. An aviation professional with more than 20 years' experience, Mr Oliveira e Silva has a strong pedigree in both the European and Asian business aviation sectors.

Gama Aviation Group Limited, a wholly owned subsidiary of the Company, entered into a Subscription and Shareholders Agreement (**SHA**) with Hutchison on 30 January 2015. The SHA governs the business of GAHH and its subsidiaries in respect of aircraft management, charter, maintenance and repair, fixed base operations and related activities primarily in Hong Kong and with a view to GAHH or its subsidiaries entering into collaborative arrangements with local companies within the PRC for the conduct of similar business in the PRC and in the designated territory set out in the SHA in the future. This agreement will terminate on GAHH Completion.

4. TERMS OF THE GAHH ACQUISITION

On 9 February 2018, GGAL and Hutchison entered into the GAHH SPA pursuant to which GGAL has conditionally agreed to acquire the 50 ordinary shares in the share capital of GAHH that it does not already own (the **GAHH Shares**) for cash consideration of US$3.8 million payable on GAHH Completion (the **GAHH Purchase Price**). The GAHH Shares comprise 50% of the entire issued share capital of GAHH and the entirety of Hutchison's interest in GAHH. The GAHH Purchase Price is also in consideration for the assignment to GGAL of all shareholder loans made by Hutchison to GAHH to take effect from GAHH Completion.

GAHH Completion is conditional on Admission occurring in accordance with the terms of the Placing Agreement and Hutchison receiving 20% of the Enlarged Issued Share Capital and is therefore subject to the passing of the Resolutions at the General Meeting. Subject to the passing of the Resolutions, completion of the GAHH Acquisition is intended to take place within 2 business days after Admission occurring, subject to a long stop date falling on 10 April 2018. On completion, all directors of GAHH nominated by Hutchison will resign and will be replaced by directors nominated by GGAL.

GGAL has undertaken that by 31 December 2018 it will procure that the name of GAHH and its subsidiary company, GAH(HK) be changed so as to include no references to "Hutchison" or "Whampoa". Hutchison has given limited warranties to GGAL as to title to the GAHH Shares, capacity and authority to enter into the GAHH SPA and there being no encumbrances over the GAHH Shares and GGAL has given warranties to Hutchison as to its capacity and authority to enter into the GAHH SPA.

The GAHH SPA is governed by Hong Kong law.

GGAL and Hutchison have also entered into a Transitional Services Agreement pursuant to which Hutchison will continue to provide certain ongoing services to GAHH including, *inter alia*, accounting, secretarial and human resources services, until 31 December 2018. The Transitional Services Agreement is also governed by Hong Kong law.

5. INFORMATION ON CASL

CASL was founded in 1995 and provides commercial aviation services for national and international carriers serving HKI and Shanghai airports. CASL is owned by China National Aviation Corporation (Group) Limited (40%), United Airlines, Inc. (20%), China Airlines Ltd (20%) and Hutchison (20%). CASL's ownership structure is reflective of its stature and strategic importance in servicing high volume and high growth air routes in the PRC. CASL established a further joint venture with China Eastern Airlines (Shanghai Eastern Aircraft Maintenance) in 2002 in which it retains a 40% minority shareholding.

With over 1000 employees based at HKI and Shanghai's Pudong and Hongqiao airports, CASL provides the commercial aviation community with the following services:

- Line maintenance – out of phase defects requiring immediate attention

- Base maintenance – large, mandatory checks where the aircraft is out of service
- AOG support – if an aircraft cannot be flown and requires onsite maintenance input
- Supply & stores – pre-positioning of common parts and stores
- Cabin services – aircraft cleaning pre-flight
- Ground support equipment – rent-able airport vehicles for service tasks

In January 2017, GAH(HK) entered into the BJMC Agreement with CASL for the development and expansion of CASL's business jets maintenance services capability based in Hong Kong. Pursuant to this agreement GAH(HK) and CASL collaborate so as to support CASL's business aircraft maintenance activities at their Hong Kong facility. Following the execution of the BJMC Agreement, CASL currently provides base maintenance for the Bombardier Global and Gulfstream G300 – G650ER type of business jets across a range of national registrations.

6. TERMS OF THE CASL ACQUISITION

The CASL SPA

On 9 February 2018 GGAL and Hutchison entered into the CASL SPA under which GGAL has agreed to acquire 28,400,000 ordinary shares in the share capital of CASL (the **CASL Shares**) from Hutchison, comprising 20% of the entire issued share capital of CASL, and the entirety of Hutchison's interest in CASL, for cash consideration of US$16 million payable on CASL Completion (the **CASL Purchase Price**).

The CASL SPA contains a ''locked box'' mechanism under which Hutchison undertakes to pay to GGAL an amount equal to any ''Leakage'' between the date following 31 December 2017 (being the date of the most recent management accounts of CASL (the **Locked Box Accounts**)) and the date of CASL Completion other than ''Permitted Leakage''. The definition of Leakage includes any payment, assumption of liability or transfer by or loss of value from CASL or its subsidiaries to or conferring a benefit on Hutchison or any member of Hutchison's group, including, *inter alia*, in respect of any dividends, other forms of payment or transactions not entered into on arm's length terms. Permitted Leakage includes any payments in respect of third party insurance cover on past terms, payments specifically provided for in the Locked Box Accounts or Leakage between CASL group companies. The CASL SPA also contains a price adjustment mechanism if CASL's consolidated EBITDA as stated in its full year consolidated audited accounts for 2017 is more than 20% lower or higher than the consolidated EBITDA stated in the Locked Box Accounts.

CASL Completion is conditional on: (i) the approval of the existing shareholders of CASL pursuant to the CASL Shareholders' Agreement, (ii) Admission having occurred in accordance with the terms of the Placing Agreement and (iii) Hutchison having been issued Placing Shares comprising of at least 20% of the Enlarged Issued Share Capital. The CASL Acquisition is therefore subject to the passing of the Resolutions at the General Meeting. Subject to the passing of the Resolutions, completion of the CASL Acquisition is intended to take place within 2 business days after Admission occurring, subject to a long stop date falling on 10 April 2018. On CASL Completion, all directors of CASL nominated by Hutchison will resign and will be replaced by directors nominated by GGAL. It is intended that Marwan Khalek will be appointed as a director of CASL by GGAL and that Simon To, an existing nominee director of Hutchison, will remain on the CASL board but as an appointee of GGAL.

The CASL SPA contains, subject to certain exceptions, limitations and qualifications, warranties given by Hutchison in relation to a number of key matters including, *inter alia*, title to the CASL Shares, Hutchison's capacity and authority to enter into the CASL SPA and certain matters concerning the CASL group and its business (including in relation to the Locked Box Accounts, the audited consolidated financial statements of CASL as at 31 December 2016 (the **Accounts Date**) and the conduct of the CASL business since the Accounts Date). Except for claims based on fraud or breaches of certain key warranties, Hutchison's aggregate liability for claims under the warranties is limited to the CASL Purchase Price in the case of title and capacity related warranties and 35% of the CASL Purchase Price in the case of all other warranties. Further, except in the case of claims based on fraud or breaches of those key warranties, the Sellers will not be liable for breaches of warranties until the aggregate liability is greater than 1% of the CASL Purchase Price (in which case GGAL shall be entitled to all amounts resulting from those claims and not just the excess over that sum), provided that such threshold may be satisfied only by individual claims of 0.1% of the Purchase Price or greater. The CASL SPA contains limited warranties from GGAL in relation to, *inter alia*, its capacity and authority to enter into the CASL SPA.

Hutchison has also agreed, subject to certain limitations and qualifications, to certain pre-completion undertakings in respect of the conduct of CASL in the period between execution of the CASL SPA and CASL Completion. These undertakings include, *inter alia*, that it will exercise its contractual and voting rights (whether as a shareholder, through its board nominees or otherwise) to the extent it is lawfully able to do so to procure that: (i) CASL carries on its business substantially in the way carried on previously, (ii) Hutchison will promptly notify GGAL of any material correspondence with the Hong Kong Airport Authority, any circumstances which may lead to the termination of or a material claim under the CASL Commercial Agreement and any proposal to consider the transaction of any business which would be a reserved matter under the CASL Shareholders' Agreement and (iii) that Hutchison will, subject to limited exceptions, procure that no business which would be a reserved matter under the CASL Shareholders' Agreement is transacted, in each case without the consent of GGAL.

The CASL SPA is governed by Hong Kong law.

The CASL Shareholders' Agreement

With effect from GGAL being registered as the holder of the CASL Shares, GGAL will become party to the CASL Shareholders' Agreement in place of Hutchison. The other parties to the CASL Shareholders' Agreement will be United Airlines, Inc., China National Aviation Corporation (Group) Limited and China Airlines Limited, being the current shareholders in CASL as at the date of this document (in addition to Hutchison).

The CASL Shareholders' Agreement governs the relationship of CASL's shareholders in relation to CASL and provides, *inter alia*, that (i) each shareholder will be entitled to appoint one director for each 10% of ordinary shares held (with voting at board meetings subject to a simple majority), (ii) shareholders have pre-emption rights in respect of any proposed transfer of ordinary shares to a third party (except transfers to affiliates) and (iii) that any transfer of shares to a third party may not be completed except with the prior approval of each existing shareholder. The agreement also contains put and call options exercisable in certain circumstances such as material disputes between shareholders that are unable to be resolved.

The agreement contains a set of board reserved matters requiring the approval of each CASL director including, *inter alia*, in relation to proposed mergers, joint ventures, related party transactions, assumptions of liabilities beyond stated amounts, key staff appointments and approval of business plans and budgets. There is also a more limited list of shareholder reserved matters, to be approved unanimously by CASL shareholders, including amendments to CASL's articles, termination or dissolution of CASL and in relation to any increase or transfer of share capital.

The CASL Shareholders' Agreement is governed by Hong Kong law.

7. DETAILS OF THE PLACING

The Placing

The Company proposes to raise £48 million (approximately US$67 million) (before commissions, fees and expenses), by way of the Placing, conditional on (among other things) the Resolutions being passed, the Placing Agreement becoming unconditional in accordance with its terms and not having been terminated and Admission. Pursuant to the Placing Agreement, Placees for the Placing Shares have been procured by Jefferies (as agent for the Company). The Placees comprise institutional investors in addition to Hutchison Capital Holdings Limited (an affiliate of Hutchison) which has agreed to subscribe for 13,469,388 Placing Shares in aggregate, comprising approximately 21% of the Enlarged Issued Share Capital.

The Placing Price represents a discount of approximately 7.2% to the closing mid-market price of the Ordinary Shares on 8 February 2018 (being the last practicable dealing day prior to the date of this document). The Placing Shares represent approximately 44.5% of the Existing Share Capital and approximately 30.8% of the Enlarged Issued Share Capital and will, when issued, rank *pari passu* in all respects with the Ordinary Shares then in issue including the right to receive all subsequent dividends and other distributions declared, made or paid on or in respect of such shares.

The Placing Agreement

The Placing Agreement is conditional on, *inter alia*, the passing of the Resolutions at the General Meeting, no matter having arisen which would constitute a breach of any of the warranties given by the Company to Jefferies under the Placing Agreement, the CASL Acquisition and the GAHH Acquisition being in full force and effect (subject to the conditions to completion of those transactions) and not having been terminated, there having been no material adverse change and Admission having occurred on or before 8.00 a.m. on 2 March 2018 (or such later date as Jefferies and the Company may agree, being not later than 3.00 p.m. on 10 April 2018).

The Placing Agreement contains warranties from the Company in favour of Jefferies in relation to, *inter alia*, the Company and its business. In addition, the Company has agreed to indemnify Jefferies in relation to certain liabilities it may incur in connection with its services under the Placing. Jefferies has the right to terminate the Placing Agreement in certain circumstances prior to Admission. In particular, Jefferies may terminate in the event that there has been a breach of any of the warranties by the Company or if there has been a material adverse change in respect of the Group or occurrence of certain *force majeure* events.

Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that dealings in the Placing Shares will commence on AIM on 2 March\ 2018.

8. IRREVOCABLE UNDERTAKINGS AND RELATIONSHIP AGREEMENT

Irrevocable Undertakings

The Directors of the Company have given irrevocable undertakings to the Company to vote in favour of the Resolutions to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their entire beneficial holdings totalling in aggregate 11,337,140 Existing Ordinary Shares, representing approximately 25.8% of the Existing Share Capital.

Relationship Agreement

Immediately following Admission becoming effective, Hutchison is expected to own 20% of the Enlarged Issued Share Capital of the Company. The Company and Hutchison have therefore entered into the Relationship Agreement (conditional on Admission) to regulate the Company's relationship with Hutchison (and its associates) and to limit Hutchison's influence over the Group's corporate actions and activities and the outcome of general matters pertaining to the Group with effect from Admission.

Pursuant to the Relationship Agreement, Hutchison has undertaken that it shall, and shall procure (so far as it is able) that each of its associates shall (amongst other things):

(a) conduct all transactions and arrangements between any member of the Group and any associate of Hutchison on arm's length terms and on a normal commercial basis, including in accordance with the related party transactions rules set out in the AIM Rules for Companies and only with the prior approval of a majority of Independent Directors; and

(b) not exercise its voting rights so as to (i) prevent the Group from managing its business for the benefit of the ordinary shareholders as a whole and independently of Hutchison and any of its associates; (ii) influence or seek to influence the day to day control of the Group; (iii) amend the articles of association of the Company in a manner which would be contrary with the principle of independence of the Company; and (iv) prevent the Group from complying with its obligations under the AIM Rules for Companies and any other applicable laws, regulations and stock exchange rules.

In addition, Hutchison has undertaken that it shall not, and to procure (so far as it is able) that none of its associates shall, acquire any direct or indirect interest in the share capital or voting rights of the Company in any circumstances where Hutchison or its associates' aggregate holdings would equal or exceed 25% of the aggregate share capital of the Company (without the prior written consent of the Board).

The Company has agreed, conditional on Admission, to appoint one person designated by Hutchison, as a non-executive Director of the Company. Hutchison's rights to maintain a representative on the Board of Directors shall continue for so long as it and its associates continue (in aggregate) to beneficially hold not less than 15% of the aggregate voting rights in the Company from time to time. It is intended that Simon To will be appointed as Hutchison's nominee director on the Board.

The obligations of the parties under the Relationship Agreement automatically terminate on: (i) Hutchison (or any of its associates) ceasing to control at least 15% of the Ordinary Shares; or (ii) the Ordinary Shares ceasing to be admitted to AIM.

9. CURRENT TRADING AND OUTLOOK

Underlying earnings for the full year to 31 December 2017 are in line with the Company's expectations and consistent with the trading outlook provided at the time of the interim results published in September 2017.

The Company has continued the solid progress it made during the first half of 2017 in improving its cash conversion, resulting in cash and cash equivalents as at 31 December 2017 of US$22 million (2016: US$11 million). After funding the acquisition of 51% of Gama Group Mena FZC, which closed in October 2017, and securing a further US$2 million of finance leases in July 2017 for the purchase of a support aircraft under the Scottish Air Ambulance contract, net debt was US$13 million as at 31 December 2017 (2016: US$19 million).

Air division

The US Air associate, which includes the Landmark acquisition from the start of the year, has delivered significant revenue growth during 2017. The "Wheels Up" programme continues to support contracted growth in the US. In the final quarter of 2017, the US business invested heavily in its sales force to enhance the growth of the managed fleet and charter. The EU Air division has continued to build on the operational efficiencies implemented in 2016, with significant margin improvements being realised during 2017. The Middle East and Asia Air divisions had a stable year and both begin 2018 with solid platforms for growth.

Ground division

The US Ground division enjoyed strong organic revenue growth during 2017. As planned, the operating margin and profit achieved in 2017 reflects the Company's focus on scaling up the business, recruiting line maintenance engineers ahead of revenue growth and significant investment in training. Having made this investment, the division is now poised to return to more normalised margins in 2018. The EU Ground division grew modestly during 2017, with an improvement in levels of discretionary spend and increased base maintenance activity at the Oxford facility.

The Middle East Ground division had a stable year with the number of aircraft movements through the FBO facilities showing an improving trend. The Asia Ground division delivered its first revenues during the final quarter of 2017 through its commercial collaboration with CASL.

2018 outlook

The directors are confident in the strength of the Company's operations and believe the Company is well paced to achieve its expectations for the current year.

10. LITIGATION

The Company is involved in a number of legal proceedings, most of which arise from historic Hangar 8 trading activity, prior to the 2015 Merger, and those relating to disputes with Dustin Dryden (a former executive director of the Company who resigned in September 2015) and affiliated entities. Taking account of the circumstances of each set of proceedings, legal advice received in relation to them and the Company's views as to the merits of such proceedings, the Company intends to continue to vigorously pursue/defend such proceedings.

Exceptional items

The Company has incurred legal costs of US$1.0 million associated with these proceedings in the year ended 31 December 2017, which will be treated as an exceptional item. The Board believes a similar amount will be incurred for future legal costs, through to the conclusion of the various proceedings, which will also be treated as exceptional.

Additionally, US$0.6 million of exceptional charges for transaction costs and business and re-organisation costs were taken in the first half of the year; a similar charge has been incurred in the second half.

Prior year adjustment

In respect of one of the proceedings against the Company, amounting to US$1.9 million, arising as a result of historic unrecorded liabilities in the Hangar 8 business, the Board has decided to make a US$1.3 million provision in the form of a prior year adjustment.

Litigation

The remaining proceedings fall into two categories, the first involves proceedings by the Company to recover long-standing trade receivables that amount to approximately US$5.5 million. The Company has made adequate provisions or holds security against these claims and as a result the Board does not expect any further provisions will be required. In addition, based on legal advice, the Board considers the proceedings to recover these receivables are likely to be successful.

The second involves a number of proceedings brought against the Company in which the claimants seek to recover damages for alleged contractual breaches which amount to approximately US$15.3 million. Based on a detailed analysis of the claims and legal advice, the Board believes that these claims are speculative and/or overlapping and the Company continues to vigorously defend them.

By the time all these proceedings, some of which are with the same counterparties, are determined or settled, the Board expects the overall awards and settlements to result in a cash inflow to the Company.

A summary of such legal proceedings is as follows:

Litigation involving Dustin Dryden and/or entities associated with him

The Group is involved in various legal proceedings with Mr Dustin Dryden, a former executive director of the Group who resigned on 30 September 2015, and companies owned by, or associated with, him.

The Group has issued proceedings in the High Court in England against Volare Aviation Limited seeking to recover unpaid amounts for maintenance and other work undertaken by the Group on two aircraft (the **Volare Aircraft**) for an aggregate amount of £432,855. Separately Skye Holdings Limited, Offshore Jets Limited and Dustin Dryden (together the **Claimants**) have issued proceedings in the High Court in England against the Group for amounts in respect of: (a) the sale of aircraft parts by the Group to the Claimants which the Claimants allege should have been accompanied by certain certification documents; (b) an alleged failure of the Group to deliver certain parts agreed to be sold to the Claimants; (c) unpaid rent in respect of a house let by the Group from the Claimants for crew accommodation; (d) a promissory note issued by Dustin Dryden in favour of the Company to underwrite certain amounts due to the Group from third party debtors; (e) remuneration alleged to be payable to Dustin Dryden; and (f) losses alleged to have been suffered as a result of unreasonable delay and deficiencies in the works performed on the Volare Aircraft. The aggregate amount claimed by the Claimants is £6,071,505. Based on its legal advice, the Board believes that these claims either very materially exaggerate the Claimants' loss and/or are without substance or merit and/or are speculative/opportunistic. The Group is therefore defending these claims vigorously and is counterclaiming for: (a) US$256,868 in respect of outstanding amounts under a loan account from the Group to Dustin Dryden; and (b) unpaid operating and maintenance costs owed by the Claimants to the Group in the sum of £204,167. A hearing in relation to all of these proceedings has been scheduled for June 2018.

Legacy claims arising from arrangements prior to the 2015 Merger

The Group is involved in a number of claims arising out of arrangements entered into by the Hangar 8 Group Companies prior to the 2015 Merger. All of these arise from the manner in which the Hangar 8 Group Companies conducted their commercial relationships prior to the 2015 Merger comprising the following:

(A) **TAZ Hawker**

TAZ Hawker 1 Limited and TAZ Hawker 2 Limited (the **TAZ Companies**) have issued legal proceedings in the High Court of England against the Group in respect of sums allegedly owed under Operating Agreements relating to two Hawker Beechcraft 900XP aircraft which were managed by the Group between June 2009 and May 2015. The claim is for £1,428,788.84 (plus interest in the region of £550,000). By mutual agreement the proceedings were stayed to allow for settlement discussions which have concluded successfully and a settlement has been reached in principle (subject to final documentation) within the parameters of the financial provision made by the Company.

(B) **SPC Aviation**

The Group had been in dialogue with SPC Aviation Limited (**SPC**) for the recovery of trade receivables due to it in respect of the management and operation of a Challenger 601 aircraft (the **Aircraft**) owned by SPC. SPC has issued proceedings in the High Court of England against the Group in relation to the operation and maintenance by the Group of the Aircraft. SPC's claim is in respect of alleged: (a) invoicing errors and failures to obtain prior approvals; (b) misrepresentations in relation to the value of the Aircraft; (c) breach of an agreement to supply engines with certain maintenance cost coverage; and (d) loss of charter income due to delays in carrying out a scheduled maintenance check. The aggregate amount of these claims is £4,787,198.91, although since aspects of the claims appear to overlap and stem from the same loss, the true value of the claim has not been specified by the SPC and, based on its legal advice, the Board believes the true value of the claim to be substantially less. The Group has filed its defence and made a counterclaim for the unpaid invoices totalling £1,001,981.66 and has asserted a lien against the Aircraft and a retention of title claim against parts fitted to it.

(C) **Christopher Perry**

The Group has received a letter before action in connection with a sale and purchase agreement for the acquisition of Star-Gate Aviation (Proprietary) Limited dated 2 March 2012 and made between Chris Perry (**CP**) and the Company (the **SPA**). CP is claiming damages arising from the alleged exercise of an option conferred on him under the SPA. The option, if exercisable and validly exercised, would have required the Company to allot shares in the Company to CP which, based on the market price on the date of the purported exercise of the option, were worth £251,602.28.

(D) **ACC Columbia**

In 2017 ACC Columbia Jet Service GmbH issued proceedings against the Group in the Regional Court of Cologne for unpaid receivables for the certain works undertaken on a Challenger 601-3R aircraft pursuant to a series of work orders allegedly issued by the Group. The amount of the claim was €83,330.43. The Group has reached a commercial settlement in principle with the claimant (subject to final documentation).

(E) **Jadita**

The Group received a letter before action from Jadita Holding Limited (**Jadita**) in August 2017 in relation to purportedly unpaid rentals and maintenance reserve amounts in respect of an aircraft sub-lease agreement for a Bombardier Challenger 604 aircraft. The claim amounts to €1,818,809 in aggregate. The Group responded in September 2017 acknowledging the debt and highlighting to Jadita that the claimed amount had been off-set against sums that are due from Jadita to the Group under the terms of the same agreement. The off-setting arrangement, whilst not contractual, has been the customary way in which the parties have dealt with their respective liabilities. However, if Jadita decides to bring any action on the technicality of no contractual right to off-set, the Group intends to respond with a counterclaim for the amount owed under the same contract.

(G) **Agence pour la Securite de la Navigation Aerienne en Afrique et a Madagascar (''Asecna'')**

ASECNA (the entity responsible for providing air traffic control services for airspace above the western and central part of the African continent and Madagascar) has issued proceedings against the Group in the Commercial Court of Paris for an alleged failure to settle invoices issued by ASECNA for the total amount of €348,872.73. The Group accepts that €155,189.54 of this amount is due and payable to ASECNA and such sum is fully provided for in the Group's existing financial statements. The remainder is disputed by the Group. The Group is engaged in settlement discussions.

Claims against Igho Sanomi and associated litigation with Credit Suisse

The Group is seeking to recover debts in the aggregate sum of US$3,060,169.25, together with interest totalling US$201,461.21 from Igho Sanomi, and companies owned by, or associated with him. The debts comprise: (a) US$1,521,684.46 (together with interest of US$114,458.52) owed by Taleveras Group of Companies Limited under the terms of various leasing agreements in respect of a Bombardier Global Express aircraft; (b) US$1,400,338.35 (together with interest of US$87,002.69) owed by Taleveras Petroleum Trading DMCC under the terms of an aircraft management agreement for a Bombardier Global 5000 aircraft (the "Taleveras Aircraft"); and (c) US$138,146.94 owed by Mr Sanomi personally under the terms of a charter agreement for a Global Bombardier 5000 aircraft. The Group has asserted a contractual lien over the Taleveras Aircraft as security against the amounts due to it under (b) above. Additionally, the Group has issued payment demands to each of the three debtors and the time for payment under those demands has expired. The Group has instructed its solicitors to prepare formal proceedings to recover the debts.

In a related action, Credit Suisse AG (**CS**) who provided loan financing to the owner of the Taleveras Aircraft secured by a mortgage charge over the Taleveras Aircraft, has issued proceedings against the Group challenging the Group's contractual rights to exert a lien. The Group is defending the action. To help facilitate the sale of the Taleveras Aircraft by CS, the Group agreed to deliver up the Taleveras Aircraft to CS on condition that CS paid into the Court the amount of US$1,484,308.46 (referred to above) as alternative security in lieu of the Group's lien over the Taleveras Aircraft. Such payment was made on 16 January 2018 and the Taleveras Aircraft was delivered to CS the following day. The dispute with CS over the lien has no adverse bearing on the validity or the recoverability of the receivables due from Mr Sanomi and the Taleveras companies.

Ukraine State Aviation Administration

The Ukraine State Aviation Administration has issued a Protocol of Contravention of The Air Code of Ukraine in respect of flights historically operated by the Group and imposed fines totalling €86,100. The Group has received Ukrainian legal advice that these Protocols and the associated fines are invalid and unenforceable under applicable law. In any event, any sums that become payable, together with associated legal costs, are fully recoverable from the Group's client for whom the aircraft is managed and operated.

11. DIRECTORS' PARTICIPATION IN THE PLACING

The Directors have in aggregate agreed to acquire and subscribe for 255,105 Placing Shares in the Placing (representing £625,007 at the Placing Price).

The shareholding of each Director (and/or their connected persons) in the Company (i) as at the date of this document and (ii) immediately following Admission, together with details of their participation in the Placing, is set out in the table below:

	Beneficial holding before the Placing (shares)	*(%)*	*Placing Shares (shares)*	*Beneficial holding following the Placing (shares)*	*(%)*
Marwan Khalek	13,924,502	31.7	255,105	14,179,607	22.3
Steve Wright	263,188	0.6	0	263,188	0.4
Michael Peagram	132,000	0.3	0	132,000	0.2
Peter Brown	20,000	0.0	0	20,000	0.0
Richard Steeves	17,450	0.0	0	17,450	0.0
Sir Ralph Robins	10,000	0.0	0	10,000	0.0

12. SETTLEMENT AND DEALINGS

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission of the Placing Shares will occur at 8.00 a.m. on 2 March 2018.

The Placing Shares will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all subsequent dividends and other distributions declared, made or paid on or in respect of such shares. Following Admission, the total number of issued Ordinary Shares in the Company will be 63,586,279.

13. GENERAL MEETING

The Company requires the approval of Shareholders by way of special resolution in order to allot the Placing Shares on a non-pre-emptive basis. Accordingly, the Directors are seeking the approval of Shareholders at the General Meeting to allot the Placing Shares. Shareholders will find set out at the end of this document a Notice of General Meeting of the Company to be held at Business Aviation Centre, Farnborough Airport, Farnborough, Hampshire GU14 6XA on 1 March 2018 at 2.00 p.m. at which the Resolutions will be proposed.

The Resolutions to be passed at the General Meeting are as follows:

(1) ***Allotment of Ordinary Shares***

Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to allot up to 19,591,837 new Ordinary Shares in connection with the Placing (representing approximately 30.8% of the Enlarged Issued Share Capital) provided that such authority shall expire on 30 April 2018.

(2) ***Dis-application of pre-emption rights***

Resolution 2, which will be proposed as a special resolution and which is conditional upon the passing of Resolution 1, dis-applies Shareholders' statutory pre-emption rights (which require a company to offer new shares for cash first to existing shareholders in proportion to their holdings) in relation to the allotment of up to 19,591,837 new Ordinary Shares in connection with the Placing and grants authority to allot equity securities for cash on a non-pre-emptive basis in respect of up to 19,591,837 new Ordinary Shares (representing approximately 30.8% of the Enlarged Issued Share Capital) provided that such authority shall expire on the same date as the authority conferred by resolution 1.

The majority required to pass Resolution 2 above is not less than 75% of the votes cast. Resolution 1 above requires a simple majority.

Shareholders should read the Notice of General Meeting at the end of this document for the full text of the Resolutions and for further details about the General Meeting.

The attention of Shareholders is also drawn to the voting intentions of the Directors as set out in the paragraph entitled "Recommendation" below.

14. ACTION TO BE TAKEN

Set out at the end of this document you will find a notice convening a General Meeting to be held at Business Aviation Centre, Farnborough Airport, Farnborough, Hampshire GU14 6XA at 2.00 p.m. on 1 March 2018 to consider and, if thought fit, approve the Resolutions.

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and, in any event, so as to be received by the Company's registrars, Equiniti Limited, not later than 48 hours (excluding non-working days) before the General Meeting is scheduled to begin. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

15. RECOMMENDATION

The Directors consider that the Resolutions are in the best interests of the Company and would promote the success of the Company for the benefit of its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their aggregate beneficial holdings of 11,337,140 Ordinary Shares representing approximately 25.8% of the Existing Share Capital.

Yours faithfully,

Sir Ralph Robins
Chairman

Gama Aviation Plc

(Incorporated in England and Wales under the Companies Act 2006 with registered number 7264678)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a general meeting of Gama Aviation Plc (the "**Company**") will be held at Business Aviation Centre, Farnborough Airport, Farnborough, Hampshire GU14 6XA at 2.00 p.m. on 1 March 2018 to consider and, if thought fit, to pass the following resolutions which in the case of Resolution 1 will be proposed as an ordinary resolution and in the case of Resolution 2 will be proposed as a special resolution:

ORDINARY RESOLUTION

1. That in accordance with section 551 of the Companies Act 2006 the directors be and they are hereby unconditionally authorised to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Companies Act 2006) provided that such authority:

   - shall be limited to the allotment of up to 19,591,837 ordinary shares of 1 pence each in the capital of the Company in connection with the proposed placing of shares in the Company by Jefferies International Limited, described in the circular of the Company dated 12 February 2018; and
   - shall (unless previously revoked, varied or renewed) expire on 30 April 2018, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

   Such authority is in addition to the authority to allot equity securities granted by the Company at its annual general meeting held on 25 May 2017.

SPECIAL RESOLUTION

2. That, subject to and conditional upon the passing of Resolution 1 above, in accordance with section 570 of the Companies Act 2006, the directors be and they are hereby given power to allot equity securities (as defined in section 560 of the Companies Act 2006) pursuant to the authority conferred by Resolution 1 above as if section 561 of the Companies Act 2006 did not apply to such allotment, provided that the power granted by this resolution shall (unless previously revoked, varied or renewed) expire when the authority conferred by Resolution 1 above shall expire, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

   Such authority is in addition to the authority to allot equity securities granted by the Company at its annual general meeting held on 25 May 2017.

Registered Office:
Business Aviation Centre,
Farnborough Airport,
Farnborough,
Hampshire,
GU14 6XA

By order of the Board:
Company Secretary

Explanatory Notes: Entitlement to attend and vote

1. Only those members registered on the Company's register of members at:

   - 6.30 p.m. on 27 February 2018; or,
   - if this meeting is adjourned, at 6.30 p.m. on the day two business days prior to the adjourned meeting,

   shall be entitled to attend and vote at the meeting in accordance with Regulation 41 of the Uncertificated Securities Regulations 2001. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to more than one share. To appoint more than one proxy please refer to the notes on the proxy form.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:

   - completed and signed;
   - sent or delivered to Equiniti Limited; and
   - received by Equiniti Limited no later than 2.00 p.m. on 27 February 2018.

6. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

7. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

10. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Equiniti Financial Services Limited.

11. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointment

12. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Equiniti Limited.

13. In the case of a member which is a Company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.

14. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

15. The revocation notice must be received by Equiniti Limited no later than 2.00 p.m. on 27 February 2018.

16. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

17. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

Submission of proxy electronically

18. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a ''CREST Proxy Instruction'') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the appointee by other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider take) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representative

19. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.