The information contained within this announcement is deemed to constitute inside information as stipulated under Article 7 of the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

22 September 2023

Gama Aviation Plc (AIM: GMAA)
("Gama", "the Company" or "the Group")
Unaudited interim results for the six months to 30 June 2023

Continuing Progress in the Implementation of our Strategy in a Challenging Economic Environment.

Gama Aviation Plc, the business aviation services company, is pleased to announce its unaudited interim results for the six months to 30 June 2023.

Financial Summary

	Adjusted[1] $m		Statutory $m	
	Jun-23 Unaudited	Jun-22[3,4] Unaudited	**Jun-23 Unaudited**	Jun-22[3,4] Unaudited
Revenue	**145.0**	139.3	**145.0**	139.3
Gross profit[3]	**27.6**	26.7	**27.6**	26.7
Gross profit %	**19.0%**	19.2%	**19.0%**	19.2%
EBITDA[2]	**7.9**	9.2	**6.4**	6.3
EBIT	**0.3**	1.8	**(1.8)**	(1.7)
Loss for the period	**(2.7)**	(0.8)	**(4.5)**	(3.8)
Basic and diluted loss per share (cents)	**(4.2)**	(1.6)	**(7.0)**	(6.4)

[1] The Alternative Performance Measures (APMs) are defined in Note 4 of the notes to the financial statements and reconciled to the nearest IFRS measure. APMs include Adjusted Revenue, Adjusted Gross Profit, Adjusted EBIT and Net debt. APMs also include organic and constant currency Revenue, Gross Profit and Adjusted EBIT

[2] Statutory EBITDA represents earnings before interest, tax, depreciation, and amortisation. Adjusted EBITDA is Statutory EBITDA after Adjusting Items. Adjusted EBITDA and Statutory EBITDA provide management and investors with useful additional information about the Group's performance and profitability.

[3] Depreciation charges of $2,788,000 in the prior period, have been reclassified from administrative expenses to cost of sales to conform with the presentation in the Annual Report and Accounts 2022. This has resulted in a reduction of $2,788,000 in gross profit.

[4] To aid comparability, a further version of the H1 2022 results has also been calculated on a constant currency basis using a constant foreign exchange rate of $1.23 to £1, being the cumulative average USD/GBP exchange rate for 2023, instead of the reported exchange rate of $1.30 to £1 for H1 2022. On a constant currency basis H1 2022 Revenue is $136.0, Gross Profit is $26.1m, Gross Profit percentage is 19.2%.

Financial Highlights

- Revenue growth of 4% (7% at constant currency) to $145.0m (H1 2022: $139.3m)
- Gross profit up 3% (6% at constant currency) to $27.6m (H1 2022: $26.7m)
- Gross profit margin down by 0.2 percentage points ('ppt') at 19.0% (H1 2022: 19.2%)
- Adjusted earnings before interest and tax ('Adjusted EBIT') of $0.3m (H1 2022: $1.8m)
- Adjusted EBIT includes foreign exchange losses of $0.3m (H1 2022: $1.4m gain) $1.4m Statesville start-up costs, $1.1m Las Vegas restructuring expenses and a gain of $2.6m for a legacy debtor recovery (HY22: one-off items included a gain of $1.0m for release of PPP grant repayment provision, recovery of $0.6m of branding fees and operating losses of $1.0m associated with closure of FXE).
- Excluding foreign exchange gains and losses and one-off items, adjusted EBIT is $0.5m (H1 2022: loss $0.2m)
- Net cash inflow from operating activities of $11.6m (H1 2022: $15.5m)
- As at 30 June 2023 cash balances were $11.6m (FY 2022: $22.4m)
- Net debt, inclusive of $53.9 (FY 2022: $52.7) of lease obligations, was $66.1m as at 30 June 2023 (FY 2022: $66.4m). Net bank debt decreased by $12.3m to $22.5m (FY 2022: $34.8m)

- As at 21 September 2023, cash balances were $9.1m.

Outlook

The Group continues to make steady progress in the execution of its strategy. Despite the strong growth in the US, the Group delivered modest revenue growth overall during the period against the backdrop of a challenging economic and business environment, but as expected, margins were impacted by inflationary cost pressures. With little prospect of any significant change in the macro-economic conditions coupled with the continuing geopolitical uncertainties, the Board remains understandably cautious in its outlook for the second half of the year.

However, continuing focus on optimising operational performance and controlling costs is helping to mitigate the impact on margins whilst the inflationary and adverse economic conditions persist in the UK and ensuring the Group is well placed to restore and grow these margins when conditions ease.

Commenting on the half year results, Marwan Khalek, Chief Executive said:

"The H1/23 results demonstrate the progress the Group continues to make in consolidating and building upon the significant improvement in financial performance that has been delivered over the last couple of years. This is the result of our diligent implementation of our organic growth strategy and the optimisation of our operational platform and cost base whilst continuing to deliver our clients' mission.

These results, delivered against a backdrop of a very challenging economic and business environment, again serve to illustrate the robustness and resilience of our business, as well as the unwavering commitment and dedication of our people to delivering our clients' mission.

Despite this uncertain economic backdrop, the pipeline of business opportunities continues to grow, and the Group remains well positioned for the future."

-ENDS-

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Gama Aviation - Notes to Editors

Founded in 1983 with the simple purpose of providing aviation services that equip its customers with decisive advantage, Gama Aviation Plc (LSE AIM: GMAA) is a highly valued global partner to blue chip corporations, government agencies, healthcare trusts and private individuals.

The Group has three global divisions: Business Aviation (Aircraft Management, Charter, FBO & Maintenance), Special Mission (Air Ambulance & Rescue, National Security & Policing, Infrastructure & Survey, Energy & Offshore); and Technology & Outsourcing (Flight Operations, FBO, CAM software, Flight Planning, CAM & ARC services).

More details can be found at: http://www.gamaaviation.com/

Chief Executive Officer's Statement

Introduction

The H1/23 results demonstrate the progress the Group continues to make in consolidating and building upon the significant improvement in financial performance that has been delivered over the last couple of years. This is the result of our diligent implementation of our organic growth strategy, the optimisation of our operational platform and cost base whilst continuing to deliver our clients' mission.

This has been underpinned by significant organic investment in new facilities in our US MRO business, the development of infrastructure for our recently awarded Special Mission contracts that come on stream at the start of 2024 and in our T&O SBU so as to ensure we maintain our leading technology platforms for the future.

Over the last year or so, the Group has successfully secured alternative debt for its maturing credit facilities allowing it to maintain the necessary liquidity levels for its on-going operations. However, efforts to secure the additional funding necessary to support the Group's hangar construction projects are behind schedule due to the challenging credit markets.

These results, delivered against a backdrop of a very challenging economic and business environment, again serve to illustrate the robustness and resilience of our business. They are also testament to the efforts and dedication of our people and their unwavering commitment to upholding our values, which remains critical to retaining the trust and loyalty of our existing clients and to the winning of new business.

Despite this uncertain economic backdrop, the pipeline of business opportunities continues to grow, and the Group remains well positioned for the future.

Strategic Business Unit Update

Business Aviation

The Business Aviation SBU delivered a solid performance thanks largely to strong revenue and profit growth in our US MRO business, the world's largest business aviation market, which we operate under our Jet East brand.

Further investments in the first half of 2023 saw the opening of our new flagship retail base maintenance facility in Statesville, North Carolina. During the same period, and working collaboratively with one of our major clients, we consolidated the base maintenance services we previously provided at Las Vegas into our Millville facility, which will optimise efficiencies and service delivery and transitioned the released capacity at Vegas to support additional line maintenance demand there. These highly strategic investments are expected to ensure that Jet East continues to deliver solid revenue and profit growth into the future.

Elsewhere, the other three business lines within this SBU (Aircraft Charter and Management, FBO services and MRO services in Europe) have been the most challenged by the economic conditions which have limited growth and impacted margins. However, the pipeline of new business opportunities across these business lines is encouraging.

Special Mission

The Special Mission SBU delivered another strong performance which is underpinned by its stable long term government contracts. Inflationary cost pressures have impacted margins, but this has been partially mitigated by increased revenues resulting from appropriate contract provisions.

The SBU is currently experiencing a high level of bid activity both in terms of the periodic re-competing of some of its current contracts as well as the strong pipeline of new opportunities. Alongside this, the SBU continues to make very good progress in the standing up of its capabilities to support the commencement of operations in January 2024 of the two recent major contract awards in Wales and the North Sea. This contracts awards, which we announced towards the end of last year will deliver significant revenue and profit growth for the SBU.

Technology & Outsourcing ('T&O')

The T&O SBU continues to deliver leading edge technology and outsourcing services to support the business sector. We continue to invest in our industry leading SaaS platform, which we deliver though our myairops brand.

There is extensive interest in the product and a strong pipeline of qualified prospects, but client capture has been slower than expected. This is largely due to customers delaying their transition decisions due to other priorities during this uncertain economic period. However, the continuing engagement with these customers is encouraging and management remains positive about the prospects for this SaaS offering and the opportunity to develop it into a market leading service. Sales and marketing efforts are very focused on growing our share of the North American market, which is the world's largest.

The skill shortages in the technology sector are impacting costs and development timelines, and consequently margins.

H1 2023 Operational & Financial Performance

The Operational Performance report and CFO Finance review that follow provide detailed segmental analysis and financial commentary on the operational and financial performance of the Group.

Outlook

The Group continues to make steady progress in the execution of its strategy. Despite the strong growth in the US, the Group delivered modest revenue growth overall during the period against the backdrop of a challenging economic and business environment, but as expected, margins were impacted by inflationary cost pressures. With little prospect of any significant change in the macro-economic conditions coupled with the continuing geopolitical uncertainties, the Board remains understandably cautious in its outlook for the second half of the year.

However, we are continuing to focus on optimising operational performance and controlling costs which is helping to mitigate the impact on margins whilst the inflationary and adverse economic conditions persist in the UK and ensuring the Group is well placed to restore and grow these margins when conditions ease.

Marwan Khalek
Chief Executive Officer

Group Operational Performance Review

Revenue[1]
$'000

	H1 2023 Unaudited	H1 2022 Unaudited
Business Aviation	**115,418**	108,792
Special Mission	**27,091**	27,245
Technology & Outsourcing	**2,446**	2,639
Branding Fees	**–**	625
Total	**144,955**	139,301

[1] There are no Adjusting Items that impact Revenue. To aid comparability 2022 results have been calculated on a constant currency basis. See note 4 for more details.

Gross Profit[1,2]
$'000

	H1 2023 Unaudited	H1 2022[1,2] Unaudited
Business Aviation	**20,750**	17,039
Special Mission	**5,528**	7,168
Technology & Outsourcing	**1,334**	1,889
Branding Fees	**–**	625
Total	**27,612**	26,721

[1] There are no Adjusting Items that impact Gross Profit. To aid comparability 2022 results have been calculated on a constant currency basis. See note 4 for more details.

[2] Depreciation charges of $2,788,000 in the prior year have been reclassified in the profit and loss account to cost of sales to conform with the disclosure in the Annual Report and Accounts 2022. This has resulted in a reduction of $2,788,000 in gross profit and is attributable to Business Aviation ($327,000), Special Mission ($2,440,000) and Technology & Outsourcing ($21,000).

EBIT
$'000

	Adjusted		**Statutory**	
	H1 2023 Unaudited	H1 2022 Unaudited	**H1 2023 Unaudited**	H1 2022 Unaudited
Business Aviation	**545**	(797)	**(1,013)**	(3,807)
Special Mission	**2,841**	2,302	**2,806**	2,260
Technology & Outsourcing	**(1,499)**	(493)	**(1,632)**	(636)
Branding Fees	**-**	625	**–**	625
Central Costs	**(1,552)**	137	**(1,971)**	(130)

Total	**335**	1,774	**(1,810)**	(1,688)

The above Group results are explained in detail below.

Business Aviation

Business Aviation is focused on the delivery of the following lines of business to clients principally in the top three regional business aviation markets: the US, Europe, and the Middle East.

/ **Management.** The operational management of an aircraft (or fleet), and its crew, that the owner wishes to place on one of the Group's air operating certificates ("AOCs")

/ **Charter.** The sale of available flight hours on aircraft to charter brokers or to direct clients worldwide

/ **FBO.** The management of our strategically positioned fixed base operations at airports in the UK, Channel Islands and Middle East

/ **MRO.** The delivery of comprehensive maintenance, repair and modification solutions that support business aviation aircraft operators and owners.

Business Aviation MRO in the US has a dedicated management team and is separately reviewed by the Group Chief Executive Officer who acts as the Chief Operating Decision Maker ('CODM'). Therefore, Business Aviation MRO US has been presented separately from Business Aviation excluding MRO US which falls under a separate management team and is separately reviewed by the CODM.

Unaudited Adjusted EBIT
$'000

	BA MRO US			BA excluding MRO US				Total			
	H1 2023	H1 2022[2]	Constant currency growth[1]	**H1 2023**	H1 2022	Rebased H1 2022	Constant currency growth[1]	**H1 2023**	H1 2022[2]	Rebased H1 2022	Constant currency growth[1]
Revenue	**70,701**	55,473	27%	**44,717**	53,319	51,518	(13%)	**115,418**	108,792	106,991	8%
Gross profit	**14,779**	12,045	23%	**5,971**	4,994	4,910	22%	**20,750**	17,039	16,955	22%
Gross profit %	**20.9%**	21.8%		**13.4%**	9.4%	**9.5%**		**18.0%**	15.7%	15.8%	
Adjusted EBIT[1]	**885**	(66)		**(340)**	(731)			**545**	(797)		

[1] The Alternative Performance Measures (APMs) are defined in Note 4 of the notes to the interim financial statements and reconciled to the nearest IFRS measure. APMs include Adjusted Revenue, Adjusted Gross Profit, Adjusted EBIT and Net debt. APMs also include organic and constant currency Revenue, Gross Profit and Adjusted EBIT.

[2] Depreciation charges of $2,788,000 in the prior year have been reclassified in the profit and loss account to cost of sales to conform with the disclosure in the Annual Report and Accounts 2022. This has resulted in a reduction of $2,788,000 in gross profit and is attributable to Business Aviation ($327,000), Special Mission ($2,440,000) and Technology & Outsourcing ($21,000).

Overall, the Business Aviation SBU grew its revenues by 8% on a constant currency basis to $115.4m. Gross profit was up 22% on a constant currency basis to $20.8m.

The US business has seen increased revenues and gross profits from all key business lines, which led to 27% growth. Gross profit also improved, up 23% to $14.8m (H2 2022: $12.0m).

The US Adjusted EBIT was $0.9m after investments in startup activities at the Statesville facility ($1.4m) and the transition of the Las Vegas facility to tier one status ($1.1m).

In the BA ROW the number of aircraft under management decreased compared with prior period and this resulted in lower revenue. Improved gross profit benefitted from higher profit allocation to BA ROW maintenance activities in relation to work undertaken to support Special Mission contracts. The improvement in BA ROW adjusted EBIT reflects the improved gross profits, combined with the recovery of previously impaired debtors, partially offset by re-allocation of overheads to the BA ROW MRO activities.

USD'000s	BA MRO US		BA excluding MRO US		Total	
	H1 2023	H1 2022	**H1 2023**	H1 2022	**H1 2023**	H1 2022
Adjusted EBIT[1]	**885**	(66)	**(340)**	(731)	**545**	(797)
Exceptional items – integration and business re-organisation costs	–	(244)	–	–	–	(244)
Exceptional items – deferred consideration adjustment	–	243	–	–	–	243

Exceptional items – profit on disposal of entity	–	–	–	126	–	126
Exceptional items – impairment of goodwill	–	(787)	–	–	–	(787)
Exceptional items – impairment of assets under construction	–	–	**(98)**	(749)	**(98)**	(749)
Long-term employee incentive plan	**(1,026)**	(956)	–	–	**(1,026)**	(956)
Share-based payments	**2**	(201)	**(14)**	(18)	**(12)**	(219)
Amortisation	**(369)**	(368)	**(53)**	(56)	**(422)**	(424)
EBIT	**(508)**	(2,379)	**(505)**	(1,428)	**(1,013)**	(3,807)

1 The Alternative Performance Measures (APMs) are defined in Note 4 of the notes to the interim financial statements and reconciled to the nearest IFRS measure. APMs include Adjusted Revenue, Adjusted Gross Profit, Adjusted EBIT and Net debt. APMs also include organic and constant currency Revenue, Gross Profit and Adjusted EBIT

Exceptional items include: -

- Impairment charges of $98k (H1 2022: $749k) relating to assets under construction at the Sharjah Business Aviation Centre.
- There were various other H1 2022 charges which were not repeated in H1 2023. These relate to the cost of integrating Jet East into Business Aviation ($244k); release of the performance related deferred consideration relating to the US acquisition ($243k); gain on the sale of Gama International Saudi Arabia ($126k) and impairment of goodwill associated with the closure of the paint and interior completion operations at FXE ($787k)

Other tabulated items include: -

- The Jet East long-term incentive scheme $1,026k (H1 2022: $956k) relating to senior executives' incentives agreed at the time of acquisition
- Share-based payments charges of $12k (H1 2022: $219k)
- Amortisation of the acquired intangibles of $422k (H1 2022: $424k)

Special Mission
The Special Mission SBU provides the mission expertise to assist governments and businesses in exploiting a variety of aviation assets (principally fixed wing and helicopters) within the following sectors:

/ **Air Ambulance & Rescue.** The delivery of fixed wing and rotary mission solutions to the governments of Scotland, Jersey and Guernsey as well as the approximately 21 helicopter air ambulance charities operating within the UK
/ **National Security & Law Enforcement.** Providing "intelligence as a service" aviation platforms to the UK government to protect the national interest
/ **Infrastructure & Survey.** The monitoring of critical national infrastructure for the purposes of failure monitoring, environmental controls, mapping or other such studies

USD'000s	**H1 2023**	H1 2022[2]	Rebased[1] H1 2022	Constant currency growth[1]
Revenue	**27,091**	27,245	25,839	5%
Gross profit[2]	**5,528**	7,168	6,762	(18%)
Gross profit %	**20.4%**	26.3%	26.2%	
Adjusted EBIT[1]	**2,841**	2,302		

[1] The Alternative Performance Measures (APMs) are defined in Note 4 of the notes to the interim financial statements and reconciled to the nearest IFRS measure. APMs include Adjusted Revenue, Adjusted Gross Profit, Adjusted EBIT and Net debt. APMs also include organic and constant currency Revenue, Gross Profit and Adjusted EBIT.
[2] Depreciation charges of $2,788,000 in the prior year have been reclassified in the profit and loss account to cost of sales to conform with the disclosure in the Annual Report and Accounts 2022. This has resulted in a reduction of $2,788,000 in gross profit and is attributable to Business Aviation ($327,000), Special Mission ($2,440,000) and Technology & Outsourcing ($21,000).

Special Mission has delivered 5% revenue growth on a constant currency basis in the first half, reflecting inflationary price adjustments to key contracts. Gross profit has reduced by 18% reflecting higher profit allocation to BA ROW maintenance activities which support Special Mission contracts and cost inflation. Adjusted EBIT increased to $2.8m (H2 2022: $2.3m) reflecting re-allocation of overheads to the Group's MRO activities, partially offset by the lower gross profit.

In the Annual Report and Accounts 2022, the Company disclosed the award of a five-year, multi aircraft, North Sea offshore contract to Bond Helicopters, the Group's newly created joint venture with Peter Bond. During the first half of

2023 the Company incurred costs of $0.5m on various activities associated with standing up this contract. These costs have been capitalised as a contract asset and will be amortised over the life of the contract which is scheduled to commence on 1 January 2024.

USD'000s	**H1 2023**	H1 2022
Adjusted EBIT[1]	**2,841**	2,302
Share-based payments	**-**	(5)
Amortisation	**(35)**	(37)
EBIT	**2,806**	2,260

1 The Alternative Performance Measures (APMs) are defined in Note 4 of the notes to the interim financial statements and reconciled to the nearest IFRS measure. APMs include Adjusted Revenue, Adjusted Gross Profit, Adjusted EBIT and Net debt. APMs also include organic and constant currency Revenue, Gross Profit and Adjusted EBIT

In addition to the movements discussed above, statutory EBIT includes share-based payment charges and amortisation relating to the intangibles acquired as part of the Jersey and Guernsey Air Ambulance business in 2020.

Technology & Outsourcing

T&O comprises of four lines of business which trades as Gama Aviation, but with a further two brands, FlyerTech and myairops®. The lines of business are Software & Data Services, Ground Operations, Part-M Services and Maintenance Management & Advisory Services. The business unit provides Continuing Airworthiness Management ('CAM') and airworthiness review certification (ARC) and surveying services for business aviation, military, and commercial airline operators. myairops® has developed a suite of business aviation products deployed as "Software as a Service" (SaaS) and mobile app solutions for aviation operators and charter brokers, flight support companies, FBOs and regional airports. The Ground Operations line of business provides trip support services which includes flight planning and the arrangement of services such as permits, slots and fuel. These services are provided to business and commercial aviation customers.

USD'000s	**H1 2023**	H1 2022[1]	Rebased[1] H1 2022	Constant currency growth[1]
Revenue	**2,446**	2,639	2,503	(2%)
Gross profit[2]	**1,334**	1,889	1,789	(25%)
Gross profit %	**54.5%**	71.6%	71.5%	
Adjusted EBIT[2]	**(1,499)**	(493)		

1 The Alternative Performance Measures (APMs) are defined in Note 4 of the notes to the interim financial statements and reconciled to the nearest IFRS measure. APMs include Adjusted Revenue, Adjusted Gross Profit, Adjusted EBIT and Net debt. APMs also include organic and constant currency Revenue, Gross Profit and Adjusted EBIT.

2 Depreciation charges of $2,788,000 in the prior year have been reclassified in the profit and loss account to cost of sales to conform with the disclosure in the Annual Report and Accounts 2022. This has resulted in a reduction of $2,788,000 in gross profit and is attributable to Business Aviation ($327,000), Special Mission ($2,440,000) and Technology & Outsourcing ($21,000).

Technology and Outsourcing revenue remained broadly in line on a constant currency basis. However, increased labour and associated costs have led to a 25% reduction in gross profits, also on a constant currency basis. The lower gross profit combined with higher investment in marketing and intangibles, which increases amortisation, has resulted in an Adjusted EBIT loss of $1.5m (2022: Adjusted EBIT loss of $0.5m).

USD'000s	**H1 2023**	H1 2022
Adjusted EBIT[1]	**(1,499)**	(493)
Share-based payments	**(4)**	(7)
Amortisation	**(129)**	(136)
EBIT	**(1,632)**	(636)

1 The Alternative Performance Measures (APMs) are defined in Note 4 of the notes to the interim financial statements and reconciled to the nearest IFRS measure. APMs include Adjusted Revenue, Adjusted Gross Profit, Adjusted EBIT and Net debt. APMs also include organic and constant currency Revenue, Gross Profit and Adjusted EBIT

Adjustments to EBIT relate to share-based payments and amortisation of acquired customer relationship intangibles, which decreased due to the impact of foreign exchange.

Branding Fees

Branding fees were $Nil during the 6 months ended 30 June 2023. The US branding fee arrangement ended on 2 March 2022, with $625k being recognised in revenue and gross profit in H1 2022, and $625k recognised in EBIT in H1 2022.

Financial Review

	Adjusted[1] $m		Statutory $m	
	Jun-23 Unaudited	Jun-22[3] Unaudited	**Jun-23 Unaudited**	Jun-22[3] Unaudited
Revenue	**145.0**	139.3	**145.0**	139.3
Gross profit[3]	**27.6**	26.7	**27.6**	26.7
Gross profit %	**19.0%**	19.2%	**19.0%**	19.2%
EBITDA[2]	**7.9**	9.2	**6.4**	6.3
EBIT	**0.3**	1.8	**(1.8)**	(1.7)
Loss for the period	**(2.7)**	(0.8)	**(4.5)**	(3.8)
Basic and diluted loss per share (cents)	**(4.2)**	(1.6)	**(7.0)**	(6.4)

[1]The Alternative Performance Measures (APMs) are defined in Note 4 of the notes to the interim financial statements and reconciled to the nearest IFRS measure. APMs include Adjusted Revenue, Adjusted Gross Profit, Adjusted EBIT and Net debt. APMs also include organic and constant currency Revenue, Gross Profit and Adjusted EBIT

[2] Statutory EBITDA represents earnings before interest, tax, depreciation, and amortisation. Adjusted EBITDA is Statutory EBITDA after Adjusting Items. Adjusted EBITDA and Statutory EBITDA provide management and investors with useful additional information about the Group's performance and profitability.

[3] Depreciation charges of $2,788,000 in the prior year have been reclassified in the profit and loss account to cost of sales to conform with the disclosure in the Annual Report and Accounts 2022. This has resulted in a reduction of $2,788,000 in gross profit and is attributable to Business Aviation ($327,000), Special Mission ($2,440,000) and Technology & Outsourcing ($21,000).

Revenue and Gross Profit Bridges
$m

	Unaudited	
	Revenue	**Gross Profit**
2022	**139.3**	26.7
Rebasing of 2022 results	(3.3)	(0.6)
Rebased Revenue and Gross Profit − 2022 at 2023 exchange rate	**136.0**	**26.1**
Business Aviation	8.4	3.8
Special Mission	1.3	(1.2)
Technology & Outsourcing	(0.1)	(0.5)
Branding Fee	(0.6)	(0.6)
2023	**145.0**	**27.6**

Unaudited Statutory EBIT Bridge
$m

Statutory EBIT – 2022	**(1.7)**
Improvement in gross profit	0.6
Movement in foreign exchange gains/losses	(1.7)
Increase in administrative expenses	(0.5)
Decrease in impairment losses	0.7
Decrease in impairment of goodwill	0.8
Statutory EBIT – 2023	**(1.8)**

Unaudited Adjusted EBIT Bridge
$m

Adjusted EBIT – 2022	**1.8**
Increase in gross profit	0.6
Foreign exchange gains/loss movement	(1.7)
Increase in administrative expenses	(0.4)
Adjusted EBIT – 2023	**0.3**

Unaudited Adjusted EBIT excluding one-off items
$m

	H1 2023	H1 2022
Adjusted EBIT	**0.3**	**1.8**
Foreign exchange losses/(gains)	0.3	(1.4)
Adjusted EBIT excluding foreign exchanges gains losses	**0.6**	**0.4**
Excluding one off items:		
Statesville start-up	1.4	-
Las Vegas restructuring	1.1	-
Legacy debtor recovery	(2.6)	-
Release of PPP grant repayment provision	-	(1.0)
Branding fees	-	(0.6)
Operating losses associated with closure of FXE	-	1.0
Adjusted EBIT – excluding one-off items	**0.5**	**(0.2)**

Impairments

Expenditure of $0.1m (H1 2022: $0.7m) incurred during the year on the Sharjah Business Aviation Centre project has been impaired, which brings the total impairments associated with this project to $15.3m. Whilst the Group is in discussions with investors to secure the necessary funding for the project, the Board considers that it is appropriate to recognise an impairment loss in respect of this expenditure until profits can be forecast with greater certainty.

In H1 2022, an impairment loss against goodwill of $0.8m was recognised associated with the closure of the paint and interior completion operations at Fort Lauderdale Executive Airport.

Finance income and expenses

Finance income of $0.7m reflects interest received on legacy debts (H1 2022: $1.8m of foreign exchange gains on intercompany loans). Finance expense of $3.5m (H1 2022: $4.3m) reflects the decrease in debt levels and foreign exchange losses on debt in prior year, partially offset by higher interest rates.

Taxation

There is a statutory taxation credit for the period of $0.1m (H1 2022: $0.2m credit). The adjusted taxation for the period is a $0.3m charge (H1 2022: $0.3m charge).

Earnings per share (EPS)

Weighted average shares in issue increased to 64.0m (H1 2022: 63.7m) following the share issue in May 2022. Adjusted EPS was a loss of 4.2 cents per share (H1 2022: 1.6 cents). Basic Statutory EPS was a loss per share of 7.0 cents (H1 2022: 6.4 cents). No share options, vested or otherwise, have been included in this calculation.

Credit Facilities

In 2022 and 2023, the Group progressed the establishment of new funding and credit facilities to replace the RCF of $50m and term loan of £20m with HSBC, which matured on 14 November 2022 and 31 January 2023, respectively. As part of the refinancing, we reported in the H1 2022 Interim Results the completion of the sale and lease back of its helicopter assets resulting in a cash inflow of $27m.

On 28 December 2022, new credit facilities were secured by the Group's wholly owned US operating subsidiary, Gama Aviation (Engineering) Inc. ("GAEI"), from a US lender Great Rock Capital LLC. The $25.0m facilities are for a term of four years and comprise a combination of a RCF and up to $6.5m of term loans. A total of $20.0m was available immediately, with a further $5.0m available contingent on future trading performance. The facilities are subject to customary financial covenants. $11.0m of the facility was drawn down to repay GAEI's intercompany loan from the Company. The balance of the facility is available to fund the investment capital expenditure and other working capital requirements of the US business in the execution of the Group's organic growth strategy in the US.

On 25 January 2023, the Group repaid its £20m term loan from HSBC (which had a maturity date of 31 January 2023) in full utilising the $11.0m received from the repayment of the Company's intercompany loan with GAEI, together with cash at hand.

On 3 March 2023, the Group received £9.4m ($11.1m) from Close Brothers Aviation and Marine by way of a loan secured by a mortgage over the Group's owned aircraft. The loan will be used to fund the investment capital expenditure and other working capital requirements of the non-US business.

During 2023, management has continued to work to optimise the Company's capital structure via further sale and leaseback and asset sale activities to ensure that the group is fully capitalised to meet its liquidity requirements and to finance its development projects.

Net debt and cash flow movements

Net cash inflow from operating activities was $11.6m for the first half of 2023 compared with $15.5m for the same period in 2022 and includes the benefit of deferred revenue received in advance on certain special mission contracts in H1 2023

Net debt, exclusive of lease obligation, was $12.1m as at 30 June 2023 (31 December 2022: $13.7m). The repayment of the HSBC term loan was offset by the draw down of a new term loan with Close Brothers of $9.4m and a reduction in cash balances by $10.8m to $11.6m.

Obligations under leases were $53.9m (31 December 2022: $52.7m). As a result, total net debt remained broadly stable at $66.1m (31 December 2022: $66.4m).

Liquidity

The Group liquidity comprises $11.6m (31 December 2022: $22.4m) of cash and $8.3m of its $15.0m RCF with Great Rock Capital was undrawn as at 30 June 2023 (31 December 2022: $9.0m).

Collection of receivables

Following the litigation update provided in the Company's 2022 Annual Report and 2022 Interim release, the Group continues to pursue the recovery of its long-standing trade receivables through enforcement actions both in the UK and in other jurisdictions. The Group has made progress through court proceedings in the UK, which has resulted in material collections in 2023 and anticipates further recoveries in due course.

Interim dividend

The Directors do not propose that an interim dividend be paid for the six months to 30 June 2023 (H1 2022: $nil).

Michael Williamson
Chief Financial Officer

Responsibility Statements

Each directors confirms that to the best of their knowledge:
a) the condensed consolidated set of interim financial statements has been prepared in accordance with IAS 34 “Interim Financial Reporting”;
b) the interim financial report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and,
c) the interim financial report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties’ transactions and changes therein).

The basis of preparation of the condensed consolidated interim financial statements is shown in Note 2, and related party transactions are shown in Note 8. The principal risks and uncertainties for the remainder of the year are unchanged from those set out in the Group's recently published statutory financial statements for the year ended 31 December 2022 and shown below.

The directors consider the principal risks to the business are:
/ Liquidity and cash resources to support and sustain future growth of the business
/ Health and safety risks from poor operational performance or an air accident which damages the Group’s reputation
/ Increasing regulatory burden and maintaining oversight on existing approvals that may result with a non-compliance
/ Changes in political and economic climate that make air transport less attractive
/ Reliance on key individuals and attrition of key staff that disrupt business activities
/ Increasing concentration and reliance on a small number of key customers
/ Cyber threat and information security

Signed on behalf of the Board,

Marwan Khalek
Chief Executive Officer

Gama Aviation Plc
Condensed consolidated income statement
For the period ended 30 June 2023

	Period ended 30 June 2023 Unaudited			Period ended 30 June 2022[2] Unaudited		
	Statutory result $'000	**Adjustments[1] $'000**	**Adjusted result[1] $'000**	Statutory result[4] $'000	Adjustments[1] $'000	Adjusted Result[1 4] $'000
Continuing operations:						
Revenue	**144,955**	**–**	**144,955**	139,301	–	139,301
Cost of sales[2]	**(117,343)**	**–**	**(117,343)**	(112,580)	–	(112,580)
Gross profit	**27,612**	**–**	**27,612**	26,721	–	26,721
Administrative expenses[3 4]	**(29,089)**	**2,145**	**(26,944)**	(29,824)	3,462	(26,362)
Other expenses/income	**(333)**	**–**	**(333)**	1,415	–	1,415
Operating (loss)/profit	**(1,810)**	**2,145**	**335**	(1,688)	3,462	1,774
Finance income	**723**	**–**	**723**	1,783	–	1,783
Finance expense	**(3,499)**	**–**	**(3,499)**	(4,133)	–	(4,133)
(Loss)/profit before tax	**(4,586)**	**2,145**	**(2,441)**	(4,038)	3,462	(576)
Taxation credit/(charge) (note 9)	**87**	**(339)**	**(252)**	194	(449)	(255)
(Loss)/profit for the period	**(4,499)**	**1,806**	**(2,693)**	(3,844)	3,013	(831)
Attributable to:						
Owners of the Company	**(4,457)**	**1,806**	**(2,651)**	(4,061)	3,013	(1,048)
Non-controlling interests	**(42)**	**–**	**(42)**	217	–	217
Earnings per share attributable to the equity holders of the parent						
Basic and diluted (cents)	**(7.0)**	**2.8**	**(4.2)**	(6.4)	4.8	(1.6)

1 APMs are defined in Note 4 of the notes to the financial statements and reconciled to the nearest IFRS measure.

2 Depreciation charges of $2.8m in the prior period relating to aircraft and refurbishment, and leasehold property improvements have been reclassified from administrative expenses to cost of sales to conform with the current year presentation and to show depreciation of assets used in the delivery of revenues in cost of sales. There has been no change in operating loss or loss for the year in respect of the prior period.

3 Impairment of assets under construction have been included in the administration expenses to be consistent with the presentation in the 2022 Annual report and accounts.

4 Foreign exchange gain of $1.4m in the prior period has been reclassified from administrative expenses to other Income in line with the presentation in the current period.

Gama Aviation Plc
Condensed consolidated statement of comprehensive income
For the period ended 30 June 2023

	H1 2023 Unaudited $'000	H1 2022 Unaudited $'000
Loss for the period	**(4,499)**	(3,844)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**1,888**	(4,996)
Total comprehensive loss for the period	**(2,611)**	(8,840)
Total comprehensive loss is attributable to:		
Owners of the Company	**(2,569)**	(9,057)
Non-controlling interest	**(42)**	217
	(2,611)	(8,840)

Gama Aviation Plc
Condensed consolidated balance sheet
As at 30 June 2023

	30 June 2023 Unaudited $'000	31 December 2022 Audited $'000
Non-current assets		
Goodwill	**20,134**	19,176
Other intangible assets	**12,730**	13,170
Total intangible assets	**32,864**	32,346
Property, plant and equipment	**22,691**	21,794
Right-of-use assets	**39,571**	38,194
Trade and other receivables	**1,300**	1,413
Deferred tax asset (note 9)	**6,172**	6,100
Total non-current assets	**102,598**	99,847
Current assets		
Inventories	**7,436**	7,278
Trade and other receivables	**56,295**	58,271
Cash and cash equivalents	**11,560**	22,406
	75,291	87,955
Total assets	**177,889**	187,802
Current liabilities		
Trade and other payables	**(41,792)**	(46,770)
Current tax liabilities	**(675)**	(533)
Obligations under leases	**(11,685)**	(11,053)
Provisions	**(1,751)**	(2,250)
Borrowings (note 6)	**(8,593)**	(31,225)
Deferred revenue	**(17,918)**	(9,214)
Deferred consideration	**-**	(335)
	(82,414)	(101,380)
Total assets less current liabilities	**95,475**	86,422
Non-current liabilities		
Borrowings (note 6)	**(15,097)**	(4,883)
Obligations under leases	**(42,254)**	(41,628)
Provisions	**(607)**	(885)
Trade and other payables	**(4,792)**	(3,663)
Deferred tax liabilities (note 9)	**(1,116)**	(1,206)
	(63,866)	(52,265)
Total liabilities	**(146,280)**	(153,645)
Net assets	**31,609**	34,157

	30 June 2023	31 December 2022
	Unaudited	Audited
	$'000	$'000
Shareholders' equity		
Share capital	**958**	958
Share premium	**63,712**	63,712
Foreign exchange reserve	**34,989**	34,987
Other reserves	**(27,992)**	(29,880)
Accumulated losses	**(40,388)**	(35,992)
Total shareholders' equity	**31,279**	33,785
Non-controlling interest	**330**	372
Total equity	**31,609**	34,157

Gama Aviation Plc
Condensed consolidated statement of changes in equity
For the period ended 30 June 2023

	Share capital	Share premium	Other reserves	Foreign exchange reserve	Accumulated losses	Total shareholders' equity	Non-controlling interest	Total equity
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 January 2022	**954**	**63,502**	**34,997**	**(24,722)**	**(27,301)**	**47,430**	**93**	**47,523**
Loss for the period	–	–	–	–	(4,061)	(4,061)	217	(3,844)
Other comprehensive income	–	–	–	(4,996)	–	(4,996)	–	(4,996)
Total comprehensive loss for the period	**–**	**–**	**–**	**(4,996)**	**(4,061)**	**(9,057)**	**217**	**(8,840)**
Share issue	4	211	–	–	–	215	–	215
Cost of share-based payments	–	–	91	–	–	91	–	91
Transfer for lapsed options	–	–	(30)	–	30	–	–	–
Balance at 30 June 2022	**958**	**63,713**	**35,058**	**(29,718)**	**(31,332)**	**38,679**	**310**	**38,989**
Loss for the period	–	–	–	–	(4,798)	(4,798)	62	(4,736)
Other comprehensive income	–	–	–	(162)	–	(162)	–	(162)
Total comprehensive loss for the period	**–**	**–**	**–**	**(162)**	**(4,798)**	**(4,960)**	**62**	**(4,898)**
Shares issued in period	**–**	(1)	–	–	–	(1)	–	(1)
Cost of share-based payments	–	–	67	–	–	67	–	67
Transfer for lapsed options	–	–	(138)	–	138	–	–	–
Balance at 31 December 2022	**958**	**63,712**	**34,987**	**(29,880)**	**(35,992)**	**33,785**	**372**	**34,157**
Loss for the period	–	–	–	–	(4,457)	(4,457)	(42)	(4,499)
Other comprehensive income	–	–	–	1,888	–	1,888	–	1,888
Total comprehensive loss for the period	**–**	**–**	**–**	1,888	(4,457)	**(2,569)**	**(42)**	**(2,611)**
Share issue	–	–	–	–	–	–	–	–
Cost of share-based payments	–	–	63	–	–	63	–	63
Transfer for lapsed options	–	–	(61)	–	61	–	–	–
Balance at 30 June 2023	**958**	**63,712**	**34,989**	**(27,992)**	**(40,388)**	**31,279**	**330**	**31,609**

Gama Aviation Plc
Condensed consolidated cash flow statement
For the period ended 30 June 2023

	H1 2023 Unaudited $'000	H1 2022 Unaudited $'000
Net cash generated by operating activities		
Loss before tax	**(4,586)**	(4,038)
Adjustments for:		
Finance income	**(723)**	(1,783)
Finance costs	**3,499**	4,132
Depreciation - wholly owned assets	**2,535**	3,166
Depreciation - ROU assets in admin expense	**280**	338
Depreciation - ROU assets in cost of sales	**3,136**	2,722
Amortisation of acquired intangible assets	**586**	598
Amortisation of other intangible assets	**1,593**	1,163
Impairment of goodwill	**-**	787
Impairment of right-of-use assets	**-**	37
Impairment of assets under construction	**98**	749
Impairment of leasehold improvements	**-**	124
Loss on disposal of property, plant & equipment	**-**	65
Release of provision in respect of COVID-19 government support program	**-**	(1,000)
Share based payment expense	**63**	306
Operating cash inflow before movements in working capital	**6,481**	7,366
Unrealised foreign exchange movements	**(288)**	(2,214)
Decrease in inventories	**32**	666
Decrease in receivables	**3,659**	1,131
Non-cash doubtful debt provision expense	**(22)**	108
(Decrease)/Increase in payables	**(5,389)**	1,270
Increase in deferred revenue	**7,921**	7,369
Decrease in provisions	**(792)**	(133)
Cash generated by operations	**11,602**	15,563
Taxes paid	**-**	(30)
Net cash flows from operating activities	**11,602**	15,533
Cash flows from investing activities		
Purchases of property, plant and equipment	**(3,027)**	(2,289)
Purchases of intangibles	**(1,235)**	(996)
Net cash used in investing activities	**(4,262)**	(3,285)
Cash flows from financing activities		
Interest paid	**(1,196)**	(430)
Interest received	**723**	–
Lease payments	**(5,113)**	(3,782)
Proceeds from borrowings	**12,245**	6,000
Repayment of borrowings	**(25,166)**	(13,003)
Net cash used in financing activities	**(18,507)**	(11,215)
Net (decrease)/increase in cash and cash equivalents	**(11,167)**	1,033
Cash and cash equivalents at the beginning of the period	**22,406**	10,243
Effect of foreign exchange rates	**321**	143
Cash and cash equivalents at the end of the period	**11,560**	11,419

Notes to the interim financial statements
For the period ended 30 June 2022

1. Corporate information

Gama Aviation Plc is a public company limited by shares, incorporated in the United Kingdom. The address of the registered office is 1st Floor, 25 Templer Avenue, Farnborough, Hampshire, England, GU14 6FE. The Company's shares are publicly traded on the AIM market of the London Stock Exchange.

2. Accounting policies

Basis of preparation

These unaudited interim condensed consolidated financial statements (the 'interim financial statements') are for the six months ended 30 June 2023. They have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2022.

The accounting policies set out in the Group's statutory financial statements for the year ended 31 December 2022 have been applied in the preparation of the interim financial statements. The Directors consider that the Group has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the interim financial statements.

Going concern

To support their assessment of going concern, the Directors have reviewed detailed cash flow projections for the Group for the period from the date of approval of these interim financial statements to 31 December 2024. The Directors have also considered the outlook for the business beyond 31 December 2024 based upon its updated five-year strategic plan.

The analysis takes account of the following, amongst other, relevant considerations:

- Working capital levels and the conversion of profits into cash flows,
- The recovery of legacy debtor balances,
- The sale and/or sale leaseback of some of the Group's assets,
- The fully drawn \$5.0m Term Loan and undrawn \$1.5m Delayed Term Loans with Great Rock Capital,
- The Revolving Credit Facility of up to initially \$15.0m with the potential to increase to \$20m (the amount available to be drawn down is subject to various restrictions) from Great Rock Capital. Of this facility \$8.3m was undrawn as of 30 June 2023,
- The £9.4m (\$11.1m) loan from Close Brothers that completed on 3 March 2023, and which is secured on owned aircraft, and
- Cash of \$11.5m of 30 June 2023 and \$9.1m as at 21 September 2023.

The credit facilities with Great Rock Capital are held in the Company's US subsidiary and are subject to financial covenants and expire in December 2026.

The RCF is settled and drawn down on a cyclical basis and has been presented in current liabilities.

The term loan with Great Rock Capital falls due for repayment over twelve months from the reporting date and has been presented in non-current liabilities.

The key assumptions in the Board approved base case projections relate to revenue, profit performance and working capital cash flows. Additionally, the detailed cashflow projections consider planned future events within 2023 and 2024, including the Directors' assessment of:

- The likelihood of recovery of legacy debtor balances
- The likelihood of securing the planned funding through the sale and/or sale lease back of Group assets.

The Directors have also considered a severe but plausible downside scenario in which EBITDA is lower and working capital outflows, funding costs and corporation tax rates are higher than base case projections.

In both the base case scenario and the severe but plausible downside scenario, the Directors are satisfied that the Group has sufficient headroom and potential further mitigation actions to ensure that the Group will remain solvent and be able to pay its debts as they fall due during a period of at least 12 months from the date of approval of these interim financial statements.

Accordingly, after making appropriate enquiries and considering the uncertainties described above, the Directors have, at the time of approving these interim financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, consequently, consider that it is appropriate to adopt the going concern basis in preparing these interim financial statements.

However, certain assumptions within the cash flow forecasts relating to recovery of legacy debtor balances and the generation of funding through the sale and/or and lease back of Group assets have not been concluded at the time of approval of these interim financial statements. Furthermore, there is a risk that these events may not be completed in the time scales planned as they are not fully under the control of the Group. Consequently, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

If one or more of these events do not occur, the Directors anticipate undertaking additional fundraising and/or cost and cash saving activities to ensure that the Group is able to meet its liabilities as they fall due.

The financial statements do not include any adjustments that would result if the Group were unable to continue as a going concern.

3. Segment information

Reportable segments are operating segments that either meet the thresholds and conditions set out in IFRS 8 for separate reporting or are considered by the Board to be appropriately aggregated into reportable segments under IFRS 8.

All inter-segment transfers, including the recharge of centrally incurred costs from Corporate to other operating segments, are carried out at arm's length prices. The measure of revenue and gross profit reported to the Chief Operating Decision Maker to assess the performance is based on external revenue and gross profit for each operating segment and excludes intra-group revenues and gross profit.

The results were reviewed by the Group Chief Executive Officer, who acts as the Chief Operating Decision Maker (CODM) in the SBU structure. The CODM reviews monthly internal reporting on a pre-IFRS 16 basis at the operating segment level. The impact on application of IFRS 16 is reviewed separately ahead of statutory reporting.

The Group has three SBUs: Business Aviation (Aircraft Management, Charter, FBO & Maintenance), Special Mission (Air Ambulance & Rescue, National Security & Policing, Infrastructure & Survey, Energy & Offshore); and Technology & Outsourcing (Flight Operations, FBO, CAM software, Flight Planning, CAM & ARC services). The Group believes this will provide a direct line of sight for shareholders such that each SBU's activities in each market, its investment requirements and its performance can be more easily assessed and understood.

The IFRS 8 operating segments within these global divisions are Special Mission, Business Aviation MRO US, Business Aviation excluding MRO US, Technology & Outsourcing, Associates, Corporate and Branding Fees. The operating segments, except T&O, met the quantitative thresholds to report separately under IFRS 8; however, T&O is presented separately as it is of strategic importance.

A reconciliation of segmental to overall Group performance is tabulated below:

	For the period ended 30 June 2023					For the period ended 30 June 2022				
USD'000s	**Revenue**	**Gross profit**	**EBIT**	**Adjusted EBIT**	**Adjusted EBIT pre-IFRS 16**	Revenue	Gross profit	EBIT	Adjusted EBIT	Adjusted EBIT pre-IFRS 16
BA MRO US	**70,701**	**14,779**	**(508)**	**885**	**726**	55,473	12,045	(2,379)	(66)	(202)
BA excluding MRO US	**44,717**	**5,971**	**(505)**	**(340)**	**(906)**	53,319	4,994	(1,428)	(731)	(1,007)
Business Aviation	**115,418**	**20,750**	**(1,013)**	**545**	**(180)**	108,792	17,039	(3,807)	(797)	(1,209)
Special Mission	**27,091**	**5,528**	**2,806**	**2,841**	**2,461**	27,245	7,168	2,260	2,302	1,683
T&O	**2,446**	**1,334**	**(1,632)**	**(1,499)**	**(1,498)**	2,639	1,889	(636)	(493)	(519)
Branding fee	–	–	–	–	–	625	625	625	625	625
Corporate	–	–	**(1,971)**	**(1,552)**	**(1,510)**	–	–	(130)	137	202

Adjusted Result	**144,955**	**27,612**	**(1,810)**	**335**	**(727)**	139,301	26,721	(1,688)	1,774	782
Adjusting items	**–**	**–**	**–**	**(2,145)**	**(2,145)**	–	–	–	(3,462)	(3,462)
Application of IFRS16	–	–	–	–	**1,062**	–	–	–	–	992
Statutory result	**144,955**	**27,612**	**(1,810)**	**(1,810)**	**(1,810)**	139,301	26,721	(1,688)	(1,688)	(1,688)

1 Increased unallocated corporate costs reflect unallocated foreign exchange losses and lower allocation to certain SBU's.

4. Alternative performance measures

The Adjusted result has been arrived at after the following Adjusting items:

	Period ended 30 June 2023 $'000	Period ended 30 June 2022 $'000
Exceptional items:		
Transaction costs	**263**	98
Integration and business re-organisation	**-**	244
Legal costs	**109**	93
Impairment of goodwill	**–**	787
Impairment of assets under construction	**98**	749
Total exceptional items	**470**	1,971
Share-based payments expense	**63**	306
Long-term employee benefits expense	**1,026**	956
`Amortisation of intangible assets	**586**	598
Deferred consideration adjustment	**–**	(243)
Profit on disposal of subsidiary	**–**	(126)
Adjusting items in EBIT	**2,145**	3,462
Tax related to adjusting items	**(339)**	(449)
Adjusting items in profit	**1,806**	3,013

Transaction costs
Transaction costs during the period of $263k (2022: $98k) relate to corporate activity of the Group.

Integration and business re-organisation costs
Integration and business re-organisation costs of $244k in H1 2022 relate to Jet East integration related severance costs.

Legal costs
Legal costs in the current and prior year principally relate to professional fees in relation to ongoing litigation in respect of legacy cases going back many years, which are now being successfully closed out.

Impairment of goodwill
The impairment loss in H1 2022 relates to the impairment of the goodwill associated with the closure of the paint and interior completion operations at Fort Lauderdale Executive Airport.

Impairment of assets under construction
The impairment loss relates to the impairment of further development costs incurred during the period in respect of the Business Aviation Centre at Sharjah International Airport in the UAE.

Share-based payments
Equity-settled share-based payment charges of $63k (2022: $306k).

Other long-term employee benefits

Other long-term employee benefits remuneration charge of $1,026k (H1 2022: $956k) relates to an incentive plan with payments contractually linked to the continuing employment of executives of Jet East as well as the business performance of the combined Business Aviation MRO US.

Amortisation of intangible assets
Acquisition related intangible amortisation relates to acquired intangible assets (customer relationships and brands) recognised as part of the accounting for business combinations $586k (H1 2022: $598k).

Deferred consideration adjustment
The deferred consideration adjustment relates to reconsideration of total consideration payable as part of the Jet East acquisition.

Profit on disposal of subsidiary
The profit on disposal in H1 2022 arose on the disposal of the interest in Gama Aviation Saudi Arabia.

Tax related to adjusting items
The tax charge related to adjusting items was $339k (H1 2022: $449k).

Organic and constant currency growth
Organic and constant currency growth in Revenue, Gross Profit and EBIT is a measure which seeks to reflect the performance of the Group that will contribute to long-term sustainable growth. This growth excludes the impact of acquisitions or disposals, and foreign exchange movements. Constant currency growth has been calculated using a constant foreign exchange rate of $1.23 to £1, being the cumulative average USD-GBP exchange rate for H1 2023, (H1 2022: $1.30 to £1). Results of acquired and disposed businesses are excluded where the results include only part-year results in either current or prior periods. No adjustment has been made in this respect.

A reconciliation from organic and constant currency growth in Revenue to the most directly comparable IFRS measures is set out below.

	For the period ended 30 June 2023		For the period ended 30 June 2022		
	Revenue $'000	**% Constant currency growth**	Revenue $'000	Rebase for FX $'000	Rebased Revenue $'000
BA MRO US	**70,701**	**27%**	55,473	–	55,473
BA excluding MRO US	**44,717**	**(13%)**	53,319	(1,801)	51,518
Business Aviation	**115,418**	**8%**	108,792	(1,801)	106,991
Special Mission	**27,091**	**5%**	27,245	(1,406)	25,839
T&O	**2,446**	**(2%)**	2,639	(136)	2,503
Branding Fee	**–**	**(100%)**	625	–	625
Total	**144,955**	**7%**	139,301	(3,343)	135,958

A reconciliation from organic and constant currency growth in Gross Profit to the most directly comparable IFRS measures is set out below.

	For the period ended 30 June 2023		For the period ended 30 June 2022		
	Gross Profit $'000	**% Constant currency growth**	Gross Profit $'000	Rebase for FX $'000	Rebased Gross Profit $'000
BA MRO US	**14,779**	**23%**	12,045	–	12,045
BA excluding MRO US	**5,971**	**22%**	4,994	(84)	4,910
Business Aviation	**20,750**	**22%**	17,039	(84)	16,955
Special Mission	**5,528**	**(18%)**	7,168	(405)	6,762

T&O	**1,334**	**(25%)**	1,889	(101)	1,789
Branding Fee	**–**	**(100%)**	625	–	625
Total	**27,612**	**6%**	26,721	(590)	26,131
Gross Profit Margin	**19.0%**		19.2%		19.2%

Net Debt
A reconciliation of the IFRS financial statement line items that represent the Net Debt APM is tabulated below.

	30 June 2023	31 December 2022
	$'000	$'000
Cash	**11,560**	22,406
Borrowings	**(23,690)**	(36,108)
Net Debt before IFRS 16 obligations under leases	**(12,130)**	(13,702)
Obligations under leases	**(53,939)**	(52,681)
Net Debt	**(66,069)**	(66,383)

5. Earnings per share ('EPS')

The calculation of earnings per share is based on the earnings attributable to the ordinary shareholders divided by the weighted average number of shares in issue during the period.

	Period ended 30 June 2023	Period ended 30 June 2022
Numerator		
Earnings $'000		
Loss on continuing operations attributable to ordinary equity holders of the parent for basic earnings	**(4,457)**	(4,061)
Adjusting items	**1,806**	3,013
Loss on continuing operations attributable to ordinary shareholders for Adjusted earnings	**(2,651)**	(1,048)
Denominator		
Weighted average number of shares used in basic and diluted EPS	**63,961,279**	63,739,456
Loss per share on continuing operations (cents)		
Statutory – Basic and diluted	**(7.0)**	(6.4)
Adjusted – Basic and diluted	**(4.2)**	(1.6)

Whilst the average share price for the six months ended 30 June 2023 was higher than the exercise price of some outstanding options, there is no dilutive effect as their effect would be anti-dilutive.

6. Borrowings

	Jun-23	Dec-22
	$'000	$'000
Secured borrowing at amortised cost		
Other loans	**1,154**	1,290
Bank borrowings	**22,536**	34,818
	23,690	36,108
Total borrowings		
Other loans	**276**	414
Bank borrowings	**8,317**	30,811
Amount due for settlement within 12 months	**8,593**	31,225
Other loans	**878**	876
Bank borrowings	**14,219**	4,007
Amount due for settlement after 12 months	**15,097**	4,883

On 28 December 2022, the Group secured a new credit facility with Great Rock Capital Partners Management LLC ("Great Rock"). The facility totals $25m and comprises a term loan of $6.5m and a RCF of $18.5m. $20m of this facility was available immediately, with a further $5m available contingent on future trading performance.

On 25 January 2023 the Group had repaid in full its £20m term loan with HSBC.

On 3 March 2023, the Group received £9.4m ($11.1m) from Close Brothers by way of a loan secured by a mortgage over the Group’s owned aircraft.

At 30 June 2023

	Maturity	Facility	Drawn (local currency)	Drawn (presentation currency)
		‘000		**$’000**
Great Rocks RCF	28-Dec-26	USD 15,000	USD 6,742	6,742
Close Brothers Term loan	24-Apr-28	GBP 9,218	GBP 9,218	11,672
Great Rocks Term loan	28-Dec-26	USD 5,000	USD 4,625	4,625
Bank borrowings before arrangement fees				23,039
Capitalised loan arrangement fees				(503)
Bank borrowings				**22,536**

The RCF, which is presented in current liabilities, is settled and drawn down on a cyclical basis.

At 31 December 2022

	Maturity	Facility	Drawn (local currency)	Drawn (presentation currency)
		'000		**$'000**
Great Rocks RCF	28-Dec-26	USD 15,000	USD 6,000	6,000
HSBC Term loan	31-Jan-23	GBP 20,000	GBP 20,000	24,124
Great Rocks Term loan	28-Dec-26	USD 5,000	USD 5,000	5,000
Bank borrowings before arrangement fees				**35,124**
Capitalised loan arrangement fees				(306)
Bank borrowings				**34,818**

7. Related party transactions

During the period, Group companies entered into the following transactions with related parties who are not members of the Group:

	Sale of services		Purchase of services	
	H1 2023 $'000	H1 2022 $'000	**H1 2023 $'000**	H1 2022 $'000
China Aircraft Services Limited	**–**	–	**11**	–
Air Arabia/Felix Trading Company LLC	**136**	107	**75**	137
BBGA Ltd	**–**	–	**12**	14
EBAA	**–**	–	**5**	–
Mr Canning Fok	**429**	7	**–**	–
M Khalek	**–**	5	**–**	–

The following amounts were outstanding at the balance sheet date:

	Amounts owed by related parties		Amounts owed to related parties	
	H1 2023 $'000	H1 2022 $'000	**H1 2023 $'000**	H1 2022 $'000
Air Arabia/Felix Trading Company LLC	**–**	158	**132**	125
Mr Canning Fok	**–**	–	**–**	67
M Khalek	**–**	6	**–**	–

8. Dividends

The Directors do not propose that an interim dividend be paid for the six months to 30 June 2023 (H1 2022: $nil).

9. Taxation

	Period ended 30 June 2023			Period ended 30 June 2022		
	Statutory result $'000	**Adjustments $'000**	**Adjusted result $'000**	Statutory result $'000	Adjustments $'000	Adjusted result $'000
Corporation tax:						
Current year charge	**75**	–	**75**	64	–	64
Deferred tax:						
Current year (credit)/charge	**(162)**	**339**	**177**	(258)	449	191
Total tax (credit)/charge for the period	**(87)**	**339**	**252**	(194)	449	255

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current period.

	Non-deductible acquired intangibles $'000	Fixed asset and other temporary differences $'000	Tax losses $'000	Total $'000
At 1 January 2023	(1,206)	628	5,472	4,894
Credit/(charge) in year	90	30	42	162
At 30 June 2023	(1,116)	658	5,514	5,056

10. Contingent liabilities

As disclosed in the 2022 Annual Report and Accounts, which were signed on 7 June 2023, the Company had, at that point, very recently received a letter before action in respect of a possible legal claim against it for alleged damages in the sum of circa £2.3m. The Board has now had the opportunity to review this matter, take advice and intends to rigorously defend the position of the Company. The Board has concluded that it is unlikely that there will be a material outflow of funds associated with this matter.

11. Subsequent Events

In August 2023 the Group entered into a series of transactions to purchase, sell and leaseback a helicopter to support its Special Mission contracts in the UK. The Company anticipates that this is the first of two transactions.