REFINITIV

DELTA REPORT

10-Q

ECHOSTAR CORP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	5283
CHANGES	34
DELETIONS	2046
ADDITIONS	3203

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON,

Washington, D.C. 20549

FORM

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024.

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

FOR THE TRANSITION PERIOD FROM TO .

Commission File Number: 001-33807

echostarcolorprint.gif

EchoStar Corporation

(Exact name of registrant as specified in its charter)

Nevada	26-1232727
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
100 Inverness Terrace East, Englewood, Colorado	80112-5308
9601 South Meridian Boulevard	

Englewood, Colorado 80112

(Address of principal executive offices) (Zip Code) code)

(303)723-1000

(Registrant's telephone number, including area code)

Not Applicable

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

(303)706-4000 Not Applicable

(Registrant's telephone number, including area code) (Former name, former address and former fiscal year, if changed since last report)

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

Class A common stock, $0.001 par value SATS The NASDAQ Nasdaq Stock Market LLC

(Title of each class) L.L.C. (Name of each exchange on which registered)

SATS

(Trading symbol)

Securities registered pursuant to Section 12(g) of the Act: None

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ ☒ No ☐ ◻

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

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

Non-accelerated filer ☐

Smaller reporting company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐☐

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

As of November 2, 2023 April 29, 2024, the registrant's outstanding common stock consisted of 36,219,803 140,173,977 shares of Class A common stock and 47,687,039 131,348,468 shares of Class B common stock, each $0.001 par value.

stock.

Table of Contents

ECHOSTAR CORPORATION

TABLE OF CONTENTS

Table of Contents

PART I: I — FINANCIAL INFORMATION

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Unless otherwise required by the context, in this report, the words "EchoStar," the "Company," "we," "our" and "us" refer to EchoStar Corporation and its subsidiaries, "DISH Network" refers to DISH Network Corporation, our wholly owned subsidiary, and its subsidiaries, and "DISH DBS" refers to DISH DBS Corporation, a wholly - owned, indirect subsidiary of DISH Network, and its subsidiaries.

This Quarterly Report on Form 10-Q ("Form 10-Q") contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, but not limited to in particular, statements about our estimates, expectations, future developments, plans, objectives and strategies, growth opportunities in our industries and businesses, our expectations regarding future results, financial condition, expected liquidity and capital requirements, our estimates regarding the impact of regulatory developments and legal proceedings, opportunities in our industries and businesses and other trends and projections for the next fiscal quarter and beyond. All projections. Forward-looking statements other than statements of are not historical facts and may be forward-looking statements. Forward-looking statements may also be identified by words such as "future," "anticipate," "intend," "plan," "goal," "seek," "believe," "estimate," "expect," "predict," "project," "continue," "future," "will," "would," "could," "can," "may" "may," and similar terms. These forward-looking statements are based on information available to us as of the date of this Quarterly Report on

Form 10-Q and represent management's current views and assumptions based on past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. assumptions. Forward-looking statements are not guarantees of future performance, events or results and involve potential known and unknown risks, uncertainties and other factors, many of which may be beyond our control and may pose a risk to our operating and financial condition both the near- and long-term. control. Accordingly, actual performance, events or results could differ materially from those expressed or implied in the forward-looking statements due to a number of factors, including, but not limited to: to, those summarized below:

SUMMARY OF RISK FACTORS

Risks Related to the Integration

- Although we expect that the Merger will result in synergies and other benefits, those synergies and benefits may not be realized in the amounts anticipated, or may not be realized within the expected timeframe, or at all, and risks associated with the foregoing may also result from any extended delay in the Integration.

- The market price for shares of our common stock may be affected by factors different from, or in addition to, those that historically affected the market prices of shares of DISH Network Class A Common Stock and EchoStar Class A Common Stock.

Competition and Economic Risks

- We face intense and increasing competition from providers of video, broadband and/or wireless services. Changing consumer behavior and new technologies in our Pay-TV and/or Wireless business may reduce our subscriber activations and may cause our subscribers to purchase fewer services from us or to cancel our services altogether, resulting in less revenue to us.

- We face certain risks competing in the wireless services industry and operating a facilities-based wireless services business.

- Our pay-TV competitors may be able to leverage their relationships with programmers to reduce their programming costs and/or offer exclusive content that will place them at a competitive advantage to us.

- Through the MNSA and the NSA, we depend on T-Mobile and AT&T to provide network services to our Wireless subscribers. Our failure to effectively manage these relationships, including without limitation, our minimum commitments, any system failure in their wireless networks, interruption in the services provided to us, and/or the termination of the MNSA or the NSA could have a material adverse effect on our business, financial condition and results of operations.

- We compete with the MNOs whose networks we rely on to provide wireless services to our customers, and they may seek to limit, reduce or terminate our network access to the extent that it becomes competitively advantageous to do so.

- If we are unable to take advantage of technological developments on a timely basis, or at all, we may experience a decline in demand for our services or face challenges in implementing or evolving our business strategy.

Operational and Service Delivery Risks

- Any deterioration in our operational performance, subscriber activations and churn rate and subscriber satisfaction could adversely affect our business, financial condition and results of operations.
- We depend on others to provide the programming that we offer to our Pay-TV subscribers and, if we fail to obtain or lose access to certain programming, our Pay-TV subscriber activations and our subscriber churn rate may be negatively impacted.
- We have limited satellite capacity and any failures or reduced capacity, caused by, among other things, operational and environmental risks, could adversely affect our business, financial condition and results of operations.
- Extreme weather may result in risk of damage to our infrastructure and therefore our ability to provide services, and may lead to changes in federal, state and foreign government regulation, all of which could materially and adversely affect our business, results of operations and financial condition.
- We rely on a single vendor or a limited number of vendors to provide certain key products or services to us, and the inability of these key vendors to meet our needs could have a material adverse effect on our business.
- We depend on independent third parties to solicit orders for our services that represent a meaningful percentage of our total gross new subscriber activations.

Risks Related to our ability to complete and realize the expected benefits of the pending merger with DISH Network Corporation; Human Capital

- We rely on highly skilled personnel for our business, and any inability to hire and retain key personnel or to hire qualified personnel may negatively affect our business, financial condition and results of operations.
- Our business growth and customer retention strategies rely in part on the work of technically skilled employees.

- risks relating

Risks Related to our substantially increased leverage following completion Products and Technology

- Our business depends on certain intellectual property rights and on not infringing the intellectual property rights of others.

Table of Contents

- We are, and may become, party to various lawsuits which, if adversely decided, could have a significant adverse impact on our business, particularly lawsuits regarding intellectual property.

- If our products contain defects, we could be subject to significant costs to correct such defects and our product and network service contracts could be delayed or cancelled, which could adversely affect our revenue.

Risks Related to Cybersecurity

- We have experienced and may experience in the future consistent cyber-attacks and attempts to gain unauthorized access to our systems and any failure or inadequacy of our information technology infrastructure and communications systems or those of third parties that we use in our operations could disrupt or harm our business.

- The confidentiality, integrity, and availability of our services and products depends on the continuing operation of our information technology and other enabling systems.

Acquisition and Capital Structure Risks

- We have substantial debt outstanding and may incur additional debt and covenants in our Indentures could limit our ability to undertake certain types of activities and adversely affect our liquidity.

- We may pursue acquisitions, dispositions, capital expenditures, the development, acquisition and launch of new satellites and other strategic initiatives to complement or expand our business, which may not be successful and we may lose a portion or all of our investment in these acquisitions and transactions.

- We have made substantial investments to acquire certain wireless spectrum licenses and other related assets, and may be unable to realize a return on these assets.

- We will need additional capital, which may not be available on favorable terms, to fund current obligations, to continue investing in our business and to finance acquisitions and other strategic transactions.

- We are controlled by one principal stockholder who is our Chairman.

Risks Related to the pending merger with DISH Network Corporation;

- significant risks related to our ability to launch, operate, and control our satellites, operational and environmental risks related to our owned and leased satellites, and risks related to our satellites under construction;
- our ability and the ability Regulation of third parties with whom we engage to operate our business as a result of changes in the global business environment, including regulatory and competitive considerations; Our Business

  - Our services depend on FCC licenses that can expire or be revoked or modified and applications for FCC licenses that may not be granted.

  - our ability to implement and/or realize benefits of our investments and other strategic initiatives;
  - risks related to our foreign operations and other uncertainties associated with doing business internationally;
  - risks related to our dependency upon third-party providers, including supply chain disruptions and inflation;
  - risks related to cybersecurity incidents; and
  - risks related to our human capital resources.

Other factors that could cause or contribute to such differences include, but are not limited to, those discussed under the caption Risk Factors in Part II, Item 1A of this Form 10-Q and "Risk Factors" in Part I, Item 1A of our most recent Annual Report on

Form 10-K ("Form 10-K" (the "10-K") filed with the Securities and Exchange Commission ("SEC"), SEC, those discussed in Management's "Management's Discussion and Analysis of Financial Condition and Results of Operations in Part I, Item 2 of this Form 10-Q Operations" herein and in Part II, Item 7 of our Form the 10-K and those discussed in other documents we file with the SEC.

All cautionary statements made or referred to herein should be read as being applicable to all forward-looking statements wherever they appear. Investors should consider the risks and uncertainties described or referred to herein and should not place undue reliance on any forward-looking statements. We do not undertake, The forward-looking statements speak only as of the date made, and specifically we expressly disclaim any obligation to publicly release the results of any revisions that may be made to any update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. statements.

Although we believe that the expectations reflected in any forward-looking statements are reasonable, we cannot guarantee future results, events, levels of activity, performance or achievements. We do not assume responsibility for the accuracy and completeness of any forward-looking statements. We assume no responsibility for updating forward-looking information contained or incorporated by reference herein or in any documents we file with the SEC, except as required by law.

Should one or more of the risks or uncertainties described herein or in any documents we file with the SEC occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

Table of Contents

ITEM

Item 1. FINANCIAL STATEMENTS

ECHOSTAR CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Dollars in thousands, except share and per share amounts)

	As of	
	September 30, 2023	December 31, 2022

	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$1,094,531	$ 704,541
Marketable investment securities	894,744	973,915
Trade accounts receivable and contract assets, net	235,421	236,479
Other current assets, net	248,241	210,446
Total current assets	2,472,937	2,125,381
Non-current assets:		
Property and equipment, net	2,144,707	2,237,617
Operating lease right-of-use assets	143,726	151,518
Goodwill	532,710	532,491
Regulatory authorizations, net	459,463	462,531
Other intangible assets, net	13,975	15,698
Other investments, net	136,455	356,705
Other non-current assets, net	326,485	317,062
Total non-current assets	3,757,521	4,073,622
Total assets	$6,230,458	$6,199,003
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	$ 82,291	$ 101,239
Contract liabilities	122,288	121,739
Accrued expenses and other current liabilities	192,100	199,853
Total current liabilities	396,679	422,831
Non-current liabilities:		
Long-term debt, net	1,497,396	1,496,777
Deferred tax liabilities, net	433,370	424,621
Operating lease liabilities	127,829	135,932
Other non-current liabilities	109,396	119,787
Total non-current liabilities	2,167,991	2,177,117
Total liabilities	2,564,670	2,599,948
Commitments and Contingencies (Note 13)		

(Unaudited)

	As of	
	March 31, 2024	December 31, 2023
Assets		
Curr		
Cash and cash equivalents	$ 613,702	$ 1,821,376
Marketable investment securities	152,649	623,044

Table of Contents

ECHOSTAR CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

STATEMENTS OF OPERATIONS

AND COMPREHENSIVE INCOME (LOSS)

(In Dollars in thousands, except share and per share amounts)

Trade accounts receivable, net of allowance for credit losses of $84,906 and $74,390, respectively	1,023,089	1,122,139
Inventory	632,952	665,169
Prepaids and other assets	677,982	644,005
Other current assets	16,265	16,081
Total current assets	3,116,539	4,891,814
Noncurrent Assets:		
Restricted cash, cash equivalents and marketable investment securities	120,979	118,065
Property and equipment, net	9,589,433	9,561,834
Regulatory authorizations, net	38,809,600	38,572,980
Other investments, net	309,189	314,370
Operating lease assets	— 3,092,070	— 3,065,448
Intangible assets, net	127,670	172,892
Other noncurrent assets, net	390,937	411,491
Total noncurrent assets	52,439,878	52,217,080
Total assets	$ 55,556,417	$ 57,108,894
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities:		
Trade accounts payable	$ 573,299	$ 774,011
Deferred revenue and other	712,783	754,658
Accrued programming	1,485,798	1,427,762
Accrued interest	408,134	297,678
Other accrued expenses and liabilities	1,734,288	1,717,826
Current portion of long-term debt and finance lease obligations (Note 9)	2,090,661	3,046,654
Total current liabilities	7,004,963	8,018,589
Long-Term Obligations, Net of Current Portion:		
Long-term debt and finance lease obligations, net of current portion (Note 9)	19,696,803	19,717,266
Deferred tax liabilities, net	4,998,855	5,014,309
Operating lease liabilities	3,157,720	3,121,307
Long-term deferred revenue and other long-term liabilities	856,926	849,131
Total long-term obligations, net of current portion	28,710,304	28,702,013
Total liabilities	35,715,267	36,720,602
Commitments and Contingencies (Note 10)		
Redeemable noncontrolling interests (Note 2)	—	438,382
Stockholders' Equity (Deficit):		

Stockholders' equity:		
Preferred stock, $0.001 par value, 20,000,000 shares authorized, none issued and outstanding at both September 30, 2023 and December 31, 2022	—	—
Common stock, $0.001 par value, 4,000,000,000 shares authorized:		
Class A common stock, $0.001 par value, 1,600,000,000 shares authorized, 59,532,668 shares issued and 36,219,357 shares outstanding at September 30, 2023 and 58,604,927 shares issued and 35,291,616 shares outstanding at December 31, 2022	59	59
Class B convertible common stock, $0.001 par value, 800,000,000 shares authorized 47,687,039 shares issued and outstanding at both September 30, 2023 and December 31, 2022	48	48
Class C convertible common stock, $0.001 par value, 800,000,000 shares authorized, none issued and outstanding at both September 30, 2023 and December 31, 2022	—	—

Class A common stock, $0.001 par value, 1,600,000,000 shares authorized, 140,170,052 and 140,153,020 shares issued and outstanding, respectively	140	140
Class B common stock, $0.001 par value, 800,000,000 shares authorized, 131,348,468 shares issued and outstanding	131	131
Additional paid-in capital	8,310,877	8,301,979
Accumulated other comprehensive income (loss)	(164,604)	(160,056)
Accumulated earnings (deficit)	11,630,607	11,737,983
Total EchoStar stockholders' equity (deficit)	19,777,151	19,880,177
Noncontrolling interests	63,999	69,733
Total stockholders' equity (deficit)	19,841,150	19,949,910
Total liabilities and stockholders' equity (deficit)	$ 55,556,417	$ 57,108,894

Class D common stock, $0.001 par value, 800,000,000 shares authorized, none issued and outstanding at both September 30, 2023 and December 31, 2022	—	—
Additional paid-in capital	3,383,671	3,367,058
Accumulated other comprehensive income (loss)	(161,515)	(172,239)
Accumulated earnings (losses)	876,959	833,517
Treasury shares, at cost, 23,313,311 shares at both September 30, 2023 and December 31, 2022	(525,824)	(525,824)
Total EchoStar Corporation stockholders' equity	3,573,398	3,502,619
Non-controlling interests	92,390	96,436
Total stockholders' equity	3,665,788	3,599,055
Total liabilities and stockholders' equity	$6,230,458	$6,199,003

The accompanying notes are an integral part of these Consolidated Financial Statements condensed consolidated financial statements.

(Unaudited)

Table of Contents

ECHOSTAR CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

(In thousands)

(Unaudited)

	For the Three Months Ended March 31,	
	2024	**2023**
Revenue:		
Service revenue	$ 3,819,673	$ 4,180,721
Equipment revenue	195,170	206,945
Total revenue	4,014,843	4,387,666
Costs and Expenses (exclusive of depreciation and amortization):		
Cost of services	2,557,182	2,462,600
Cost of sales – equipment and other	363,083	520,060
Selling, general and administrative expenses	624,422	700,772
Depreciation and amortization	485,400	347,754
Impairment	—	3,142
Total costs and expenses	4,030,087	4,034,328
Operating income (loss)	(15,244)	353,338

(Unaudited, in thousands, except per share amounts)

Other Income (Expense):		
Interest income, net	30,462	68,186
Interest expense, net of amounts capitalized (Note 2)	(99,408)	(20,033)
Other, net (Note 5)	(26,110)	(34,761)
Total other income (expense)	(95,056)	13,392
Income (loss) before income taxes	(110,300)	366,730
Income tax (provision) benefit, net	1,925	(93,885)
Net income (loss)	(108,375)	272,845
Less: Net income (loss) attributable to noncontrolling interests, net of tax	(999)	19,311
Net income (loss) attributable to EchoStar	$ (107,376)	$ 253,534
Weighted-average common shares outstanding - Class A and B common stock:		
Basic	271,519	269,833
Diluted	271,519	307,410
Earnings per share - Class A and B common stock:		
Basic net income (loss) per share attributable to EchoStar	$ (0.40)	$ 0.94
Diluted net income (loss) per share attributable to EchoStar	$ (0.40)	$ 0.82
Comprehensive Income (Loss):		
Net income (loss)	$ (108,375)	$ 272,845
Other comprehensive income (loss):		
Foreign currency translation adjustments	(5,591)	8,124
Unrealized holding gains (losses) on available-for-sale debt securities	1,452	(240)
Recognition of previously unrealized (gains) losses on available-for-sale securities included in net income (loss)	(1,528)	(1)
Deferred income tax (expense) benefit, net	—	(126)
Total other comprehensive income (loss), net of tax	(5,667)	7,757
Comprehensive income (loss)	(114,042)	280,602
Less: Comprehensive income (loss) attributable to noncontrolling interests, net of tax	(2,118)	21,280
Comprehensive income (loss) attributable to EchoStar	$ (111,924)	$ 259,322

	Class A and B Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Noncontrolling Interests	Total	Redeemable Noncontrolling Interests
Purchase of SNR Management's ownership interest in SNR HoldCo							
Balance, December 31, 2022	$ 269	$8,222,599	$ (175,267)	$ 13,440,040	$ 98,192	$21,585,833	$ 464,359
Issuance of Class A common stock:							
Exercise of stock awards	—	(385)	—	—	—	(385)	—
Employee benefits	1	5,420	—	—	—	5,421	—
Employee Stock Purchase Plan	—	4,352	—	—	—	4,352	—
Non-cash, stock-based compensation	—	14,628	—	—	—	14,628	—
Other comprehensive income (loss)	—	—	5,788	—	1,969	7,757	—
Net income (loss) attributable to noncontrolling interests	—	—	—	—	(1,094)	(1,094)	20,405
Net income (loss) attributable to EchoStar	—	—	—	253,534	—	253,534	—
Balance, March 31, 2023	$ 270	$8,246,614	$ (169,479)	$ 13,693,574	$ 99,067	$21,870,046	$ 484,764

The accompanying notes are an integral part of these Consolidated Financial Statements.

2	For the three months ended September 30,		For the nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Revenue:				
Services and other revenue	$359,349	$401,382	$1,108,386	$1,234,890
Equipment revenue	53,725	96,005	197,394	263,347
Total revenue	413,074	497,387	1,305,780	1,498,237
Costs and expenses:				
Cost of sales - services and other (exclusive of depreciation and amortization)	133,335	145,189	401,431	430,553
Cost of sales - equipment (exclusive of depreciation and amortization)	43,180	74,329	151,004	213,497
Selling, general and administrative expenses	104,988	111,421	322,469	342,682
Research and development expenses	6,463	9,181	21,560	25,562
Depreciation and amortization	103,028	110,233	311,474	347,224
Impairment of long-lived assets	—	—	3,142	711
Total costs and expenses	390,994	450,353	1,211,080	1,360,229
Operating income (loss)	22,080	47,034	94,700	138,008
Other income (expense):				
Interest income, net	26,209	14,183	78,331	29,677
Interest expense, net of amounts capitalized	(12,650)	(13,845)	(39,176)	(43,125)

Gains (losses) on investments, net	(10,743)	(10,077)	(23,337)	48,071
Equity in earnings (losses) of unconsolidated affiliates, net	(1,978)	(1,426)	(3,075)	(4,441)
Other-than-temporary impairment losses on equity method investments	—	—	(33,400)	—
Foreign currency transaction gains (losses), net	(2,089)	(2,805)	4,482	(53)
Other, net	(11,750)	(319)	(2,308)	2,198
Total other income (expense), net	(13,001)	(14,289)	(18,483)	32,327
Income (loss) before income taxes	9,079	32,745	76,217	170,335
Income tax benefit (provision), net	(8,547)	(13,195)	(38,780)	(51,367)
Net income (loss)	532	19,550	37,437	118,968
Less: Net loss (income) attributable to non-controlling interests	2,712	2,853	6,005	8,736
Net income (loss) attributable to EchoStar Corporation common stock	$ 3,244	$ 22,403	$ 43,442	$ 127,704
Earnings (losses) per share - Class A and B common stock:				
Basic	$ 0.04	$ 0.27	$ 0.52	$ 1.51
Diluted	$ 0.04	$ 0.27	$ 0.52	$ 1.51

Accumulated

	Class A and B Common Stock	Additional Paid-In Capital	Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Noncontrolling Interests	Total	Redeemable Noncontrollin Interests
Balance, December 31, 2023	$ 271	$8,301,979	$ (160,056)	$ 11,737,983	$ 69,733	$19,949,910	$ 438,382
Issuance of Class A common							
Exercise of stock awards	—	(160)	—	—	—	(160)	—
Non-cash, stock-based compensation	—	9,058	—	—	—	9,058	—
Other comprehensive income (loss)	—	—	(4,548)	—	(1,119)	(5,667)	—
Purchase of SNR Management's ownership interest in SNR HoldCo	—	—	—	—	—	—	(441,998
Net income (loss) attributable to noncontrolling interests	—	—	—	—	(4,615)	(4,615)	3,616
Net income (loss) attributable to EchoStar	—		—	(107,376)	—	(107,376)	—
Balance, March 31, 2024	$ 271	$8,310,877	$ (164,604)	$ 11,630,607	$ 63,999	$19,841,150	$ —

Table of Contents

ECHOSTAR CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) CASH FLOWS

(In thousands)

(Unaudited)

	For the Three Marc
	2024
Cash Flows From Operating Activities:	
Net income (loss)	$ (108,375)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:	
Depreciation and amortization	485,400
Impairment of long-lived assets and goodwill	—
Realized and unrealized losses (gains) on investments, impairments and other	23,893
Realized and unrealized losses (gains) on derivatives	—
Non-cash, stock-based compensation	9,058
Deferred tax expense (benefit)	(11,688)
Changes in allowance for credit losses	10,516
Change in long-term deferred revenue and other long-term liabilities	(3,871)
Other, net	64,914
Changes in current assets and current liabilities, net	(18,588)
Net cash flows from operating activities	451,259
Cash Flows From Investing Activities:	
Purchases of marketable investment securities	(19,135)
Sales and maturities of marketable investment securities	458,792
Purchases of property and equipment	(519,612)
Refunds and other receipts of purchases of property and equipment	—
Capitalized interest related to regulatory authorizations (Note 2)	(158,084)
Purchases of regulatory authorizations, including deposits	(1,104)
Other, net	998
Net cash flows from investing activities	(238,145)

The accompanying notes are an integral part of these Consolidated Financial Statements condensed consolidated financial statements.

Cash Flows From Financing Activities:	
Repayment of long-term debt and finance lease obligations	**(27,125)**
Redemption and repurchases of convertible and senior notes	**(951,168)**
Proceeds from issuance of senior notes	**—**
Net proceeds from Class A common stock options exercised and stock issued under the Employee Stock Purchase Plan	**(160)**
Purchase of SNR Management's ownership interest in SNR HoldCo	**(441,998)**
Proceeds from accrued interest in conjunction with the issuance of senior notes	**—**
Debt issuance costs and debt (discount) premium	**—**
Other, net	**—**
Net cash flows from financing activities	**(1,420,451)**
Effect of exchange rates on cash and cash equivalents	**(849)**
Net increase (decrease) in cash, cash equivalents, restricted cash and cash equivalents	**(1,208,186)**
Cash, cash equivalents, restricted cash and cash equivalents, beginning of period (Note 5)	**1,911,601**
Cash, cash equivalents, restricted cash and cash equivalents, end of period (Note 5)	**$ 703,415**

(Unaudited, in thousands)

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Net income (loss)	$ 532	$19,550	$37,437	$118,968
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(9,020)	18,853	11,292	29,684
Unrealized gains (losses) on available-for-sale securities	(547)	358	1,141	(275)
Other	—	2,660	—	2,660
Amounts reclassified to net income (loss):				
Realized losses (gains) on available-for-sale debt securities	23	—	250	3
Total other comprehensive income (loss), net of tax	(9,544)	21,871	12,683	32,072

Comprehensive income (loss)	(9,012)	41,421	50,120	151,040
Less: Comprehensive loss (income) attributable to non-controlling interests	4,615	5,108	4,046	8,427
Comprehensive income (loss) attributable to EchoStar Corporation	$(4,397)	$46,529	$54,166	$159,467

The accompanying notes are an integral part of these Consolidated Financial Statements condensed consolidated financial statements.

Table of Contents

ECHOSTAR CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Unaudited, in thousands)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Losses)	Treasury Shares, at cost	Non-controlling Interests
Balance, June 30, 2022	$ 107	$3,355,238	$ (204,465)	$ 761,767	$(514,418)	$ 101,327
Issuance of Class A common stock:						
Employee Stock Purchase Plan	—	2,126	—	—	—	—

Stock-based compensation	—	3,355	—	—	—	—
Other comprehensive income (loss)	—	—	24,126	—	—	(2,255)
Net income (loss)	—	—	—	22,403	—	(2,853)
Treasury share repurchase	—	—	—	—	(11,406)	—
Other	$ —	$ 500	$ —	$ —	$ —	$ —
Balance, September 30, 2022	$ 107	$ 3,361,219	$ (180,339)	$ 784,170	$ (525,824)	$ 96,219
Balance, June 30, 2023	$ 107	$ 3,379,997	$ (153,874)	$ 873,715	$ (525,824)	$ 97,005
Issuance of Class A common stock:						
Employee Stock Purchase Plan	—	810	—	—	—	—
Stock-based compensation	—	2,864	—	—	—	—
Other comprehensive income (loss)	—	—	(7,641)	—	—	(1,903)
Net income (loss)	—	—	—	3,244	—	(2,712)
Balance, September 30, 2023	$ 107	$ 3,383,671	$ (161,515)	$ 876,959	$ (525,824)	$ 92,390

The accompanying notes are an integral part of these Consolidated Financial Statements

ECHOSTAR CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Unaudited, in thousands)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Losses)	Treasury Shares, at cost	Non-controlling Interests
Balance, December 31, 2021	$ 106	$ 3,345,878	$ (212,102)	$ 656,466	$ (436,521)	$ 60,253
Issuance of Class A common stock:						
Employee benefits	1	7,041	—	—	—	—
Employee Stock Purchase Plan	—	7,173	—	—	—	—
Stock-based compensation	—	8,401	—	—	—	—
Issuance of equity and contribution of assets pursuant to the India JV formation	—	(14,090)	—	—	—	44,393
Other comprehensive income (loss)	—	—	31,763	—	—	309
Net income (loss)	—	—	—	127,704	—	(8,736)
Treasury share repurchase	—	—	—	—	(89,303)	—
Consideration received from DISH Network for R&D tax credits utilized	—	6,316	—	—	—	—
Other	—	500	—	—	—	—
Balance, September 30, 2022	$ 107	$ 3,361,219	$ (180,339)	$ 784,170	$ (525,824)	$ 96,219
Balance, December 31, 2022	$ 107	$ 3,367,058	$ (172,239)	$ 833,517	$ (525,824)	$ 96,436
Issuance of Class A common stock:						
Employee benefits	—	5,421	—	—	—	—

Employee Stock Purchase Plan	—	2,953	—	—	—	—
Stock-based compensation	—	8,239	—	—	—	—
Other comprehensive income (loss)	—	—	10,724	—	—	1,959
Net income (loss)	—	—	—	43,442	—	(6,005)
Balance, September 30, 2023	$ 107	$ 3,383,671	$ (161,515)	$ 876,959	$ (525,824)	$ 92,390

The accompanying notes are an integral part of these Consolidated Financial Statements

ECHOSTAR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	For the nine months ended September 30,	
	2023	**2022**
Cash flows from operating activities:		
Net income (loss)	$ 37,437	$ 118,968
Adjustments to reconcile net income (loss) to cash flows provided by (used for) operating activities:		
Depreciation and amortization	311,474	347,224
Impairment of long-lived assets	3,142	711
Losses (gains) on investments, net	23,337	(48,071)
Equity in losses of unconsolidated affiliates, net	3,075	4,441

Foreign currency transaction losses (gains), net	(4,482)	53
Deferred tax provision, net	8,088	28,901
Stock-based compensation	8,239	8,401
Amortization of debt issuance costs	619	583
Gain on repayment of other debt securities	(7,605)	—
Other-than-temporary impairment losses on equity method investments	33,400	—
(Accretion of discounts) and amortization of premiums on debt investments	(21,340)	159
Other, net	(6,634)	35,450
Changes in assets and liabilities, net:		
Trade accounts receivable and contract assets, net	2,940	(63,563)
Other current assets, net	(46,216)	(26,402)
Trade accounts payable	(22,817)	657
Contract liabilities	549	(13,759)
Accrued expenses and other current liabilities	(489)	(27,004)
Non-current assets and non-current liabilities, net	(21,694)	(23,432)

Net cash provided by (used for) operating activities	301,023	343,317
Cash flows from investing activities:		
Purchases of marketable investment securities	(1,015,650)	(540,447)
Sales and maturities of marketable investment securities	1,150,683	917,077
Expenditures for property and equipment	(206,862)	(249,374)
Refunds and other receipts related to capital expenditures	34,611	—
Expenditures for externally marketed software	(22,373)	(16,926)
Proceeds from repayment of other debt investment	148,448	—
India JV formation	—	(7,892)
Dividend received from unconsolidated affiliate	—	2,000
Sale of unconsolidated affiliate	—	7,500
Sales of other investments	—	3,070
Net cash provided by (used for) investing activities	88,857	115,008
Cash flows from financing activities:		
Payment of finance lease obligations	—	(114)
Payment of in-orbit incentive obligations	(3,144)	(2,422)

Proceeds from Class A common stock issued under the Employee Stock Purchase Plan	2,953	7,173
Payment of equity registration fees	(1,327)	—
Treasury share repurchase	—	(89,303)
Net cash provided by (used for) financing activities	(1,518)	(84,666)
Effect of exchange rates on cash and cash equivalents	1,622	(3,123)
Net increase (decrease) in cash and cash equivalents	389,984	370,536
Cash and cash equivalents, including restricted amounts, beginning of period	705,882	536,874
Cash and cash equivalents, including restricted amounts, end of period	$1,095,866	$907,410

The accompanying notes are an integral part of these Consolidated Financial Statements

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1. ORGANIZATION AND BUSINESS ACTIVITIES

1. Organization and Business Activities

Principal Business

EchoStar Corporation (which, together with its subsidiaries, is referred to as "EchoStar," the "Company," "we," "us" and "our") is a holding company that was organized in October 2007 as a corporation under the laws of the State of Nevada. Our Class A common stock is publicly traded Its subsidiaries (which together with EchoStar Corporation are referred to as "EchoStar," the "Company," "we," "us" and/or "our," unless otherwise required by the context) operate four primary business segments.

Recent Developments

Merger with DISH Network

On December 31, 2023, we completed the acquisition of DISH Network pursuant to the Amended and Restated Agreement and Plan of Merger, dated as of October 2, 2023 (the "Amended Merger Agreement"), by and among us, EAV Corp., a Nevada corporation and our wholly owned subsidiary ("Merger Sub"), and DISH Network, pursuant to which we acquired DISH Network by means of the merger of Merger Sub with and into DISH Network (the "Merger"), with DISH Network surviving the Merger as our wholly owned subsidiary. For further information, refer to the Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023.

With the Merger complete, we are currently focused on the NASDAQ Global Select Market process of integrating our and DISH Network's business in a manner that facilitates synergies, cost savings, growth opportunities and achieves other anticipated benefits (the "Integration").

Future Capital Requirements

The condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Our cash and cash equivalents and marketable investment securities totaled $766 million as of March 31, 2024 ("NASDAQ" Cash on Hand"). As reflected in the condensed consolidated financial statements as of March 31, 2024, we have $1.983 billion of debt maturing in November 2024, and we are forecasting negative cash flows for the remainder of the calendar year 2024.

Because we do not currently have committed financing to fund our operations for at least twelve months from the issuance of these condensed consolidated financial statements, substantial doubt exists about our ability to continue as a going concern. We do not currently have the necessary Cash on Hand and/or projected future cash flows to fund fourth quarter operations or the November 2024 debt maturity. To address our capital needs, we are in active discussions with funding sources to raise additional capital. We cannot provide assurances that we will be successful in obtaining such new financing necessary for us to have sufficient liquidity. Further, if we are not successful in these endeavors, then capital expenditures to meet future FCC build-out requirements and wireless customer growth initiatives will be adversely affected.

The condensed consolidated financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should we not continue as a going concern.

Table of Contents

ECHOSTAR CORPORATION NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued (Unaudited)

Segments

We currently operate four primary business segments: (1) Pay-TV; (2) Retail Wireless; (3) 5G Network Deployment; and (4) Broadband and Satellite Services.

Pay-TV

We offer pay-TV services under the symbol "SATS."

DISH® brand and the SLING® brand (collectively "Pay-TV" services). The DISH branded pay-TV service consists of, among other things, Federal Communications Commission ("FCC") licenses authorizing us to use direct broadcast satellite ("DBS") and Fixed Satellite Service ("FSS") spectrum, our owned and leased satellites, receiver systems, broadcast operations, a leased fiber optic network, in-home service and call center operations and certain other assets utilized in our operations ("DISH TV"). We also design, develop and distribute receiver systems and provide digital broadcast operations, including satellite uplinking/downlinking, transmission and other services to third-party pay-TV providers. The SLING branded pay-TV services consist of, among other things, multichannel, live-linear and on-demand streaming over-the-top ("OTT") Internet-based domestic, international, Latino and Freestream video programming services ("SLING TV"). As of March 31, 2024, we had 8.178 million Pay-TV subscribers in the United States, including 6.258 million DISH TV subscribers and 1.920 million SLING TV subscribers.

Retail Wireless

We offer nationwide prepaid and postpaid retail wireless services to subscribers primarily under our Boost Mobile® and Gen Mobile® brands ("Retail Wireless" services), as well as a competitive portfolio of wireless devices. Prepaid wireless subscribers generally pay in advance for monthly access to wireless talk, text and data services. Postpaid wireless subscribers are qualified to pay after receiving wireless talk, text and data services, and may also qualify for device financing arrangements.

We are an industry leader currently operating our Retail Wireless segment primarily as a mobile virtual network operator ("MVNO") as we continue our 5G Network Deployment and commercialize and grow customer traffic on our 5G Network, as defined below. We are transitioning our Retail Wireless segment to a mobile network operator ("MNO") as our 5G Network has become commercially available and we grow customer traffic on our 5G Network. We are currently activating Boost Mobile subscribers with compatible devices onto our 5G Network in both networking technologies markets where we have reached voice over new radio ("VoNR"). We currently provide 5G VoNR reaching approximately 200 million Americans. Within our MVNO operations, today we depend on T-Mobile and services, innovating AT&T to deliver the global solutions that power a connected future for people, enterprises and things everywhere. We provide internet services to consumer customers, which include home and small to medium-sized businesses, and satellite and multi-transport technologies and managed us with network services under the amended Master Network Services Agreement ("MNSA") and Network Services Agreement (the "NSA"), respectively. Under the NSA, we expect AT&T will become our primary network services provider. As of March 31, 2024, we had 7.297 million Wireless subscribers.

5G Network Deployment

We have invested a total of over $30 billion in Wireless spectrum licenses. The $30 billion of investments related to enterprise customers, telecommunications providers, aeronautical service providers Wireless spectrum licenses does not include $9 billion of capitalized interest related to the carrying value of such licenses. See Note 2 and government entities, including Note 10 for further information.

We will need to raise additional capital in the future, which may not be available on favorable terms, to fund the efforts described below, as well as, among other things, make any potential Northstar Re-Auction Payment and SNR Re-Auction Payment for the AWS-3 licenses retained by the FCC. There can be no assurance that we will be able to profitably deploy our Wireless spectrum licenses, which may affect the carrying amount of these assets and our future financial condition or results of operations. See Note 10 for further information.

Table of Contents

Our Wireless spectrum licenses are subject to certain interim and final build-out requirements, as well as certain renewal requirements. We plan to commercialize our Wireless spectrum licenses through the completion of the nation's first cloud-native, Open Radio Access Network ("O-RAN") based 5G network (our "5G Network Deployment"). We have committed to deploy a facilities-based 5G broadband network (our "5G Network") capable of serving increasingly larger portions of the U.S.

Department population at different deadlines. On September 29, 2023, the FCC confirmed we have met all of Defense. our June 14, 2023 band-specific 5G deployment commitments, and two of our three nationwide 5G commitments. The single remaining 5G commitment, that at least 70% of the U.S. population has access to average download speeds equal to 35 Mbps, was achieved in March 2024 using the drive test methodology previously agreed upon by us and the FCC and overseen by an independent monitor.We operate now have the largest commercial deployment of 5G VoNR in the following two business segments:

world reaching approximately 200 million Americans and 5G broadband service • reaching approximately 250 million Americans.

—

We may need to make significant additional investments or partner with others to, among other things, continue our 5G Network Deployment and further commercialize, build-out and integrate these licenses and related assets and any additional acquired licenses and related assets, as well as to comply with regulations applicable to such licenses. Depending on the nature and scope of such activities, any such investments or partnerships could vary significantly. In addition, as we continue our 5G Network Deployment, we have and may continue to incur significant additional expenses related to, among other things, research and development, wireless testing and ongoing upgrades to the wireless network infrastructure, software and third-party integration. As a result of these investments, among other factors, we plan to raise additional capital, which may not be available on favorable terms. We may also determine that additional wireless spectrum licenses may be required for our 5G Network Deployment and to compete effectively with other wireless service providers. See Note 10 for further information.

Other Developments

On March 10, 2024, CONX Corp. (an entity partially owned by Charles W. Ergen, our Chairman) ("CONX"), a special purpose acquisition company, and EchoStar Real Estate Holding L.L.C. ("Seller"), our subsidiary, entered into a definitive purchase and sale agreement (the "Purchase Agreement"), which provides for CONX's purchase from the Seller of the commercial real estate property in Littleton, Colorado, comprising the corporate headquarters of DISH Wireless, for a purchase price of $26.75 million. The transaction closed May 1, 2024, at which time we entered into an agreement to lease back the property from CONX for an initial 10 year term.

Broadband and Satellite Services

We offer broadband satellite technologies and broadband internet products and services to consumer customers. We provide broadband network technologies, managed services, equipment, hardware, satellite services and communications solutions to government and enterprise customers. We also design, provide and install gateway and terminal equipment to customers for other satellite systems. In addition, we design, develop, construct and provide telecommunication networks comprising satellite ground segment systems and terminals to mobile system operators and our enterprise customers.

- ***EchoStar Satellite Services segment ("ESS segment")*** — which provides satellite services on We also offer a full-time and/or occasional-use basis robust suite of integrated, multi-transport solutions to U.S. government enable airline and airline service providers internet to deliver reliable in-flight network connectivity serving both commercial and business aviation. As of March 31, 2024, we had 978,000 Broadband subscribers.

[Table of Contents](#)

ECHOSTAR CORPORATION NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued (Unaudited)

Our EchoStar XXIV satellite began service providers, broadcast news organizations, content providers in December 2023, bringing additional broadband capacity across

North and private enterprise customers. We operate South America and is expected to be an integral part of our ESS business using primarily the EchoStar IX satellite and the EchoStar 105/SES-11 satellite and related infrastructure. service business. Revenue in our ESS segment satellite services business depends largely on our ability to make continuous use of our available satellite capacity on behalf of existing customers and our ability to enter into commercial relationships with new customers. During the first quarter of 2023, we transitioned the EchoStar IX satellite into inclined operations to extend its usable life for our customers. With this inclined mode of operation, we are expecting to extend the life of the spacecraft into 2024 without diminishing its capacity.

2. Summary of Significant Accounting Policies

Note 14. Segment Reporting for further details.

On August 8, 2023, the Company entered into an Agreement and Plan of Merger ("the Original Merger Agreement") with DISH Network Corporation, a Nevada corporation ("DISH"), and Eagle Sub Corp ("Eagle Sub"), a Nevada corporation and a wholly owned subsidiary of DISH. The Original Merger Agreement provided, among other things, that subject to the satisfaction or waiver of the conditions set forth in the agreement, Eagle Sub would merge with and into EchoStar, with EchoStar surviving as a wholly owned subsidiary of DISH.

ECHOSTAR CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (Unaudited)

On October 2, 2023, the Company entered into an Amended and Restated Agreement and Plan of Merger (the "Amended Merger Agreement") with DISH and EAV Corp., a Nevada corporation and a wholly owned subsidiary of EchoStar ("Merger Sub"). The Amended Merger Agreement revises the structure of the merger of DISH and EchoStar contemplated by the Original Merger Agreement. The Amended Merger Agreement provides, among other things, that subject to the satisfaction or waiver of the conditions set forth in the Amended Merger Agreement, Merger Sub will merge with and into DISH (the "Merger"), with DISH surviving the Merger as a wholly owned subsidiary of EchoStar. The expected proportional ownership of existing EchoStar stockholders and DISH stockholders in the combined company upon the consummation of the Merger remains the same as the expected proportional ownership contemplated by the Original Merger Agreement. Pursuant to the Amended Merger Agreement, at the effective time of the Merger, (the "Effective Time"), each share of DISH Class A Common Stock, par value $0.01 per share ("DISH Class A Common Stock") and DISH Class C Common Stock, par value $0.01 per share ("DISH Class C Common Stock"), outstanding immediately prior to the Effective Time, will be converted into the right to receive a number of validly issued, fully paid and non-assessable shares of EchoStar Class A Common Stock, par value $0.001 per share ("EchoStar Class A Common Stock"), equal to 0.350877 (the "Exchange Ratio"). On the terms and subject to the conditions set forth in the Amended Merger Agreement, at the Effective Time, each share of DISH Class B Common Stock, par value $0.01 per share ("DISH Class B Common Stock"), outstanding immediately prior to the Effective Time will be converted into the right to receive a number of validly issued, fully paid and non-assessable shares of EchoStar Class B Common Stock, par value $0.001 per share (the "EchoStar Class B Common Stock" and, together with the EchoStar Class A Common Stock, the "EchoStar Common Stock"), equal to the Exchange Ratio. Any shares of DISH Class A Common Stock, DISH Class B Common Stock and DISH Class C Common Stock (collectively, "DISH Common Stock") that are held in DISH's treasury or held directly by EchoStar or Merger Sub immediately prior to the Effective Time will be cancelled and cease to exist and no consideration shall be paid or payable in respect thereof. Refer to *Note 16. Subsequent Events* for further details.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These

The accompanying unaudited Condensed Consolidated Financial Statements and the accompanying notes (collectively, the "Consolidated Financial Statements") are have been prepared in conformity accordance with U.S. accounting principles generally accepted accounting principles in the United States ("GAAP") and with the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial information. Accordingly, they these statements do not include all of the information and notes required for complete financial statements prepared in conformity with under GAAP. In our opinion, all adjustments consisting (consisting of normal recurring adjustments, adjustments) considered necessary for a fair presentation have been included. However, our Our results of operations for the interim periods presented are not necessarily indicative of the results that may be expected for the full year.

All amounts presented in these Consolidated Financial Statements are expressed in thousands of U.S. dollars, except share and per share amounts and unless otherwise noted.

Refer to *Note 2. Summary of Significant Accounting Policies* For further information, refer to the Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023. Certain prior period amounts have been reclassified to conform to the current period presentation.

Merger with DISH Network. Prior to the Merger, Charles W. Ergen and Cantey M. Ergen were the controlling stockholders of each of EchoStar and DISH Network and they continue to be the controlling stockholders of EchoStar after the Merger. Therefore, the Merger has been accounted for as a summary transaction between entities under common control in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 805, *Business Combinations*, Subtopic 50, *Related Issues*, with EchoStar considered as the receiving entity because EchoStar issued equity in connection with the Merger. Accordingly, upon the completion of the Merger, on December 31, 2023, EchoStar recorded DISH Network's net assets at their carrying value, with no additional goodwill or other intangible assets recognized.

Upon the completion of the Merger, the net assets of DISH Network have been combined with those of EchoStar at their historical carrying amounts and discussion DISH Network and EchoStar are presented on a combined basis for all historical periods that the companies were under common control. As defined and detailed in our Annual Report on Form 10-K for the year ended December 31, 2023, shares of EchoStar Common Stock issued to holders of DISH Network Common Stock in exchange for the outstanding shares of DISH Network Common Stock were recorded at par value and historical weighted average basic and diluted shares of DISH Network have been adjusted by the Exchange Ratio and included in the weighted average shares outstanding on our condensed consolidated statements of operations. Intercompany transactions between EchoStar and DISH Network have been eliminated from all historical periods.

"Cost of services." Historically, as we built-out our 5G Network, certain direct costs related to our 5G Network Deployment, including lease expense on communication towers, transport, cloud services and other costs, were presented within "Cost of sales – equipment and other" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) as our 5G Network service had not commenced. As we have commenced utilizing our 5G Network for commercial traffic, such amounts now represent costs of operating our 5G Network and are, beginning on January 1, 2024, presented within the "Cost of services" on our Condensed Consolidated

Statements of Operations and Comprehensive Income (Loss). The change has no impact on net income. For the three months ended March 31, 2023, the direct costs related to our 5G Network Deployment included within the “Cost of sales – equipment and other” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) were $183 million.

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Principles of Consolidation

We consolidate all majority owned subsidiaries, investments in entities in which we have controlling influence and VIEs where we have been determined to be the primary beneficiary. Minority interests are recorded as noncontrolling interests or redeemable noncontrolling interests. See below for further information. Non-consolidated investments are accounted for using the equity method when we have the ability to significantly influence the operating decisions of the investee. When we do not have the ability to significantly influence the operating decisions of an investee, these equity securities are classified as either marketable investment securities or other investments, which will be initially recorded at cost, and based on observable market prices, will be adjusted to their fair value. We record fair value adjustments in "Other, net" within "Other Income (Expense)" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). All significant intercompany accounts and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the current period presentation.

Redeemable Noncontrolling Interests

Northstar Wireless. Northstar Wireless, L.L.C. ("Northstar Wireless") is a wholly-owned subsidiary of Northstar Spectrum, LLC ("Northstar Spectrum"), which is an entity owned by us and, prior to October 12, 2023, by us and Northstar Manager, LLC (“NorthStar Manager”). On October 12, 2023, the FCC consented to the sale of Northstar Manager’s ownership interests in Northstar Spectrum, which we purchased for a total of approximately $109 million. This purchase resulted in the elimination of all of our significant accounting policies, except redeemable noncontrolling interest as updated below. it related to Northstar Spectrum as of the purchase date and we continue to consolidate the Northstar Entities as wholly-owned subsidiaries.

SNR Wireless. SNR Wireless LicenseCo, LLC (“SNR Wireless”) is a wholly-owned subsidiary of SNR Wireless HoldCo, LLC (“SNR HoldCo”), which is an entity owned by us and, prior to February16, 2024, by us and SNR Wireless Management, LLC (“SNR Management”). On February 16, 2024, the FCC consented to the sale of SNR Management’s ownership interests in SNR HoldCo, which was purchased by our direct wholly-owned subsidiary EchoStar SNR HoldCo L.L.C. for a total of approximately $442 million. This purchase resulted in the elimination of all of our redeemable noncontrolling interest as it related to SNR HoldCo as of the purchase date and we continue to consolidate the SNR Entities as wholly-owned subsidiaries.

For further information, refer to the Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Use of Estimates

We are required

The preparation of financial statements in conformity with GAAP requires us to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense for each reporting period. Estimates are based on historical experience, observable market inputs, and other reasonable assumptions in these Consolidated Financial Statements.
The most significant estimates and
assumptions are used in determining:
(i) inputs used to recognize revenue over time, including amortization

periods accounting for, deferred contract acquisition costs and relative standalone selling prices of performance obligations; (ii) among other things, allowances for doubtful accounts, and estimated credit losses on investments; (iii) (including those related to our installment billing programs), self-insurance obligations, deferred taxes and related valuation allowances, including uncertain tax positions; (iv) positions, loss contingencies; (v) contingencies, fair value of financial instruments; (vi) instruments, fair value of options granted under our stock-based compensation plans, fair value of assets and liabilities acquired in business combinations; and (vii) combinations, inputs used to recognize revenue over time, including the relative standalone selling prices of performance obligations, finance leases, asset impairments, estimates of future cash flows used to evaluate and recognize impairments. impairments, useful lives of property, equipment and intangible assets, incremental borrowing rate (“IBR”) on lease right of use assets, nonrefundable upfront fees, independent third-party retailer incentives, programming expenses and subscriber lives.

Table of Contents

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED Continued (Unaudited)

(Unaudited)
We base our

Economic conditions may increase the inherent uncertainty in the estimates and assumptions on historical experience, observable market inputs and on various other factors that we believe to be relevant under the circumstances. Due to the inherent uncertainty involved in making estimates, actual indicated above. Actual results may differ from previously estimated amounts, and such differences may be material to our condensed consolidated financial statements. Additionally, changing economic conditions may increase the inherent uncertainty in the estimates Estimates and assumptions indicated above. We review our estimates and assumptions are reviewed periodically, and the effects of revisions thereto are reflected prospectively in the period they occur occur.

Capitalized Interest

We capitalize interest associated with the acquisition or prospectively if construction of certain assets, including, among other things, our Wireless spectrum licenses, build-out costs associated with our 5G Network Deployment and satellites. Capitalization of interest begins when, among other things, steps are taken to prepare the revised estimate affects future periods.

Principles of Consolidation

We consolidate all entities in which we have a controlling financial interest. asset for its intended use and ceases when the asset is ready for its intended use or when these activities are substantially suspended.

We are deemed currently commercializing our 5G Network Deployment. As a result, the interest expense related to the carrying amount of the 5G Network Deployment qualifying assets is being capitalized. Historically, the qualifying assets exceeded the carrying value of our long-term debt and finance lease obligations, therefore substantially all of our interest expense was being capitalized. As the qualifying assets, including certain bands of wireless spectrum licenses, have been placed into service with the deployment of our 5G Network, we no longer capitalize substantially all interest on those assets and as a controlling financial interest result, during the three months ended March 31, 2024, we incurred $88 million of “Interest expense, net of amounts capitalized” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), which would have previously been capitalized. We expect this trend to continue.

Fair Value Measurements

We determine fair value based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in variable interest entities the principal or most advantageous market for the asset or liability in which we an orderly transaction between market participants. Market or observable inputs are the primary beneficiary and in other entities in which we own more than 50% preferred source of the outstanding voting shares and other shareholders do not have substantive rights to participate in management. For entities we control but do not wholly own, we record a non-controlling interest within stockholders’ equity for the portion of the entity’s equity attributed to the non-controlling ownership interests. All significant intercompany balances and values, followed by unobservable inputs or assumptions based on hypothetical transactions have been eliminated in consolidation.

Recently Adopted Accounting Pronouncements

Business Combinations

On January 1, 2023, we adopted Accounting Standards Update (“ASU”) No. 2021-08 - *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from*

Contracts with Customers, which provides an exception to fair value measurement for contract assets and contract liabilities related to revenue contracts acquired in a business combination. The ASU requires an entity (acquirer) to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. At the acquisition date, an acquirer should account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. The ASU is applied to business combinations occurring on or after the adoption date.

Government Assistance

On January 1, 2022, we adopted ASU No. 2021-10 - *Government Assistance (Topic 832)*: Disclosures by Business Entities about Government Assistance, which requires business entities (except for not-for-profit entities and employee benefit plans) to disclose information about certain government assistance they receive. The Company is currently participating in three government programs: New York-Connect America Fund, New York Broadband, and Affordable Connectivity Plan. The purpose of these programs is to provide internet and connectivity services to qualifying households in the United States. The Company is entitled to reimbursement from absence of market inputs. We apply the government for services provided. We record gross monies received from government entities following hierarchy in Services determining fair value:

- Level 1, defined as observable inputs being quoted prices in active markets for identical assets;

- Level 2, defined as observable inputs other than quoted prices included in Level 1, including quoted prices for similar assets and liabilities in active markets; and quoted prices for identical or similar instruments in markets that are not active and model-derived valuations in which significant inputs and significant value drivers are observable in active markets; and
- Level 3, defined as unobservable inputs for which little or no market data exists, consistent with reasonably available assumptions made by other participants therefore requiring assumptions based on the best information available.

As of March 31, 2024 and other revenue, and associated expenses such as salaries and supplies are recorded in Cost of sales - services and other, Research and development or Selling, general and administrative expenses, depending on the nature of expenditure. We accrue for reimbursement requests submitted to government entities in Trade accounts receivable and contract assets, net. During the three and nine months ended September 30, 2023 December 31, 2023, the Company recognized $4.6 million carrying amount for cash and $12.7 million in Services and other revenue, respectively. As of September 30, 2023, we have cash equivalents, trade accounts receivable (net of $2.8 million related allowance for credit losses) and current liabilities (excluding the "Current portion of long-term debt and finance lease obligations") was equal to our government programs. or approximated fair value due to their short-term nature or proximity to current market rates.

Table of Contents

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED Continued (Unaudited)

(Unaudited)

Fair values of our marketable investment securities are measured on a recurring basis based on a variety of observable market inputs. For our investments in publicly traded equity securities and U.S. government securities, fair value ordinarily is determined based on Level 1 measurements that reflect quoted prices for identical securities in active markets. Fair values of our investments in other marketable debt securities are generally based on Level 2 measurements as the markets for such debt securities are less active. We consider trades of identical debt securities on or near the measurement date as a strong indication of fair value and matrix pricing techniques that consider par value, coupon rate, credit quality, maturity and other relevant features may also be used to determine fair value of our investments in marketable debt securities. Additionally, we use fair value measurements from time to time in connection with other investments, asset impairment testing and the assignment of purchase consideration to assets and liabilities of acquired companies. Those fair value measurements typically include significant unobservable inputs and are categorized within Level 3 of the fair value hierarchy. Transfers between levels in the fair value hierarchy are considered to occur at the beginning of the quarterly accounting period. There were no transfers between levels during the three months ended March 31, 2024 and 2023. See Note 5 for the fair value of our marketable investment securities and derivative instruments.

Fair values for our publicly traded debt securities are based on quoted market prices, when available. The fair values of private debt are based on, among other things, available trade information, and/or an analysis in which we evaluate market conditions, related securities, various public and private offerings, and other publicly available information. In performing this analysis, we make various assumptions regarding, among other things, credit spreads, and the impact of these factors on the value of the debt securities. See Note 9 for the fair value of our long-term debt.

Assets Recognized Related to the Costs to Obtain a Contract with a Customer

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year. We have determined that certain sales incentive programs in our Pay-TV, Broadband and Satellite Services, and Retail Wireless segments, including those with our independent third-party retailers, meet the requirements to be capitalized, and payments made under these programs are capitalized and amortized to expense over the estimated customer life or the contract term. These amounts are capitalized in “Prepaids and other assets” and “Other noncurrent assets, net” on our Condensed Consolidated Balance Sheets, and then amortized in “Selling, general and administrative expenses” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

Advertising Costs

We recognize advertising expense when incurred as a component of “Selling, general and administrative expenses” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). Advertising expenses totaled $164 million and $173 million for the three months ended March 31, 2024 and 2023, respectively.

Research and Development

Research and development costs, not incurred in connection with customer requirements, are expensed as incurred and are included as a component of “Selling, general and administrative expenses” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

Recently Issued

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Additionally, customer-related research and development costs are incurred in connection with the specific requirements of a customer’s order; in such instances, the amounts for these customer funded development efforts are also included in “Cost of sales–equipment and other” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). Research and development costs totaled $25 million and $28 million for the three months ended March 31, 2024 and 2023, respectively.

New Accounting Pronouncements Not Yet Adopted

Business Combinations -

Joint Venture Formations

In August 2023, Ventures. On August 23, 2023, the FASB issued ASU No. 2023-05, - *Business Combinations— Combinations — Joint Venture Formations to reduce diversity in practice and provide decision-useful information to (Subtopic 805-60)* ("ASU 2023-05"), which requires an entity that qualifies as either a joint venture's investors. The ASU requires that venture or a corporate joint venture as defined in the FASB Accounting Standards Codification (ASC) master glossary to apply a new basis of accounting upon formation. Specifically, the newly formed formation of the joint venture venture. This standard will be required to recognize and initially measure its assets and liabilities at fair value (with exceptions to fair value measurement that are consistent with the business combinations guidance). The amendments in this ASU do not amend the definition of a joint venture, the accounting by an equity method investor for its investment in a joint venture, or the accounting by a joint venture for contributions received after its formation. The guidance in this ASU is effective prospectively for all joint ventures venture formations with a formation date on or after January 1, 2025. A joint venture that was formed before January 1, 2025 may elect to apply the amendments retrospectively if it has sufficient information. Early adoption is permitted in any interim or annual period in which financial statements have not yet been issued (or or made available for issuance), either prospectively or retrospectively. This ASU is applied prospectively to all newly formed joint ventures on or after issuance. We are evaluating the impact the adoption date. of

ASU 2023-05 will have on our Condensed Consolidated Financial Statements and related disclosures.

Leases - Common Control Arrangements

In March 2023,

Segment Reporting. On November 27, 2023, the FASB issued ASU No. 2023-01 - *Leases* *2023-07 Segment Reporting (Topic 842) 280): Common Control Arrangements. Among other things, this Improvements to Reporting Segment Disclosures* ("ASU requires all lessees to amortize leasehold improvements associated with common control leases over their useful life to 2023-07"), which will enhance financial reporting by providing additional information about a public company's significant segment expenses and more timely and detailed segment information reporting throughout the common control group and account for them as a transfer of assets between entities under common control at the end of the lease. Additional disclosures are required when the useful life of leasehold improvements to the common control group exceeds the related lease term. The guidance is fiscal period. This standard will be effective for fiscal years beginning after December 15, 2023, including and interim periods within those fiscal years. years beginning after December 15, 2024. Early adoption is permitted. We plan to adopt this new guidance prospectively to all new leasehold improvements recognized on or after are evaluating the impact the adoption date and we do not expect it to of ASU 2023-07 will have a material impact on our Condensed Consolidated Financial Statements. Statements and related disclosures.

Reference Rate Reform

Income Taxes. In March 2020, On December 14, 2023, the FASB issued ASU No. 2020-04 - 2023-9,*Reference Rate Reform Income Taxes* (Topic *848)740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), which will enhance income tax disclosures. ASU 2023-09 requires among other items disaggregated information in a reporting entity's rate reconciliation table, clarification on uncertain tax positions and all subsequent amendments the related financial statement impact as well as information on income taxes paid on a disaggregated basis. This standard will be effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. We are evaluating the impact the adoption of ASU 2023-09 will have on our Condensed Consolidated Financial Statements and related disclosures.

3. Basic and Diluted Net Income (Loss) Per Share

We present both basic earnings per share ("EPS") and diluted EPS. Basic EPS excludes potential dilution and is computed by dividing "Net income (loss) attributable to EchoStar" by the initial guidance, codified as ASC 848 ("ASC 848"). The purpose weighted-average number of ASC 848 is to provide optional guidance to ease common shares outstanding for the period. Diluted EPS reflects the potential effects dilution that could occur if stock awards were exercised and if our Convertible Notes were converted. The potential dilution from stock awards is accounted for using the treasury stock method based on financial the average market value of our Class A common stock for the reporting period. The potential dilution from conversion of the market-wide migration away from Interbank Offered Rates to alternative reference rates. ASC 848 applies only to contracts, hedging relationships, and other transactions Convertible Notes is accounted for using the if-converted method, which requires that reference a reference rate expected to all of the shares of our Class A common stock issuable upon conversion of the Convertible Notes will be discontinued because of reference rate reform. The guidance may be applied upon issuance of ASC 848 through December 31, 2024. We expect to utilize the optional expedients provided by the guidance for contracts amended solely to use an alternative reference rate. We have evaluated the new guidance and we are included in the process calculation of implementing this ASU, and all subsequent amendments, and do not expect them to have a material impact on our Consolidated

Financial Statements. diluted EPS assuming conversion of the Convertible Notes at the beginning of the reporting period (or at time of issuance, if later).

Table of Contents

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED Continued (Unaudited)

(Unaudited)

NOTE 3. REVENUE RECOGNITION

Contract Balances

The following table presents EPS amounts for all periods and the components basic and diluted weighted-average shares outstanding used in the calculation.

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
	(In thousands, except per share amounts)	
Net income (loss)	$ (108,375)	$ 272,845
Less: Net income (loss) attributable to noncontrolling interests, net of tax	(999)	19,311

Net income (loss) attributable to EchoStar - Basic	(107,376)	253,534
Interest on dilutive Convertible Notes, net of tax (1)	—	—
Net income (loss) attributable to EchoStar - Diluted	$ (107,376)	$ 253,534
Weighted-average common shares outstanding - Class A and B common stock:		
Basic	271,519	269,833
Dilutive impact of Convertible Notes (2)(3)	—	37,550
Dilutive impact of stock awards outstanding (3)	—	27
Diluted	271,519	307,410
Earnings per share - Class A and B common stock:		
Basic net income (loss) per share attributable to EchoStar	$ (0.40)	$ 0.94

Diluted net income (loss) per share attributable to EchoStar	$	(0.40)	$	0.82

(1) For the three months ended March 31, 2023, substantially all of our interest expense was capitalized. See Note 2 for further information.
(2) We repurchased or redeemed the principal balance of our 2 3/8% Convertible Notes due 2024 as of March 15, 2024, the instrument's maturity date.
(3) For the three months ended March 31, 2024, the dilutive impact of 33 million weighted-average shares of ClassA common stock were excluded from the computation of "Diluted net income (loss) per share attributable to EchoStar" because the effect would have been anti-dilutive as a result of the net loss attributable to EchoStar in the period.

Certain stock awards to acquire our Class A common stock are not included in the weighted-average common shares outstanding above, as their effect is anti-dilutive. In addition, vesting of performance/market based options and rights to acquire shares of our contract balances: Class A common stock granted pursuant to our performance based stock incentive plans ("Restricted Performance Units") are both contingent upon meeting certain goals, some of which are not yet probable of being achieved. Furthermore, the warrants that we issued to certain option counterparties in connection with the Convertible Notes due 2026 are only exercisable at their expiration if the market price per share of our Class A common stock is greater than the strike price of the warrants, which is at price ranges of approximately $185.75 to $245.33 per share, subject to certain adjustments. As a consequence, the following are not included in the diluted EPS calculation.

	As of March 31,	
	2024	2023
	(In thousands)	
Anti-dilutive stock awards	11,417	10,849
Performance/market based options	4,556	5,020
Restricted Performance Units/Awards	—	243
Common stock warrants	16,151	16,151
Total	32,124	32,263

	As of	
	September 30, 2023	**December 31, 2022**
Trade accounts receivable and contract assets, net:		
Sales and services	$ 165,456	$ 170,466
Leasing and other	9,856	7,936
Total trade accounts receivable	175,312	178,402
Contract assets	76,831	73,435
Allowance for doubtful accounts	(16,722)	(15,358)
Total trade accounts receivable and contract assets, net	$ 235,421	$ 236,479
Contract liabilities:		
Current	$ 122,288	$ 121,739
Non-current	6,999	8,326
Total contract liabilities	$ 129,287	$ 130,065

Table of Contents

Exchange Offer

On March 4, 2024, we commenced a tender offer to eligible employees (which excludes our co-founders and the non-executive/non-employee members of our Board of Directors) to exchange eligible stock options (which excludes the Ergen 2020 Performance Award) for new options as detailed in our Schedule TO filed March 4, 2024 with the Securities and Exchange Commission (the "Exchange Offer"), to, among other things, further align employee incentives with the current market. The Exchange Offer expired on April 1, 2024 and we accepted for exchange approximately 7 million stock options. As a result of the Exchange Offer, subsequent to March 31, 2024, the exercise price of approximately 6 million new stock options, affecting approximately 1,000 eligible employees, was adjusted to $14.04. The total incremental non-cash stock-based compensation expense resulting from the Exchange Offer is $15 million, which will be recognized over the remaining vesting period of the applicable options.

4. Supplemental Data - Statements of Cash Flows

The following table presents certain supplemental cash flow and other non-cash data. See Note 8 for supplemental cash flow and non-cash data related to leases.

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
	(In thousands)	
Cash paid for interest (including capitalized interest)	$ 230,581	$ 270,460

Cash received for interest	31,732	21,872
Cash paid for income taxes, net of (refunds)	(41,115)	502
Capitalized interest (1)	258,367	337,094
Employee benefits paid in Class A common stock	—	5,421
Vendor financing	—	54,774
Accrued capital expenditures	164,693	511,453
Asset retirement obligation	4,308	31,554

(1) See Note 2 for further information.

Table of Contents

5. Marketable Investment Securities, Restricted Cash and Cash Equivalents, and Other Investments

Our marketable investment securities, restricted cash and cash equivalents, and other investments consisted of the revenue following:

	As of	
	March 31, 2024	December 31, 2023
	(In thousands)	
Marketable investment securities:		
Current marketable investment securities:		

Strategic - available-for-sale	$ 149	$ 144
Strategic - trading/equity	144,419	176,205
Other	8,081	446,695
Total current marketable investment securities	152,649	623,044
Restricted marketable investment securities (1)	31,266	27,840
Total marketable investment securities	183,915	650,884
Restricted cash and cash equivalents (1)	89,713	90,225
Other investments, net:		
Equity method investments	161,657	169,038
Cost method investments	108,333	106,134
Fair value method and other debt investments	39,199	39,198
Total other investment securities, net	309,189	314,370
Total marketable investment securities, restricted cash and cash equivalents, and other investment securities, net	$582,817	$ 1,055,479

(1) Restricted marketable investment securities and restricted cash and cash equivalents are included in “Restricted cash, cash equivalents and marketable investment securities” on our Condensed Consolidated Balance Sheets.

Marketable Investment Securities

Our marketable investment securities portfolio may consist of debt and equity instruments. All equity securities are carried at fair value, with changes in fair value recognized in the “Other, net” within “Other Income (Expense)” on our Condensed Consolidated Statements of Operations that was previously included and Comprehensive Income (Loss). All debt securities are classified as available-for-sale and are recorded at fair value. We report the temporary unrealized gains and losses related to changes in market conditions of marketable debt securities as a separate component of “Accumulated other comprehensive income (loss)” within contract liabilities: “Stockholders’ Equity (Deficit),” net of related deferred income tax on our Condensed Consolidated Balance Sheets. The corresponding changes in the fair value of marketable debt securities, which are determined to be company specific credit losses are recorded in “Other, net” within “Other Income (Expense)” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). See Note 2 for further information.

	For the three months ended September 30,		**For the nine months ended September 30,**	
	2023	**2022**	**2023**	**2022**
Revenue	$7,608	$6,175	$80,157	$115,974

Contract Acquisition Costs

The following table presents the activity in our contract acquisition costs, net:

	For the nine months ended September 30,	
	2023	**2022**
Balance at beginning of period	$64,447	$82,986
Additions	34,708	45,172
Amortization expense	(46,722)	(57,822)
Foreign currency translation	681	156
Balance at end of period	$53,114	$70,492

We recognized amortization expenses related to contract acquisition costs

Table of $14.6 million and $18.2 million for the three months ended September 30, 2023 and 2022, respectively.

Contents

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED Continued (Unaudited)

(Unaudited)

Performance Obligations

Current Marketable Investment Securities – Strategic

Our current strategic marketable investment securities portfolio includes and may include strategic and financial debt and/or equity investments in private and public companies that are highly speculative and have experienced and continue to experience volatility. As of September 30, 2023March 31, 2024, this portfolio consisted of securities of a small number of issuers, and as a result the remaining value of that portfolio depends, among other things, on the performance obligations of those issuers. The fair value of certain of the debt and equity securities in this portfolio can be adversely impacted by, among other things, the issuers' respective performance and ability to obtain any necessary additional financing on acceptable terms, or at all.

Current Marketable Investment Securities – Other

Our current other marketable investment securities portfolio includes investments in various debt instruments including, among others, commercial paper, corporate securities and United States treasury and/or agency securities. Commercial paper consists mainly of unsecured short-term, promissory notes issued primarily by corporations with maturities ranging up to 365 days. Corporate securities consist of debt instruments issued by corporations with various maturities normally less than 18 months. U.S. Treasury and agency securities consist of debt instruments issued by the federal government and other government agencies.

Restricted Cash, Cash Equivalents and Marketable Investment Securities

As of March 31, 2024 and December 31, 2023, our restricted marketable investment securities, together with our restricted cash and cash equivalents, included amounts required as collateral for our customer letters of credit and trusts.

Other Investments, net

We have strategic investments in certain debt and/or equity securities that are included in noncurrent "Other investments, net" on our Condensed Consolidated Balance Sheets. Our debt securities are classified as available-for-sale and are recorded at fair value. Generally, our debt investments in non-publicly traded debt instruments without a readily determinable fair value are recorded at amortized cost. Our equity investments where we have the ability to exercise significant influence over the investee are accounted for using the equity method of accounting. Certain of our equity method investments are detailed below.

NagraStar L.L.C. We own a 50% interest in NagraStar L.L.C. ("NagraStar"), a joint venture that is our primary provider of encryption and related security systems intended to assure that only authorized customers have access to our programming. The three main technologies NagraStar provides to its customers are microchips, set-top box software and uplink computer systems. NagraStar also provides end-to-end platform security testing services.

Invidi Technologies Corporation. We own a 35% interest in Invidi Technologies Corporation (“Invidi”), an entity that provides proprietary software for the addressable advertising market. Invidi contracts was approximately $1.2 billion. Performance obligations expected with multichannel video programming distributers to be satisfied within one year include its software in their respective set-top boxes and greater than one year are 29% and 71%, respectively. This amount and percentages exclude agreements with consumer customers DVRs in our Hughes segment, our leasing arrangements and agreements with certain customers under which collectability order to deliver targeted advertisements based on a variety of all amounts due through demographic attributes selected by the term of contracts is uncertain. advertisers. Invidi has also developed a cloud-based solution for internet protocol-based platforms.

Disaggregation

Table of Revenue

Geographic Information

Revenue is attributed to geographic markets based upon the billing location of the customer. The following tables present our revenue from customer contracts disaggregated by primary geographic market and by segment:

	Hughes	ESS	Corporate and Other	Consolidated Total

For the three months ended September 30, 2023				
North America	$ 324,722	$ 6,446	$ 2,401	$ 333,569
South and Central America	39,843	—	—	39,843
Other	39,644	—	18	39,662
Total revenue	$ 404,209	$ 6,446	$ 2,419	$ 413,074
For the three months ended September 30, 2022				
North America	$ 389,181	$ 4,981	$ 2,841	$ 397,003
South and Central America	40,290	—	—	40,290
Other	60,094	—	—	60,094
Total revenue	$ 489,565	$ 4,981	$ 2,841	$ 497,387
For the nine months ended September 30, 2023				
North America	$1,038,234	$18,563	$ 7,460	$ 1,064,257
South and Central America	119,528	—	—	119,528
Other	121,977	—	18	121,995
Total revenue	$1,279,739	$18,563	$ 7,478	$ 1,305,780
For the nine months ended September 30, 2022				
North America	$1,187,301	$14,305	$ 8,413	$ 1,210,019
South and Central America	125,256	—	—	125,256
Other	162,955	—	7	162,962

Total revenue	$1,475,512	$14,305	$ 8,420	$ 1,498,237

Contents

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED Continued

(Unaudited)

(Unaudited)

Nature of Products and Services

The following tables present our revenue disaggregated by the nature of products and services and by segment:

	Hughes	ESS	Corporate and Other	Consolidated Total
For the three months ended September 30, 2023				
Services and other revenue:				
Services	$341,575	$4,308	$ 1,344	$ 347,227
Lease revenue	8,925	2,138	1,059	12,122
Total services and other revenue	350,500	6,446	2,403	359,349
Equipment revenue:				
Equipment	24,701	—	16	24,717
Design, development and construction services	26,235	—	—	26,235
Lease revenue	2,773	—	—	2,773
Total equipment revenue	53,709	—	16	53,725
Total revenue	$404,209	$6,446	$ 2,419	$ 413,074
For the three months ended September 30, 2022				

Services and other revenue:				
Services	$383,739	$3,247	$ 1,606	$ 388,592
Lease revenue	9,822	1,734	1,234	12,790
Total services and other revenue	393,561	4,981	2,840	401,382
Equipment revenue:				
Equipment	33,585	—	1	33,586
Design, development and construction services	60,605	—	—	60,605
Lease revenue	1,814	—	—	1,814
Total equipment revenue	96,004	—	1	96,005
Total revenue	$489,565	$4,981	$ 2,841	$ 497,387

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

	Hughes	ESS	Corporate and Other	Consolidated Total
For the nine months ended September 30, 2023				
Services and other revenue:				
Services	$1,054,348	$12,205	$ 4,196	$ 1,070,749
Lease revenue	28,013	6,358	3,266	37,637
Total services and other revenue	1,082,361	18,563	7,462	1,108,386
Equipment revenue:				
Equipment	72,348	—	16	72,364
Design, development and construction services	114,615	—	—	114,615

Lease revenue	10,415	—	—	10,415
Total equipment revenue	197,378	—	16	197,394
Total revenue	$1,279,739	$18,563	$ 7,478	$ 1,305,780
For the nine months ended September 30, 2022				
Services and other revenue:				
Services	$1,181,461	$ 9,343	$ 4,474	$ 1,195,278
Lease revenue	30,711	4,962	3,939	39,612
Total services and other revenue	1,212,172	14,305	8,413	1,234,890
Equipment revenue:				
Equipment	86,878	—	7	86,885
Design, development and construction services	172,821	—	—	172,821
Lease revenue	3,641	—	—	3,641
Total equipment revenue	263,340	—	7	263,347
Total revenue	$1,475,512	$14,305	$ 8,420	$ 1,498,237

Lease Revenue

The following table presents our lease revenue by type of lease:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Sales-type lease revenue:				
Revenue at lease commencement	$ 2,272	$ 1,514	$ 8,913	$ 2,735
Interest income	501	300	1,502	906

Total sales-type lease revenue	2,773	1,814	10,415	3,641
Operating lease revenue	12,122	12,790	37,637	39,612
Total lease revenue	$14,895	$14,604	$48,052	$43,253

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

NOTE 4. MARKETABLE INVESTMENT SECURITIES

Marketable investment securities:

	As of	
	September 30, 2023	**December 31, 2022**
Marketable investment securities:		
Available-for-sale debt securities:		
Corporate bonds	$ 175,444	$ 160,559
Commercial paper	518,641	687,927
Other debt securities	66,072	17,695
Total available-for-sale debt securities	760,157	866,181
Equity securities	142,590	118,790
Total marketable investment securities, including restricted amounts	902,747	984,971
Less: Restricted marketable investment securities	(8,003)	(11,056)
Total marketable investment securities	$ 894,744	$ 973,915

Debt Securities
Available-for-Sale

The following table presents the components of our available-for-sale debt securities:

	Amortized	Unrealized		Estimated
	Cost	**Gains**	**Losses**	**Fair Value**
As of September 30, 2023				

Corporate bonds	$ 173,714	$1,830	$ (100)	$ 175,444
Commercial paper	518,641	—	—	518,641
Other debt securities	66,083	—	(11)	66,072
Total available-for-sale debt securities	$ 758,438	$1,830	$ (111)	$ 760,157
As of December 31, 2022				
Corporate bonds	$ 160,494	$ 125	$ (60)	$ 160,559
Commercial paper	687,956	—	(29)	687,927
Other debt securities	17,785	—	(90)	17,695
Total available-for-sale debt securities	$ 866,235	$ 125	$ (179)	$ 866,181

The following table presents the activity on our available-for-sale debt securities:

	For the three months ended September 30,		**For the nine months ended September 30,**	
	2023	**2022**	**2023**	**2022**
Proceeds from sales	$71,586	$ —	$209,063	$37,904

As of September 30, 2023, we have $752.4 million of available-for-sale debt securities with contractual maturities of one year or less and $7.8 million with contractual maturities greater than one year.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Equity Securities

The following table presents the activity of our equity securities:

	For the three months ended September 30,		**For the nine months ended September 30,**	
	2023	**2022**	**2023**	**2022**

Proceeds from sales	$ 1,430	$34,121	$ 3,457	$34,374
Gains (losses) on investments, net	$13,637	$18,273	$ 816	$26,536

Fair Value Measurements

The following table presents our marketable investment securities categorized by the fair value hierarchy, certain of which have historically experienced volatility:

	Level 1	Level 2	Total
As of September 30, 2023			
Cash equivalents (including restricted)	$ 536	$984,843	$985,379
Available-for-sale debt securities:			
Corporate bonds	$ —	$175,444	$175,444
Commercial paper	—	518,641	518,641
Other debt securities	61,212	4,860	66,072
Total available-for-sale debt securities	61,212	698,945	760,157
Equity securities	133,968	8,622	142,590
Total marketable investment securities, including restricted amounts	195,180	707,567	902,747
Less: Restricted marketable investment securities	(8,003)	—	(8,003)
Total marketable investment securities	$187,177	$707,567	$894,744
As of December 31, 2022			
Cash equivalents (including restricted)	$ 657	$595,814	$596,471
Available-for-sale debt securities:			
Corporate bonds	$ —	$160,559	$160,559

Commercial paper	—	687,927	687,927
Other debt securities	15,968	1,727	17,695
Total available-for-sale debt securities	15,968	850,213	866,181
Equity securities	109,002	9,788	118,790
Total marketable investment securities, including restricted amounts	124,970	860,001	984,971
Less: Restricted marketable investment securities	(11,056)	—	(11,056)
Total marketable investment securities	$113,914	$860,001	$973,915

As of September 30, 2023 and December 31, 2022, we did not have any investments that were categorized within Level 3 of the fair value hierarchy.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

NOTE 5. PROPERTY AND EQUIPMENT

The following table presents the components of *Property and equipment, net*:

	As of	
	September 30, 2023	**December 31, 2022**
Property and equipment, net:		
Satellites, net	$1,506,838	$1,563,033
Other property and equipment, net	637,869	674,584
Total property and equipment, net	$2,144,707	$2,237,617

Satellites

As of September 30, 2023, our satellite fleet consisted of ten satellites, seven of which are owned and three of which are leased. They are all

TerreStar Solutions, Inc. We own a 40% interest in geosynchronous ("GEO") orbit, approximately 22,300 miles above the equator.

The following table presents our GEO satellite fleet in service as of September 30, 2023:

GEO Satellite	Segment	Launch Date	Nominal Degree Orbital Location (Longitude)	Depreciable Life (In Years)
Owned:				
SPACEWAY 3 (1)	Hughes	August 2007	95 W	10
EchoStar XVII	Hughes	July 2012	107 W	15
EchoStar XIX	Hughes	December 2016	97.1 W	15
Al Yah 3 ("AY3") (2)	Hughes	January 2018	20 W	5
EchoStar IX (3) (4)	ESS	August 2003	121 W	12
EUTELSAT 10A ("W2A") (5)	Corporate and Other	April 2009	10 E	-
EchoStar XXI	Corporate and Other	June 2017	10.25 E	15
Finance leases:				
Eutelsat 65 West A	Hughes	March 2016	65 W	15
Telesat T19V	Hughes	July 2018	63 W	15
EchoStar 105/SES-11	ESS	October 2017	105 W	15

(1) Depreciable life represents the remaining useful life as of June 8, 2011, the date EchoStar completed the acquisition of Hughes Communications, TerreStar Solutions, Inc. ("Hughes Communications" TSI") and its subsidiaries, an entity that provides wireless mobile communication coverage in 2011 (the "Hughes Acquisition"). The Canada using a satellite user terminal. TSI's wireless communications system is expected to de-orbit in the fourth quarter of 2023.

(2) Upon consummation of our joint venture with Al Yah Satellite Communications Company PrJSC ("Yahsat") in Brazil in November 2019, we acquired the Brazilian Ka-band payload on this satellite with a remaining useful life of 7 years as of that time. In the second quarter of 2023 we reduced the estimated useful life of the satellite as a result of certain technical anomalies. In order to safeguard the future operability of the satellite, the Company has, in conjunction with recommendations from the satellite manufacturer, implemented immediate and long-term remedial actions. A revised estimate of the satellite's remaining lifetime has been calculated using operational data of the first two quarters. The Company has updated the remaining useful life of AY3 and related ground assets prospectively from April 1, 2023, to reflect the change in estimate. This has increased the depreciation expense for the current nine-month period by $7.4 million. The increase is expected to be $11.1 million for the full year 2023 and $12.8 million for the year 2024, respectively. Although the anomalies are expected to shorten the remaining useful life of the satellite, they have not affected its current operation.

(3) We own the Ka-band and Ku-band payloads on this satellite.

(4) The Company placed the satellite in an inclined-orbit in the first quarter of 2023. Inclined-orbit will extend its life to enable further revenue generating opportunities.

(5) We acquired the S-band payload on this satellite in December 2013. Prior to acquisition, the S-band payload experienced an anomaly at the time of launch and, as a result, was not fully operational. The satellite was de-orbited in the fourth quarter of 2023.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

The following table presents the components of our satellites, net:

	Depreciable Life (In Years)	As of September 30, 2023	As of December 31, 2022
Satellites, net:			
Satellites - owned	5 to 15	$1,805,408	$1,808,924
Satellites - acquired under finance leases	15	364,820	360,642
Construction in progress	—	646,284	608,773
Total satellites		2,816,512	2,778,339
Accumulated depreciation:			
Satellites - owned		(1,167,853)	(1,093,412)
Satellites - acquired under finance leases		(141,821)	(121,894)
Total accumulated depreciation		(1,309,674)	(1,215,306)
Total satellites, net		$1,506,838	$1,563,033

The following table presents the depreciation expense associated with our satellites, net:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Depreciation expense:				
Satellites - owned	$25,853	$24,176	$75,764	$72,654

Satellites - acquired under finance leases	6,126	6,003	18,245	18,127
Total depreciation expense	$31,979	$30,179	$94,009	$90,781

The following table presents capitalized interest associated with our satellites and satellite-related ground infrastructure:

	For the three months ended September 30,		**For the nine months ended September 30,**	
	2023	**2022**	**2023**	**2022**
Capitalized interest	$12,150	$11,130	$35,524	$32,395

Construction in Progress

In August 2017, we entered into a contract for the design and construction of the EchoStar XXIV satellite, a next-generation, high throughput geostationary satellite. Once in service, the satellite is expected to bring further consumer broadband capacity across North and South America and generate additional sales in other markets, including in-flight Wi-Fi, enterprise networking and cellular backhaul for mobile network operators across the two continents. Capital expenditures associated with the construction and launch of the EchoStar XXIV satellite are included in Corporate and Other. The satellite was launched in July 2023 and reached its orbital position at 95.2W in September 2023. The satellite is currently under testing and is expected to begin service in December 2023.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Satellite-Related Commitments

As of September 30, 2023 and December 31, 2022, our satellite-related commitments were $144.2 million and $169.3 million, respectively. These include payments pursuant to regulatory authorizations, non-lease costs associated with our finance lease satellites, in-orbit incentives relating to certain satellites, and commitments for satellite service arrangements.

In certain circumstances, the dates on which we are obligated to pay our contractual obligations could change.

Satellite Anomalies and Impairments

During the first quarter of 2023, we lost contact with our third nano-satellite ("EG-3"), which was launched in the second quarter of 2021 and brought into use our Sirion-1 ITU filing in the third quarter of 2021. As of the end of the first quarter of 2023, we have discontinued attempts to reestablish contact with EG-3, and have notified the ITU to suspend the filing. Consequently, we canceled our contract with the vendor who manufactured and operated our nano-satellites and recorded an impairment charge of $3.1 million related to EG-3 and other related assets in the first quarter of 2023 in Corporate and Other.

In the second quarter of 2023, we reduced the estimated useful life of the Al Yah 3 satellite, which serves our Brazilian customers, as a result of certain technical anomalies. In order to safeguard the future operability of the satellite, the Company has, in accordance with recommendations from the satellite manufacturer, implemented immediate and long-term remedial actions. A revised estimate of the satellite's remaining lifetime has been calculated using operational data of two previous quarters. Although the anomalies are expected to shorten the remaining useful life of the satellite, they have not affected its current operation.

Except as described above, we are not aware of any anomalies with respect to our owned or leased satellites or payloads that have had any significant adverse effect on their remaining useful lives, the commercial operation of the satellites or payloads or our operating results or financial position as of and for the three months ended September 30, 2023.

Satellite Insurance

We generally do not carry in-orbit insurance on our satellites or payloads because we have assessed that the cost of insurance is not economical relative to the risk of failures. Therefore, we generally bear the risk of any in-orbit failures.

Pursuant to the terms of our joint venture agreement with Yahsat, we are required to maintain insurance for the Al Yah 3 Brazilian payload during the commercial in-orbit service of such payload, subject to certain limitations on coverage. The insurance policies were procured by Yahsat, under which the Company and Yahsat are the beneficiaries of any claims in proportion to their shareholdings. An insurance claim was submitted in the second quarter of 2023 for compensation with respect to the reduction in estimated useful life of the Al Yah 3 satellite.

We also have obtained certain insurance for our EchoStar XXIV satellite covering launch plus the first year of operations.We will continue to assess circumstances going forward and make insurance-related decisions based on a case-by-case basis.

Fair Value of In-Orbit Incentives

As of September 30, 2023 satellite and December 31, 2022, the fair values of our in-orbit incentive obligations approximated their carrying amounts of $47.1 million ground-based technology, which provides communication services in hard-to-reach areas and $50.2 million, respectively.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

NOTE 6. REGULATORY AUTHORIZATIONS

provides a nationwide interoperable, survivable and critical communications infrastructure. TSI also holds and leases certain 2 GHz wireless spectrum licenses in Canada.

Regulatory authorizations, net:

	Finite lived				
	Cost	**Accumulated Amortization**	**Total**	**Indefinite lived**	**Total**
Balance, December 31, 2021	$57,137	$ (29,088)	$28,049	$441,717	$469,766
Amortization expense	—	(3,129)	(3,129)	—	(3,129)
Currency translation adjustments	(5,582)	3,636	(1,946)	(4,607)	(6,553)
Balance, September 30, 2022	$51,555	$ (28,581)	$22,974	$437,110	$460,084
Balance, December 31, 2022	$55,316	$ (31,946)	$23,370	$439,161	$462,531
Amortization expense	—	(3,856)	(3,856)	—	(3,856)
Currency translation adjustments	598	136	734	54	788
Balance, September 30, 2023	$55,914	$ (35,666)	$20,248	$439,215	$459,463
Weighted-average useful life (in years)		13			

NOTE 7. OTHER INVESTMENTS

The following table presents our *Other investments, net*:

	As of	
	September 30, 2023	December 31, 2022
Other investments, net:		
Equity method investments	$ 45,048	$ 83,523
Other equity investments	91,407	141,307
Other debt investments, net	—	131,875
Total other investments, net	$ 136,455	$ 356,705

Equity Method Investments

Deluxe/EchoStar LLC

*LLC.*We own 50% of Deluxe/EchoStar LLC ("Deluxe"), a joint venture that we entered into in 2010 to build an advanced digital cinema satellite distribution network targeting delivery to digitally equipped theaters in the U.S. and Canada.

Broadband Connectivity Solutions (Restricted) Limited

. We own 20% of Broadband Connectivity Solutions (Restricted) Limited (together with its subsidiaries, "BCS"), a joint venture that we entered into in 2018 to provide commercial Ka-band satellite broadband services across Africa, the Middle East and southwest Asia operating over Yahsat's Yahsat's Al Yah 2 and Al Yah 3 Ka-band satellites. During the nine months ended September 30, 2023, we recorded an impairment charge of $33.4 million related to our investment as a result of increased competition and the economic environment

We also hold investments that are not accounted for this business. We estimated the fair value of our investment by using the combination of the discounted cash flow model and market value approach.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

The following table presents revenue recognized by the Company from our equity method investments:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Deluxe	$ 1,445	$ 1,243	$ 4,233	$ 3,901
BCS	$ 924	$ 2,600	$ 2,573	$ 6,321

The following table presents trade accounts receivable from our of accounting, which are measured at fair value. Investments in equity method investments:

	As of	
	September 30, 2023	December 31, 2022
Deluxe	$ 833	$ 3,026
BCS	$ 4,061	$ 5,062

Other Equity Investments

We hold investments securities without readily determinable fair values in a number of equity securities that are accounted for as cost method investments, which are recorded at cost, less impairment and adjusted for observable price changes for identical or similar investments of the same issuer.

Our ability to realize value from our strategic investments in securities that are not publicly traded depends on, among other things, the success of the issuers' businesses and their ability to obtain sufficient capital, on acceptable terms or at all, and to execute their business plans. Because private markets are not as liquid as public markets, there is also increased risk that we will not be able to sell these investments, or that when we desire to sell them we will not be able to obtain fair value for them.

Fair Value Measurements

Our investments measured at fair value on a recurring basis were as follows:

	As of							
	March 31, 2024				December 31, 2023			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
	(In thousands)							

Cash equivalents (including restricted)	$356,899	$125,445	$231,454	$ —	$1,692,849	$573,504	$1,119,345	$ —
Debt securities (including restricted):								
U.S. Treasury and agency securities	$ 17,910	$ 17,910	$ —	$ —	$ 65,172	$ 65,172	$ —	$ —
Commercial paper	6,100	—	6,100	—	290,398	—	290,398	—
Corporate securities	15,032	—	15,032	—	114,265	—	114,265	—
Other	454	—	305	149	4,844	—	4,700	144
Equity securities	144,419	134,689	9,730	—	176,205	166,481	9,724	—
Total	$183,915	$152,599	$ 31,167	$ 149	$ 650,884	$231,653	$ 419,087	$ 144

As of March 31, 2024, restricted and non-restricted marketable investment securities included debt securities of $39 million with contractual maturities within one year. Actual maturities may differ from contractual maturities as a result of our ability to sell these securities prior to maturity.

In

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Derivative Instruments

We had the option to purchase certain of T-Mobile's 800 MHz spectrum licenses from T-Mobile at a fixed price pursuant to the License Purchase Agreement, as defined and detailed in our Annual Report on Form 10-K for the year ended December 31, 2023. This instrument met the definition of a derivative and was valued based upon, among other things, our estimate of the underlying asset price, the expected term, volatility, the risk free rate of return and the probability of us exercising the option. As of March 31, 2024 and December 31, 2023, the derivative's fair value was zero on our Condensed Consolidated Balance Sheets. All changes in the derivative's fair value were recorded in "Other, net" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). See the table below. We did not exercise the option to purchase the 800 MHz spectrum licenses pursuant to the License Purchase Agreement, which expired on its own terms on April 1, 2024. As a result, the Amended Final Judgment, as defined and detailed in our Annual Report on Form 10-K for the year ended December 31, 2023, requires T-Mobile to auction the spectrum licenses. We expected to take part in this auction, but T-Mobile has unilaterally barred our participation.

We accounted for our option to purchase certain T-Mobile's 800 MHz spectrum licenses under the License Purchase Agreement as a Level 3 instrument within the fair value hierarchy.

Gains and Losses on Sales and Changes in Carrying Amounts of Investments and Other

"Other, net" within "Other Income (Expense)" included on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) is as follows:

	For the Three Months Ended March 31,	
Other, net:	**2024**	**2023**
	(In thousands)	
Marketable and non-marketable investment securities - realized and unrealized gains (losses)	$ (23,893)	$ (7,417)

Derivative instruments - net realized and/or unrealized gains (losses)	—	(28,961)
Gains (losses) related to early redemption of debt	—	49
Foreign currency transaction gains (losses)	(627)	3,172
Equity in earnings (losses) of affiliates	(2,786)	(2,002)
Other	1,196	398
Total	$ (26,110)	$ (34,761)

6. Inventory

Inventory consisted of the following:

	As of	
	March 31, 2024	**December 31, 2023**
	(In thousands)	
Finished goods	$ 473,444	$ 512,894
Work-in-process and service repairs	63,309	68,463
Consignment	44,746	56,360
Raw materials	51,453	27,452
Total inventory	$ 632,952	$ 665,169

Table of Contents

7. Property and Equipment and Intangible Assets

Property and Equipment

Property and equipment consisted of the following:

	Depreciable Life (In Years)	As of March 31, 2024	As of December 31, 2023
		(In thousands)	
Equipment leased to customers	2 - 5	$ 1,909,842	$ 1,977,450
Satellites (1)	5 - 15	3,880,725	4,168,766
Satellites acquired under finance lease agreements	15	709,504	712,832
Furniture, fixtures, equipment and other	1 - 20	1,693,151	1,691,389
5G Network Deployment equipment (2)	3 - 15	4,475,376	4,263,327
Software and computer equipment	2 - 6	2,632,917	2,503,597
Buildings and improvements	1 - 40	543,860	538,815
Land	-	46,149	46,675
Construction in progress	-	1,859,790	1,844,338
Total property and equipment		17,751,314	17,747,189
Accumulated depreciation		(8,161,881)	(8,185,355)
Property and equipment, net		$ 9,589,433	$ 9,561,834

(1) The Spaceway 3 satellite was deorbited in January 2024.

(2) Includes 5G Network Deployment assets acquired under finance lease agreements.

Depreciation and amortization expense consisted of the following:

	For the Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Equipment leased to customers	$ 71,767	$ 88,890
Satellites	75,577	66,204
Buildings, furniture, fixtures, equipment and other	27,713	24,247
5G Network Deployment equipment	166,822	61,151
Software and computer equipment	88,687	52,758
Intangible assets and other amortization expense	54,834	54,504
Total depreciation and amortization	$ 485,400	$ 347,754

Cost of sales and operating expense categories included in our accompanying Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) do not include depreciation and amortization expense related to satellites, equipment leased to customers, or our 5G Network Deployment equipment and software, and amortization of development costs of externally marketed software.

Table of Contents

Activity relating to our asset retirement obligations was as follows:

	For the Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Balance at beginning of period	$ 278,287	$ 183,135
Liabilities incurred	4,308	31,554
Accretion expense	6,464	4,106
Revision to estimated cash flows	—	—
Balance at end of period	$ 289,059	$ 218,795
Total included in Other long-term liabilities	$ 289,059	$ 218,795

The corresponding assets, net of accumulated depreciation, related to asset retirement obligations were $216 million and $217 million as of March 31, 2024 and December 31, 2023, respectively.

Satellites Pay-TV Segment

Our Pay-TV segment currently utilizes nine satellites in geostationary orbit approximately 22,300 miles above the equator, seven of which we own and depreciate over their estimated useful life. We also lease two satellites from third parties: Anik F3, which is accounted for as an operating lease, and Nimiq 5, which is accounted for as a finance lease and is depreciated over its economic life.

As of March 31, 2024, our Pay-TV segment satellite fleet in service consisted of the following:

Satellites	Launch Date	Degree Orbital Location	Lease Termination Date
Owned:			
EchoStar X	February 2006	110	N/A
EchoStar XI	July 2008	110	N/A

EchoStar XIV	March 2010	119	N/A
EchoStar XV	July 2010	61.5	N/A
EchoStar XVI	November 2012	61.5	N/A
EchoStar XVIII	June 2016	61.5	N/A
EchoStar XXIII	March 2017	110	N/A
Under Construction:			
EchoStar XXV	2026	110	N/A
Leased from Other Third-Party:			
Anik F3	April 2007	118.7	April 2025
Nimiq 5	September 2009	72.7	September 2024

Satellite Under Construction

EchoStar XXV. On March 20, 2023, we entered into a contract with Maxar Space LLC for the construction of EchoStar XXV, a DBS satellite that is capable of providing service to the continental United States ("CONUS") and is intended to be used at the 110 degree orbital location. During the fourth quarter of 2023, we recorded a loss entered into an agreement with Space Exploration Technologies Corp ("SpaceX") for launch services for this satellite, which is expected to be launched during 2026.

Table of $24.4 million Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Satellites - Broadband and Satellite Services Segment

Our Broadband and Satellite Services segment currently utilizes nine satellites in geostationary orbit approximately 22,300 miles above the equator, six of which we own and depreciate over their estimated useful life. We also lease three satellites from third parties, which are accounted for as finance leases and are depreciated over their economic life.

As of March 31, 2024, our Broadband and Satellite Services segment satellite fleet in service consisted of the following:

Satellites	Launch Date	Degree Orbital Location	Lease Termination Date
Owned:			
EchoStar IX	August 2003	121	N/A
EchoStar XVII	July 2012	107	N/A
EchoStar XIX	December 2016	97.1	N/A
EchoStar XXI	June 2017	10.25	N/A
Al Yah 3	January 2018	20	N/A
EchoStar XXIV	July 2023	95.2	N/A
Leased from Other Third-Party:			
Eutelsat 65 West A	March 2016	65	July 2031
Telesat T19V	July 2018	63	August 2033
EchoStar 105/SES-11	October 2017	105	November 2028

8. Leases

Lessee Accounting

We enter into non-cancelable operating and finance leases for, among other things, communication towers, satellites, satellite-related ground infrastructure, data centers, office space, dark fiber and transport equipment, warehouses and distribution centers, vehicles and other equipment. Substantially all of our leases have remaining lease terms from one to 13 years, some of which include renewal options, and some of which include options to terminate the leases within one year. For certain arrangements (generally communication towers), the lease term includes the non-cancelable period plus the renewal period that we are reasonably certain to exercise.

Our Eutelsat 65 West A, Telesat T19V and EchoStar 105/SES-11 satellites are accounted for as finance leases within our Broadband and Satellite Services segment. Our Nimiq 5 satellite is accounted for as finance lease within our Pay-TV segment. Substantially all of our remaining leases are accounted for as operating leases, including our Anik F3 satellite lease.

Table of Contents

The components of lease expense were as follows:

	For the Three Months Ended March 31,	
	2024	**2023**
	(In thousands)	
Operating lease cost (1)	$ 167,006	$ 117,556
Short-term lease cost (2)	1,023	1,279
Finance lease cost:		
Amortization of right-of-use assets	18,468	34,197
Interest on lease liabilities	2,792	3,570
Total finance lease cost	21,260	37,767
Total lease costs	$ 189,289	$ 156,602

(1) The increase in operating lease cost is primarily related to communication tower leases.
(2) Leases that have terms of 12 months or less.

Supplemental cash flow information related to a decline in value leases was as follows:

	For the Three Months Ended March 31,

	2024	2023
	(In thousands)	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 118,408	$ 73,613
Operating cash flows from finance leases	$ 2,824	$ 2,397
Financing cash flows from finance leases	$ 15,134	$ 8,713
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 199,300	$ 231,868
Finance leases	$ —	$ 51,110

Table of an investment previously held on a cost-basis method, due Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Supplemental balance sheet information related to fair value becoming determinable leases was as a result follows:

	As of	
	March 31, 2024	**December 31, 2023**
	(In thousands)	
Operating Leases:		
Operating lease assets	$ 3,092,070	$ 3,065,448
Other current liabilities	$ 341,257	$ 317,395
Operating lease liabilities	3,157,720	3,121,307
Total operating lease liabilities	$ 3,498,977	$ 3,438,702
Finance Leases:		
Property and equipment, gross	$ 830,606	$ 833,933
Accumulated depreciation	(538,300)	(520,344)

Property and equipment, net	$ 292,306	$ 313,589
Other current liabilities	$ 48,391	$ 56,459
Other long-term liabilities	60,133	67,199
Total finance lease liabilities	$ 108,524	$ 123,658
Weighted Average Remaining Lease Term:		
Operating leases	10.0 years	10.6 years
Finance leases	2.1 years	2.2 years
Weighted Average Discount Rate:		
Operating leases	9.9%	9.5%
Finance leases	9.6%	9.7%

Maturities of a merger between that entity and a publicly traded entity. Starting September 30, 2023, and for all subsequent periods, the investment is classified lease liabilities as marketable investment securities. of March 31, 2024 were as follows:

	Maturities of Lease Liabilities		
For the Years Ending December 31,	**Operating Leases**	**Finance Leases**	**Total**
		(In thousands)	
2024 (remaining nine months)	$ 350,672	$ 48,115	$ 398,787
2025	499,361	35,392	534,753
2026	531,049	36,588	567,637
2027	531,138	2,574	533,712
2028	487,494	—	487,494
Thereafter	3,269,111	—	3,269,111
Total lease payments	5,668,825	122,669	5,791,494
Less: Imputed interest	(2,169,848)	(14,145)	(2,183,993)
Total	3,498,977	108,524	3,607,501
Less: Current portion	(341,257)	(48,391)	(389,648)
Long-term portion of lease obligations	$ 3,157,720	$ 60,133	$ 3,217,853

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Lessor Accounting

The following table presents the activity on our investments: lease revenue by type of lease:

	For the Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Lease revenue:		
Sales-type lease revenue	$ 1,084	$ 4,201
Operating lease revenue	5,654	11,187
Total lease revenue	$ 6,738	$ 15,388

Substantially all of our net investment in sales-type leases consisted of lease receivables totaling $28 million and $30 million as of March 31, 2024 and December 31, 2023, respectively.

The following table presents future operating lease payments to be received as of March 31, 2024:

For the Years Ending December 31,	Total
	(In thousands)
2024 (remaining nine months)	$ 6,415
2025	4,953
2026	3,567
2027	3,488
2028	672
Thereafter	177
Total lease payments to be received	$ 19,272

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Gain (loss) on investments, net	$(24,403)	$ —	$(24,403)	$49,888

Other Debt Investments, Net

In April, 2023, we received full repayment with proceeds Table of $148.4 million related to our Other debt investments, net. Contents As such, we recorded a gain of $7.6 million in Other, net for the nine months ended September 30, 2023.

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED Continued (Unaudited)

(Unaudited)

NOTE 8. LONG-TERM DEBT

9. Long-Term Debt and Finance Lease Obligations

Fair Value of our Long-Term Debt

The following table presents summarizes the carrying amount and fair values value of our *Long-term debt net: facilities as of March 31, 2024 and December 31, 2023:*

		As of			
		March 31, 2024		December 31, 2023	
	Issuer	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		(In thousands)			
2 3/8% Convertible Notes due 2024 (1)	DISH	$ —	$ —	$ 951,168	$ 944,034
5 7/8% Senior Notes due 2024	DDBS	1,982,544	1,905,621	1,982,544	1,872,275
0% Convertible Notes due 2025	DISH	1,957,197	1,418,968	1,957,197	1,228,141
7 3/4% Senior Notes due 2026	DDBS	2,000,000	1,390,000	2,000,000	1,388,060
5 1/4% Senior Secured Notes due 2026	HSSC	750,000	625,200	750,000	665,678
6 5/8% Senior Notes due 2026	HSSC	750,000	445,875	750,000	591,525
3 3/8% Convertible Notes due 2026	DISH	2,908,801	1,830,799	2,908,801	1,570,753
5 1/4% Senior Secured Notes due 2026	DDBS	2,750,000	2,158,750	2,750,000	2,366,073
11 3/4% Senior Secured Notes due 2027	DISH	3,500,000	3,578,750	3,500,000	3,668,980
7 3/8% Senior Notes due 2028	DDBS	1,000,000	489,200	1,000,000	600,160

5 3/4% Senior Secured Notes due 2028	DDBS	2,500,000	1,718,750	2,500,000	2,013,125
5 1/8% Senior Notes due 2029	DDBS	1,500,000	629,250	1,500,000	774,600
Other notes payable		146,513	146,513	160,158	160,158
Subtotal		21,745,055	$16,337,676	22,709,868	$17,843,562
Unamortized deferred financing costs and other debt discounts, net		(66,115)		(69,606)	
Finance lease obligations (2)		108,524		123,658	
Total long-term debt and finance lease obligations (including current portion)		$21,787,464		$22,763,920	

		As of			
		September 30, 2023		December 31, 2022	
	Effective Interest Rate	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Senior Secured Notes:					
5 1/4% Senior Secured Notes due 2026	5.320%	$ 750,000	$ 677,970	$ 750,000	$ 727,763
Senior Unsecured Notes:					
6 5/8% Senior Unsecured Notes due 2026	6.688%	750,000	642,195	750,000	707,490
Less: Unamortized debt issuance costs		(2,604)	—	(3,223)	—
Total long-term debt, net		$1,497,396	$1,320,165	$1,496,777	$1,435,253

The

(1) We repurchased or redeemed the principal balance of our 2 3/8% Convertible Notes due 2024 as of March 15, 2024, the instrument's maturity date.

(2) Disclosure regarding fair value of finance leases is not required.

We estimated the fair value of our publicly traded long-term debt was primarily based on Level 1 inputs that use quoted using market value for the debt. prices in less active markets (Level 2).

NOTE 9. INCOME TAXES

Our income tax provision for interim periods is determined using an estimate

Table of our annual effective tax rate, adjusted for discrete items, if any, in the relevant period. Each quarter we update our estimate of the annual effective tax rate, and if our estimated tax rate changes, we make a cumulative adjustment.

Our interim income tax provision and our interim estimate of our annual effective tax rate are influenced by several factors, including foreign losses and capital gains and losses for which related deferred tax assets are partially offset by a valuation allowance, changes in tax laws and relative changes in unrecognized tax benefits. Additionally, our effective tax rate can be affected by the amount of pre-tax income or loss. For example, the impact of discrete items and non-deductible expenses on our effective tax rate is greater when our pre-tax income or loss is lower.

Our income tax provision was $8.5 million for the three months ended September 30, 2023 compared to our income tax provision of $13.2 million for the three months ended September 30, 2022. Our effective income tax rate was 94.1% and 40.3% for the three months ended September 30, 2023 and 2022, respectively. The variations in our effective tax rate from the U.S. federal statutory rate for the for the three months ended September 30, 2023 were primarily due to excluded investment impairment losses and the impact of research and development credits. The variations in our effective tax rate from the U.S. federal statutory rate for the three months ended September 30, 2022 were primarily due to excluded foreign losses where the Company carries a full valuation allowance and the impact of state and local taxes.

Our income tax provision was $38.8 million for the nine months ended September 30, 2023 compared to our income tax provision of $51.4 million for the nine months ended September 30, 2022. Our effective income tax rate was 50.9% and 30.2% for the nine months ended September 30, 2023 and 2022, respectively. The variations in our effective tax rate from the U.S. federal statutory rate for the nine months ended September 30, 2023 were primarily due to excluded investment impairment losses and excluded foreign losses where the Company carries a full valuation allowance. The variations in our current year effective tax rate from the U.S. federal statutory rate for the nine months ended September 30, 2022, were primarily due to excluded foreign losses where the Company carries a full valuation allowance and the impact of state and local taxes.

Contents

(Unaudited)

NOTE 10. EARNINGS PER SHARE

The following table presents the calculation of basic and diluted EPS for our Class A and B common stock:

(in thousands, except per share amounts)	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Net income (loss) attributable to EchoStar Corporation common stock	$ 3,244	$ 22,403	$ 43,442	$127,704
Weighted-average common shares outstanding:				
Basic	83,850	83,140	83,653	84,424
Dilutive impact of stock awards outstanding	—	—	27	25
Diluted	83,850	83,140	83,680	84,449
Earnings (losses) per share:				
Basic	$ 0.04	$ 0.27	$ 0.52	$ 1.51
Diluted	$ 0.04	$ 0.27	$ 0.52	$ 1.51

Diluted earnings per share excludes the following weighted average potential Class A common shares, as the effect would be antidilutive, as computed under the treasury stock method:

(in thousands)	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Weighted-average stock options	5,595	6,443	5,650	6,418
Weighted-average restricted stock units	200	—	173	—

NOTE 11. RELATED PARTY TRANSACTIONS - DISH NETWORK

Overview

Convertible Notes

0% Convertible Notes due 2025

On December 21, 2020, we issued $2.0 billion aggregate principal amount of the voting power Convertible Notes due December 15, 2025 in a private placement. These notes will not bear interest, and the principal amount of the shares of each of EchoStar and DISH is owned beneficially by Charles W. Ergen, our Chairman, and by certain entities established for Notes will not accrete.

The Convertible Notes due 2025 are:

- our general unsecured obligations;
- ranked senior in right of payment to any future indebtedness that is expressly subordinated in right of payment to the Convertible Notes due 2025;
- ranked equally in right of payment with all of our existing and future unsecured senior indebtedness;
- ranked effectively junior to any of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness;
- ranked structurally junior to all indebtedness and other liabilities of our subsidiaries; and
- not guaranteed by our subsidiaries.

We may not redeem the benefit of his family. See Note 1 - *Organization and Business Activities* and Note 16 - *Subsequent Events* for further details on Convertible Notes due 2025 prior to the proposed merger with DISH.

In January 2017, we and certain of our subsidiaries entered into maturity date. If a share exchange agreement (the "Share Exchange Agreement") with DISH and certain of its subsidiaries pursuant "fundamental change" (as defined in the related indenture) occurs prior to which, in February 2017, we received all the maturity date of the shares Convertible Notes due 2025, holders may require us to repurchase for cash all or part of preferred tracking stock previously issued by us and one of our subsidiaries (the "Tracking Stock"), representing an 80% economic interest in the residential retail satellite broadband business of our Hughes segment, in exchange for their Convertible Notes due 2025 at a repurchase price equal to 100% of the equity interests principal amount of certain EchoStar subsidiaries that held substantially all of our EchoStar Technologies businesses such Convertible Notes due 2025, plus accrued and certain other assets (collectively, unpaid interest to, but not including, the "Share Exchange"). fundamental change repurchase date.

The Tracking Stock was retired in March 2017.

(Unaudited)

In September 2019, pursuant to a master transaction agreement (the "Master Transaction Agreement") with DISH and a wholly-owned subsidiary of DISH ("DISH Merger Sub"), (i) we transferred certain real property and the various businesses, products, licenses, technology, revenues, billings, operating activities, assets and liabilities primarily indenture related to the former portion of our ESS segment that managed, marketed Convertible Notes due 2025 does not contain any financial covenants and provided (1) broadcast satellite services primarily to DISH Network and our former joint venture Dish Mexico, and (2) telemetry, tracking and control ("TT&C") services for satellites owned by DISH Network and a portion of does not restrict us from paying dividends, issuing or repurchasing our other businesses (collectively, securities, issuing new debt (including secured debt) or repaying or repurchasing our debt.

Subject to the "BSS Business") to one terms of our former subsidiaries, EchoStar BSS Corporation ("BSS Corp."), (ii) we distributed to each holder the related indenture, the Convertible Notes due 2025 may be converted at an initial conversion rate of 8.566 shares of our Class A or Class B common stock entitled to receive consideration in the transaction an per $1,000 principal amount of shares the Convertible Notes due 2025 (equivalent to an initial conversion price of common stock of BSS Corp., par value $0.001 approximately $116.74 per share ("BSS Common Stock"), equal to one share of BSS Common Stock for each share of our Class A or Class B common stock owned by such stockholder stock) (the "Distribution"); and (iii) immediately after the Distribution, (1) DISH Merger Sub merged with and into BSS Corp. (the "BSS Merger" "Initial Conversion Rate"), such that BSS Corp. became a wholly-owned subsidiary at any time on or after July 15, 2025 through the second scheduled trading day preceding the maturity date. Holders of DISH and with DISH then owning and operating the BSS Business, and (2) each issued and outstanding share of BSS Common Stock owned by EchoStar stockholders was converted into Convertible Notes due 2025 will also have the right to receive 0.235 convert the Convertible Notes due 2025 at the Initial Conversion Rate prior to July 15, 2025, but only upon the occurrence of specified events described in the related indenture. The conversion rate is subject to anti-dilution adjustments if certain events occur. Upon any conversion, we will settle our conversion obligation in cash, shares of DISH our Class A common stock par value $0.001 per share ((i) - (iii) collectively, the "BSS Transaction").

In connection with or a combination of cash and following the Spin-off, the Share Exchange and the BSS Transaction, shares of our Class A common stock, at our election.

3 3/8% Convertible Notes due 2026

On August 8, 2016, we and DISH Network entered into certain agreements pursuant to which we obtain certain products, services and rights from DISH Network; DISH Network obtains certain products, services and rights from us; and we and DISH Network indemnify each other against certain liabilities arising from our respective businesses. Generally, the amounts we or DISH Network pay for products and services provided under the agreements are based on cost plus a fixed margin (unless noted differently below), which varies depending on the nature issued $3.0 billion aggregate principal amount of the products Convertible Notes due August 15, 2026 in a private offering. Interest accrues at an annual rate of 3 3/8% and services provided. is payable semi-annually in cash, in arrears on February 15 and August 15 of each year.

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

The Convertible Notes due 2026 are:

- our general unsecured obligations;
- ranked senior in right of payment to any future indebtedness that is expressly subordinated in right of payment to the Convertible Notes due 2026;
- ranked equally in right of payment with all of our existing and future unsecured senior indebtedness;
- ranked effectively junior to any of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness;
- ranked structurally junior to all indebtedness and other liabilities of our subsidiaries; and
- not guaranteed by our subsidiaries.

We may also enter into additional agreements with DISH Network not redeem the Convertible Notes due

2026 prior to the maturity date. If a "fundamental change" (as defined in the future.

The following is a summary related indenture) occurs prior to the maturity date of the transactions Convertible Notes due 2026, holders may require us to repurchase for cash all or part of their Convertible Notes due 2026 at a specified make-whole price equal to 100% of the principal amount of such Convertible Notes due 2026, plus accrued and unpaid interest to, but not including, the fundamental change repurchase date.

The indenture related to the Convertible Notes due 2026 does not contain any financial covenants and does not restrict us from paying dividends, issuing or repurchasing our other securities, issuing new debt (including secured debt) or repaying or repurchasing our debt.

Subject to the terms of the underlying related indenture, the Convertible Notes due 2026 may be converted at an initial conversion rate of 5.383 shares of our Class A common stock per $1,000 principal agreements that amount of Convertible Notes due 2026 (equivalent to an initial conversion price of approximately $185.76 per share of our Class A common stock) (the "Initial Conversion Rate"), at any time on or after March 15, 2026 through the second scheduled trading day preceding the maturity date. Holders of the Convertible Notes due 2026 will also have had or may have an impact on our consolidated financial condition and results the right to convert the Convertible Notes due 2026 at the Initial Conversion Rate prior to March 15, 2026, but only upon the occurrence of operations.

Services and Other Revenue — DISH Network

The following table presents our *Services and other revenue - DISH Network*:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Services and other revenue - DISH Network	$ 5,991	$ 7,491	$18,703	$22,940

The following table presents specified events described in the related trade accounts receivable:

	As of	
	September 30, 2023	December 31, 2022
Trade accounts receivable - DISH Network	$ 7,730	$ 3,492

Satellite Capacity Leased indenture. The conversion rate is subject to DISH Network. Effective January 2008, DISH Network began leasing satellite capacity from us on the EchoStar IX satellite. We terminated the provision anti-dilution adjustments if certain events occur. Upon any conversion, we will settle our conversion obligation in cash, shares of this satellite capacity in December 2022.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Telesat Obligation Agreement. In September 2009, we entered into an agreement with Telesat Canada to lease satellite capacity from Telesat Canada on all 32 direct broadcast satellite ("DBS") transponders on the Nimiq 5 satellite our Class A common stock or a combination of cash and shares of our Class A common stock, at the 72.7 degree west longitude orbital location (the "Telesat Transponder Agreement"). our election.

Convertible Note Hedge and Warrant Transactions

In September 2009, we entered into an agreement

Merger with DISH Network pursuant to which DISH Network leased satellite capacity from us. As defined and detailed in our Annual Report on all 32 Form 10-K for the year ended December 31, 2023, in connection with the completion of the DBS transponders covered by the Telesat Transponder Agreement (the "DISH Nimiq 5 Agreement").Under the terms of the DISH Nimiq 5 Agreement, DISH Network made certain monthly payments to us that commenced in September 2009, when the Nimiq 5 satellite was placed into service. We transferred the Telesat Transponder Agreement to DISH Network in September 2019 as part of the BSS Transaction; however, we retained certain obligations related to DISH Network's performance under that agreement and we entered into an agreement with DISH Network whereby DISH Network compensates us for retaining such obligations.

Real Estate Leases to DISH Network. We have entered into lease agreements pursuant to which DISH Network leases certain real estate from us. The rent Merger, on a per square foot basis for each of the leases is comparable to per square foot rental rates of similar commercial property in the same geographic area at the time of the leases or subsequent amendments. Additionally, DISH Network compensates us for its portion of the taxes, insurance, utilities and/or maintenance of the premises. The terms of each of the leases are set forth below:

- ***100 Inverness Occupancy License Agreement***— In March 2017, December 31, 2023, we and DISH Network entered into a license note hedge amendment letter agreement for with each option counterparty pursuant to which, at the Effective Time, DISH Network Network's right to use certain purchase shares of our space at 100 Inverness Terrace East, Englewood, Colorado for an initial period ending DISH Class A Common Stock pursuant to the terms of the applicable convertible note hedge transactions was changed into a right to purchase shares of EchoStar Class A Common Stock.

In addition, in December 2020. We and DISH Network have amended this lease over time to, among other things, extend the term through December 2023. This agreement may be terminated by either party upon 180 days' prior notice. In connection with the BSS Transaction, we transferred to DISH Network the Englewood Satellite Operations Center located at 100 Inverness Terrace East, including any and all equipment, hardware licenses, software, processes, software licenses, furniture and technical documentation associated with the satellites transferred in the BSS Transaction.

- ***Meridian Lease Agreement*** —The lease for all of 9601 S. Meridian Blvd., Englewood, Colorado was originally for a period ending in December 2016. We and DISH Network have amended this lease over time to, among other things, extend the term through December 2023.

TerreStar Agreement. In March 2012, DISH Network completed its acquisition of substantially all the assets of TerreStar Networks Inc. ("TerreStar"). Prior to DISH Network's acquisition of substantially all the assets of TerreStar and our completion of the Hughes Acquisition, TerreStar and HNS entered into various agreements pursuant to which we provide, among other things, warranty, operations and maintenance and hosting services for TerreStar's ground-based communications equipment (the "TerreStar Agreements"). In December 2017, we and DISH Network amended these agreements, effective as of January 1, 2018, to reduce certain pricing terms through December 31, 2023 and to modify certain termination provisions. DISH Network generally has the right to continue to receive warranty services from us for our products Merger, on a month-to-month basis unless terminated by DISH Network upon at least 21 days' written notice to us. DISH Network generally has the right to continue to receive operations and maintenance services from us on a quarter-to-quarter basis unless these services are terminated by DISH Network upon at least 90 days' written notice to us. In addition, DISH Network generally may terminate any and all services for convenience subject to providing us with prior notice and/or payment of termination charges. In March 2020, we entered into an agreement with DISH Network pursuant to which we perform certain work and provide certain credits to amounts owed to us under the TerreStar Agreements in exchange for DISH Network's granting us rights to use certain satellite capacity under the Amended and Restated Professional Services Agreement (as defined below). As a result, we and DISH Network amended the TerreStar Agreements to suspend our provision of warranty services to DISH Network from April 2020 through December 2020. Following the expiration of this suspension, we have recommenced providing warranty services to DISH Network. In May 2022, we and DISH Network amended the agreement for the provision of hosting services to extend the term until May 2027. The price for warranty and operations and maintenance services is only valid until December 31, 2023. As such, if those services are to continue beyond December 31, 2023, DISH Network and HNS must agree on the price for these services as of January 1, 2024.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Hughes Broadband Distribution Agreement. Effective October 2012, we and DISH Network entered into a distribution warrant amendment letter agreement (the "Distribution Agreement") and warrant guarantee with each option counterparty, pursuant to which, at the Effective Time, each counterparty's right to purchase shares of DISH Network has the right, but not the obligation, to market, sell and distribute our Gen 4 HughesNet service. DISH Network pays us a monthly per subscriber wholesale service fee for our Gen 4 HughesNet service based upon a subscriber's service level and based upon certain volume subscription thresholds. The Distribution Agreement also provides that DISH Network has the right, but not the obligation, to purchase certain broadband equipment from us to support the sale of the Gen 4 HughesNet service. The Distribution Agreement had an initial term of five years with automatic renewal for successive one-year terms unless terminated by either party with a written notice at least 180 days'before the expiration of the then-current term. In February 2014, we and DISH Network entered into an amendment to the Distribution Agreement which, among other things, extended the initial term of the Distribution Agreement until March 2024. Upon expiration or termination of the Distribution Agreement, we and DISH Network will continue to provide our Gen 4 HughesNet service to the then-current DISH Network subscribers Class A Common Stock pursuant to the terms applicable warrant transactions was changed into a right to purchase shares of EchoStar Class A Common Stock, and conditions we guaranteed all of DISH Network's obligations under the Distribution Agreement. applicable warrant transactions.

DBSD North America Agreement. In March 2012, DISH Network completed its acquisition Table of all of the equity of DBSD North America, Inc. ("DBSD North America"). Prior to DISH Network's acquisition of DBSD North America and our completion of the Hughes Acquisition, DBSD North America and HNS entered into various agreements pursuant to which we provide, among other things, warranty, operations and maintenance and hosting services of DBSD North America's gateway and ground-based communications equipment. In December 2017, we and DBSD North America amended these agreements, effective as of January 1, 2018, to reduce certain pricing terms through December 31, 2023 and to modify certain termination provisions. DBSD North America has the right to continue to receive operations and maintenance services from us on a quarter-to-quarter basis, unless terminated by DBSD North America upon at least 120 days' written notice to us. In February 2019, we further amended these agreements to provide DBSD North America with the right to continue to receive warranty services from us on a month-to-month basis until December 2023, unless terminated by DBSD North America upon at least 21 days' written notice to us. The provision of hosting services will continue until February 2027 unless terminated by DBSD North America upon at least 180 days' written notice to us. In addition, DBSD North America generally may terminate any and all such services for convenience, subject to providing us with prior notice and/or payment of termination charges. The price for warranty and operations and maintenance services is only valid until December 31, 2023. As such, if those services are to continue beyond December 31, 2023, DBSD North America and HNS must agree on the price for these services as of January 1, 2024. Contents

Hughes Equipment and Services Agreement. In February 2019, we and DISH Network entered into an agreement pursuant to which we will sell to DISH Network our HughesNet Service and HughesNet equipment that has been modified to meet DISH Network's internet-of-things specifications for the transfer of data to DISH Network's network operations centers. This agreement has an initial term of five years expiring February 2024 with automatic renewal for successive one-year terms unless terminated by DISH Network with at least 180 days' written notice to us or by us with at least 365 days' written notice to DISH Network.

Operating Expenses — DISH Network

The following table presents our operating expenses related to DISH Network:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Operating expenses - DISH Network	$ 1,910	$ 1,401	$ 4,717	$ 4,070

The following table presents the related trade accounts payable:

	As of	
	September 30, 2023	December 31, 2022
Trade accounts payable - DISH Network	$ 1,465	$ 669

(Unaudited)

.

In connection with the Spin-off, offering of the Convertible Notes due 2026, we entered into various agreements convertible note hedge transactions with certain option counterparties. The convertible note hedge transactions cover, subject to anti-dilution adjustments substantially similar to those applicable to the Convertible Notes due 2026, the number of shares of DISH Network including a transition services agreement, satellite procurement agreement and services agreement, all Class A Common Stock underlying the Convertible Notes due 2026, which initially gives us the option to purchase approximately 46 million shares of which expired in January 2010 and were replaced by a professional services agreement (the “Professional Services Agreement”). In January 2010, we and DISH Network agreed that we continue to have the right, but not the obligation, to receive the following services from DISH Network, among others, certain Class A Common Stock at a price of approximately $65.18 per share, which were previously provided under a transition services agreement: information technology, travel and event coordination, internal audit, legal, accounting and tax, benefits administration, program acquisition services and other support services. Additionally, we and DISH Network agreed that DISH Network would continue to have the right, but not the obligation, to engage us to manage the process of procuring new satellite capacity for DISH Network (previously provided under a satellite procurement agreement), receive logistics, procurement and quality assurance services from us (previously provided under a services agreement) and provide other support services. In connection with the consummation of the Share Exchange, we and DISH amended and restated the Professional Services Agreement (as amended to date, the “Amended and Restated Professional Services Agreement”) to provide that we and DISH Network shall have the right to receive additional services that either we or DISH Network may require as a result of the Share

Exchange, including access to antennas owned by DISH Network for our use in performing TT&C services and maintenance and support services for our antennas (collectively, the “TT&C Antennas”). In September 2019, in connection with the BSS Transaction, we and DISH further amended the Amended and Restated Professional Services Agreement to provide that we and DISH Network shall have the right to receive additional services that either we or DISH Network may require as a result completion of the BSS Transaction and to remove our access to and the maintenance and support services for the TT&C Antennas. Merger converted into approximately 16 million shares of EchoStar Class A Common Stock at a price of approximately $185.76 per share. The current term total cost of the Amended and Restated Professional Services Agreement is through January 1, 2024 and renews automatically for successive one-year periods thereafter, unless original convertible note hedge transactions was $635 million.

Concurrently with entering into the agreement is terminated earlier by either party upon at least 60 days' notice. We or DISH Network may generally terminate the Amended and Restated Professional Services Agreement in part with respect to any particular service it receives for any reason upon at least 30 days' notice, unless the statement of work for particular services states otherwise. Certain services provided under the Amended and Restated Professional Services Agreement may survive the termination of the agreement.

Real Estate Leases from DISH Network. Effective March 2017, we entered into a lease with DISH Network for certain space at 530 EchoStar Drive in Cheyenne, Wyoming for an initial period ending in February 2019. In August 2018, we exercised our option to renew this lease for a one-year period ending in February 2020. In connection with the BSS Transaction, we transferred the Cheyenne Satellite Operations Center, including any equipment, software licenses, and furniture located within, to DISH Network and amended this lease to reduce the space provided to us for the Cheyenne Satellite Access Center for a period ending in September 2021.In March 2021, we exercised our option to renew this lease for a one-year period ending September 2022 and amended the lease to provide us the option to renew this lease for up to three additional years. In November 2021, we exercised our option to renew this lease for a one-year period ending September 2023, at which time this lease expired.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Collocation and Antenna Space Agreements. We and DISH Network entered into an agreement pursuant to which DISH Network provided us with collocation space in El Paso, Texas. This agreement was for an initial period ending in July 2015, and provided us with renewal options for four consecutive three-year terms. We exercised our first renewal option for a period commencing in August 2015 and ending in July 2018, in April 2018 we exercised our second renewal option for a period ending in July 2021, and in May 2021 we exercised our third renewal option for a period ending in July 2024. In connection with the Share Exchange, effective March 2017, convertible note hedge transactions, we also entered into certain agreements pursuant warrant transactions with each option counterparty whereby we sold to which such option counterparty warrants to purchase, subject to customary anti-dilution adjustments, up to the same number of shares of DISH Network provides collocation and antenna space Class A common stock, which initially gives the option counterparties the option to EchoStar through February 2022 at the following locations: Cheyenne, Wyoming; Gilbert, Arizona; New Braunfels, Texas; Monee, Illinois; Spokane, Washington; and Englewood, Colorado. In October 2019, we provided a termination notice for our New Braunfels, Texas agreement effective May 2020. In November 2020, we provided a termination notice for one purchase approximately 46 million shares of our Englewood, Colorado agreements effective May 2021. In November 2021, we exercised our right to renew the collocation agreements at Gilbert, Arizona, Cheyenne, Wyoming, Spokane, Washington, Englewood, Colorado and Monee, Illinois for a period ending in February 2025. In August 2017, we and DISH Network also entered into certain other agreements pursuant to Class A common stock at a price of approximately $86.08 per share, which DISH Network provides additional collocation and antenna space to us in Monee, Illinois and Spokane, Washington through August 2022. In May 2022, we exercised our right to renew such other agreements at Monee, Illinois and Spokane, Washington through August 2025. Generally, we may renew our collocation and antenna space agreements for three-year periods by providing DISH Network with prior written notice no more than 120 days but no less than 90 days prior to the end of the then-current term. We may terminate certain of these agreements with 60 days' prior written notice and certain other of these agreements with 180 days' prior written notice. In September 2019, in connection with the BSS Transaction, we entered completion of the Merger converted into an agreement pursuant approximately 16 million shares of EchoStar Class A Common Stock at price ranges of approximately $185.75 to which DISH Network provided us $245.33 per share. We received $376 million in cash proceeds from the original sale of these warrants. In accordance with certain additional collocation space in Cheyenne, Wyoming for a period that ended in September 2020. The fees for accounting guidance on hedge and warrant transactions, the services provided under these agreements depend on the number of racks located at the location.

Also net cost incurred in connection with the BSS Transaction, convertible note hedge and warrant transactions are recorded as a reduction in September 2019, we entered into an agreement pursuant "Additional paid-in capital" within "Stockholders' Equity (Deficit)" on our Consolidated Balance Sheets as of December 31, 2016.

We will not be required to which DISH Network provides us with antenna space and power in Cheyenne, Wyoming for a period of five years commencing in August 2020, with four three-year renewal terms, with prior written notice of renewal required no more than 120 days but no less than 90 days prior to the end of the then-current term. In March 2021, we entered into additional agreements pursuant to which DISH Network provides us withantenna space and power in Cheyenne, Wyoming, and the right to use an antenna and certain space in Gilbert, Arizona. Both agreements are for a period of five years with four three-year renewal terms, with prior written notice of renewal required no more than 120 days but no less than 90 days prior to the end of the then-current term.

Hughes Broadband Master Services Agreement. In conjunction with the launch of our EchoStar XIX satellite, in March 2017, we and DISH Network entered into a master service agreement (the "Hughes Broadband MSA") pursuant to which DISH Network, among other things: (i) has the right, but not the obligation, to market, promote and solicit orders and upgrades for our Gen 5 HughesNet service and related equipment and other telecommunication services and (ii) installs Gen 5 HughesNet service equipment with respect to activations generated by DISH Network. Under the Hughes Broadband MSA, we and DISH Network make certain any cash payments to each other relating to sales, upgrades, purchases and installation services. The current term option counterparty or its affiliates upon the exercise of the Hughes Broadband MSA is through March 2024 with automatic renewal for successive one-year terms. Either party has the ability to terminate the Hughes Broadband MSA, in whole or in options that are a part for any reason upon at least 90 days' notice to the other party. Upon expiration or termination of the Hughes Broadband MSA, convertible note hedge transactions, but will be entitled to receive from them a number of shares of Class A common stock, an amount of cash or a combination thereof. This consideration is generally based on the amount by which the market price per share of Class A common stock, as measured under the terms of the convertible note hedge transactions, is greater than the strike price of the convertible note hedge transactions during the relevant valuation period under the convertible note hedge transactions. Additionally, if the market price per share of Class A common stock, as measured under the terms of the warrant transactions, exceeds the strike price of the warrants during the measurement period at the maturity of the warrants, we will continue owe each option counterparty a number of shares of Class A common stock in an amount based on the excess of such market price per share of Class A common stock over the strike price of the warrants. However, as specified under the terms of the warrant transactions, we may elect to provide settle the warrants in cash.

Intercompany Loan

The net proceeds from the offering of our Gen 5 HughesNet service 1/4% Senior Secured Notes due 2026 and our 5 3/4% Senior Secured Notes due 2028 (the "Senior Notes") issued on November 26, 2021 were used by DISH DBS to subscribers and make certain payments an intercompany loan to DISH Network pursuant to a Loan and Security Agreement dated November 26, 2021 (together with potential future advances to DISH Network, the terms "Intercompany Loan") between DISH DBS and conditions DISH Network in order to finance the purchase of wireless spectrum licenses and for general corporate purposes, including our 5G Network Deployment. The Intercompany Loan will mature in two tranches, with the first tranche maturing on December 1, 2026 (the "2026 Tranche") and the second tranche maturing on December 1, 2028 (the "2028 Tranche"). DISH DBS may make additional advances to DISH Network under the Intercompany Loan, and on February 11, 2022, DISH DBS advanced an additional $1.5 billion to DISH Network under the Intercompany

Loan 2026 Tranche. In January 2024, we completed a series of assignments resulting in the transfer of the Hughes Broadband MSA. We incurred sales incentives and other costs under receivable in respect to the Hughes Broadband MSA totaling $0.5 million and $1.8 million for 2026 Tranche from DISH DBS to EchoStar Intercompany Receivable Company L.L.C., our direct wholly-owned subsidiary, such that amounts owed in respect of the three months ended September 30, 2023 and 2022, respectively, and $1.4 million and $5.4 million for the nine months ended September 30, 2023 and 2022, respectively. 2026 Tranche will now be paid by DISH Network to EchoStar Intercompany Receivable Company L.L.C.

2019 TT&C Agreement. In September 2019, in connection with the BSS Transaction, we entered into an agreement pursuant to which DISH Network provides TT&C services to us for a period ending in September 2021, with the option for us to renew for a one-year period upon written notice at least 90 days prior to the initial expiration (the "2019 TT&C Agreement"). The fees for services provided under the 2019 TT&C Agreement are calculated at either: (i) a fixed fee or (ii) cost plus a fixed margin, which will vary depending on the nature Table of the services provided. Any party is able to terminate the 2019 TT&C Agreement for any reason upon 12 months' notice. We have exercised our option to renew the 2019 TT&C Agreement on several occasions, and its current term expires in September 2024. Contents

(Unaudited)

Referral Marketing Agreement. In June 2021, we

Interest accrues and DISH Network entered into an agreement pursuant to which we will pre-qualify prospects contacting Hughes call centers is payable semiannually, and transfer those prospects to DISH Network for introduction to DISH Network's video services, for prospects that convert Hughes will receive a commission. This agreement has an indefinite term and may be terminated by either party upon 90 days' prior written notice.

Whidbey Island 5G Network Test Bed Subcontract. In June 2022, we and DISH Wireless entered into a subcontract ("DISH Subcontract") pursuant to which DISH provides access and use of a DISH lab, technical support and integration and testing support for the 5G network test bed to be delivered by Hughes to its customer. DISH Wireless additionally has agreed to lease certain licensed wireless spectrum to Hughes in connection with the project. Between June 2022 and October 2023, the scope of the DISH Subcontract has expanded to include additional spectrum leases and construction and related services work at Whidbey Island and the Lualualei Annex.

Launch Credit. EchoStar Global Australia Pty Ltd ("EchoStar Australia") previously entered into four launch services agreements pursuant to which EchoStar Australia held credits that may be applied to a future launch for EchoStar Australia or an affiliate. To ensure the use of this credit prior to its expiration, EchoStar Australia and DISH Orbital II L.L.C. ("DISH Orbital II") agreed that EchoStar Australia would transfer the launch credit to DISH Orbital II for application against costs of a launch for DISH Orbital II.DISH Orbital II agreed to make a cash payment to EchoStar Australia.

Other Receivables - DISH Network

The following table presents our other receivables owed from DISH Network:

	As of	
	September 30, 2023	**December 31, 2022**
Other receivables - DISH Network, noncurrent	$ 77,751	$ 74,923

Tax Sharing Agreement. Effective December 2007, we and DISH Network entered into a tax sharing agreement (the "Tax Sharing Agreement") in connection with the Spin-off. This agreement governs our and DISH Network's respective rights, responsibilities and obligations after the Spin-off with respect to taxes for the periods ending on or before the

Spin-off. Generally, all pre-Spin-off taxes, including any taxes that are incurred as a result of restructuring activities undertaken to implement the Spin-off, are borne by DISH Network and DISH Network indemnifies us for such taxes. However, DISH Network is not liable for and does not indemnify us for any taxes that are incurred as a result of the Spin-off or certain related transactions failing to qualify as tax-free distributions pursuant to any provision of Section 355 or Section 361 of the Internal Revenue Code of 1986, as amended (the "Code"), because of: (i) a direct or indirect acquisition of any of our stock, stock options or assets; (ii) any action that we take or fail to take or (iii) any action that we take that is inconsistent with the information and representations furnished to the IRS in connection with the request for the private letter ruling, or to counsel in connection with any opinion being delivered by counsel interest payments with respect to the Spin-off or certain related transactions. In such case, we will be solely liable for, and will indemnify DISH Network for any resulting taxes, as well as any losses, claims and expenses. The Tax Sharing Agreement will terminate after the later of the full period of all applicable statutes of limitations, including extensions, or once all rights and obligations Intercompany Loan are, fully effectuated or performed.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

In light of the Tax Sharing Agreement, among other things, and at our option, payable in connection with our consolidated federal income tax returns for certain tax years prior to and kind for the year first two years from the issuance date of the Spin-off, in September 2013, we and DISH Network agreed upon November 2021. After two years post issuance date, a supplemental allocation minimum of the tax benefits arising from certain tax items resolved in the course 50% of the IRS's examination of our consolidated tax returns. Prior to the agreement with DISH Network in 2013, the federal tax benefits were reflected as a deferred tax asset for depreciation and amortization, which was netted in our non-current deferred tax liabilities. Under the agreement with DISH Network from 2013, DISH Network is paying us the federal tax benefit it receives at such time as we would have otherwise been able to realize such tax benefit. We recorded a current receivable from DISH Network in *Other receivables - DISH Network*, current and a non-current receivable from DISH Network in *Other receivables - DISH Network*, noncurrent and a corresponding increase in our *Deferred tax liabilities, net* to reflect the effects of this agreement. In addition, in September 2013, we and DISH Network agreed upon a tax sharing arrangement for filing certain combined state income tax returns and a method of allocating the respective tax liabilities between us and DISH Network for such combined returns, through the taxable period ending on December 31, 2017 (the "State Tax Arrangement").

In August 2018, we and DISH Network amended the Tax Sharing Agreement and the 2013 agreements (the "Tax Sharing Amendment"). Under the Tax Sharing Amendment, to the extent permitted by applicable tax law, DISH Network is entitled to apply the benefit of our 2009 net operating losses (the "SATS 2009 NOLs") to DISH Network's federal tax return for the year ended December 31, 2008, in exchange for DISH Network paying us over time the value of the net annual federal income taxes paid by us that would have been otherwise offset by the SATS 2009 NOLs. The Tax Sharing Amendment also requires us and DISH Network to pay the other for the benefits of certain past and future federal research and development tax credits that we or DISH Network receive or received as a result of being part of a controlled group under the Code, and requires DISH Network to compensate us for certain past tax losses utilized by DISH Network and for certain past and future excess California research and development tax credits generated by us and used by DISH Network. In addition, the Tax Sharing Amendment extends the term of the State Tax Arrangement to the earlier of termination of the Tax Sharing Agreement, a change in control of either us or DISH Network or, for any particular state, if we and DISH Network no longer file a combined tax return for such state.

We and DISH Network filed combined income tax returns in certain states from 2008 through 2019. We have earned and recognized tax benefits for certain state income tax credits that we would be unable to fully utilize currently if we had filed separately from DISH Network. We have charged *Additional paid-in capital* in prior periods when DISH Network has utilized such tax benefits. We expect to increase *Additional paid-in capital* upon receipt of any consideration that DISH Network pays to us in exchange for these tax credits.

Other Agreements

Master Transaction Agreement. In May 2019, we and BSS Corp. entered into the Master Transaction Agreement with DISH and DISH Merger Sub each interest payment due with respect to the BSS Transaction. Pursuant to the terms each tranche of the Master Transaction Agreement, on September 10, 2019: (i) we transferred the BSS Business to BSS Corp.; (ii) we completed the Distribution; and (iii) immediately after the Distribution, (1) BSS Corp. became Intercompany Loan must be paid in cash. Thereafter, interest payments must be paid in cash. Interest will accrue: (a) when paid in cash, at a wholly-owned subsidiary fixed rate of DISH such that DISH owns and operates the BSS Business and (2) each issued and outstanding share of BSS Common Stock owned by EchoStar stockholders was converted into the right to receive 0.235 shares of DISH Common Stock. Following the consummation 0.25% per annum in excess of the BSS Transaction, we no longer operate the BSS Business, which was a substantial portion of our ESS segment. The Master Transaction Agreement contained customary representations and warranties by us and DISH Network, including our representations relating interest rate applicable to, the assets, liabilities and financial condition of the BSS Business, and representations by DISH Network relating to its financial condition and liabilities. We and DISH Network have agreed to indemnify each other against certain losses with respect to breaches of certain representations and covenants and certain retained and assumed liabilities, respectively.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

BSS Transaction Intellectual Property and Technology License Agreement. Effective September 2019, in connection with the BSS Transaction, we and DISH Network entered into an intellectual property and technology license agreement (the “BSS IPTLA”) pursuant to which we and DISH Network license to each other certain intellectual property and technology. The BSS IPTLA will continue in perpetuity, unless mutually terminated by the parties. Pursuant to the BSS IPTLA, we granted to DISH Network a license to our intellectual property and technology for use by DISH Network, among other things, in connection with its continued operation of the BSS Business acquired pursuant to the BSS Transaction, including a limited license to use the “ESS” and “ECHOSTAR SATELLITE SERVICES” trademarks during a transition period. EchoStar retains full ownership of the “ESS” and “ECHOSTAR SATELLITE SERVICES” trademarks. In addition, DISH Network granted a license back to us, among other things, for the continued use of all intellectual property and technology that is used in our retained businesses but the ownership of which was transferred to DISH Network pursuant to the BSS Transaction.

BSS Transaction Tax Matters Agreement. Effective September 2019, in connection with the BSS Transaction, we, BSS Corp., and DISH entered into a tax matters agreement. This agreement governs certain of our rights, responsibilities and obligations with respect to taxes of the BSS Business transferred pursuant to the BSS Transaction. Generally, we are responsible for all tax returns and tax liabilities for the

BSS Business for periods prior to the BSS Transaction and DISH is responsible for all tax returns and tax liabilities for the BSS Business from and after the BSS Transaction. Both we and DISH made certain tax-related representations and are subject to various tax-related covenants after the consummation of the BSS Transaction. Both we and DISH Network have agreed to indemnify each other for certain losses if there is a breach of any the tax representations or violation of any of the tax covenants in the tax matters agreement and that breach or violation results in the failure of the BSS Transaction being treated as a transaction that is tax-free for EchoStar or its stockholders for U.S. federal income tax purposes. In addition, DISH Network has agreed to indemnify us if the BSS Business is acquired, either directly or indirectly (e.g., via an acquisition of DISH Network), by one or more persons, where either it took an action, or knowingly facilitated, consented to or assisted with an action by its stockholders, that resulted in the failure of the BSS Transaction being treated as a transaction that is tax-free for EchoStar and its stockholders for U.S. federal income tax purposes. This tax matters agreement supplements the Tax Sharing Agreement outlined above and the Share Exchange Tax Matters Agreement outlined below, both of which continue in full force and effect.

BSS Transaction Employee Matters Agreement. Effective September 2019, in connection with the BSS Transaction, we and DISH Network entered into an employee matters agreement that addressed the transfer of employees from us to DISH Network, including certain benefit and compensation matters and the allocation of responsibility for employee related liabilities relating to current and past employees of the BSS Business. DISH Network assumed employee-related liabilities relating to the BSS Business as part of the BSS Transaction, except that we are responsible for certain pre-BSS Transaction compensation and benefits for employees who transferred to DISH Network in connection with the BSS Transaction.

Share Exchange Agreement. In February 2017 we consummated the Share Exchange, following which we no longer operate the transferred EchoStar Technologies businesses and the Tracking Stock was retired and is no longer outstanding and all agreements, arrangements and policy statements with respect to such Tracking Stock terminated and are of no further effect. Pursuant to the Share Exchange Agreement, we transferred certain assets, investments in joint ventures, spectrum licenses and real estate properties and DISH Network assumed certain liabilities relating to the transferred assets and businesses. The Share Exchange Agreement contained customary representations and warranties by the parties, including representations by us related to the transferred assets, assumed liabilities and the financial condition of the transferred businesses. We and DISH Network also agreed to customary indemnification provisions whereby each party indemnifies the other against certain losses with respect to breaches of representations, warranties or covenants and certain liabilities and if certain actions undertaken by us or DISH causes the transaction to be taxable to the other party after closing.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Share Exchange Intellectual Property and Technology License Agreement. Effective March 2017, in connection with the Share Exchange, we and DISH Network entered into an intellectual property and technology license agreement ("IPTLA") pursuant to which we and DISH Network license to each other certain intellectual property and technology. The IPTLA will continue in perpetuity, unless mutually terminated by the parties. Pursuant to the IPTLA, we granted to DISH Network a license to our intellectual property and technology for use by DISH Network, among other things, in connection with its continued operation of the businesses acquired pursuant to the Share Exchange, including a limited license to use the "ECHOSTAR" trademark during a transition period. EchoStar retains full ownership of the "ECHOSTAR" trademark. In addition, DISH Network granted a license back to us, among other things, for the continued use of all intellectual property and technology that is used in our retained businesses but the ownership of which was transferred to DISH Network pursuant to the Share Exchange.

Share Exchange Tax Matters Agreement. Effective March 2017, in connection with the Share Exchange, we and DISH entered into a tax matters agreement. This agreement governs certain of our rights, responsibilities and obligations with respect to taxes of the transferred businesses pursuant to the Share Exchange. Generally, we are responsible for all tax returns and tax liabilities for the transferred businesses and assets for periods prior to the Share Exchange and DISH Network is responsible for all tax returns and tax liabilities for the transferred businesses and assets from and after the Share Exchange. Both we and DISH Network made certain tax-related representations and are subject to various tax-related covenants after the consummation of the Share Exchange. Both we and DISH Network have agreed to indemnify each other if there is a breach of any such tax representation or violation of any such tax covenant and that breach or violation results in the Share Exchange not qualifying for tax free treatment for the other party. In addition, DISH Network has agreed to indemnify us if the transferred businesses are acquired, either directly or indirectly (e.g., via an acquisition of DISH Network), by one or more persons and such acquisition results in the Share Exchange not qualifying for tax free treatment. The tax matters agreement supplements the Tax Sharing Agreement outlined above which continues in full force and effect.

Share Exchange Employee Matters Agreement. Effective March 2017, in connection with the Share Exchange, we and DISH Network entered into an employee matters agreement that addressed the transfer of employees from us to DISH Network, including certain benefit and compensation matters and the allocation of responsibility for employee related liabilities relating to current and past employees of the transferred businesses. DISH Network assumed employee-related liabilities relating to the transferred businesses as part of the Share Exchange, except that we are responsible for certain pre-Share Exchange employee related litigation, and compensation and benefits for employees who transferred to DISH Network in connection with the Share Exchange.

NOTE 12. RELATED PARTY TRANSACTIONS - OTHER

Hughes Systique Corporation

We contract with Hughes Systique Corporation ("Hughes Systique") for software development services. In addition to our approximately 42% ownership in Hughes Systique, Mr. Pradman Kaul, the former President of our subsidiary Hughes Communications and Vice-Chair of our board of directors (effective January 1, 2023), and his brother, who is the Chief Executive Officer and President of Hughes Systique, own in the aggregate approximately 25%, on an undiluted basis, of Hughes Systique's outstanding shares as of September 30, 2023. Furthermore, Mr. Pradman Kaul serves on the board of directors of Hughes Systique. Hughes Systique is a variable interest entity and we are considered the primary beneficiary of Hughes Systique due to, among other factors, our ability to direct the activities that most significantly impact the economic performance of Hughes Systique. As a result, we consolidate Hughes Systique's financial statements in these Consolidated Financial Statements.

TerreStar Solutions

DISH Network owns more than 15% of TerreStar Solutions, Inc. ("TSI") as of September 30, 2023. In May 2018, we and TSI entered into an equipment and services agreement pursuant to which we design, manufacture and install upgraded ground communications network equipment for TSI's network and provide, among other things, warranty and support services. We recognized revenue from TSI of $0.5 million and $0.5 million for the three months ended September 30, 2023 and 2022, respectively, and $1.4 million, and $1.5 million for the nine months ended September 30, 2023, and 2022, respectively. As of September 30, 2023 we had no trade accounts receivable from TSI.

NOTE 13. CONTINGENCIES

Patents and Intellectual Property

Many entities, including some of our competitors, have, or may have in the future, patents and other intellectual property rights that cover or affect products or services directly or indirectly related to those that we offer. We may not be aware of all patents and other intellectual property rights that our products and services may potentially infringe. Damages in patent infringement cases can be substantial, and in certain circumstances can be tripled. Further, we cannot estimate the extent to which we may be required in the future to obtain licenses with respect to intellectual property rights held by others and the availability and cost of any such licenses. Various parties have asserted patent and other intellectual property rights with respect to our products and services. We cannot be certain that these parties do not own the rights they claim, that these rights are not valid or that our products and services do not infringe on these rights. Further, we cannot be certain that we would be able to obtain licenses from these parties on commercially reasonable terms or, if we were unable to obtain such licenses, that we would be able to redesign our products and services to avoid infringement.

Certain Arrangements with DISH Network

In connection with our spin-off from DISH in 2008, we entered into a separation agreement with DISH Network that provides, among other things, for the division of certain liabilities, including liabilities resulting from litigation. Under the terms of the separation agreement, we assumed certain liabilities that relate to our business, including certain designated liabilities for acts or omissions that occurred prior to the Spin-off. Certain specific provisions govern intellectual property related claims under which we will generally only be liable for our acts or omissions following the Spin-off and DISH Network will indemnify us for any liabilities or damages resulting from intellectual property claims relating to the period prior to the Spin-off as well as DISH Network’s acts or omissions following the Spin-off. In connection with the Share Exchange and BSS Transaction, we entered into the Share Exchange

Agreement and the Master Transaction Agreement, respectively, and other agreements which provide, among other things, for the division of certain liabilities, including liabilities relating to taxes, intellectual property and employees and liabilities resulting from litigation and the assumption of certain liabilities that relate to the transferred businesses and assets. These agreements also contain additional indemnification provisions between us and DISH Network for, in the case of the Share Exchange, certain pre-existing liabilities and legal proceedings 2026 Tranche, the 5 1/4% Senior Secured Notes due 2026, and in the case of the BSS Transaction, certain losses 2028 Tranche, the 5 3/4% Senior Secured Notes due 2028 (each, the "Cash Accrual Rate" with respect to breaches the applicable tranche); and (b) when paid in kind, at a rate of 0.75% per annum in excess of the Cash Accrual Rate for the applicable tranche.

As of March 31, 2024, the total Intercompany Loan amount outstanding plus interest paid in kind was $7.496 billion. For the three months ended March 31, 2024, there were no interest payments for the Intercompany Loan paid in cash.

The Intercompany Loan is secured by Weminuche's interest in the wireless spectrum licenses for the 3.45-3.55 GHz Licenses with such cash proceeds up to the total loan amount outstanding including interest paid in kind. Under certain representations circumstances, DISH Network wireless spectrum licenses (valued based upon a third-party valuation) may be substituted for the collateral. The Intercompany Loan is not included as collateral for the Senior Secured Notes, and covenants the Senior Secured Notes are subordinated to DISH DBS's existing and certain liabilities. future unsecured notes with respect to certain realizations under the Intercompany Loan and any collateral pledged as security for the Intercompany Loan.

10. Commitments and Contingencies

Commitments

5G Network Deployment

We have invested a total of over $30 billion in Wireless spectrum licenses. The $30 billion of investments related to Wireless spectrum licenses does not include

$9 billion of capitalized interest related to the carrying value of such licenses. See Note 2 for further information on capitalized interest.

We will need to raise additional capital in the future, which may not be available on favorable terms, to fund the efforts described below, as well as, among other things, make any potential Northstar Re-Auction Payment and SNR Re-Auction Payment for the AWS-3 licenses retained by the FCC. There can be no assurance that we will be able to profitably deploy our Wireless spectrum licenses, which may affect the carrying amount of these assets and our future financial condition or results of operations.

Table of Contents

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED Continued

(Unaudited)

(Unaudited)

Wireless Spectrum Licenses

Our Wireless spectrum licenses are subject to certain build-out requirements, as well as certain renewal requirements that are summarized in the table below:

	Carrying	Build-Out Deadlines		Expiration
	Amount	Interim	Final	Date
	(In thousands)			
Owned:				
DBS Licenses (1)	$ 677,409			
700 MHz Licenses (2)	711,871		June 14, 2025 (3)	June 2033
AWS-4 Licenses (2)	1,940,000		June 14, 2025 (3)	June 2033
H Block Licenses (2)	1,671,506		June 14, 2025 (4)	June 2033
600 MHz Licenses	6,213,335		June 14, 2025 (5)	June 2029
MVDDS Licenses (1)	24,000			July 2024

LMDS Licenses (1)	—			September 2028
28 GHz Licenses	2,883		October 2, 2029 (6)	October 2029
24 GHz Licenses	11,772		December 11, 2029 (6)	December 2029
37 GHz, 39 GHz and 47 GHz Licenses	202,533		June 4, 2030 (6)	June 2030
3550-3650 MHz Licenses	912,939		March 12, 2031 (6)	March 2031
3.7-3.98 GHz Licenses	2,969	July 23, 2029 (6)	July 23, 2033 (6)	July 2036
3.45–3.55 GHz Licenses	7,329,093	May 4, 2026 (6)	May 4, 2030 (6)	May 2037
1695-1710 MHz, 1755-1780 MHz, and 2155-2180 MHz (2)	972			March 2026
AWS-3	9,890,389		October 2025 (7)	October 2025 (7)
Subtotal	29,591,671			
Capitalized Interest (8)	8,760,710			
Total as of March 31, 2024	$38,352,381			

(1) The build-out deadlines for these licenses have been met.

(2) The interim build-out deadlines for these licenses are in the past.

(3) For these licenses, we must offer 5G broadband service to at least 70% of the population in each Economic Area (which is a service area established by the FCC). On September29, 2023, the FCC confirmed we have met all of our June14, 2023 band-specific 5G deployment commitments, and two of our three nationwide 5G commitments. The single remaining 5G commitment, that at least 70% of the U.S. population has access to average download speeds equal to 35 Mbps, was achieved in March 2024 using the drive test methodology previously agreed upon by us and the FCC and overseen by an independent monitor.

(4) For these licenses, we must offer 5G broadband service to at least 75% of the population in each Economic Area (which is a service area established by the FCC). On September29, 2023, the FCC confirmed we have met all of our June14, 2023 band-specific 5G deployment commitments, and two of our three nationwide 5G commitments. The single remaining 5G commitment, that at least 70% of the U.S. population has access to average download speeds equal to 35 Mbps, was achieved in March 2024 using the drive test methodology previously agreed upon by us and the FCC and overseen by an independent monitor.

(5) For these licenses, we must offer 5G broadband service to at least 75% of the population in each Partial Economic Area (which is a service area established by the FCC) by this date. We have also acquired certain additional 600 MHz licenses through private transactions. These licenses are currently subject to their original FCC buildout deadlines.
(6) There are a variety of build-out options and associated build-out metrics associated with these licenses.
(7) For these licenses, we must provide reliable signal coverage and offer service to at least 75% of the population of each license area by this date.

Litigation

Table of Contents

(8) See Note2 for further information.

Commercialization of Our Wireless Spectrum Licenses and Related Assets. We plan to commercialize our Wireless spectrum licenses through our 5G Network Deployment. We have committed to deploy our 5G Network capable of serving increasingly larger portions of the U.S. population at different deadlines. On September 29, 2023, the FCC confirmed we have met all of our June 14, 2023 band-specific 5G deployment commitments, and two of our three nationwide 5G commitments. The single remaining 5G commitment, that at least 70% of the U.S. population has access to average download speeds equal to 35 Mbps, was achieved in March 2024 using the drive test methodology previously agreed upon by us and the FCC and overseen by an independent monitor. We now have the largest commercial deployment of 5G VoNR in the world reaching approximately 200 million Americans and 5G broadband service reaching approximately 250 million Americans. We currently expect capital expenditures, excluding capitalized interest, for our 5G Network Deployment to be approximately $10 billion, including amounts incurred in 2021, 2022, 2023 and the first three months of 2024. See Note 2 for further information.

We may need to make significant additional investments or partner with others to, among other things, continue our 5G Network Deployment and further commercialize, build-out and integrate these licenses and related assets and any additional acquired licenses and related assets, as well as to comply with regulations applicable to such licenses. Depending on the nature and scope of such activities, any such investments or partnerships could vary significantly. In addition, as we continue our 5G Network Deployment, we have and may continue to incur significant additional expenses related to, among other things, research and development, wireless testing and ongoing upgrades to the wireless network infrastructure, software and third-party integration. As a result of these investments, among other factors, we plan to raise additional capital, which may not be available on favorable terms. We may also determine that additional wireless spectrum licenses may be required for our 5G Network Deployment and to compete effectively with other wireless service providers.

AWS-3 Auction

Northstar Wireless is a wholly-owned subsidiary of Northstar Spectrum, which is an entity owned by us and, prior to October 12, 2023, by us and Northstar Manager. SNR Wireless is a wholly-owned subsidiary of SNR HoldCo, which is an entity owned by us and, prior to February 16, 2024, by us and SNR Management. See Note 2 for further information.

Northstar Wireless and SNR Wireless each filed applications with the FCC to participate in Auction 97 (the "AWS-3 Auction") for the purpose of acquiring certain AWS-3 Licenses. Each of Northstar Wireless and SNR Wireless applied to receive bidding credits of 25% as designated entities under applicable FCC rules.

FCC Order and October 2015 Arrangements. On August 18, 2015, the FCC released a Memorandum Opinion and Order, FCC 15-104 (the “Order”) in which the FCC determined, among other things, that DISH Network has a controlling interest in, and is an affiliate of, Northstar Wireless and SNR Wireless, and therefore DISH Network’s revenues should be attributed to them, which in turn makes Northstar Wireless and SNR Wireless ineligible to receive the 25% bidding credits (approximately $1.961 billion for Northstar Wireless and $1.370 billion for SNR Wireless). On November 23, 2020, the FCC released a Memorandum Opinion and Order on Remand, FCC 20-160, that found that Northstar Wireless and SNR Wireless are not eligible for bidding credits based on the FCC’s determination that they remain under DISH Network’s de facto control. Northstar Wireless and SNR Wireless have appealed the FCC’s order to the D.C. Circuit Court of Appeals. On June 21, 2022, the United States Court of Appeals for the District of Columbia issued an Opinion rejecting this challenge. On January 17, 2023, Northstar Wireless filed a petition for a writ of certiorari asking the United States Supreme Court to hear a further appeal, but that petition was denied on June 30, 2023.

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Letters Exchanged between Northstar Wireless and the FCC Wireless Bureau. As outlined in letters exchanged between Northstar Wireless and the Wireless Telecommunications Bureau of the FCC (the “FCC Wireless Bureau”), Northstar Wireless paid the gross winning bid amounts for 261 AWS-3 Licenses (the “Northstar Licenses”) and notified the FCC that it would not be paying the gross winning bid amounts for 84

AWS-3 Licenses. As a result of the nonpayment of those gross winning bid amounts, the FCC retained those licenses.

If the winning bids from re-auction or other award of the AWS-3 licenses retained by the FCC are greater than or equal to the winning bids of Northstar Wireless, no additional amounts will be owed to the FCC by Northstar Wireless. However, if those winning bids are less than the winning bids of Northstar Wireless, then we will be responsible for the difference less any overpayment of the Northstar interim payment, detailed below, (which will be recalculated as 15% of the winning bids from re-auction or other award) (the “Northstar Re-Auction Payment”). For example, if the winning bids in a re-auction are $1, the Northstar Re-Auction Payment would be approximately $1.892 billion, which is calculated as the difference between $2.226 billion (the Northstar winning bid amounts) and $1 (the winning bids from re-auction) less the resulting $334 million overpayment of the Northstar interim payment. We cannot predict with any degree of certainty the timing or outcome of any re-auction or the amount of any Northstar Re-Auction Payment.

Letters Exchanged between SNR Wireless and the FCC Wireless Bureau. As outlined in letters exchanged between SNR Wireless and the FCC Wireless Bureau, SNR Wireless paid the gross winning bid amounts for 244 AWS-3 Licenses and notified the FCC that it would not be paying the gross winning bid amounts for 113 AWS-3 Licenses. As a result of the nonpayment of those gross winning bid amounts, the FCC retained those licenses. If the winning bids from re-auction or other award of the AWS-3 licenses retained by the FCC are greater than or equal to the winning bids of SNR Wireless, no additional amounts will be owed to the FCC by SNR Wireless. However, if those winning bids are less than the winning bids of SNR Wireless, then we will be responsible for the difference less any overpayment of the SNR interim payment, detailed below, (which will be recalculated as 15% of the winning bids from re-auction or other award) (the “SNR Re-Auction Payment”). For example, if the winning bids in a re-auction are $1, the SNR Re-Auction Payment would be approximately $1.029 billion, which is calculated as the difference between $1.211 billion (the SNR winning bid amounts) and $1 (the winning bids from re-auction) less the resulting $182 million overpayment of the SNR interim payment. We cannot predict with any degree of certainty the timing or outcome of any re-auction or the amount of any SNR Re-Auction Payment.

D.C. Circuit Court Opinion. On August 29, 2017, the United States Court of Appeals for the District of Columbia Circuit (the "D.C. Circuit") in *SNR Wireless LicenseCo, LLC, et al. v. Federal Communications Commission*, 868 F.3d 1021 (D.C. Cir. 2017) (the "Appellate Decision") affirmed the Order in part, and remanded the matter to the FCC to give Northstar Wireless and SNR Wireless an opportunity to seek to negotiate a cure of the issues identified by the FCC in the Order (a "Cure"). On January 26, 2018, SNR Wireless and Northstar Wireless filed a petition for a writ of certiorari, asking the United States Supreme Court to hear an appeal from the Appellate Decision, which the United States Supreme Court denied on June 25, 2018.

Table of Contents

Order on Remand. On January 24, 2018, the FCC released an Order on Remand, DA 18-70 (the "Order on Remand") purporting to establish a procedure to afford Northstar Wireless and SNR Wireless the opportunity to implement a Cure pursuant to the Appellate Decision. On June 8, 2018, Northstar Wireless and SNR Wireless each filed amended agreements to demonstrate that, in light of such changes, each of Northstar Wireless and SNR Wireless qualified for the very small business bidding credit that it sought in the AWS-3 Auction. Northstar Wireless and SNR Wireless filed a Joint Application for

Review of the Order on Remand requesting, among other things, an iterative negotiation process with the FCC regarding a Cure, which was denied on July 12, 2018. The pleading cycle established in the Order on Remand concluded in October 2018. On November 23, 2020, the FCC issued a Memorandum Opinion and Order that concluded, among other things, that DISH Network retained de facto control over Northstar Wireless and SNR Wireless and denied the very small business bidding credit sought by Northstar Wireless and SNR Wireless, even though the parties had eliminated or significantly modified every provision previously deemed to have been disqualifying by the FCC. Northstar Wireless and SNR Wireless timely filed an appeal of the FCC's 2020 decision. On June 21, 2022, the United States Court of Appeals for the District of Columbia issued an Opinion rejecting this challenge. On January 17, 2023, Northstar Wireless filed a petition for a writ of certiorari asking the United States Supreme Court to hear a further appeal, but that petition was denied on June 30, 2023.

For further information, refer to the Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Contingencies

Litigation

We are involved in a number of legal proceedings (including those described below) concerning matters arising in connection with the conduct of our business activities. Many of these proceedings are at preliminary stages, and/or and many of these proceedings seek an indeterminate amount of damages. We regularly evaluate the status of the legal proceedings in which we are involved to assess whether a loss is probable or there is a reasonable possibility that a loss or an additional loss may have been incurred and to determine if accruals are appropriate. We record an accrual for litigation and other loss contingencies when we determine that a loss is probable, and the amount of the loss can be reasonably estimated. If accruals are not appropriate, we further evaluate each legal proceeding to assess whether an estimate of the possible loss or range of possible loss can be made.

There can be no assurance that legal proceedings against us will be resolved in amounts that will not differ from the amounts of our recorded accruals. Legal fees and other costs of defending legal proceedings are charged to selling, general and administrative expense as incurred.

For certain proceedings, cases described on the following pages, management is unable to predict with any degree of certainty the outcome or provide a meaningful estimate of the possible loss or range of possible loss because, among other reasons: reasons, (i) the proceedings are in various stages; (ii) damages have not been sought or specified; sought; (iii) damages are unsupported indeterminate and/or exaggerated in management's opinion; exaggerated; (iv) there is uncertainty as to the outcome of pending trials, appeals motions or other proceedings; motions; (v) there are significant factual issues to be resolved; and/or (vi) there are novel legal issues or unsettled legal theories to be presented or a large number of parties are involved (as with many patent-related cases). Except as described below, parties. For these cases, however, management does not believe, based on currently available information, that the outcomes of these proceedings will have a material adverse effect on our financial condition, operating results or cash flows, though there is no assurance that the resolution and outcomes of these proceedings, individually or in the aggregate, will not could be material to our financial condition, operating results or cash flows for any particular period, depending, in part, upon the operating results for such period.

Table of Contents

ClearPlay, Inc.

On March 13, 2014, ClearPlay, Inc. (“ClearPlay”) filed a complaint against us and our wholly-owned subsidiaries DISH Network and DISH Network L.L.C., and our then wholly-owned subsidiary EchoStar Technologies L.L.C., in the United States District Court for the District of Utah. The complaint alleges willful infringement of United States Patent Nos. 6,898,799 (the “799 patent”), entitled “Multimedia Content Navigation and Playback”; 7,526,784 (the “784 patent”), entitled “Delivery of Navigation Data for Playback of Audio and Video Content”; 7,543,318 (the “318 patent”), entitled “Delivery of Navigation Data for Playback of Audio and Video Content”; 7,577,970 (the “970 patent”), entitled “Multimedia Content Navigation and Playback”; and 8,117,282 (the “282 patent”), entitled “Media Player Configured to Receive Playback Filters From Alternative Storage Mediums.” ClearPlay alleges that the AutoHop™ feature of our Hopper® set-top box infringes the asserted patents. On February 11, 2015, the case was stayed pending various third-party challenges before the United States Patent and Trademark Office regarding the validity of certain of the patents asserted in the action.

In those third-party challenges, the United States Patent and Trademark Office found that all claims of the 282 patent are unpatentable, and that certain claims of the 784 patent and 318 patent are unpatentable. ClearPlay appealed as to the 784 patent and the 318 patent, and on August 23, 2016, the United States Court of Appeals for the Federal Circuit affirmed the findings of the United States Patent and Trademark Office. On October 31, 2016, the stay was lifted, and in May 2017, ClearPlay agreed to dismiss us and DISH Network as defendants, leaving DISH Network L.L.C. and DISH Technologies L.L.C. as the sole defendants.

On October 16, October 21, November 2, 2020 and November 9, 2020, DISH Network L.L.C. filed petitions with the United States Patent and Trademark Office requesting ex parte reexamination of the validity of the asserted claims of, respectively, the 784 patent, the 799 patent, the 318 patent and the 970 patent; and on

November 2, November 20, December 14 and December 15, 2020, the United States Patent and Trademark Office granted each request for reexamination. On May 7, 2021, May 25, 2021, June 25, 2021 and July 7, 2021, the United States Patent and Trademark Office issued Ex Parte Reexamination Certificates confirming the patentability of the challenged claims of, respectively, the 799 patent, the 784 patent, the 318 patent and the 970 patent.

In October and November 2021, DISH Network L.L.C. filed petitions with the United States Patent and Trademark Office requesting ex parte reexamination of the validity of certain asserted claims of the 784 patent, the 799 patent and the 970 patent. In November and December, 2021, the United States Patent and Trademark Office granted review of the challenged claims of the 799 patent and the 970 patent, but denied review of the challenged claims of the 784 patent. On January 24, 2022, an examiner of the United States Patent and Trademark Office affirmed the challenged claims of the 799 patent, and on January 19, 2023, an examiner of the United States Patent and Trademark Office affirmed the challenged claims of the 970 patent.

In an order dated January 31, 2023, the Court granted in part and denied in part DISH Network L.L.C.'s and DISH Technologies L.L.C.'s motion for summary judgment. Thereafter, ClearPlay narrowed its case to three asserted claims: one under the 799 patent and two under the 970 patent. Following a two-week trial, on March 10, 2023, the jury returned a verdict that DISH Network L.L.C. and DISH Technologies L.L.C. infringed each of the asserted patent claims (though not willfully), and awarded damages of $469 million. That verdict became moot on March 21, 2023, when the trial court indicated that it would grant DISH Network L.L.C.'s and DISH Technologies L.L.C.'s motion for judgment as a matter of law, thus effectively vacating the jury award.

On June 2, 2023, the Court entered its formal order granting judgment as a matter of law. On December 12, 2023, the Court denied ClearPlay's motion to alter or amend the judgment. ClearPlay has filed a notice of appeal to the United States Court of Appeals for the Federal Circuit.

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

We intend to vigorously defend the proceedings against us. this case. In the event that a court tribunal, other body or jury ultimately rules against us, determines that we infringe the asserted patents, we may be subject to adverse consequences, including, without limitation, substantial damages, which may include treble damages, fines, penalties, compensatory damages and/or other equitable or injunctive relief an injunction that could require us to materially modify our business operations or certain products or services features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Data Breach Class Actions

On May 9, 2023, Susan Owen-Brooks, an alleged customer, filed a putative class action complaint against our wholly-owned subsidiary DISH Network in the United States District Court for the District of Colorado. She purports to represent a nationwide class of all individuals in the United States who allegedly had private information stolen as a result of the February 23, 2023 Cyber-security Incident (and a North Carolina statewide subclass of the same individuals). On behalf of the nationwide class, she alleges claims for contractual breaches, negligence and unjust enrichment (and, on behalf of the North Carolina subclass only, violation of the North Carolina Deceptive Trade Practices Act), and seeks monetary damages, injunctive relief and a declaratory judgment. Since that filing, ten additional putative class action complaints have been filed in the United States District Court for the District of Colorado, purporting to represent the same nationwide class of people, and Owen-Brooks has filed an amended complaint. On August 2, 2023, the Court issued an order consolidating the first ten cases (the eleventh was dismissed) and, on November 16, 2023, the plaintiffs filed a consolidated amended class action complaint.

We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Digital Broadcasting Solutions, LLC

On August 29, 2022, Digital Broadcasting Solutions, LLC filed a complaint against our wholly-owned subsidiaries DISH Network L.L.C. and DISH Technologies L.L.C. in the United States District Court for the Eastern District of Texas. The complaint alleges infringement of U.S. Patent No. 8,929,710 (the "710 patent") and U.S. Patent No. 9,538,122 (the "122 patent"), each entitled "System and method for time shifting at least a portion of a video program." Generally, the plaintiff contends that the AutoHop feature of our Hopper® set-top boxes infringes the asserted patents. On June 21, 2023, the Court granted the motion of DISH Network L.L.C. and DISH Technologies L.L.C. to have the case transferred to the United States District Court for the District of Colorado. In May 2023, DISH Network L.L.C. and DISH Technologies L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of all claims of the 710 patent and the 122 patent and, on December 11, 2023, the United States Patent and Trademark Office entered decisions instituting each petition.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Table of Contents

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED Continued
(Unaudited)

(Unaudited)

Entropic Communications, LLC (first action)

On March 9, 2022, Entropic Communications, LLC ("Entropic") filed a complaint against our wholly-owned subsidiaries DISH Network, DISH Network L.L.C. and Dish Network Service L.L.C. in the United States District Court for the Eastern District of Texas. The complaint alleges infringement of U.S. Patent No. 7,130,576 (the "576 patent"), entitled "Signal Selector and Combiner for Broadband Content Distribution"; U.S. Patent No. 7,542,715 (the "715 Patent"), entitled "Signal Selector and Combiner for Broadband Content Distribution"; and U.S. Patent No. 8,792,008 (the "008 Patent"), entitled "Method and Apparatus for Spectrum Monitoring." On March 30, 2022, Entropic filed an amended complaint alleging infringement of the same patents. Generally, the plaintiff accuses satellite antennas, low-noise block converters, signal selector and combiners, and set-top boxes and the manner in which they process signals for satellite television customers of infringing the asserted patents.

On October 24, 2022, this case was ordered to be transferred to the United States District Court for the Central District of California. A companion case against DirecTV was also ordered transferred to the United States District Court for the Central District of California. In January and February of 2023, DISH Network L.L.C. and Dish Network Service L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of all claims of the 715 patent, all claims of the 008 patent, and 25 claims of the 576 patent, which includes all of its asserted claims. In August and September 2023, the Patent Office denied institution on the petitions challenging the 715 patent and the 576 patent. In September 2023, at the parties' joint request, the Patent Office dismissed the petition challenging the 008 patent, as Entropic agreed to drop its claims against DISH Network on that patent.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The plaintiff is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein.

Entropic Communications, LLC (second action)

On February 10, 2023, Entropic filed a second lawsuit against our wholly-owned subsidiaries DISH Network, DISH Network L.L.C., Dish Network Service L.L.C. and Dish Network California Service Corporation in the United States District Court for the Central District of California. The complaint alleges infringement of U.S. Patent No. 7,295,518 (the "518 patent"), entitled "Broadband network for coaxial cable using multi-carrier modulation"; U.S. Patent No. 7,594,249 (the "249 patent"), entitled "Network interface device and broadband local area network using coaxial cable"; U.S. Patent Nos. 7,889,759 (the "759 patent"), entitled "Broadband cable network utilizing common bit-loading"; U.S. Patent No. 8,085,802 (the "802 Patent"), entitled "Multimedia over coaxial cable access protocol"; U.S. Patent No. 9,838,213 (the "213 patent"), entitled "Parameterized quality of service architecture in a network"; U.S. Patent No. 10,432,422 (the "422 patent"), entitled "Parameterized quality of service architecture in a network"; U.S. Patent No. 8,631,450 (the "450 patent"), entitled "Broadband local area network"; U.S. Patent No. 8,621,539 (the "539 patent"), entitled "Physical layer transmitter for use in a broadband local area network"; U.S. Patent No. 8,320,566 (the "0,566 patent"), entitled "Method and apparatus for performing constellation scrambling in a multimedia home network”; U.S. Patent No. 10,257,566 (the “7,566 patent”), entitled “Broadband local area network”; U.S. Patent No. 8,228,910 (the “910 Patent”), entitled “Aggregating network packets for transmission to a destination mode”; and U.S. Patent No. 8,363,681 (the “681 patent”), entitled “Method and apparatus for using ranging measurements in a multimedia home network.” Generally, the patents relate to Multimedia over Coax Alliance standards and the manner in which we provide a whole-home DVR network over an on-premises coaxial cable network.

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Entropic has asserted the same patents in the same court against Comcast, Cox and DirecTV. On September 7, 2023, the Court granted the motion of DISH Network L.L.C., Dish Network Service L.L.C. and Dish Network California Service Corporation to dismiss the claims arising from the 7,566 patent and the 910 patent on the grounds that they claimed in eligible subject matter. In January and February 2024, DISH Network L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of the 249 patent, the 518 patent, the 759 patent, the 450 patent, the 539 patent, the ‘0,566 patent, and the ‘681 patent.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Freedom Patents

On April 7, 2023, Freedom Patents LLC filed a complaint against our wholly-owned subsidiaries DISH Network, DISH Network L.L.C. and Dish Network Service L.L.C. in the United States District Court for the Eastern District of Texas. The complaint alleges infringement of U.S. Patent No. 8,284,686 (the "686 Patent"), entitled "Antenna/Beam Selection Training in MIMO Wireless LANS with Different Sounding Frames"; U.S. Patent No. 8,374,096 (the "096 Patent"), entitled "Method for Selecting Antennas and Beams in MIMO Wireless LANs"; and U.S. Patent No. 8,514,815 (the "815 Patent"), entitled "Training Signals for Selecting Antennas and Beams in MIMO Wireless LANs." Similar complaints were also filed against Acer, Altice, Charter, Comcast and Verizon. In general, the asserted patents relate to the 802.11 wireless standard, and the products accused of infringement are the Wireless Joey, its access point, and certain Ring, Nest and Linksys products that we sell. On March 15, 2024, the Court denied the defendants' motion to transfer the case to the United States District Court for the District of Colorado. The parties have reached a settlement under which DISH Network, DISH Network L.L.C. and Dish Network Service L.L.C. will pay a non-material sum in exchange for dismissal of the litigation and a license to the asserted patents.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers.

We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The plaintiff is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein.

Hughes Telecommunicaoes do Brasil v. State of São Paulo Treasury Department

On December 12, 2019, Hughes Telecommunicaoes do Brasil ("HTB") filed a tax annulment claim in the Judicial Court of São Paulo, claiming that a tax assessment from the State Treasury of São Paulo, for the period from January 2013 to December 2014, was based on an erroneous interpretation of an exemption to the ICMS (a state tax on, among other things, communications).

In June 2022, a judicial expert determined that HTB's interpretation of the exemption was correct. Nonetheless, in July 2023, the Court entered judgment against HTB, and in October 2023, rejected HTB's request for clarification. In November 2023, HTB filed an appeal to the Court of Justice.

We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit.

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Jones 401(k) Litigation

On December 20, 2021, four former employees filed a class action complaint in the United States District Court for the District of Colorado against our wholly-owned subsidiary DISH Network, its Board of Directors, and its Retirement Plan Committee alleging fiduciary breaches arising from the management of our 401(k) Plan. The putative class, comprised of all participants in the Plan on or after January 20, 2016, alleges that the Plan had excessive recordkeeping and administrative expenses and that it maintained underperforming funds. On February 1, 2023, a Magistrate Judge issued a recommendation that the defendants' motion to dismiss the complaint be granted, and on March 27, 2023, the district court judge granted the motion. As permitted by the Court's order, the plaintiffs filed an amended complaint on April 10, 2023, which is limited to allegations regarding the alleged underperformance of the Fidelity Freedom Funds. On November 7, 2023, a Magistrate Judge issued a recommendation that the defendants' motion to dismiss the amended complaint be denied as to the duty to prudently monitor fund performance, but be granted as to the duty of loyalty and, on November 27, 2023, the district court judge entered an order adopting the recommendation. On April 30, 2024, the parties filed a stipulation to certification of the proposed plaintiff class.

We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

License Fee Dispute with Government of India, Department of Telecommunications

In 1994, the Government of India promulgated a "National Telecommunications Policy" under which the government liberalized the telecommunications sector and required telecommunications service providers to pay fixed license fees. Pursuant to this policy, our subsidiary Hughes Communications India Private Limited ("HCIPL"), formerly known as Hughes Escorts Communications Limited, obtained a license to operate a data network over satellite using VSAT systems. In 2002, HCIPL's license was amended pursuant to a new 1999 government policy that was first established in 1999. The new policy eliminated the fixed license fees and instead required each telecommunications service provider to pay replaced them with license fees based on its service providers' adjusted gross revenue ("AGR"). In March 2005, the Indian Department of Telecommunications ("DOT") notified HCIPL that, based on its review of HCIPL's audited accounts and AGR statements, HCIPL must pay additional license fees and penalties and interest on such fees and penalties. HCIPL responded that the DOT had improperly calculated its AGR by including revenue from both licensed and unlicensed activities.

The DOT rejected this explanation and in 2006, HCIPL filed a petition with an administrative tribunal (the “Tribunal”), challenging the DOT’s calculation of its AGR. The DOT also issued license fee assessments to other telecommunications service providers and a number of those other providers filed similar petitions were filed by several other such providers with the Tribunal. These petitions were amended, consolidated, remanded and re-appealed several times. On April 23, 2015, the Tribunal issued a judgment affirming the DOT’s calculation of AGR for the telecommunications service providers but reversing the DOT’s imposition of interest, penalties and interest on such penalties as excessive.

Over subsequent years, the DOT and HCIPL and other telecommunications service providers, respectively, filed several appeals of the Tribunal’s ruling. On October 24, 2019, the Supreme Court of India (“Supreme Court”) issued an order (the “October 2019 Order”) affirming the license fee assessments imposed by the DOT, including its imposition of interest, penalties and interest on the penalties, but without indicating the amount HCIPL is was required to pay the DOT, and ordering payment by January 23, 2020. On November 23, 2019, HCIPL and other telecommunication service providers filed a petition asking the Supreme Court to reconsider the October 2019 Order.

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

The petition was denied on January 20, 2020. On January 22, 2020, HCIPL and other telecommunication service providers filed an application requesting that the Supreme Court modify the October 2019 Order to permit the DOT to calculate the final amount due and extend HCIPL’s and the other telecommunication service providers’ payment deadline. On February 14, 2020, the Supreme Court directed HCIPL and the other telecommunication service providers to explain why the Supreme Court should not initiate contempt proceedings for failure to pay the amounts due.

During a hearing on March 18, 2020, the Supreme Court ordered that all amounts that were due before the October 2019 Order must be paid, including interest, penalties and interest on the penalties. The Supreme Court also ordered that the parties appear for a further hearing addressing, potentially among other things, a proposal by the DOT to allow for extended or deferred payments of amounts due. On June 11, 2020, the Supreme Court ordered HCIPL and the other telecommunication service providers to submit affidavits addressing the proposal made by the DOT to extend the time frame for payment of the amounts owed and for HCIPL and the other telecommunication providers to provide security for such payments.

On September 1, 2020, the Supreme Court issued a judgment permitting a 10-year payment schedule. Under this payment schedule, HCIPL is required to make an annual payment every March 31, through 2031. Following the Supreme Court of India’s October 2019 judgment, HCIPL made payments during the first quarter of 2020, and additional payments on each March 31 thereafter.

As of March 31, 2024, the gross amount of fees, penalties and interest owed was approximately $90 million with $52 million remaining outstanding as a result of historical payments.

Pursuant to the Contribution and Membership Interest Purchase Agreement (the “Purchase Agreement”) dated December 3, 2004 between The DirecTV Group, Inc. ("DirecTV" (“DirecTV”) and certain other entities relating to the DirecTV’s spinoff by DirecTV of certain of its subsidiaries, including HCIPL, DirecTV undertook to indemnify HCIPL for certain pre-closing tax liabilities. On March 27, 2020, HCIPL filed an indemnification obligations to HCIPL, and HCIPL has pursued indemnification claims complaint against DirecTV under in the Purchase Agreement in connection with United States District Court for the Southern District of New York, seeking to recover certain license fees, assessed penalties and interest owed to the Indian government as a result of the aforementioned proceedings. On November 16, 2021, the New York court granted summary judgment in this proceeding.

On favor of DirecTV, but on June 22, 2023, the United States Court of Appeals for the Second Circuit ruled reversed, holding that, under the Purchase Agreement, HCIPL is entitled to indemnification from DirecTV, with DirecTV. The Second Circuit remanded the case back to the trial court to determine the amount of indemnification owed.

Lingam Securities Class Action (formerly Jaramillo)

On March 23, 2023, a securities fraud class action complaint was filed against our wholly-owned subsidiary DISH Network and Messrs. Ergen, Carlson and Orban in the United States District Court for the District of Colorado. The complaint is brought on behalf of a putative class of purchasers of our securities during the February 22, 2021 to be determined in further proceedings before February 27, 2023 class period. In general, the district court in New York. complaint alleges that DISH Network's public statements during that period were false and misleading and contained material omissions, because they did not disclose that DISH Network allegedly maintained a deficient cyber-security and information technology infrastructure, were unable to properly secure customer data and DISH Network's operations were susceptible to widespread service outages.

In August 2023, the Court appointed a new lead plaintiff and lead plaintiff's counsel, and, on October 20, 2023, they filed an amended complaint that abandoned the original allegations. In their amended complaint, plaintiffs allege that, during the class period, the defendants concealed problems concerning the 5G network buildout that prevented scaling and commercializing the network to obtain enterprise customers.

Table of Contents

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED Continued
(Unaudited)

(Unaudited)

The following table presents amended complaint adds as individual defendants James S. Allen, DISH Network's Senior Vice President and Chief Accounting Officer; John Swieringa, our President, Technology and Chief Operating Officer; Dave Mayo, DISH Network's former Executive Vice President of Network Development; Marc Rouanne, DISH Network's Executive Vice President and Chief Network Officer; and Stephen Bye, DISH Network's former Executive Vice President and Chief Commercial Officer. After the components defendants filed a motion to dismiss, the plaintiffs filed a further amended complaint, asserting the same theory, on February 23, 2024. The new complaint drops Erik Carlson, John Swieringa, Paul Orban and James Allen as individual defendants.

We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the accrual: suit or determine the extent of any potential liability or damages.

Realtime Data LLC and Realtime Adaptive Streaming LLC

On June 6, 2017, Realtime Data LLC d/b/a IXO ("Realtime") filed an amended complaint in the United States District Court for the Eastern District of Texas (the "Original Texas Action") against us and our wholly-owned subsidiaries DISH Network, DISH Network L.L.C., DISH Technologies L.L.C. (then known as EchoStar Technologies L.L.C.), Sling TV L.L.C., Sling Media L.L.C. and Hughes Network Systems, L.L.C. ("HNS"); and
Arris Group, Inc. Realtime's initial complaint in the Original Texas Action, filed on February 14, 2017, had named only us and our wholly-owned subsidiary HNS as defendants.

The amended complaint in the Original Texas Action alleges infringement of United States Patent No. 8,717,204 (the "204 patent"), entitled "Methods for encoding and decoding data"; United States Patent No. 9,054,728 (the "728 patent"), entitled "Data compression systems and methods"; United States Patent No. 7,358,867 (the "867 patent”), entitled “Content independent data compression method and system”; United States Patent No. 8,502,707 (the “707 patent”), entitled “Data compression systems and methods”; United States Patent No. 8,275,897 (the “897 patent”), entitled “System and methods for accelerated data storage and retrieval”; United States Patent No. 8,867,610 (the “610 patent”), entitled “System and methods for video and audio data distribution”; United States Patent No. 8,934,535 (the “535 patent”), entitled “Systems and methods for video and audio data storage and distribution”; and United States Patent No. 8,553,759 (the “759 patent”), entitled “Bandwidth sensitive data compression and decompression.”

Realtime alleges that our, Sling TV L.L.C.’s, Sling Media L.L.C.’s and Arris Group, Inc.’s streaming video products and services compliant with various versions of the H.264 video compression standard infringe the 897 patent, the 610 patent and the 535 patent, and that the data compression system in HNS’ products and services infringes the 204 patent, the 728 patent, the 867 patent, the 707 patent and the 759 patent.

On July 19, 2017, the Court severed Realtime’s claims against DISH Network, DISH Network L.L.C., Sling TV L.L.C., Sling Media L.L.C. and Arris Group, Inc. (alleging infringement of the 897 patent, the 610 patent and the 535 patent) from the Original Texas Action into a separate action in the United States District Court for the Eastern District of Texas (the “Second Texas Action”). On August 31, 2017, Realtime dismissed the claims against DISH Network, Sling TV L.L.C., Sling Media Inc., and Sling Media L.L.C. from the Second Texas Action and refiled these claims (alleging infringement of the 897 patent, the 610 patent and the 535 patent) against Sling TV L.L.C., Sling Media Inc., and Sling Media L.L.C. in a new action in the United States District Court for the District of Colorado (the “Colorado Action”). Also on August 31, 2017, Realtime dismissed DISH Technologies L.L.C. from the Original Texas Action, and on September 12, 2017, added it as a defendant in an amended complaint in the Second Texas Action. On November 6, 2017, Realtime filed a joint motion to dismiss the Second Texas Action without prejudice, which the Court entered on November 8, 2017.

	As of	
	September 30, 2023	**December 31, 2022**
Additional license fees	$ 3,411	$ 3,425
Penalties	3,501	3,516
Interest and interest on penalties	81,592	78,327
Less: Payments	(27,855)	(17,785)
Total accrual	60,649	67,483

Less: Current portion	10,147	10,191
Total long-term accrual	$ 50,502	$ 57,292

Any eventual payments made

Table of Contents

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued

(Unaudited)

On October 10, 2017, Realtime Adaptive Streaming LLC ("Realtime Adaptive Streaming") filed suit against our wholly-owned subsidiaries DISH Network L.L.C. and DISH Technologies L.L.C., as well as Arris Group, Inc., in a new action in the United States District Court for the Eastern District of Texas (the "Third Texas Action"), alleging infringement of the 610 patent and the 535 patent. Also on October 10, 2017, an amended complaint was filed in the Colorado Action, substituting Realtime Adaptive Streaming as the plaintiff instead of Realtime, and alleging infringement of only the 610 patent and the 535 patent, but not the 897 patent. On November 6, 2017, Realtime Adaptive Streaming filed a joint motion to dismiss the Third Texas Action without prejudice, which the court entered on November 8, 2017. Also on November 6, 2017, Realtime Adaptive Streaming filed a second amended complaint in the Colorado Action, adding our wholly-owned subsidiaries DISH Network L.L.C. and DISH Technologies L.L.C., as well as Arris Group, Inc., as defendants.

As a result, neither DISH Network nor any of its subsidiaries is a defendant in the Original Texas Action; the Court has dismissed without prejudice the Second Texas Action and the Third Texas Action; and our wholly-owned subsidiaries DISH Network L.L.C., DISH Technologies L.L.C., Sling TV L.L.C. and Sling Media L.L.C. as well as Arris Group, Inc., are defendants in the Colorado Action, which now has Realtime Adaptive Streaming as the named plaintiff. Following settlements with respect the plaintiff, we and HNS were dismissed from the Original Texas Action in February 2019, and Arris Group, Inc. was dismissed from the Colorado Action in March 2021.

On July 3, 2018, Sling TV L.L.C., Sling Media L.L.C., DISH Network L.L.C., and DISH Technologies L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of each of the asserted patents. On January 31, 2019, the United States Patent and Trademark Office agreed to institute proceedings on DISH Network's petitions, and it held trial on the petitions on December 5, 2019. On January 17, 2020, the United States Patent and Trademark Office terminated the petitions as time-barred, but issued a final written decision invalidating the 535 patent to third parties that had timely joined in DISH Network's petition (and, on January 10, 2020, issued a final written decision invalidating the 535 patent in connection with a third party's independent petition). On March 16, 2020, Sling TV L.L.C., Sling Media L.L.C., DISH Network L.L.C., and DISH Technologies L.L.C. filed a notice of appeal from the terminated petitions to the ultimate United States Court of Appeals for the Federal Circuit. On June 29, 2020, the United States Patent and Trademark Office filed a notice of intervention in the appeal. On March 16, 2021, the Court of Appeals dismissed the appeal for lack of jurisdiction. On April 29, 2021, Sling TV L.L.C., Sling Media L.L.C., DISH Network L.L.C., and DISH Technologies L.L.C. filed a petition for rehearing, which was denied on June 28, 2021. On January 12, 2021, Realtime Adaptive Streaming filed a notice of dismissal of its claims on the 535 patent.

On July 30, 2021, the District Court granted summary judgment in favor of DISH Network L.L.C., DISH Technologies L.L.C., Sling TV L.L.C. and Sling Media L.L.C., holding that the remaining asserted patent, the 610 patent, is invalid because it claims patent-ineligible abstract subject matter. Realtime Adaptive Streaming appealed that ruling to the United States Court of Appeals for the Federal Circuit, and on May 11, 2023, that Court affirmed the District Court's summary judgment order. Independently, on September 21, 2021, in connection with an ex parte reexamination of the validity of the 610 patent, an examiner at the United States Patent and Trademark Office issued a final office action rejecting each asserted claim of the 610 patent as invalid over the cited prior art. On April 19, 2023, the Patent Trial and Appeal Board rejected Realtime Adaptive Streaming's appeal and affirmed the examiner's rejection of the asserted claims of the 610 patent. Realtime did not further appeal the Patent Trial and Appeal Board's determination and, thus, the asserted claims of the 610 patent were canceled. As a result, DISH Network L.L.C., DISH Technologies L.L.C., Sling TV L.L.C. and Sling Media L.L.C. no longer face any possible exposure from this matter, and the liability phase of this case is concluded.

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

On January 21, 2022, the District Court granted the motion by DISH Network L.L.C., DISH Technologies L.L.C., Sling TV L.L.C. and Sling Media L.L.C. to have the case declared "exceptional," and on September 20, 2022, awarded them $3.9 million in attorneys' fees. Realtime Adaptive Streaming filed a notice of appeal to the United States Court of Appeals for the Federal Circuit from the exceptionality and fee award orders, and that court heard oral argument on April 2, 2024.

SafeCast Limited

On June 27, 2022, SafeCast Limited filed a complaint against our wholly-owned subsidiary DISH Network in the United States District Court for the Western District of Texas. The complaint alleges that DISH Network infringe U.S. Patent No. 9,392,302, entitled "System for providing improved facilities in time-shifted broadcasts" (the "302 patent"). On the same day, it brought complaints in the same court asserting infringement of the same patent against AT&T, Google, HBO, NBCUniversal, Paramount and Verizon. On October 24, 2022, in response to the parties' joint motion, the Court ordered the case against DISH Network transferred to the United States District Court for the District of Colorado. On December 1, 2022, SafeCast filed an amended complaint naming our wholly-owned subsidiaries DISH Network L.L.C. and DISH Technologies L.L.C. as defendants and withdrawing the allegations as to DISH Network. On June 22, 2023, DISH Network L.L.C. and DISH Technologies L.L.C. filed a petition with the United States Patent and Trademark Office challenging the validity of the asserted claims of the 302 patent. On August 28, 2023, the Court stayed the case pending resolution of the petition.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The plaintiff is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein.

Sound View Innovations, LLC

On December 30, 2019, Sound View Innovations, LLC filed one complaint against our wholly-owned subsidiaries DISH Network L.L.C. and DISH Technologies L.L.C. and a second complaint against our wholly-owned subsidiary Sling TV L.L.C. in the United States District Court for the District of Colorado. The complaint against DISH Network L.L.C. and DISH Technologies L.L.C. alleges infringement of United States Patent No 6,502,133 (the "133 patent"), entitled "Real-Time Event Processing System with Analysis Engine Using Recovery Information" and both complaints allege infringement of United States Patent No. 6,708,213 (the "213 patent), entitled "Method for Streaming Multimedia Information Over Public Networks"; United States Patent No. 6,757,796 (the "796 patent"), entitled "Method and System for Caching Streaming Live Broadcasts transmitted Over a Network"; and United States Patent No. 6,725,456 (the "456 patent"), entitled "Methods and Apparatus for Ensuring Quality of Service in an Operating System." All but the 133 patent are also asserted in the complaint against Sling TV L.L.C.

On May 21, 2020, June 3, 2020, June 5, 2020 and July 10, 2020, DISH Network L.L.C., DISH Technologies L.L.C. and Sling TV L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of, respectively, the 213 patent, the 133 patent, the 456 patent and the 796 patent. On November 25, 2020, the United States Patent and Trademark Office declined to review the validity of the 213 patent, and on September 29, 2021, denied a request for rehearing of that decision. On January 19, 2021, the United States Patent and Trademark Office agreed to institute proceedings on the 456 patent but declined to review the 133 patent. On February 24, 2021, the United States Patent and Trademark Office agreed to institute proceedings on the 796 patent.

Table of Contents

On January 18, 2022, the United States Patent and Trademark Office issued a final written decision holding that the challenged claim of the 456 patent is patentable, and on February 8, 2022, it issued a final written decision holding that the challenged claims of the 796 patent are patentable. On March 22, 2022, DISH Network L.L.C., DISH Technologies L.L.C. and Sling TV L.L.C. filed a notice of appeal to the United States Court of Appeals for the Federal Circuit from the adverse final written decision regarding the 456 patent, and on April 8, 2022, they filed a notice of appeal to the same court from the adverse final written decision regarding the 796 patent. The appeal on the 456 patent was voluntarily dismissed on December 6, 2022. The Federal Circuit heard oral argument on the 796 patent appeal on October 3, 2023, and affirmed the United States Patent and Trademark Office's adverse final written decision on October 5, 2023.

On April 20, 2022, DISH Network L.L.C., DISH Technologies L.L.C. and Sling TV L.L.C. filed a petition with the United States Patent and Trademark Office requesting ex parte reexamination of the validity of one of the asserted claims of the 213 patent, and reexamination was ordered on June 16, 2022. On January 18, 2023, they filed another petition requesting ex parte reexamination of the validity of the four additional asserted claims of the 213 patent, and reexamination was ordered on April 17, 2023. On November 13, 2023, the United States Patent and Trademark Office confirmed the patentability of the claim challenged in our first petition.

We intend to vigorously defend these cases. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. The plaintiff is an entity that seeks to license a patent portfolio without itself practicing any of the claims recited therein.

State of Illinois ex rel. Rodriguez

In March 2020, two private "relators" filed this case in the Circuit Court of Cook County Illinois, County Department, Law Division, under the Illinois False Claims Act against DISH Wireless, Sprint and more than 60 Boost Mobile retailers in Illinois. The defendants only became aware of the lawsuit after it was unsealed in March 2022. The operative Second Amended Complaint alleges that the retailer defendants should have collected sales tax under the Retailers' Occupation Tax Act on any amounts that Sprint or DISH Network rebated them to facilitate handset price discounts to Illinois consumers (“Prepaid Phone Rebates”) and on any phone activation fees the retailers charged to customers (“Device Setup Charges”). It further alleges that DISH Wireless and Sprint are liable for the alleged violations arising from the Device Setup Charges because of the way they allegedly managed the point-of-sale system that the retailer defendants used. The Plaintiffs seek to recover triple the amount of allegedly unpaid taxes, fines for each alleged violation, and attorneys’ fees and costs. On June 13, 2023, the Court denied the defendants’ motions to dismiss the complaint, but on January 2, 2024, it granted reconsideration and dismissed the complaint as to DISH Wireless and Sprint, with leave to amend. The Plaintiffs filed a Third Amended Complaint on February 2, 2024.

We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

43

Table of Contents

TQ Delta, LLC

On July 17, 2015, TQ Delta, LLC (“TQ Delta”) filed a complaint against our wholly-owned subsidiaries DISH Network, DISH DBS Corporation and DISH Network L.L.C. in the United States District Court for the District of Delaware. The Complaint alleges infringement of United States Patent No. 6,961,369 (the “369 patent”), which is entitled “System and Method for Scrambling the Phase of the Carriers in a Multicarrier Communications System”; United States Patent No. 8,718,158 (the “158 patent”), which is entitled “System and Method for Scrambling the Phase of the Carriers in a Multicarrier Communications System”; United States Patent No. 9,014,243 (the “243 patent”), which is entitled “System and Method for Scrambling Using a Bit Scrambler and a Phase Scrambler”; United States Patent No.7,835,430 (the “430 patent”), which is entitled “Multicarrier Modulation Messaging for Frequency Domain Received Idle Channel Noise Information”; United States Patent No. 8,238,412 (the “412 patent"), which is entitled "Multicarrier Modulation Messaging for Power Level per Subchannel Information"; United States Patent No. 8,432,956 (the "956 patent"), which is entitled "Multicarrier Modulation Messaging for Power Level per Subchannel Information"; and United States Patent No. 8,611,404 (the "404 patent"), which is entitled "Multicarrier Transmission System with Low Power Sleep Mode and Rapid-On Capability."

On September 9, 2015, TQ Delta filed a first amended complaint that added allegations of infringement of United States Patent No. 9,094,268 (the "268 patent"), which is entitled "Multicarrier Transmission System With Low Power Sleep Mode and Rapid-On Capability." On May 16, 2016, TQ Delta filed a second amended complaint that added us Corporation and our then wholly-owned subsidiary EchoStar Technologies L.L.C. as defendants. TQ Delta alleges that our satellite TV service, Internet service, set-top boxes, gateways, routers, modems, adapters and networks that operate in accordance with one or more Multimedia over Coax Alliance Standards infringe the asserted patents. TQ Delta has filed actions in the same court alleging infringement of the same patents against Comcast Corp., Cox Communications, Inc., DirecTV, Time Warner Cable Inc. and Verizon Communications, Inc. TQ Delta is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein.

On July 14, 2016, TQ Delta stipulated to dismiss with prejudice all claims related to the 369 patent and the 956 patent. On July 20, 2016, DISH Network filed petitions with the United States Patent and Trademark Office challenging the validity of all of the patent claims of the 404 patent and the 268 patent that have been asserted against DISH Network. Third parties filed petitions with the United States Patent and Trademark Office challenging the validity of all of the patent claims that have been asserted against us in the action. On November 4, 2016, the United States Patent and Trademark Office agreed to institute proceedings on the third-party petitions related to the 158 patent, the 243 patent, the 412 patent and the 430 patent. On December 20, 2016, pursuant to a stipulation of the parties, the Court stayed the case until the resolution of all petitions to the United States Patent and Trademark Office challenging the validity of all of the patent claims at issue. On January 19, 2017, the United States Patent and Trademark Office granted DISH Network's motions to join the instituted petitions on the 430 and 158 patents.

On February 9, 2017, the United States Patent and Trademark Office agreed to institute proceedings on DISH Network's petition related to the 404 patent, and on February 13, 2017, the United States Patent and Trademark Office agreed to institute proceedings on our petition related to the 268 patent. On February 27, 2017, the United States

Patent and Trademark Office granted DISH Network’s motions to join the instituted petitions on the 243 and 412 patents. On October 26, 2017, the United States Patent and Trademark Office issued final written decisions on the petitions challenging the 158 patent, the 243 patent, the 412 patent and the 430 patent, and it invalidated all of the asserted claims of those patents.

Table of Contents

On February 7, 2018, the United States Patent and Trademark Office issued final written decisions on the petitions challenging the 404 patent, and it invalidated all of the asserted claims of that patent on the basis of DISH Network’s petition. On February 10, 2018, the United States Patent and Trademark Office issued a final written decision on DISH Network’s petition challenging the 268 patent, and it invalidated all of the asserted claims.

On March 12, 2018, the United States Patent and Trademark Office issued a final written decision on a third-party petition challenging the 268 patent, and it invalidated all of the asserted claims. All asserted claims have now been invalidated by the United States Patent and Trademark Office. TQ Delta filed notices of appeal from the final written decisions adverse to it. On May 9, 2019, the United States Court of Appeals for the Federal Circuit affirmed the invalidity of the 430 patent and the 412 patent. On July 10, 2019, the United States Court of Appeals for the Federal Circuit affirmed the invalidity of the asserted claims of the 404 patent. On July 15, 2019, the United States Court of Appeals for the Federal Circuit affirmed the invalidity of the asserted claims of the 268 patent. On November 22, 2019, the United States Court of Appeals for the Federal Circuit reversed the invalidity finding on the 243 patent and the 158 patent, and then, on March 29, 2020, denied a petition for panel rehearing as to those findings. On April 13, 2021, the Court lifted the stay, and the case is proceeding on the 243 patent and the 158 patent. On April 23 and April 26, 2021, the United States Patent and Trademark Office issued orders granting requests for ex parte reexamination of, respectively, the 243 patent and the 158 patent, but on July 27, 2023, the United States Patent and Trademark Office confirmed the challenged claims of the 243 patent. In a proposed supplemental report, TQ Delta's damages expert contends that TQ Delta is entitled to $251 million in damages.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Uniloc 2017 LLC

On January 31, 2019, Uniloc 2017 LLC ("Uniloc") filed a complaint against our wholly-owned subsidiary Sling TV L.L.C. in the United States District Court for the District of Colorado. The Complaint alleges infringement of United States Patent No. 6,519,005 (the "005 patent"), which is entitled "Method of Concurrent Multiple-Mode Motion Estimation for Digital Video"; United States Patent No. 6,895,118 (the "118 patent"), which is entitled "Method of Coding Digital Image Based on Error Concealment"; United States Patent No. 9,721,273 (the "273 patent"), which is entitled "System and Method for Aggregating and Providing Audio and Visual Presentations Via a Computer Network"); and United States Patent No. 8,407,609 (the "609 patent"), which is entitled "System and Method for Providing and Tracking the Provision of Audio and Visual Presentations Via a Computer Network."

On June 25, 2019, Sling TV L.L.C. filed a petition with the United States Patent and Trademark Office challenging the validity of all of the asserted claims of the 005 patent. On July 19, 2019 and July 22, 2019, respectively, Sling TV L.L.C. filed petitions with the United States Patent and Trademark Office challenging the validity of all asserted claims of the 273 patent and the 609 patent. On August 12, 2019, Sling TV L.L.C. filed a petition with the United States Patent and Trademark Office challenging the validity of all of the asserted claims of the 118 patent. On October 18, 2019, pursuant to a stipulation of the parties, the Court entered a stay of the trial proceedings.

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
- Continued
(Unaudited)

On January 9, 2020, the United States Patent and Trademark Office agreed to institute proceedings on the petition challenging the 005 patent. On January 15, 2020, the United States Patent and Trademark Office agreed to institute proceedings on the petition challenging the 273 patent. On February 4, 2020, the United States Patent and Trademark Office agreed to institute proceedings on the petition challenging the 609 patent. On February 25, 2020, the United States Patent and Trademark Office declined to institute proceedings on the petition challenging the 118 patent.

On December 28, 2020, the United States Patent and Trademark Office issued a final written decision upholding the validity of the challenged claims of the 273 patent. Sling TV L.L.C. appealed that decision to the United States Court of Appeals for the Federal Circuit, and on February 2, 2022, the Federal Circuit vacated the final written decision and remanded to the United States Patent and Trademark Office to reconsider its ruling. On remand, on September 7, 2022, the United States Patent and Trademark Office issued a revised final written decision finding all challenged claims of the 273 patent invalid. On November 9, 2022, Uniloc filed a notice of appeal of that revised final written decision, and briefing was completed on August 11, 2023.

On January 5, 2021, the United States Patent and Trademark Office issued a final written decision invalidating all challenged claims of the 005 patent. On January 19, 2021, the United States Patent and Trademark Office issued a final written decision invalidating all challenged claims of the 609 patent (and a second final written decision invalidating all challenged claims of the 609 patent based on a third party's petition).

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages. Uniloc is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein.

U.S. Bank Trust Company

On April 26, 2024, U.S. Bank Trust Company, in its capacity as Trustee under the Indentures for DISH DBS Corporation's 5.75% Senior Secured Notes due 2028 and 7.75% Senior Notes due 2026, filed an action in state court in New York City against DISH DBS Corporation, DISH Network L.L.C., EchoStar Intercompany Receivable Company L.L.C., DISH DBS Issuer LLC, and DBS Intercompany Receivable L.L.C. In its complaint, the Trustee contends that certain intracompany asset transfers in January 2024 breached the Indentures for those Notes, and that the transfers were intentional and constructive fraudulent transfers under the Colorado Uniform Fraudulent Transfer Act. The Trustee seeks a declaratory judgment that DISH DBS Corporation breached the Indentures and that an Event of Default occurred under the DBS Indentures. It further asks the Court to unwind certain intracompany asset transfers and to award damages.

We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Table of Contents

Vermont National Telephone Company

On September 23, 2016, the United States District Court for the District of Columbia unsealed a qui tam complaint that, on May 13, 2015, Vermont National filed against our wholly-owned subsidiaries, DISH Network, American AWS-3 Wireless I L.L.C., American II, American III, and DISH Wireless Holding L.L.C.; Charles W. Ergen (our Chairman) and Cantey M. Ergen (a member of our Board of Directors); Northstar Wireless; Northstar Spectrum; Northstar Manager; SNR Wireless; SNR HoldCo; SNR Management; and certain other parties. The complaint alleges violations of the federal civil False Claims Act (the "FCA") based on, among other things, allegations that Northstar Wireless and SNR Wireless falsely claimed bidding credits of 25% in the AWS-3 Auction when they were allegedly under the de facto control of DISH Network and, therefore, were not entitled to the bidding credits as designated entities under applicable FCC rules. Vermont National participated in the AWS-3 Auction through its wholly-owned subsidiary, VTel Wireless. The complaint was unsealed after the United States Department of Justice notified the District Court that it had declined to intervene in the action. Vermont National seeks to recover on behalf of the United States government approximately $10 billion, which reflects the $3.3 billion in bidding credits that Northstar Wireless and SNR Wireless claimed in the AWS-3 Auction, trebled under the FCA. Vermont National also seeks civil penalties of not less than $5,500 and not more than $11,000 for each violation of the FCA. On March 2, 2017, the United States District Court for the District of Columbia entered a stay of the litigation until such time as the United States Court of Appeals for the District of Columbia (the "D.C. Circuit") issued its opinion in *SNR Wireless LicenseCo, LLC, et al. v. F.C.C.* The D.C. Circuit issued its opinion on August 29, 2017 and remanded the matter to the FCC for further proceedings.

Thereafter, the District Court maintained the stay until October 26, 2018. On February 11, 2019, the District Court granted Vermont National's unopposed motion for leave to file an amended complaint. On March 28, 2019, the defendants filed a motion to dismiss Vermont National's amended complaint, and on March 23, 2021, the District Court granted the motion to dismiss. On April 21, 2021, Vermont National filed a notice of appeal to the United States Court of Appeals for the DC Circuit and, on May 17, 2022, that court reversed the District Court's dismissal of the complaint. On June 16, 2022, the Defendants-Appellees filed a petition for rehearing or rehearing en banc, but on August 17, 2022, that petition was denied. On August 25, 2023, the FCC provided a sworn declaration stating that "the FCC considers … SNR and Northstar to have fully and timely satisfied their obligations to pay money to the Government arising from the AWS-3 Auction." On that basis, on September 22, 2023, the Defendants filed a motion seeking partial summary judgment of no damages. On September 26, 2023, the Court denied the motion as premature. On March 8, 2024, the United States filed a motion to exercise its statutory prerogative to intervene in the case for the purpose of moving to dismiss it with prejudice, stating that the case is "unlikely to vindicate the United States' interests and would needlessly expend the Government's and this Court's resources."

We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of this matter may be different from our accrual and such differences could be significant.

proceeding or determine the extent of any potential liability or damages.

Other

In addition to the above actions, we are subject to various other legal proceedings and claims which that arise in the ordinary course of business. As part of our ongoing operations, we are subject to various inspections, audits, inquiries, investigations and similar actions by third parties, as well as by governmental/regulatory authorities responsible for enforcing the laws and regulations to which we may be subject. Further, under the federal False Claims Act, private parties have the right to bring qui tam, or "whistleblower," suits against companies that submit false claims for payments to, or improperly retain overpayments from, the federal government. Some states have adopted similar state whistleblower and false claims provisions. In addition, we from time to time receive inquiries from federal, state and foreign agencies business, including, among other things, disputes with programmers regarding compliance with various laws and regulations.

fees. In our opinion, the amount of ultimate liability with respect to any of these other actions is unlikely to materially affect our financial position, condition, results of operations or cash flows, liquidity, though the resolutions and outcomes individually or in the aggregate, could be material to our financial position, operating results or cash flows for any particular period, depending, in part, upon the operating results for such period.

47

We also indemnify our directors, officers and employees for certain liabilities that might arise from the performance of their responsibilities for us. Additionally, in the normal course of its business, we enter into contracts pursuant to which we may make a variety of representations and warranties and indemnify the counterparty for certain losses. Our possible exposure under these arrangements cannot be reasonably estimated as this involves the resolution of claims made, or future claims that may be made, against us or our officers, directors or employees, the outcomes of which are unknown and not currently predictable or estimable.

NOTE 14. SEGMENT REPORTING

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Business

11. Segment Reporting

Operating segments are components of an enterprise for which separate financial information is available and regularly evaluated by the chief operating decision maker(s) of an enterprise. Operating income is the primary measure used by our chief operating decision maker (“CODM”), who is our Chief Executive Officer. to evaluate segment operating performance. We currently operate in two four primary business segments: Hughes segment (1) Pay-TV; (2) Retail Wireless; (3) 5G Network Deployment; and ESS segment.

(4) Broadband and Satellite Services. See Note 1 for further information.

All other and eliminations primarily include intersegment eliminations related to intercompany debt and the related interest income and interest expense, which are eliminated in consolidation.

The primary measure total assets, revenue and operating income, and purchases of segment profitability that is reported regularly property and equipment, net of refunds, (including capitalized interest related to our CODM is earnings before interest, taxes, depreciation and amortization, and net income (loss) attributable to non-controlling interests (“EBITDA”).

Total assets Regulatory authorizations) by segment have not been reported herein because the information is not provided to our CODM on a regular basis. were as follows:

	As of	
	March 31, 2024	**December 31, 2023**

	(In thousands)	
Total assets:		
Pay-TV	$ 49,306,211	$ 49,437,958
Retail Wireless	750,328	777,957
5G Network Deployment (1)	47,276,901	46,793,378
Broadband and Satellite Services	4,224,153	5,811,553
Eliminations (1)	(46,001,176)	(45,711,952)
Total assets	$ 55,556,417	$ 57,108,894

(1) The increase primarily resulted from intercompany advances for capital expenditures related to our 5G Network Deployment.

Table of Contents

(Unaudited)

	For the Three Months Ended March 31,	
	2024	**2023**
	(In thousands)	
Revenue:		
Pay-TV	$ 2,726,578	$ 2,972,131
Retail Wireless	905,850	974,866
5G Network Deployment	29,504	18,907
Broadband and Satellite Services	382,586	439,596
Eliminations	(29,675)	(17,834)
Total revenue	$ 4,014,843	$ 4,387,666
Operating income (loss):		
Pay-TV	$ 670,108	$ 675,233
Retail Wireless	(74,417)	(18,207)
5G Network Deployment	(570,751)	(333,603)
Broadband and Satellite Services	(39,554)	27,705
Eliminations	(630)	2,210

Total operating income (loss)	$ (15,244)	$ 353,338
Purchases of property and equipment, net of refunds, (including capitalized interest related to regulatory authorizations)		
Pay-TV	$ 57,912	$ 35,563
Retail Wireless	—	—
5G Network Deployment	549,173	871,042
Broadband and Satellite Services	70,611	44,071
Eliminations	—	—
Total purchases of property and equipment, net of refunds, (including capitalized interest related to regulatory authorizations)	$ 677,696	$ 950,676

The revenue from external customers disaggregated by major revenue source was as follows:

	For the Three Months Ended March 31,	
Category:	**2024**	**2023**
	(In thousands)	
Pay-TV subscriber and related revenue	$ 2,701,179	$ 2,944,482
Retail wireless services and related revenue	804,265	867,111
5G network deployment services and related revenue	4	—
Broadband and satellite services and other revenue	317,120	374,522
Pay-TV equipment sales and other revenue	25,399	27,649
Retail wireless equipment sales and other revenue	101,585	107,755
5G network deployment equipment sales and other revenue	29,500	18,907
Broadband equipment and other revenue	65,466	65,074
Eliminations	(29,675)	(17,834)
Total	$ 4,014,843	$ 4,387,666

The following table presents total revenue, capital expenditures and EBITDA for each of our business segments:

	Hughes	ESS	Corporate and Other	Consolidated Total
For the three months ended September 30, 2023				
External revenue	$ 404,209	$ 5,873	$ 2,992	$ 413,074
Intersegment revenue	—	573	(573)	—
Total revenue	$ 404,209	$ 6,446	$ 2,419	$ 413,074
Capital expenditures	$ 51,214	$ 130	$ 27,820	$ 79,164
EBITDA	$ 142,204	$ 4,868	$ (45,812)	$ 101,260
For the three months ended September 30, 2022				
External revenue	$ 489,565	$ 4,588	$ 3,234	$ 497,387
Intersegment revenue	—	393	(393)	—
Total revenue	$ 489,565	$ 4,981	$ 2,841	$ 497,387
Capital expenditures	$ 50,783	$ —	$ 10,674	$ 61,457
EBITDA	$ 175,010	$ 3,446	$ (32,963)	$ 145,493
For the nine months ended September 30, 2023				
External revenue	$1,279,739	$ 16,940	$ 9,101	$ 1,305,780
Intersegment revenue	—	1,623	(1,623)	—
Total revenue	$1,279,739	$ 18,563	$ 7,478	$ 1,305,780
Capital expenditures	$ 142,189	$ 130	$ 29,932	$ 172,251
EBITDA	$ 440,435	$ 14,085	$ (99,979)	$ 354,541
For the nine months ended September 30, 2022				
External revenue	$1,475,512	$ 13,366	$ 9,359	$ 1,498,237
Intersegment revenue	—	939	(939)	—
Total revenue	$1,475,512	$ 14,305	$ 8,420	$ 1,498,237

Capital expenditures	$ 176,665	$ —	$ 72,709	$ 249,374
EBITDA	$ 546,108	$ 9,658	$ (16,023)	$ 539,743

The following table reconciles *Income (loss) before income taxes* in the Consolidated Statements Table of Operations to EBITDA: Contents

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Income (loss) before income taxes	$ 9,079	$ 32,745	$ 76,217	$ 170,335
Interest income, net	(26,209)	(14,183)	(78,331)	(29,677)
Interest expense, net of amounts capitalized	12,650	13,845	39,176	43,125
Depreciation and amortization	103,028	110,233	311,474	347,224
Net loss (income) attributable to non-controlling interests	2,712	2,853	6,005	8,736
EBITDA	$ 101,260	$ 145,493	$ 354,541	$ 539,743

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED Continued

(Unaudited)

(Unaudited)

12. Revenue Recognition

Contract Balances

Our valuation and qualifying accounts as of March 31, 2024 were as follows:

	For the Three Months Ended March 31, 2024	
	(In thousands)	
Balance at beginning of period	$	74,390
Current period provision for expected credit losses		26,521
Write-offs charged against allowance		(15,979)
Acquisitions		—
Foreign currency translation		(26)
Balance at end of period	$	84,906

Contract assets arise when we recognize revenue for providing a service in advance of billing our customers. Our contract assets typically relate to our long-term contracts where we recognize revenue using the cost-based input method and the revenue recognized exceeds the amount billed to the customer.

Our contract assets also include receivables related to sales-type leases recognized over the lease term as the customer is billed. Contract assets are amortized as the customer is billed for services. Contract assets are recorded in “Trade accounts receivable, net” on our Condensed Consolidated Balance Sheets.

The following table summarizes our contract asset balances:

	As of			
	March 31, 2024		December 31, 2023	
	(In thousands)			
Contract assets	$	72,300	$	66,103

Contract liabilities arise when we bill our customers and receive consideration in advance of providing the service. Contract liabilities are recognized as revenue when the service has been provided to the customer. Contract liabilities are recorded in “Deferred revenue and other” and “Long-term deferred revenue and other long-term liabilities” on our Condensed Consolidated Balance Sheets.

The following table summarizes our contract liability balances:

	As of	
	March 31, 2024	December 31, 2023
	(In thousands)	
Contract liabilities	$ 664,212	$ 710,456

Our beginning of period contract liability recorded as customer contract revenue during 2024 was $615 million.

NOTE 15. SUPPLEMENTAL

Table of Contents

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION STATEMENTS - Continued
(Unaudited)

Other Current Assets, Net

Performance Obligations

Pay-TV and Other Non-current Assets, Net

Retail Wireless Segments

We apply a practical expedient and do not disclose the value of the remaining performance obligations for contracts that are less than one year in duration, which represent a substantial majority of our revenue. As such, the amount of revenue related to unsatisfied performance obligations is not necessarily indicative of our future revenue.

Broadband and Satellite Services Segment

As of March 31, 2024, the remaining performance obligations for our customer contracts was approximately $1.412 billion, compared to $1.740 billion as of December 31, 2023, a decrease of $328 million. This decrease resulted from the evaluation of the credit worthiness of the portfolio. Performance obligations expected to be satisfied within one year and greater than one year are 29% and 71%, respectively. This amount and percentages exclude leasing arrangements and agreements with consumer customers.

Contract Acquisition Costs

The following table presents the components activity in our contract acquisition costs, net:

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
	(In thousands)	
Balance at beginning of period	$ 352,114	$ 460,876
Additions	65,104	95,659
Amortization expense	(94,266)	(112,883)
Foreign currency translation	(139)	452
Balance at end of period	$ 322,813	$ 444,104

13. Related Party Transactions

Hughes Systique Corporation (“Hughes Systique”)

We own 42% of Hughes Systique via preferred shares and contract with Hughes Systique for software development services. Prior to December 31, 2023, we consolidated Hughes Systique’s financial statements into our Condensed Consolidated Financial Statements. As of December 31, 2023, we have deconsolidated the Hughes Systique results from our Condensed Consolidated Financial Statements and recorded the investment as a cost method investment in "Other investments, net" on our Condensed Consolidated Balance Sheets.

Other current assets, net andOther non-current assets, net:

	As of	
	September 30, 2023	**December 31, 2022**
Other current assets, net:		
Inventory	$ 167,511	$ 123,606
Prepaids and deposits	58,865	61,877
Trade accounts receivable - DISH Network	7,730	3,492
Other, net	14,135	21,471
Total other current assets	$ 248,241	$ 210,446
Other non-current assets, net:		
Capitalized software, net	$ 117,473	$ 116,841
Contract acquisition costs, net	53,114	64,447
Other receivables - DISH Network	77,751	74,923
Other receivables, net	33,340	15,072
Restricted marketable investment securities	8,003	11,056
Deferred tax assets, net	8,955	8,011
Restricted cash	1,335	1,342
Contract fulfillment costs, net	1,780	1,931
Other, net	24,734	23,439
Total other non-current assets, net	$ 326,485	$ 317,062

Inventory

The following table presents the components

Table of inventory:

	As of	
	September 30, 2023	December 31, 2022
Raw materials	$ 40,227	$ 32,920
Work-in-process	24,964	16,408
Finished goods	102,320	74,278
Total inventory	$ 167,511	$ 123,606

Contents

ECHOSTAR CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED Continued

(Unaudited)

(Unaudited)

The table below summarizes our transactions with Hughes Systique:

	For the Three Months Ended March 31, 2024
	(In thousands)
Purchases:	
Purchases from Hughes Systique	$ 4,596

	As of	
	March 31, 2024	December 31, 2023
	(In thousands)	
Amounts Payable:		
Amounts payable to Hughes Systique	$ 1,483	$ 1,704

NagraStar L.L.C.

We own a 50% interest in NagraStar, a joint venture that is our primary provider of encryption and related security systems intended to assure that only authorized customers have access to our programming. Certain payments related to NagraStar are recorded in “Cost of services” on our Condensed Consolidated Statements of Operations and

Comprehensive Income (Loss). In addition, certain other payments are initially included in "Inventory" and are subsequently capitalized as "Property and equipment, net" on our Condensed Consolidated Balance Sheets or expensed as "Selling, general and administrative expenses" or "Cost of services" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) when the equipment is deployed. We record all payables in "Trade accounts payable" or "Other accrued expenses" on our Condensed Consolidated Balance Sheets. Our investment in NagraStar is accounted for using the equity method.

The table below summarizes our transactions with NagraStar:

	For the Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Purchases (including fees):		
Purchases from NagraStar	$ 8,602	$ 9,545

	As of	
	March 31, 2024	December 31, 2023
	(In thousands)	
Amounts Payable and Commitments:		
Amounts payable to NagraStar	$ 6,452	$ 9,821
Commitments to NagraStar	$ 1,177	$ 1,727

Accrued Expenses and Other Current Liabilities and Other Non-Current Liabilities

The following table presents the components of *Accrued expenses and other current liabilities* and *Other non-current liabilities:*

	As of	
	September 30, 2023	December 31, 2022
Accrued expenses and other current liabilities:		
Accrued compensation	$ 56,310	$ 56,337
Accrued expenses	52,044	39,875
Operating lease obligation	17,855	17,854
Accrued interest	16,417	39,245
Accrued taxes	14,197	12,603
Accrual for license fee dispute	10,147	10,191
In-orbit incentive obligations	4,737	5,369
Trade accounts payable - DISH Network	1,465	669
Other	18,928	17,710
Total accrued expenses and other current liabilities	$ 192,100	$ 199,853
Other non-current liabilities:		
Accrual for license fee dispute	$ 50,502	$ 57,292
In-orbit incentive obligations	42,324	44,836
Contract liabilities	6,999	8,326
Other	9,571	9,333
Total other non-current liabilities	$ 109,396	$ 119,787

Supplemental and Non-cash Investing and Financing Activities

Table of Contents

The following table presents the year-to-date supplemental and non-cash investing and financing activities:

	For the nine months ended September 30,	
	2023	2022
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized	$64,928	$ 66,943
Cash paid for income taxes, net of refunds	$19,976	$ 32,577
Non-cash investing and financing activities:		
Employee benefits paid in Class A common stock	$ 5,421	$ 7,042
Increase (decrease) in capital expenditures included in accounts payable, net	$ (3,453)	$(22,146)
Non-cash net assets received as part of the India JV formation	$ —	$ 36,701

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

NOTE 16. SUBSEQUENT EVENTS

On October 2, 2023, the Company entered into an Amended and Restated Agreement and Plan of Merger with DISH and EAV Corp., a Nevada corporation and a wholly owned subsidiary of EchoStar. The Amended Merger Agreement revises the structure of the merger of DISH and EchoStar contemplated by the Original Merger Agreement. The Amended Merger Agreement provides, among other things, that subject to the satisfaction or waiver of the conditions set forth in the Amended Merger Agreement, Merger Sub will merge with and into DISH, with DISH surviving the Merger as a wholly owned subsidiary of EchoStar. The expected proportional ownership of existing EchoStar stockholders and DISH stockholders in the combined company upon the consummation of the Merger remains the same as the expected proportional ownership contemplated by the Original Merger Agreement. Pursuant to the Amended Merger Agreement, at the effective time of the Merger, each share of DISH Class A Common Stock, par value $0.01 per share, and DISH Class C Common Stock, par value $0.01 per share, outstanding immediately prior to the Effective Time, will be converted into the right to receive a number of validly issued, fully paid and non-assessable shares of EchoStar Class A Common Stock, par value $0.001 per share, equal to 0.350877. On the terms and subject to the conditions set forth in the Amended Merger Agreement, at the Effective Time, each share of DISH Class B Common Stock, par value $0.01 per share, outstanding immediately prior to the Effective Time will be converted into the right to receive a number of validly issued, fully paid and non-assessable shares of EchoStar Class B Common Stock, par value $0.001 per share, equal to the Exchange Ratio. Any shares of DISH Class A Common Stock, DISH Class B Common Stock and DISH Class C Common Stock that are held in DISH's treasury or held directly by EchoStar or Merger Sub immediately prior to the Effective Time will be cancelled and cease to exist and no consideration shall be paid or payable in respect thereof.

Concurrently with the entry into the Amended Merger Agreement, Charles W. Ergen and Ergen family stockholders entered into an amended support agreement with the Company and DISH, pursuant to which the Ergen stockholders agreed to not vote, or cause or direct to be voted, the shares of EchoStar Class A Common Stock owned by them, other than with respect of any matter presented to the holders of EchoStar Class A Common Stock on which holders of EchoStar Class B Common Stock are not entitled to vote, for three years following the closing of the Merger. The parties have agreed to enter into a registration rights agreement reasonably acceptable to the parties providing for the registration of the Ergen stockholders' shares of EchoStar Class A Common Stock or EchoStar Class B Common Stock received as part of the

Merger consideration and/or EchoStar Class B Common Stock held by such stockholders immediately prior to the closing of the Merger, at EchoStar's sole cost and expense.

The board of directors of the Company (the "Board"), acting upon the unanimous recommendation of a special transaction committee of independent directors of the Board, has unanimously approved, adopted and declared advisable the Amended Merger Agreement and the transactions contemplated by the Amended Merger Agreement. The closing of the Merger is expected to occur in the fourth calendar quarter of 2023, subject to the satisfaction of certain regulatory approvals and other customary closing conditions. The Amended Merger Agreement provides certain termination rights for each of the Company and DISH including, among others, if the consummation of the Merger does not occur on or before April 2, 2024.

ITEM

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

Unless

You should read the context indicates otherwise, the terms "we," "us," "EchoStar," the "Company" following management's discussion and "our" refer to EchoStar Corporation and its subsidiaries. The following Management's Discussion and Analysis analysis of our Financial Condition financial condition and Results results of Operations ("Management's Discussion and Analysis") should be read in conjunction operations together with our accompanying Consolidated Financial Statements the condensed consolidated financial statements and notes thereto ("Consolidated Financial Statements") to *our financial statements included elsewhere in Item 1 of this Quarterly Report on Form 10-Q ("Form 10-Q"). 10-Q. This Management's Discussion management's discussion and Analysis analysis is intended to help provide an understanding of our financial condition, changes in our financial condition and our results of operations. Many of the statements in this Management's Discussion our operations and Analysis are contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and are subject to risks projections about our industry, business and uncertainties that are often difficult to predict and beyond our control. Actual future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those expressed or implied by such forward-looking statements. Refer to the Disclosure Regarding Forward-Looking Statements discussed in this Form 10-Q for further discussion. For a discussion of additional risks, uncertainties and other factors that could impact our results of operations or financial condition, refer to the Risk Factors in Part II, Item 1A of this Form 10-Q and in Part I, Item 1A of our most recent Annual Report on Form 10-K ("Form 10-K") filed with for the Securities and Exchange Commission ("SEC"). Further, year ended December 31, 2023 under the caption "Item 1A. Risk Factors." Furthermore, such forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q, and we undertake no expressly disclaim any obligation to update them.*

EXECUTIVE SUMMARY

any forward-looking statements.

Overview

We currently operate in two business segments: our Hughes segment and our EchoStar Satellite Services segment ("ESS segment"). Our operations include various corporate functions that have not been assigned to our business segments. These activities, costs and income, as well as eliminations of intersegment transactions, are accounted for in Corporate and Other.

All amounts presented in this Management's Discussion and Analysis are expressed in thousands of U.S. dollars, except share and per share amounts and unless otherwise noted.

Recent Developments

On August 8, 2023 December 31, 2023, we completed the Company entered into an Agreement and Plan acquisition of Merger (the "Original Merger Agreement") with DISH Network Corporation, a Nevada corporation ("DISH"), and Eagle Sub Corp, a Nevada corporation and a wholly owned subsidiary of DISH. The Original Merger Agreement provided, among other things, that subject pursuant to the satisfaction or waiver of the conditions set forth in the agreement, Eagle Sub Corp would merge with and into EchoStar, with EchoStar surviving as a wholly owned subsidiary of DISH.

[Table of Contents](#)

On October 2, 2023, the Company entered into an Amended and Restated Agreement and Plan of Merger, dated as of October 2, 2023 (the "Amended Merger Agreement") with DISH, by and among us, EAV Corp., a Nevada corporation and a our wholly owned subsidiary of EchoStar ("Merger Sub"). The Amended Merger Agreement revises the structure, and DISH Network, pursuant to which we acquired DISH Network by means of the merger of DISH and EchoStar contemplated by the Original Merger Agreement. The Amended Merger Agreement provides, among other things, that subject to the satisfaction or waiver of the conditions set forth in the Amended Merger Agreement, Merger Sub will merge with and into DISH Network (the “Merger”), with DISH Network surviving the Merger as a our wholly owned subsidiary subsidiary. For further information, refer to the Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023.

With the Merger complete, we are currently focused on the process of EchoStar. The expected proportional ownership of existing EchoStar stockholders integrating our and DISH stockholders Network’s business in a manner that facilitates synergies, cost savings, growth opportunities and achieves other anticipated benefits (the “Integration”).

Segments

We currently operate four primary business segments: (1) Pay-TV; (2) Retail Wireless; (3) 5G Network Deployment; and (4) Broadband and Satellite Services.

Our Pay-TV segment business strategy is to be the best provider of video services in the combined company upon United States by providing products with the consummation best technology, outstanding customer service and great value. We offer pay-TV services under the DISH® brand and the SLING® brand (collectively “Pay-TV” services). We promote our Pay-TV services by providing our subscribers with a better “price-to-value” relationship and experience than those available from other subscription television service providers. The DISH branded pay-TV service consists of, among other things, FCC licenses authorizing us to use direct broadcast satellite (“DBS”) and Fixed Satellite Service (“FSS”) spectrum, our owned and leased satellites, receiver systems, broadcast operations, a leased fiber optic network, in-home service and call center operations and certain other assets utilized in our operations ("DISH TV"). We also design, develop and distribute receiver systems and provide digital broadcast operations, including satellite uplinking/downlinking, transmission and other services to third-party pay-TV providers. The SLING branded pay-TV services consist of, among other things, multichannel, live-linear and on-demand streaming over-the-top ("OTT") Internet-based domestic, international, Latino and Freestream video programming services ("SLING TV"). We market our SLING TV services to consumers who do not subscribe to traditional satellite and cable pay-TV services, as well as to current and recent traditional pay-TV subscribers who desire a lower cost alternative.

Table of Contents

We offer nationwide prepaid and postpaid retail wireless services to subscribers primarily under our Boost Mobile® and Gen Mobile® brands ("Retail Wireless" services), as well as a competitive portfolio of wireless devices. We offer customers value by providing choice and flexibility in our Retail Wireless services. We offer competitive consumer plans with no annual service contracts. Our Retail Wireless business strategy is to expand our current target segments and profitably grow our subscriber base by acquiring and retaining high quality subscribers while we continue our 5G Network Deployment. We intend to acquire high quality subscribers by providing competitive offers, choice and outstanding customer service that better meet those subscribers' needs and budget.

We are currently operating our Retail Wireless segment primarily as a mobile virtual network operator ("MVNO") as we continue our 5G Network Deployment and commercialize and grow customer traffic on our 5G Network, as defined below. We are transitioning our Retail Wireless segment to a mobile network operator ("MNO") as our 5G Network has become commercially available and we grow customer traffic on our 5G Network. We are currently activating Boost Mobile subscribers with compatible devices onto our 5G Network in markets where we have reached voice over new radio ("VoNR"). We currently provide 5G VoNR reaching approximately 200 million Americans. Within our MVNO operations, today we depend on T-Mobile and AT&T to provide us with network services under the amended Master Network Services Agreement ("MNSA") and Network Services Agreement (the "NSA"), respectively. Under the NSA, we expect AT&T will become our primary network services provider.

Our 5G Network Deployment segment strategy is to commercialize our Wireless spectrum licenses through the completion of the Merger remains the same as the expected proportional ownership contemplated by the Original Merger Agreement. Pursuant nation's first cloud-native, Open Radio Access Network ("O-RAN") based 5G network (our "5G Network Deployment"). We have committed to the Amended Merger Agreement, at the effective time deploy a facilities-based 5G broadband network (our "5G Network") capable of serving increasingly larger portions of the Merger, (the "Effective Time") U.S. population at different deadlines. On September 29, 2023, each share the FCC confirmed we have met all of DISH Class A Common Stock, par value $0.01 per share (“DISH Class A Common Stock”) our June 14, 2023 band-specific 5G deployment commitments, and DISH Class C Common Stock, par value $0.01 per share (“DISH Class C Common Stock”), outstanding immediately prior two of our three nationwide 5G commitments. The single remaining 5G commitment, that at least 70% of the U.S. population has access to the Effective Time, will be converted into the right to receive a number of validly issued, fully paid and non-assessable shares of EchoStar Class A Common Stock, par value $0.001 per share (“EchoStar Class A Common Stock”), average download speeds equal to 0.350877 (the “Exchange Ratio”) 35 Mbps, was achieved in March 2024 using the drive test methodology previously agreed upon by us and the FCC and overseen by an independent monitor. OnWe now have the terms and subject to the conditions set forth largest commercial deployment of 5G VoNR in the Amended Merger Agreement, at world reaching approximately 200 million Americans and 5G broadband service reaching approximately 250 million Americans.

Our Broadband and Satellite Services segment business strategy is to maintain and improve our leadership position and competitive advantage through development of leading-edge technologies and services marketed to selected sectors within the Effective Time, each share of DISH Class B Common Stock, par value $0.01 per share (“DISH Class B Common Stock”), outstanding immediately prior to the Effective Time will be converted into the right to receive a number of validly issued, fully paid consumer, enterprise and non-assessable shares of EchoStar Class B Common Stock, par value $0.001 per share (the “EchoStar Class B Common

Stock” government markets globally. Within our Broadband and together with the EchoStar Class A Common Stock, the “EchoStar Common Stock”), equal to the Exchange Ratio. Any shares of DISH Class A Common Stock, DISH Class B Common Stock and DISH Class C Common Stock (collectively, “DISH Common Stock”) that Satellite Services segment we are held in DISH’s treasury or held directly by EchoStar or Merger Sub immediately prior to the Effective Time will be cancelled and cease to exist and no consideration shall be paid or payable in respect thereof.

Concurrently with the entry into the Amended Merger Agreement, Charles W. Ergen and Ergen family stockholders entered into an amended support agreement with the Company and DISH, pursuant to which they have agreed to not vote, or cause or direct to be voted, the shares of EchoStar Class A Common Stock owned by them, other than with respect of any matter presented to the holders of EchoStar Class A Common Stock on which holders of EchoStar Class B Common Stock are not entitled to vote, for three years following the closing of the Merger. Under the terms of the amended support agreement, EchoStar and the Ergen Stockholders will enter into a registration rights agreement reasonably acceptable to the parties prior to the closing of the Merger providing for the registration of such stockholders’ shares of EchoStar Class A Common Stock or EchoStar Class B Common Stock received as part of the Merger consideration and/or shares of EchoStar Class B Common Stock held by such stockholders immediately prior to the closing of the Merger, at EchoStar’s sole cost and expense.

Upon the consummation of the Merger, the Company Board will consist of eleven directors, comprised of (i) seven individuals who were members of the DISH board as of immediately prior to the Merger, (ii) three individuals who were independent directors on the Company Board as of immediately prior to the Merger and (iii) the President and Chief Executive Officer of EchoStar. The Company and DISH will consult with each other in connection with selecting the directors of the existing Company Board who will continue to serve on the Company Board from and after the Merger.

The board of directors of the Company (the "Board"), acting upon the unanimous recommendation of a special transaction committee of independent directors of the Board, has unanimously approved, adopted and declared advisable the Amended Merger Agreement and the transactions contemplated by the Amended Merger Agreement. The closing of the Merger is expected to occur in the fourth calendar quarter of 2023, subject to the satisfaction of certain regulatory approvals and other customary closing conditions. The Amended Merger Agreement provides certain termination rights for each of the Company and DISH, including, among others, if the consummation of the Merger does not occur on or before April 2, 2024.

Hughes Segment

Our Hughes segment is an industry leader in both networking technologies and services, innovating to deliver the global solutions that power a connected future for people, enterprises and things everywhere.

We offer provide broadband satellite technologies and broadband internet products and services to consumer customers. We offer broadband customers, which include home and small to medium-sized businesses, and satellite, multi-transport technologies and managed network technologies, managed services equipment, hardware, satellite services to enterprise customers, telecommunications providers, aeronautical service providers and communications solutions to government entities, including civilian and enterprise customers.

Table of Contents

Anticipating the commencement of commercial operations of the defense. Our EchoStar XXIV satellite as discussed below, our consumer business, marketed under the

HughesNet® brand, has been focused on optimizing financial returns of our existing satellites, while planning for new satellite capacity. Our consumer revenue growth depends on our success in adding new and retaining existing subscribers, as well as increasing our Average Revenue Per User/Subscriber ("ARPU"). Service and acquisition costs related to ongoing support for our direct and indirect customers and partners are typically impacted most significantly by our growth. We expect that our enterprise business will also benefit from the new capacity added with EchoStar XXIV. The growth of our enterprise and consumer businesses relies heavily on global economic conditions and the competitive landscape for pricing relative to competitors and alternative technologies. Prior to the launch of EchoStar XXIV, we were nearing or had reached capacity in most areas of the U.S., which constrained growth within our consumer subscriber base. Growth within our Latin America consumer subscriber base in certain areas had also become capacity constrained. These constraints are expected to be addressed by the EchoStar XXIV satellite.

The EchoStar XXIV satellite launched in July 2023 and is expected to begin began service in December 2023. Once in service, the satellite is expected to bring further consumer 2023, bringing additional broadband capacity across North and South America and generate additional sales in other is expected to be an integral part of our satellite service business. We will leverage EchoStar XXIV to deliver satellite services to unserved and underserved consumer markets including in-flight Wi-Fi, enterprise networking and cellular backhaul for mobile network operators across the two continents.

Our broadband subscribers include customers that subscribe to our HughesNet services in the U.S. and Latin America through retail, wholesale and small/medium enterprise service channels.

The following table presents our approximate number of broadband subscribers:

	As of	
	September 30, 2023	**June 30, 2023**

United States	801,000	846,000
Latin America	262,000	276,000
Total broadband subscribers	1,063,000	1,122,000

The following table presents the approximate number of net subscriber decreases:

	For the three months ended	
	September 30, 2023	June 30, 2023
United States	(45,000)	(44,000)
Latin America	(14,000)	(11,000)
Total net subscriber decreases	(59,000)	(55,000)

Our ability to gain new customers and retain existing customers in the U.S. is being impacted by our capacity limitations, competitive pressure from satellite-based competitors and other technologies, and increased bandwidth usage on average by our existing customers. For the three months ended September 30, 2023, these factors resulted in lower total subscribers Americas as compared to the three months ended June 30, 2023.

Our ability to gain new customers and retain existing customers in Latin America were tempered by our focus on more profitable consumer segments and our allocation of capacity to enterprise opportunities. Capacity constraints in certain other areas also limit our ability to add new subscribers. For the three months ended September 30, 2023, the decline in net subscribers was primarily due to more selective customer screening well as compared to the three months ended June 30, 2023.

We continued to execute our strategy of maximizing financial returns by utilizing capacity for higher economic value enterprise and government applications markets.

Economic Environment

During 2023 and the first three months of 2024, we experienced inflationary pressures in Latin America. Continued success of this strategy will further reduce our commodity and labor costs resulting from the available capacity for consumers. macroeconomic environment in the United States, which has significantly impacted our overall operating results.

Table of Contents

As of September 30, 2023, our Hughes segment had $1.5 billion of contracted revenue backlog, which was primarily flat compared to December 31, 2022. We define Hughes segment contracted revenue backlog as our expected future revenue under enterprise customer contracts that are non-cancelable, including lease revenue.

To date, we have not experienced a material adverse impact from the Russia-Ukraine conflict and the associated sanctions.

ESS Segment

Our ESS segment provides satellite services on a full-time and/or occasional-use basis to U.S. government service providers, internet service providers, broadcast news organizations, content providers and private enterprise customers. We operate our ESS business using primarily the EchoStar IX satellite and the EchoStar 105/SES-11 satellite and related infrastructure. Revenue in our ESS segment depends largely on our ability to make continuous use of our available satellite capacity on behalf of existing customers and our ability to enter into commercial relationships with new customers. During the first quarter of 2023, we transitioned the EchoStar IX satellite into inclined operations to extend its usable life for our customers. With this inclined mode of operation, we are expecting to extend the life of the spacecraft into 2024 without diminishing its capacity.

As of September 30, 2023, our ESS segment had $13.2 million of contracted revenue backlog, a decrease of 40.8%, as compared to December 31, 2022, primarily due to the recognition of revenue of existing contracts. We define contracted revenue backlog for our ESS segment as contracted future satellite lease revenue.

Satellite Anomalies and Impairments

During the first quarter of 2023, we lost contact with our third nano-satellite (“EG-3”), which was launched in the second quarter of 2021 and brought into use through our Sirion-1 ITU filing in the third quarter of 2021. Consequently, we canceled our contract with the vendor who manufactured and operated our nano-satellites and recorded an impairment charge of $3.1 million related to EG-3 and other related assets in the first quarter of 2023 in Corporate and Other. As a result, the ITU has suspended the filing, and we have three years from the date of suspension to place a new S-band spacecraft at the altitude prescribed in our Australian ITU filing. We expect the first group of S-band satellites ordered from our supplier, Astro Digital, to be launched well in advance of the three-year replacement deadline.

In the second quarter of 2023, we reduced the estimated useful life of the Al Yah 3 satellite, which serves our Brazilian customers, as a result of certain technical anomalies. In order to safeguard the future operability of the satellite, the Company has, in conjunction with recommendations from the satellite manufacturer, implemented immediate and long-term remedial actions. A revised estimate of the satellite’s remaining lifetime has been calculated using operational data of two previous quarters. Although the anomalies are expected to shorten the remaining useful life of the satellite, they have not affected its current operation.

We are not aware of any other anomalies with respect to our owned or leased satellites as of September 30, 2023. There can be no assurance, however, that undetected existing or future anomalies will not have a significant adverse effect on our operations or revenue in the future. In addition, there can be no assurance that we can recover critical transmission capacity in the event one or more of our satellites were to fail.

Cybersecurity

We are not aware of cyber-incidents with respect to our owned or leased satellites or other networks, equipment or systems that have had a material adverse effect on our business, costs, operations, prospects, results of operation or financial position during the nine months ended September 30, 2023 and through November 6, 2023. There can be no assurance, however, that any such incident can be detected or thwarted or will not have such a material adverse effect in the future.

EXPLANATION OF KEY METRICS AND OTHER ITEMS

Service revenue**.** "Service revenue" consists principally of Pay-TV and Wireless subscriber revenue, broadband services, maintenance and other contracted revenue and satellite and transponder leases and services revenue. Certain of the amounts included in "Service revenue" are not recurring on a monthly basis.

Equipment sales and other revenue**. Services**"Equipment sales and other revenue primarily revenue" principally includes the sale of wireless devices, the non-subsidized sales of Pay-TV equipment, the licensing of certain intellectual property and sales of broadband equipment and networks sold both in our consumer and enterprise markets.

Cost of services**.** "Cost of services" principally includes Pay-TV programming expenses and other operating costs related to our Pay-TV segment, costs of Wireless services (including costs incurred under the MNSA and NSA), costs of broadband services, maintenance and other contracted services, revenue associated with satellite and transponder leases and services, satellite uplinking/downlinking, subscriber wholesale service fees for the HughesNet service, professional services, and facilities rental revenue.

Equipment revenue. Equipment revenue primarily includes broadband equipment and networks sold to customers in our consumer and enterprise markets.

Cost of sales - services and other. Cost of sales - services and other primarily includes the cost of broadband services provided to our consumer and enterprise customers, maintenance and other contracted services, costs associated with satellite and transponder leases and services. Beginning on January 1, 2024, as we have commenced utilizing our 5G Network for commercial traffic, cost of Wireless services professional includes certain direct costs related to our 5G Network Deployment, including lease expense on communication towers, transport, cloud services and facilities rental expenses. other costs.

Cost of sales - equipment and other. . "Cost of sales -– equipment consists primarily and other" principally includes the cost of wireless devices and other related items, the cost of broadband equipment and networks, provided as well as costs related to the non-subsidized sales of Pay-TV equipment. Costs are generally recognized as products are delivered to customers in and the related revenue is recognized. In addition, prior to January 1, 2024, "Cost of sales – equipment and other" included certain direct costs related to our consumer 5G Network Deployment, including lease expense on communication towers, transport, cloud services and enterprise markets. It also includes certain other costs, associated with the deployment which is now included in "Cost of equipment to services" on our customers.

Selling, general Condensed Consolidated Statements of Operations and administrative expenses. Comprehensive Income (Loss).

Selling, general and administrative expenses. "Selling, general and administrative expenses" consists primarily include of direct sales costs, advertising and selling and marketing costs, third-party commissions related to the acquisition of subscribers and employee-related costs associated with administrative services (e.g., information systems, human resources and other services), including bad debt expense and stock-based compensation expense. It also includes professional fees (e.g., such as legal, information systems and accounting services) and other expenses associated with facilities finance. In addition, "Selling, general and administrative services.

Research expenses" includes costs related to the installation of equipment for our new Pay-TV subscribers and development expenses. Research and development expenses primarily include costs associated with the design and development cost of products to support future growth and provide subsidized sales of Pay-TV equipment for new technology and innovation to our customers. subscribers.

Impairment of long-lived assets and goodwill. Impairment "Impairment of long-lived assets and goodwill" includes our impairment losses related to our property and equipment, regulatory authorizations, goodwill and other intangible assets.

Interest income, net. Interest income, net primarily includes interest earned on our cash, cash equivalents and marketable investment securities, and other investments including premium amortization, discount accretion on debt securities, and changes in allowance for estimated credit losses on investments.

Interest expense, net of amounts capitalized capitalized. . "Interest expense, net of amounts capitalized capitalized" primarily includes interest expense associated with our long-term debt and finance lease obligations (net of capitalized interest), prepayment premiums, amortization of debt discounts and debt issuance costs associated with our long-term debt and interest expense related to certain legal proceedings. associated with our finance lease obligations.

Gains (losses) Other, net. The main components of "Other, net" are gains and losses realized on investments, net. Gains (losses) on investments, net primarily includes the sale and/or conversion of marketable and non-marketable investment securities and derivative instruments, impairment of marketable and non-marketable investment securities, unrealized gains and losses from changes in fair value of our certain marketable equity and non-marketable investment securities and other investments for which we have elected the fair value option. It may also include realized derivative instruments, foreign currency transaction gains and losses on the sale or exchange and equity in earnings and losses of our available-for-sale debt securities, other-than-temporary impairment losses on our available-for-sale securities, realized gains and losses on the sale or exchange of equity securities and debt securities without readily determinable fair value, and adjustments to the carrying amount of investments in unconsolidated affiliates and marketable equity securities resulting from impairments and observable price changes. affiliates.

Equity in earnings (losses) of unconsolidated affiliates, net. Equity in earnings (losses) of unconsolidated affiliates, net includes earnings or losses from our investments accounted for using the equity method.

Other-than-temporary impairment losses on equity method investments. Other-than-temporary impairment losses on equity method investments primarily includes impairment charges for losses on our equity method investments which were deemed permanent in nature.

Foreign currency transaction gains (losses), net. Foreign currency transaction gains (losses), net include gains and losses resulting from the re-measurement of transactions denominated in foreign currencies.

. Other, net primarily includes dividends received from our marketable investment securities, gains from repayment of other debt investments, transaction costs related to the proposed merger with DISH Network Corporation, and other non-operating income and expense items that are not appropriately classified elsewhere in the Consolidated Statements of Operations in our Consolidated Financial Statements.

Earnings before interest, taxes, depreciation and amortization ("EBITDA"). EBITDA is defined as Net income (loss) excluding Interest income and expense, net, Income tax benefit (provision), net, Depreciation and amortization, and Net "Net income (loss) attributable to non-controlling interests. EBITDA is not a measure determined in accordance with U.S. GAAP. EchoStar" plus "Interest expense, net of amounts capitalized" and net of "Interest income," "Income tax (provision) benefit, net" and "Depreciation and amortization." This non-GAAP measure "non-GAAP measure" is reconciled to Net "Net income (loss) attributable to EchoStar" in our discussion of

Results "Results of Operations section Operations" below. EBITDA should

Operating income before depreciation and amortization ("OIBDA"). OIBDA is defined as "Operating income (loss)" plus "Depreciation and amortization." This "non-GAAP measure" is reconciled to "Operating income (loss)" in our discussion of "Results of Operations" below.

DISH TV subscribers. We include customers obtained through direct sales, independent third-party retailers and other independent third-party distribution relationships in our DISH TV subscriber count. We also provide DISH TV services to hotels, motels and other commercial accounts. For certain of these commercial accounts, we divide our total revenue for these commercial accounts by $34.99, and include the resulting number, which is substantially smaller than the actual number of commercial units served, in our DISH TV subscriber count.

SLING TV subscribers. We include customers obtained through direct sales and third-party marketing agreements in our SLING TV subscriber count. SLING TV subscriber additions are recorded net of disconnects. SLING TV customers receiving SLING TV Freestream service, or service for no charge, under certain new subscriber promotions, are excluded from our SLING TV subscriber count. For customers who subscribe to multiple SLING TV packages, each customer is only counted as one SLING TV subscriber.

Pay-TV subscribers. Our Pay-TV subscriber count includes all DISH TV and SLING TV subscribers discussed above. For customers who subscribe to both our DISH TV services and our SLING TV services, each subscription is counted as a separate Pay-TV subscriber.

Pay-TV average monthly revenue per subscriber ("Pay-TV ARPU"). We are not aware of any uniform standards for calculating ARPU and believe presentations of ARPU may not be considered calculated consistently by other companies in isolation the same or similar businesses. We calculate Pay-TV average monthly revenue per Pay-TV subscriber, or Pay-TV ARPU, by dividing average monthly Pay-TV segment "Service revenue," excluding revenue from broadband services, for the period by our average number of Pay-TV subscribers for the period. The average number of Pay-TV subscribers is calculated for the period by adding the average number of Pay-TV subscribers for each month and dividing by the number of months in the period. The average number of Pay-TV subscribers for each month is calculated by adding the beginning and ending Pay-TV subscribers for the month and dividing by two. SLING TV subscribers on average purchase lower priced programming services than DISH TV subscribers, and therefore, as SLING TV subscribers increase as a substitute percentage of total Pay-TV subscribers, it has had a negative impact on Pay-TV ARPU.

Table of Contents

DISH TV average monthly subscriber churn rate ("DISH TV churn rate"). We are not aware of any uniform standards for operating income, net income calculating subscriber churn rate and believe presentations of subscriber churn rates may not be calculated consistently by different companies in the same or similar businesses. We calculate our DISH TV churn rate for any other measure determined period by dividing the number of DISH TV subscribers who terminated service during the period by the average number of DISH TV subscribers for the same period, and further dividing by the number of months in accordance with GAAP. EBITDA the period. The average number of DISH TV subscribers is calculated for the period by adding the average number of DISH TV subscribers for each month and dividing by the number of months in the period. The average number of DISH TV subscribers for each month is calculated by adding the beginning and ending DISH TV subscribers for the month and dividing by two.

DISH TV SAC. Subscriber acquisition cost measures are commonly used by those evaluating traditional companies in the pay-TV industry. We are not aware of any uniform standards for calculating the "average subscriber acquisition costs per new DISH TV subscriber activation," or DISH TV SAC, and we believe presentations of pay-TV SAC may not be calculated consistently by different companies in the same or similar businesses. Our DISH TV SAC is calculated using all costs of acquiring DISH TV subscribers (e.g., subsidized equipment, advertising, installation, commissions and direct sales, etc.) which are included in "Selling, general and administrative expenses," plus capitalized payments made under certain sales incentive programs and the value of equipment capitalized under our management lease program for new DISH TV subscribers, divided by gross new DISH TV subscriber activations.

We include all new DISH TV subscribers in our calculation, including DISH TV subscribers added with little or no subscriber acquisition costs.

Wireless subscribers. We include prepaid and postpaid customers obtained through direct sales, independent third-party retailers and other independent third-party distribution relationships in our Wireless subscriber count. Our Wireless subscriber count includes all ACP/Gen Mobile subscribers discussed below. Our gross new Wireless subscriber activations exclude all ACP/Gen Mobile subscribers as we record these subscribers net of disconnects, as discussed below.

Affordable Connectivity Program/Gen Mobile subscribers ("ACP/Gen Mobile subscribers"). The Emergency Broadband Benefit Program ("EBBP") was launched by the FCC in February of 2021 to support broadband services and devices to help low-income individuals that meet certain eligibility criteria. The Affordable Connectivity Program ("ACP") replaced the EBBP on December 31, 2021. Our ACP/Gen Mobile subscribers have a measure significantly higher churn rate compared to our other Wireless subscribers and we incur lower costs to acquire these subscribers. Therefore, our ACP/Gen Mobile subscriber additions are recorded net of operating efficiency disconnects.

Wireless average monthly revenue per subscriber ("Wireless ARPU"). We are not aware of any uniform standards for calculating ARPU and overall financial performance believe presentations of ARPU may not be calculated consistently by other companies in the same or similar businesses. We calculate average monthly revenue per Wireless subscriber, or Wireless ARPU, by dividing average monthly Retail Wireless segment "Service revenue" for benchmarking against the period by our peers average number of Wireless subscribers for the period. The average number of Wireless subscribers is calculated for the period by adding the average number of Wireless subscribers for each month and competitors. Management believes EBITDA provides meaningful supplemental information regarding dividing by the underlying operating performance number of months in the period. The average number of Wireless subscribers for each month is calculated by adding the beginning and ending Wireless subscribers for the month and dividing by two.

Table of Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

Wireless average monthly subscriber churn rate ("Wireless churn rate"). We are not aware of any uniform standards for calculating subscriber churn rate and believe presentations of subscriber churn rates may not be calculated consistently by different companies in the same or similar businesses. We calculate our "Wireless churn rate" for any period by dividing the number of Wireless subscribers who terminated service during the period by the average number of Wireless subscribers for the same period, and further dividing by the number of months in the period. The average number of Wireless subscribers is calculated for the period by adding the average number of Wireless subscribers for each month and dividing by the number of months in the period. The average number of Wireless subscribers for each month is calculated by adding the beginning and ending Wireless subscribers for the month and dividing by two. ACP/Gen Mobile subscribers are excluded from our calculation of our business and is appropriate to enhance an overall understanding of our financial performance. Management also believes that EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to evaluate the performance of companies in our industry. Wireless churn rate.

Subscribers. Broadband subscribers. Subscribers include customers that subscribe to our HughesNet service, through retail, wholesale and small/medium enterprise service channels.

Free cash flow**.** We define free cash flow as "Net cash flows from operating activities" less: (i) "Purchases of property and equipment" net of "Refunds and other receipts of purchases of property and equipment," and (ii) "Capitalized interest related to Regulatory authorizations," as shown on our Condensed Consolidated Statements of Cash Flows.

Highlights from our Financial Results

[Table of Contents](#)

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

Consolidated Results of Operations for

RESULTS OF OPERATIONS – Segments

Business Segments

We currently operate four primary business segments: (1) Pay-TV; (2) Retail Wireless; (3) 5G Network Deployment; and (4) Broadband and Satellite Services.

Revenue and operating income (loss) by segment are shown in the table below:

Three Months Ended September 30, 2023:

- Revenue of $413.1 million
- Operating income of $22.1 million
- Net income of $0.5 million
- Net income attributable to EchoStar common stock of $3.2 million and basic and diluted earnings per share of common stock of $0.04
- EBITDA of $101.3 million (see reconciliation of this non-GAAP measure in Results of Operations)

Consolidated Financial Condition as of September 30, 2023:

- Total assets of $6.2 billion
- Total liabilities of $2.5 billion
- Total stockholders' equity of $3.7 billion
- Cash and cash equivalents and marketable investment securities of $2.0 billion

[Table of Contents](#)

RESULTS OF OPERATIONS

Three Months Ended September 30, 2023 March 31, 2024 Compared to the Three Months Ended September 30, 2022 March 31, 2023.

	For the Three Months Ended March 31,		Variance	
	2024	2023	Amount	%
	(In thousands)			
Revenue:				
Pay-TV	$ 2,726,578	$ 2,972,131	$(245,553)	(8.3)
Retail Wireless	905,850	974,866	(69,016)	(7.1)
5G Network Deployment	29,504	18,907	10,597	56.0
Broadband and Satellite Services	382,586	439,596	(57,010)	(13.0)
Eliminations	(29,675)	(17,834)	(11,841)	(66.4)
Total revenue	$ 4,014,843	$ 4,387,666	$(372,823)	(8.5)
Operating income (loss):				
Pay-TV	$ 670,108	$ 675,233	$ (5,125)	(0.8)
Retail Wireless	(74,417)	(18,207)	(56,210)	*
5G Network Deployment	(570,751)	(333,603)	(237,148)	(71.1)
Broadband and Satellite Services	(39,554)	27,705	(67,259)	*
Eliminations	(630)	2,210	(2,840)	*
Total operating income (loss)	$ (15,244)	$ 353,338	$(368,582)	*

The following table presents our

* Percentage is not meaningful

Total revenue. Our consolidated results of operations revenue totaled $4.015 billion for the three months ended September 30, 2023 March 31, 2024, a decrease of $373 million or 8.5% compared to the three months ended September 30, 2022:

Statements of Operations Data (1)	For the three months ended September 30, 2023	2022	Variance Amount	%
Revenue:				
Services and other revenue	$ 359,349	$ 401,382	$ (42,033)	(10.5)
Equipment revenue	53,725	96,005	(42,280)	(44.0)
Total revenue	413,074	497,387	(84,313)	(17.0)
Costs and expenses:				
Cost of sales - services and other	133,335	145,189	(11,854)	(8.2)
% of total services and other revenue	**37.1 %**	**36.2 %**		
Cost of sales - equipment	43,180	74,329	(31,149)	(41.9)
% of total equipment revenue	**80.4 %**	**77.4 %**		
Selling, general and administrative expenses	104,988	111,421	(6,433)	(5.8)
% of total revenue	**25.4 %**	**22.4 %**		

Research and development expenses	6,463	9,181	(2,718)	(29.6)
% of total revenue	**1.6 %**	**1.8 %**		
Depreciation and amortization	103,028	110,233	(7,205)	(6.5)
Total costs and expenses	390,994	450,353	(59,359)	(13.2)
Operating income (loss)	22,080	47,034	(24,954)	(53.1)
Other income (expense):				
Interest income, net	26,209	14,183	12,026	84.8
Interest expense, net of amounts capitalized	(12,650)	(13,845)	1,195	(8.6)
Gains (losses) on investments, net	(10,743)	(10,077)	(666)	6.6
Equity in earnings (losses) of unconsolidated affiliates, net	(1,978)	(1,426)	(552)	38.7
Foreign currency transaction gains (losses), net	(2,089)	(2,805)	716	(25.5)
Other, net	(11,750)	(319)	(11,431)	*
Total other income (expense), net	(13,001)	(14,289)	1,288	(9.0)
Income (loss) before income taxes	9,079	32,745	(23,666)	(72.3)
Income tax benefit (provision), net	(8,547)	(13,195)	4,648	(35.2)
Net income (loss)	532	19,550	(19,018)	(97.3)
Less: Net loss (income) attributable to non-controlling interests	2,712	2,853	(141)	(4.9)
Net income (loss) attributable to EchoStar Corporation common stock	$ 3,244	$ 22,403	$ (19,159)	(85.5)
Other data:				
EBITDA (2)	$ 101,260	$ 145,493	$ (44,233)	(30.4)
Subscribers, end of period	1,063,000	1,285,000	(222,000)	(17.3)

* Percentage is not meaningful.

(1) An explanation of same period in 2023. The net decrease primarily resulted from the decrease in revenue from our key metrics is included in Explanation of Key Metrics Pay-TV, Retail Wireless and Other Items.

(2) A reconciliation of EBITDA to Net Broadband and Satellite Service segments.

Total operating income (loss), the most directly comparable GAAP measure in our Consolidated Financial Statements, is included in Results of Operations. For further information on our use of EBITDA, see Explanation of Key Metrics and Other Items.

Table of Contents.

The following discussion relates to our results of operations Our consolidated operating loss totaled $15 million for the three months ended September 30, 2023 March 31, 2024, compared to operating income of $353 million during the same period in 2023. This change primarily resulted from an increase in operating loss from our 5G Network Deployment, Retail Wireless and Broadband and Satellite Services segments.

Table of Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

Pay-TV Segment

We offer Pay-TV services under the DISH brand and the SLING brand. As of March 31, 2024, we had 8.178 million Pay-TV subscribers in the United States, including 6.258 million DISH TV subscribers and 1.920 million SLING TV subscribers.

We promote our Pay-TV services by providing our subscribers with better service, technology and value than those available from other subscription television service providers. We offer a wide selection of video services under the DISH TV brand, with access to hundreds of channels depending on the level of subscription. Our standard programming packages generally include programming provided by national cable networks. We also offer programming packages that include local broadcast networks, specialty sports channels, premium movie channels and Latino and international programming. We market our SLING TV services to consumers who do not subscribe to traditional satellite and cable pay-TV services, as well as to current and recent traditional pay-TV subscribers who desire a lower cost alternative. Our SLING TV services require an Internet connection and are available on multiple streaming-capable devices including, among

others, streaming media devices, TVs, tablets, computers, game consoles and phones. We offer SLING domestic, SLING International, SLING Latino and SLING Freestream video programming services.

Trends in our Pay-TV Segment

Competition

Competition has intensified in recent years as the pay-TV industry has matured. We and our competitors increasingly must seek to attract a greater proportion of new subscribers from each other's existing subscriber bases rather than from first-time purchasers of pay-TV services. We face substantial competition from established pay-TV providers and broadband service providers and increasing competition from companies providing/facilitating the delivery of video content via the Internet to computers, televisions, and other streaming and mobile devices, including wireless service providers. In recent years, industry consolidation and convergence has created competitors with greater scale and multiple product/service offerings. These developments, among others, have contributed to intense and increasing competition, and we expect such competition to continue.

We incur significant costs to retain our existing DISH TV subscribers, generally as a result of upgrading their equipment to next generation receivers, primarily including our Hopper® receivers, and by providing retention credits. Our DISH TV subscriber retention costs may vary significantly from period to period.

Many of our competitors have been especially aggressive by offering discounted programming and services for both new and existing subscribers, including, but not limited to, bundled offers combining broadband, video and/or wireless services and other promotional offers. Certain competitors have been able to subsidize the price of video services with the price of broadband and/or wireless services.

Our Pay-TV services also face increased competition from programmers and other companies who distribute video directly to consumers over the Internet, as well as traditional satellite television providers, cable companies and large telecommunications companies that are rapidly increasing their Internet-based video offerings and direct-to-consumer exclusive and non-exclusive content. We also face competition from providers of video content, many of which are providers of programming content to us, that distribute content over the Internet including services with live-linear television programming, as well as single programmer offerings and offerings of large libraries of on-demand content, including in certain cases original content. These product offerings include, but are not limited to, Netflix, Hulu, Apple+, Prime Video, YouTube TV, Disney+, ESPN+, Paramount+, Max, STARZ, Peacock, Fubo, Philo and Tubi and certain bundles of these offerings.

[Table of Contents](#)

Significant changes in consumer behavior regarding the means by which consumers obtain video entertainment and information in response to digital media competition could have a material adverse effect on our business, results of operations and financial condition or otherwise disrupt our business.

In particular, consumers have shown increased interest in viewing certain video programming in any place, at any time and/or on any broadband or Internet-connected device they choose. Online content providers may cause our subscribers to disconnect our DISH TV services ("cord cutting"),

downgrade to smaller, less expensive programming packages (“cord shaving”) or elect to purchase through these online content providers a certain portion of the services that they would have historically purchased from us.

Mergers and acquisitions, joint ventures and alliances among cable television providers, telecommunications companies, programming providers and others may result in, among other things, greater scale and financial leverage and increase the availability of offerings from providers capable of bundling video, broadband and/or wireless services in competition with our services and may exacerbate the risks described under the caption “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2023 and elsewhere in our public filings. These transactions may affect us adversely by, among other things, making it more difficult for us to obtain access to certain programming networks on nondiscriminatory and fair terms, or at all.

Our Pay-TV subscriber base has been declining due to, among other things, the factors described above. There can be no assurance that our Pay-TV subscriber base will not continue to decline and that the pace of such decline will not accelerate. As our Pay-TV subscriber base continues to decline, it could have a material adverse long-term effect on our business, results of operations, financial condition and cash flow.

Programming

Our ability to compete successfully will depend, among other things, on our ability to continue to obtain desirable programming and deliver it to our subscribers at competitive prices. Programming costs represent a large percentage of our “Cost of services” and the largest component of our total expense. We expect these costs to continue to increase due to contractual price increases and the renewal of long-term programming contracts on less favorable pricing terms and certain programming costs are rising at a much faster rate than wages or inflation. In particular, the rates we are charged for retransmitting local broadcast channels have been increasing substantially and may exceed our ability to increase our prices to our subscribers. Our ability to provide services under these agreements and negotiate acceptable terms depends on, among other things, the number of subscribers we have, our actual, perceived or anticipated financial condition and our negotiating power against each programmer, which can vary depending on the size and scale of such programmer. Going forward, our margins may face pressure if we are unable to renew our long-term programming contracts on acceptable pricing and other economic terms or if we are unable to pass these increased programming costs on to our subscribers.

Increases in programming costs have caused us to increase the rates that we charge to our subscribers, which could in turn cause our existing Pay-TV subscribers to disconnect our services or cause potential new Pay-TV subscribers to choose not to subscribe to our services. Additionally, even if our subscribers do not disconnect our services, they may purchase through new and existing online content providers a certain portion of the services that they would have historically purchased from us.

Table of Contents

Furthermore, our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV churn rate may be negatively impacted if we are unable to renew our long-term programming carriage contracts. In the past, our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV churn rate have been negatively impacted as a result of programming interruptions and threatened programming interruptions in connection with the scheduled expiration of programming carriage contracts with content providers. There can be no assurance that the removal of any channels will not have a material adverse effect on our business, results of operations and financial condition or otherwise disrupt our business. We cannot predict with any certainty the impact to our net Pay-TV subscriber additions, gross new DISH TV subscriber activations, and DISH TV churn rate resulting from programming interruptions or threatened programming interruptions that may occur in the future. As a result, we may at times suffer from periods of lower net Pay-TV subscriber additions or higher net Pay-TV subscriber losses.

Other Developments

Adaptive Bitrate Streaming Patents

Through our subsidiaries, we hold dozens of issued United States and foreign patents that relate to Adaptive Bitrate Streaming. On September 9, 2022, the chief administrative law judge at the United States International Trade Commission ("ITC") issued an Initial Determination holding that the video streaming in certain Peloton, NordicTrack and Mirror exercise equipment infringes four of those patents, and recommended that the ITC prevent the importation of the infringing products. On March 8, 2023, the ITC issued its Final Determination, which affirmed the Initial Determination for three of the four patents in all material aspects, and issued the recommended exclusion and cease and desist orders, which will become effective after a Presidential review period. On February 9, 2023, we entered into a confidential license agreement covering Mirror exercise equipment that resolves our litigation involving those products. On May 1, 2023, we entered into a $75 million license agreement covering Peloton exercise equipment that resolves our litigation involving those products. During the second quarter of 2023, we recorded the $75 million license agreement in "Equipment sales and other revenue" on our Condensed Consolidated Statements of

Operations and Comprehensive Income (Loss). On March 6, 2024, we entered into a license agreement covering NordicTrack exercise equipment that resolves our litigation involving those products and received the initial payment.

Table of Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

RESULTS OF OPERATIONS – Pay-TV Segment

Three Months Ended March 31, 2024 Compared to the Three Months Ended March 31, 2023.

Statements of Operations Data	For the Three Months Ended March 31, 2024	2023	Variance Amount
	(In thousands)		
Revenue:			
Service revenue	$ 2,701,179	$ 2,944,482	$(243,303)
Equipment sales and other revenue	25,399	27,649	(2,250)
Total revenue	2,726,578	2,972,131	(245,553)
Costs and expenses:			
Cost of services	1,664,445	1,833,299	(168,854)
% of Service revenue	61.6 %	62.3 %	
Cost of sales - equipment and other	16,992	21,065	(4,073)
Selling, general and administrative expenses	289,631	339,959	(50,328)
% of Total revenue	10.6 %	11.4 %	
Depreciation and amortization	85,402	102,575	(17,173)
Total costs and expenses	2,056,470	2,296,898	(240,428)
Operating income (loss)	$ 670,108	$ 675,233	$ (5,125)
Other data:			
Pay-TV subscribers, as of period end (in millions)	8.178	9.198	(1.020)

DISH TV subscribers, as of period end (in millions)		6.258		7.098		(0.840)
SLING TV subscribers, as of period end (in millions)		1.920		2.100		(0.180)
Pay-TV subscriber additions (losses), net (in millions)		(0.348)		(0.552)		0.204
DISH TV subscriber additions (losses), net (in millions)		(0.213)		(0.318)		0.105
SLING TV subscriber additions (losses), net (in millions)		(0.135)		(0.234)		0.099
Pay-TV ARPU	$	107.38	$	102.71	$	4.67
DISH TV subscriber additions, gross (in millions)		0.079		0.113		(0.034)
DISH TV churn rate		1.53 %		1.98 %		(0.45)%
DISH TV SAC	$	1,054	$	1,055	$	(1)
Purchases of property and equipment, net of refunds (1)	$	57,912	$	35,563	$	22,349
OIBDA	$	755,510	$	777,808	$	(22,298)

* Percentage is not meaningful.

(1) Purchases of property and equipment, net of refunds includes satellite purchases during the three months ended September 30, 2022: March 31, 2024 and 2023 of $30 million and $5 million, respectively.

Pay-TV Subscribers

DISH TV subscribers. We lost approximately 213,000 net DISH TV subscribers during the three months ended March 31, 2024 compared to the loss of approximately 318,000 net DISH TV subscribers during the same period in 2023. This decrease in net DISH TV subscriber losses primarily resulted from a lower DISH TV churn rate, partially offset by lower gross new DISH TV subscriber activations.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

SLING TV subscribers. We lost approximately 135,000 net SLING TV subscribers during the three months ended March 31, 2024 compared to the loss of approximately 234,000 net SLING TV subscribers during the same period in 2023. The decrease in net SLING TV subscriber losses was primarily related to lower SLING TV subscriber disconnects in 2024 due to our emphasis on acquiring higher quality subscribers, partially offset by lower SLING TV subscriber activations. We continue to experience increased competition, including competition from other subscription video on-demand and live-linear OTT service providers, many of which are providers of our content and offer football and other revenue. seasonal sports programming direct to subscribers on an a la carte basis.

Services *DISH TV subscribers, gross.* During the three months ended March 31, 2024, we activated approximately 79,000 gross new DISH TV subscribers compared to approximately 113,000 gross new DISH TV subscribers during the same period in 2023, a decrease of 30.1%. This decrease in our gross new DISH TV subscriber activations was primarily related to the lack of demand, shifting consumer behavior and lower marketing expenditures, as well as increased competitive pressures, including, but not limited to, live-linear OTT service providers, aggressive short term introductory pricing and bundled offers combining broadband, video and/or wireless services and other revenue totaled $359.3 million discounted promotional offers, and direct-to-consumer offerings by certain of our programmers. Our gross new DISH TV subscriber activations continue to be negatively impacted by an emphasis on acquiring higher quality subscribers.

DISH TV churn rate. Our DISH TV churn rate for the three months ended September 30, 2023 March 31, 2024 was 1.53% compared to 1.98% for the same period in 2023. Our DISH TV churn rate for the three months ended March 31, 2024 was positively impacted by our emphasis on acquiring and retaining higher quality subscribers. Our DISH TV churn rate continues to be adversely impacted by external factors, such as, among other things, cord cutting, shifting consumer behavior and increased competitive pressures, including, but not limited to, live-linear OTT service providers, aggressive marketing, bundled discount offers combining broadband, video and/or wireless services and other discounted promotional offers. Our DISH TV churn rate is also impacted by internal factors, such as, among other things, our ability to consistently provide outstanding customer service, price increases, our ability to control piracy and other forms of fraud and the level of our retention efforts. In addition, our DISH TV churn rate for the three months ended March 31, 2023 was briefly elevated due to the cyber-security incident.

Our net Pay-TV subscriber additions, gross new DISH TV subscriber activations and DISH TV churn rate have been negatively impacted as a result of programming interruptions and threatened programming interruptions in connection with the scheduled expiration of programming carriage contracts with content providers. We cannot predict with any certainty the impact to our net Pay-TV subscriber additions, gross new DISH TV subscriber activations and DISH TV subscriber churn rate resulting from programming interruptions or threatened programming interruptions that may occur in the future. As a result, we may at times suffer from periods of lower net Pay-TV subscriber additions or higher net Pay-TV subscriber losses.

We have not always met our own standards for performing high-quality installations, effectively resolving subscriber issues when they arise, answering subscriber calls in an acceptable timeframe, effectively communicating with our subscriber base, reducing calls driven by the complexity of our business, improving the reliability of certain systems and subscriber equipment and aligning the interests of certain independent third-party retailers and installers to provide high-quality service. Most of these factors have affected both gross new DISH TV subscriber activations as well as DISH TV subscriber churn rate. Our future gross new DISH TV subscriber activations and our DISH TV subscriber churn rate may be negatively impacted by these factors, which could in turn adversely affect our revenue.

Service revenue. “Service revenue” totaled $2.701 billion for the three months ended March 31, 2024, a decrease of $42.0 million, $243 million or 10.5% 8.3% compared to the same period in 2023. The decrease in “Service revenue” compared to the same period in 2023 was primarily related to lower average Pay-TV subscriber base, partially offset by an increase in Pay-TV ARPU, discussed below.

Table of Contents

Pay-TV ARPU. Pay-TV ARPU was $107.38 during the three months ended March 31, 2024 versus $102.71 during the same period in 2023. The $4.67 or 4.5% increase in Pay-TV ARPU was primarily attributable to the DISH TV and SLING TV programming price increases and higher Pay-TV ad sales revenue. The DISH TV and SLING TV programming package price increases were effective in the fourth quarter of 2023.

Cost of services. “Cost of services” totaled $1.664 billion during the three months ended March 31, 2024, a decrease of $169 million or 9.2% compared to the same period in 2023. The decrease in “Cost of services” was primarily attributable to a lower average Pay-TV subscriber base and lower variable and retention costs per subscriber, partially offset by higher programming costs per subscriber. Programming costs per subscriber increased during the three months ended March 31, 2024 due to rate increases in certain of our programming contracts, including the renewal of certain contracts at higher rates, particularly for local broadcast channels. Variable and retention costs per subscriber during the three months ended March 31, 2023 were negatively impacted by approximately $30 million in cyber-security-related expenses to remediate the incident and provide additional customer support. "Cost of services" represented 61.6% and 62.3% of "Service revenue" during the three months ended March 31, 2024 and 2023, respectively.

In the normal course of business, we enter into contracts to purchase programming content in which our payment obligations are generally contingent on the number of Pay-TV subscribers to whom we provide the respective content. Our "Cost of services" have and will continue to face further upward pressure from price increases and the renewal of long-term programming contracts on less favorable pricing terms. In addition, our programming expenses will increase to the extent we are successful in growing our Pay-TV subscriber base.

Selling, general and administrative expenses. "Selling, general and administrative expenses" totaled $290 million during the three months ended March 31, 2024, a $50 million or 14.8% decrease compared to the same period in 2023. This change was primarily driven by a decrease in subscriber acquisition costs resulting from lower marketing expenditures and lower gross new DISH TV subscriber activations and a decrease in personnel costs.

Depreciation and amortization. "Depreciation and amortization" expense totaled $85 million during the three months ended March 31, 2024, a $17 million or 16.7% decrease compared to the same period in 2023. This change was primarily driven by a decrease in depreciation expense from equipment leased to new and existing DISH TV subscribers and the EchoStar XI satellite which became fully depreciated during the second quarter of 2023.

DISH TV SAC. DISH TV SAC was $1,054 during the three months ended March 31, 2024 compared to $1,055 during the same period in 2023, a decrease of $1 or 0.1%. This change was primarily attributable to a decrease in advertising costs per subscriber, partially offset by higher installation costs due to an increase in labor and other installation costs and higher commission costs due to our emphasis on acquiring higher quality subscribers.

During the three months ended March 31, 2024 and 2023, the amount of equipment capitalized under our lease program for new DISH TV subscribers totaled $7 million and $15 million, respectively. This decrease in capital expenditures primarily resulted from a decrease in gross new DISH TV subscriber activations.

To remain competitive, we upgrade or replace subscriber equipment periodically as technology changes, and the costs associated with these upgrades may be substantial. To the extent technological changes render a portion of our existing equipment obsolete, we would be unable to redeploy all returned equipment and consequently would realize less benefit from the DISH TV SAC reduction associated with redeployment of that returned lease equipment.

Table of Contents

Our "DISH TV SAC" may materially increase in the future to the extent that we, among other things, transition to newer technologies, introduce more aggressive promotions, or provide greater equipment subsidies. See further information under *"Liquidity and Capital Resources – Subscriber Acquisition and Retention Costs."*

Retail Wireless Segment

We offer nationwide prepaid and postpaid Retail Wireless services to subscribers primarily under our Boost Mobile and Gen Mobile brands, as well as a competitive portfolio of wireless devices. Prepaid wireless subscribers generally pay in advance for monthly access to wireless talk, text and data services. Postpaid wireless subscribers are qualified to pay after receiving wireless talk, text and data services, and may also qualify for device financing arrangements.

***Boost Mobile postpaid*.** During 2023, we launched our nationwide expansion of our Boost Mobile postpaid wireless service. At the end of the third quarter of 2023, we began offering the iPhone 15 on our 5G Network and expanded our Boost Mobile postpaid offering through a distribution partnership with Amazon. We currently offer a broad range of premium wireless devices on our 5G Network.

We are currently operating our Retail Wireless segment primarily as an MVNO as we continue our 5G Network Deployment and commercialize and grow customer traffic on our 5G Network. We are transitioning our Retail Wireless segment to an MNO as our 5G Network has become commercially available and we grow customer traffic on our 5G Network. We are currently activating Boost Mobile subscribers with compatible devices onto our 5G Network in markets where we have reached VoNR. We currently provide 5G VoNR reaching approximately 200 million Americans. Within our MVNO operations, today we depend on T-Mobile and AT&T to provide us with network services under MNSA and NSA, respectively. Under the NSA, we expect AT&T will become our primary network services provider.

As of March 31, 2024 we had 7.297 million Wireless subscribers. Currently, we offer Wireless subscribers competitive consumer plans with no annual service contracts and monthly service plans including high-speed data and unlimited talk and text, and device financing arrangements for certain qualified subscribers.

During the second half of 2022, we began the process of migrating subscribers off the Transition Services Agreement (“TSA”) with T-Mobile, including the billing systems, and onto our own billing and operational support systems. The migration of subscribers to our new billing and operational support systems accelerated during the fourth quarter of 2022 and continued in the first and second quarters of 2023. The migration of subscribers during the first and second quarters of 2023 negatively impacted our Wireless churn rate and our results of operations. During the second quarter of 2023, we completed the migration of subscribers off the TSA with T-Mobile and onto our own billing and operational support systems.

ACP Subscribers. **A portion of our subscriber base and revenue is comprised of subscribers who receive benefits under ACP. The ACP program was projected to end in April 2024 unless Congress appropriated additional funding and the FCC began taking steps to wind down the ACP program and stopped accepting new applications and enrollments on February 7, 2024. Households enrolled in the ACP continued to receive the benefit on their service through April 2024. In May 2024, households may receive a partial benefit and after May 2024 ACP will end and households will no longer receive their benefit, unless Congress appropriates additional funding.**

Table of Contents

As of March 31, 2024, we had approximately 600,000 ACP subscribers, representing 8% of our Wireless subscriber base. We currently have plans in place to retain and/or migrate these subscribers to lower priced service plans. Generally, ACP subscribers have lower Wireless ARPU than other Wireless subscribers and as a result, any loss of

ACP subscribers will have a nominal impact on pre-tax net income. We cannot predict with any certainty the impact of the loss of the ACP benefit to our Wireless subscriber base, net Wireless subscriber activations and results of operations.

If ACP funding is ultimately restored or replaced, there can be no assurance that the timing of the restoration or replacement will not lead to service interruptions and negatively impact, among other things, our net Wireless subscriber activations and results of operations. In addition, the restoration or replacement of ACP with one having different eligibility requirements and/or funding levels could negatively impact, among other things, our net Wireless subscriber activations and results of operations or impose additional costs on our business.

Competition

Retail wireless is a mature market with moderate year over year organic growth. Competitors include, among others, providers who offer similar communication services, such as talk, text and data. Competitive factors within the wireless communications services industry include, but are not limited to, pricing, market saturation, service and product offerings, customer experience and service quality. We compete with a number of national wireless carriers, including Verizon, AT&T and T-Mobile, all of which are significantly larger than us, serve a significant percentage of all wireless subscribers and enjoy scale advantages compared to us. Verizon, AT&T, and T-Mobile are currently the only nationwide MNOs in the United States.

Additional primary competitors to our Retail Wireless segment include, but are not limited to, Metro PCS (owned by T-Mobile), Cricket Wireless (owned by AT&T), Visible (owned by Verizon), Tracfone Wireless (owned by Verizon), and other MVNOs such as Consumer Cellular, Mint Mobile (T-Mobile has reached an agreement to acquire), Spectrum Mobile and Xfinity Mobile.

Table of Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

RESULTS OF OPERATIONS – Retail Wireless Segment

Three Months Ended March 31, 2024 Compared to the Three Months Ended March 31, 2023.

Statements of Operations Data	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023	Variance Amount	Variance 9
	(In thousands)			
Revenue:				
Service revenue	$ 804,265	$ 867,111	$(62,846)	(7
Equipment sales and other revenue	101,585	107,755	(6,170)	(5
Total revenue	905,850	974,866	(69,016)	(7
Costs and expenses:				
Cost of services	460,814	497,972	(37,158)	(7
% of Service revenue	57.3 %	57.4 %		
Cost of sales - equipment and other	289,542	263,833	25,709	9
Selling, general and administrative expenses	173,012	178,423	(5,411)	(3
% of Total revenue	19.1 %	18.3 %		
Depreciation and amortization	56,899	52,845	4,054	7
Total costs and expenses	980,267	993,073	(12,806)	(1
Operating income (loss)	$ (74,417)	$ (18,207)	$(56,210)	
Other data:				
Wireless subscribers, as of period end (in millions)	7.297	7.913	(0.616)	(7
Wireless subscriber additions, gross (in millions)	0.580	0.785	(0.205)	(26
Wireless subscriber additions (losses), net (in millions) **	(0.081)	(0.081)	—	
Wireless ARPU	$ 36.69	$ 36.43	$ 0.26	(
Wireless churn rate	3.05 %	4.24 %	(1.19)%	(28
OIBDA	$ (17,518)	$ 34,638	$(52,156)	

* Percentage is not meaningful.

** Includes ACP/Gen Mobile subscribers.

Wireless subscribers. We lost approximately 81,000 net Wireless subscribers during each of the three months ended March 31, 2024 and 2023. The three months ended March 31, 2024 was positively impacted by a lower Wireless churn rate, partially offset by lower gross new Wireless subscriber activations and lower net ACP/Gen Mobile subscriber additions compared to the same period in 2023.

Wireless subscribers, gross. During the three months ended March 31, 2024, we activated approximately 580,000 gross new Wireless subscribers compared to approximately 785,000 gross new Wireless subscribers during the same period in 2023, a decrease of 26.1%. This decrease in our gross new Wireless subscriber activations was primarily related to increased competitive pressures, including aggressive competitor marketing, discounted service plans and deeper wireless device subsidies. In addition, our gross new Wireless subscribers for the three months ended March 31, 2024 was negatively impacted by our emphasis on acquiring and retaining higher quality subscribers.

Table of Contents

Wireless churn rate. Our Wireless churn rate for the three months ended March 31, 2024 was 3.05% compared to 4.24% for the same period in 2023. Our Wireless churn rate for the three months ended March 31, 2024 was positively impacted by our emphasis on acquiring and retaining higher quality subscribers, partially offset by competitive

pressures, including deeper wireless device subsidies. In addition, our Wireless churn rate for the three months ended March 31, 2023 was negatively impacted by migrating subscribers off the TSA with T-Mobile and onto our new billing and operational support systems.

Service revenue. **"Service revenue" totaled $804 million for the three months ended March 31, 2024, a decrease of $63 million or 7.2% compared to the same period in 2023. The decrease in "Service revenue" compared to the same period in 2023 was primarily related to a lower average Wireless subscriber base, partially offset by an increase in Wireless ARPU, discussed below.**

Wireless ARPU. **Wireless ARPU was $36.69 during the three months ended March 31, 2024 versus $36.43 during the same period in 2023. The $0.26 or 0.7% increase in Wireless ARPU was primarily attributable to, among other things, a shift in subscriber plan mix to higher priced service plans.**

Equipment sales and other revenue. **"Equipment sales and other revenue" totaled $102 million for the three months ended March 31, 2024, a decrease of $6 million or 5.7% compared to the same period in 2023. The decrease in "Equipment sales and other revenue" compared to the same period in 2023 was primarily related to a decrease in units shipped and higher promotional subsidies, partially offset by higher revenue per unit shipped due to unit mix. During the three months ended March 31, 2024, we shipped a higher percentage of devices that are compatible with our 5G Network and other devices that have a higher revenue per unit.**

Cost of services. **"Cost of services" totaled $461 million for the three months ended March 31, 2024, a decrease of $37 million or 7.5% compared to the same period in 2023. The decrease in "Cost of services" compared to the same period in 2023 was primarily attributable to a lower average Wireless subscriber base and lower network services costs per subscriber, partially offset by higher monthly dealer incentive costs. In the third quarter of 2023, we realigned our commission**

structure with current business objectives to acquire higher quality, long-term subscribers, which resulted in higher monthly dealer incentive costs. The three months ended March 31, 2023 was negatively impacted by the migration of subscribers off the TSA with T-Mobile and onto our new billing and operational support systems. We incurred duplicative costs related to our TSA with T-Mobile and our own billing and operational support systems as we migrated subscribers off the TSA with T-Mobile.

Cost of sales – equipment and other. "Cost of sales – equipment and other" totaled $290 million for the three months ended March 31, 2024, an increase of $26 million or 9.7% compared to the same period in 2023. The increase in "Cost of sales – equipment and other" compared to the same period in 2023 was primarily related to higher costs per unit shipped due to unit mix, partially offset by a decrease in units shipped and higher vendor rebates. During the three months ended March 31, 2024, we shipped a higher percentage of devices that are compatible with our 5G Network and other devices that have a higher cost per unit.

Selling, general and administrative expenses. "Selling, general and administrative expenses" totaled $173 million during the three months ended March 31, 2024, a $5 million or 3.0% decrease compared to the same period in 2023. This change was primarily driven by a decrease in costs to support the Retail Wireless segment and lower sales commissions, partially offset by higher marketing expenditures mainly related to the third quarter of 2023 nationwide expansion of our Boost Mobile postpaid wireless service and offering of the iPhone 15 on our 5G Network. The three months ended March 31, 2023 was negatively impacted by costs of migrating subscribers off the TSA with T-Mobile and onto our new billing and operational support systems.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

5G Network Deployment Segment

We have invested a total of over $30 billion in Wireless spectrum licenses. The $30 billion of investments related to Wireless spectrum licenses does not include $9 billion of capitalized interest related to the carrying value of such licenses. See Note 2 and Note 10 in the Notes to our Condensed Consolidated Financial Statements for further information.

We will need to raise additional capital in the future, which may not be available on favorable terms, to fund the efforts described below, as well as, among other things, make any potential Northstar Re-Auction Payment and SNR Re-Auction Payment for the AWS-3 licenses retained by the FCC. There can be no assurance that we will be able to profitably deploy our Wireless spectrum licenses, which may affect the carrying amount of these assets and our future financial condition or results of operations. See Note 10 in the Notes to our Condensed Consolidated Financial Statements for further information.

Our Wireless spectrum licenses are subject to certain interim and final build-out requirements, as well as certain renewal requirements. We plan to commercialize our Wireless spectrum licenses through our 5G Network Deployment. We have committed to deploy our 5G Network capable of serving increasingly larger portions of the U.S. population at different deadlines. On September 29, 2023, the FCC confirmed we have met all of our June 14, 2023 band-specific 5G deployment commitments, and two of our three nationwide 5G commitments. The single remaining 5G commitment, that at least 70% of the U.S. population has access to average download speeds equal to 35 Mbps, was achieved in March 2024 using the drive test methodology previously

agreed upon by us and the FCC and overseen by an independent monitor. We now have the largest commercial deployment of 5G VoNR in the world reaching approximately 200 million Americans and 5G broadband service reaching approximately 250 million Americans.

We may need to make significant additional investments or partner with others to, among other things, continue our 5G Network Deployment and further commercialize, build-out and integrate these licenses and related assets and any additional acquired licenses and related assets, as well as to comply with regulations applicable to such licenses. Depending on the nature and scope of such activities, any such investments or partnerships could vary significantly. In addition, as we continue our 5G Network Deployment, we have and may continue to incur significant additional expenses related to, among other things, research and development, wireless testing and ongoing upgrades to the wireless network infrastructure, software and third-party integration. As a result of these investments, among other factors, we plan to raise additional capital, which may not be available on favorable terms. We may also determine that additional wireless spectrum licenses may be required for our 5G Network Deployment and to compete effectively with other wireless service providers. See Note 10 in the Notes to our Condensed Consolidated Financial Statements for further information.

Table of Contents

RESULTS OF OPERATIONS – 5G Network Deployment Segment

Three Months Ended March 31, 2024 Compared to the Three Months Ended March 31, 2023.

Statements of Operations Data	For the Three Months Ended March 31, 2024	2023	Variance Amount	%
	(In thousands)			
Revenue:				
Service revenue	$ 4	$ —	$ 4	*
Equipment sales and other revenue	29,500	18,907	10,593	56.0
Total revenue	29,504	18,907	10,597	56.0
Costs and expenses:				
Cost of services	312,229	—	312,229	*
Cost of sales - equipment and other	—	184,997	(184,997)	*
Selling, general and administrative expenses	50,839	69,886	(19,047)	(27.3)
Depreciation and amortization	237,187	97,627	139,560	*
Total costs and expenses	600,255	352,510	247,745	70.3
Operating income (loss)	$ (570,751)	$ (333,603)	$(237,148)	(71.1)
Other data:				
Purchases of property and equipment, net of refunds	391,089	671,647	(280,558)	(41.8)
OIBDA	$ (333,564)	$ (235,976)	$ (97,588)	(41.4)

* Percentage is not meaningful.

Cost of services and Cost of sales – equipment and other. "Cost of services" and "Cost of sales – equipment and other" totaled $312 million during the three months ended March 31, 2024, an increase of $127 million compared to the same period in 2023. Beginning on January 1, 2024, as we have commenced utilizing our 5G Network for commercial traffic, "Cost of services" includes certain direct costs related to our 5G Network Deployment, including lease expense on communication towers, transport, cloud services and other costs which were previously reported in "Cost of sales – equipment and other." The increase primarily resulted from an increase in lease expense on communication towers, transport, cloud services and other costs related to our 5G Network. See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information.

Selling, general and administrative expenses. **"Selling, general and administrative expenses" totaled $51 million during the three months ended March 31, 2024, a $19 million or 27.3% decrease compared to the same period in 2023. This change was primarily driven by a decrease in costs to support the 5G Network Deployment segment.**

Depreciation and amortization. **"Depreciation and amortization" expense totaled $237 million during the three months ended March 31, 2024, a $140 million increase compared to the same period in 2023. This change was primarily driven by an increase in depreciation and amortization expense related to 5G Network Deployment assets being placed in service. We expect our depreciation and amortization expense to increase as we continue to place 5G Network Deployment assets into service.**

Table of Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

Broadband and Satellite Services Segment

We are an industry leader in both networking technologies and services, innovating to deliver the global solutions that power a connected future for people, enterprises and things everywhere. We provide broadband services to consumer customers, which include home and small to medium-sized businesses, and satellite, multi-transport technologies and managed network services to enterprise customers, telecommunications providers, aeronautical service providers and government entities, including civilian and defense.

Our EchoStar XXIV satellite began service in December 2023, bringing additional broadband capacity across North and South America and is expected to be an integral part of our satellite service business. We will leverage EchoStar XXIV to deliver satellite services to unserved and underserved consumer markets in the Americas as well as enterprise and government markets.

We also design, provide and install gateway and terminal equipment to customers for other satellite systems. In addition, we design, develop, construct and provide telecommunication networks comprising satellite ground segment systems and terminals to mobile system operators and our enterprise customers. We also offer a robust suite of integrated, multi-transport solutions to enable airline and airline service providers to deliver reliable in-flight network connectivity serving both commercial and business aviation.

Backlog

As of March 31, 2024, our Broadband and Satellite services segment had approximately $1.512 billion of contracted revenue backlog. We define the Broadband and Satellite services segment contracted revenue backlog as our expected future revenue under enterprise customer contracts that are non-cancelable, including lease revenue.

Competition

Our industry is highly competitive. As a global provider of network technologies, products and services, our Broadband and Satellite Services Segment competes with a large number of telecommunications service providers, which puts pressure on prices and margins. To compete effectively, we emphasize our network quality, customization capability, offering of networks as a turnkey managed service, position as a single point of contact for products and services and competitive prices.

In our consumer broadband satellite technologies and internet services markets, we compete against traditional telecommunications and wireless carriers, other satellite internet providers, as well as fiber optic, cable, and wireless internet service providers. Customers consider cost, speed and accessibility to be key determining factors in the selection of a service provider. In addition, government subsidies, such as the Federal Communications Commission's ("FCC") Rural Development Opportunity Fund, can have the effect of subsidizing the growth of our wired, wireless and satellite competitors. Our primary satellite competitors in the North American consumer market are ViaSat Communications, Inc., which is owned by ViaSat, Inc. ("ViaSat"), and Space Exploration Technologies Corp. ("SpaceX"). Both ViaSat and SpaceX have also entered the South and Central American consumer markets. We seek to differentiate ourselves based on the ubiquitous availability of our service, quality, proprietary technology and distribution channels.

Table of Contents

In our enterprise markets, we compete against multiple categories of providers. In the managed services area, we compete against providers of satellite-based and terrestrial-based networks, including fiber optic, cable, wireless internet service, multiprotocol label switching (MPLS) and internet protocol-based virtual private networks (VPN), which vary by region. In the in-flight connectivity market, we compete against direct and indirect providers of passenger WiFi services, such as ViaSat and SpaceX. To compete effectively, we emphasize our network quality, customization capability, ability to offer networks as a turnkey managed service, position as a single point of contact for products and services and competitive prices. Our principal competitors for the supply of satellite technology platforms are Gilat Satellite

Networks Ltd, ViaSat and ST Engineering iDirect, Inc. To differentiate ourselves from our competitors, we emphasize particular technological features of our products and services, our ability to customize networks and perform desired development work and the quality of our customer service. We also face competition from resellers and numerous local companies who purchase equipment and sell services to local customers, including domestic and international telecommunications operators, cable companies and other major carriers.

In the emerging non-terrestrial network market, we expect to compete with several companies targeting this area, with technology approaches that may be similar to us or in some cases different. We will compete on, among other things, the basis of our strong spectrum position, expertise in satellite and 5G technologies and our global industry relationships.

Table of Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

RESULTS OF OPERATIONS – Broadband and Satellite Services Segment

Three Months Ended March 31, 2024 Compared to the Three Months Ended March 31, 2023.

Statements of Operations Data	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023	Variance Amount	Variance %
	(In thousands)			
Revenue:				
Service revenue	$ 317,120	$ 374,522	$(57,402)	(15.3)

Equipment sales and other revenue	65,466	65,074	392	0.6
Total revenue	382,586	439,596	(57,010)	(13.0)
Costs and expenses:				
Cost of services	130,180	134,760	(4,580)	(3.4)
% of Service revenue	41.1 %	36.0 %		
Cost of sales - equipment and other	56,634	52,235	4,399	8.4
Selling, general and administrative expenses	116,485	118,636	(2,151)	(1.8)
% of Total revenue	30.4 %	27.0 %		
Depreciation and amortization	118,841	103,118	15,723	15.2
Impairment of long-lived assets and goodwill	—	3,142	(3,142)	*
Total costs and expenses	422,140	411,891	10,249	2.5
Operating income (loss)	$ (39,554)	$ 27,705	$(67,259)	*
Other data:				
Broadband subscribers, as of period end (in millions)	0.978	1.177	(0.199)	(16.9)
Broadband subscriber additions (losses), net (in millions)	(0.026)	(0.051)	0.025	49.0
Purchases of property and equipment, net of refunds (1)	70,611	44,071	26,540	60.2
OIBDA	$ 79,287	$ 130,823	(51,536)	(39.4)

* Percentage is not meaningful.

(1) Purchases of property and equipment, net of refunds includes satellite purchases during the three months ended March 31, 2024 and 2023 of $2 million and net refunds of $3 million, respectively.

Broadband subscribers. We lost approximately 26,000 net Broadband subscribers for the three months ended March 31, 2024 compared to the loss of approximately 51,000 net Broadband subscribers during the same period in 2023. The net Broadband subscriber loss improvement was primarily due to the new EchoStar XXIV satellite service launch and increased subscriber demand for our new satellite service plans. Churn of legacy subscribers has started to improve as prior churn and migrations have resulted in increased capacity availability and

service satisfaction. We continue to operate in a highly competitive environment, with continued pressure from satellite-based competitors and other technologies.

Service revenue. **"Service revenue" totaled $317 million for the three months ended March 31, 2024, a decrease of $57 million, or 15.3%, as compared to 2022. 2023. The decrease was primarily attributable to our Hughes segment related to lower sales of broadband services to our North American consumer customers and enterprise customers. The three months ended March 31, 2023 was positively impacted by revenue from Hughes Systique which was deconsolidated from our Condensed Consolidated Financial Statements as of $40.4 million. December 31, 2023.**

Table of Contents

Equipment revenue sales and other revenue. . "Equipment revenue sales and other revenue" totaled $53.7 million $65 million for the three months ended September 30, 2023 March 31, 2024, a decrease an increase of $42.3 million, less than $1 million, or 44.0% 0.6%, as compared to 2022. 2023. The decrease change was primarily attributable to decreases a decrease in hardware sales to our North American enterprise customers, of $27.0 million and a decrease offset by an increase in hardware sales to our international enterprise customers of $16.0 million.

aeronautical service providers.

Cost of sales - services and other services. . "Cost of sales - services and other services" totaled $133.3 million $130 million for the three months ended

September 30, 2023 March 31, 2024, a decrease of $11.9 million, $5 million, or 8.2% 3.4%, as compared to 2022. 2023. The decrease was primarily attributable to the corresponding decrease decreases in services and other revenue.

revenue, partially offset by higher costs incurred in providing services in North America.

Cost of sales - – equipment and other. . "Cost of sales - – equipment and other" totaled $43.2 million $57 million for the three months ended September 30, 2023 March 31, 2024, a decrease an increase of $31.1 million, $4 million, or 41.9% 8.4%, as compared to 2022. 2023. The decrease increase was primarily attributable to the corresponding decrease increase in equipment revenue.

revenue and higher costs incurred in providing equipment in North America.

Selling, general and administrative expenses. Selling, "Selling, general and administrative expenses expenses" totaled $105.0 million $116 million for the three months ended September 30, 2023 March 31, 2024, a decrease of $6.4 million, $2 million, or 5.8% 1.8%, as compared to 2022. 2023. The decrease was primarily attributable to decreases in research and development and sales and marketing expenses of $5.4 million and bad debt expense of $1.1 million.

expenses.

Depreciation and amortization amortization.. Depreciation "Depreciation and amortization expenses amortization" expense totaled $103.0 million $119 million for the three months ended September 30, 2023 March 31, 2024, a decrease an increase of $7.2 million, $16 million, or 6.5% 15.2%, as compared to 2022. 2023. The decrease was primarily attributable to a decrease in non-satellite depreciation expense of $9.6 million, partially offset by an increase in satellite depreciation expense of $2.0 million.

Interest income, net. Interest income, net totaled $26.2 million for the three months ended September 30, 2023, an increase of $12.0 million, as compared to 2022, primarily attributable to increases in the yield on our marketable investment securities and an increase in our marketable investment securities average balance.

Interest expense, net of amounts capitalized. Interest expense, net of amounts capitalized totaled $12.7 million for the three months ended September 30, 2023, a decrease of $1.2 million, or 8.6%, as compared to 2022. The decrease was primarily attributable to an increase of $1.0 million in capitalized interest relating to the satellite depreciation driven by our EchoStar XXIV satellite, program. which was placed into service in December 2023.

Gains (losses) on investments, net. Gains (losses) on investments, net totaled $10.7 million in losses for the three months ended September 30, 2023 as compared to $10.1 million in losses for the three months ended September 30, 2022, an increase in losses Table of $0.7 million. The change was primarily due to a loss of $28.3 million related Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

OTHER CONSOLIDATED RESULTS

Three Months Ended March 31, 2024 Compared to the exit of our investment in Dish Mexico for the three months ended September 30, 2022 compared to a loss of $24.4 million due to a decline in value of an equity investment previously held on a cost-basis method Three Months Ended March 31, 2023.

	For the Three Months Ended March 31,		Variance	
Statements of Operations Data	**2024**	**2023**	**Amount**	**%**
		(In thousands)		
Operating income (loss)	**$ (15,244)**	**$ 353,338**	**$(368,582)**	*****
Other income (expense):				

Interest income	30,462	68,186	(37,724)	(55.3)
Interest expense, net of amounts capitalized	(99,408)	(20,033)	(79,375)	*
Other, net	(26,110)	(34,761)	8,651	24.9
Total other income (expense)	(95,056)	13,392	(108,448)	*
Income (loss) before income taxes	(110,300)	366,730	(477,030)	*
Income tax (provision) benefit, net	1,925	(93,885)	95,810	*
Effective tax rate	1.7 %	25.6 %		
Net income (loss)	(108,375)	272,845	(381,220)	*
Less: Net income (loss) attributable to noncontrolling interests, net of tax	(999)	19,311	(20,310)	*
Net income (loss) attributable to EchoStar	$ (107,376)	$ 253,534	$(360,910)	*

* Percentage is not meaningful.

Interest income. "Interest income" totaled $30 million during the three months ended September 30, 2023March 31, 2024, partially offset by a decrease of $38 million compared to the same period in net gains2023. This decrease primarily resulted from lower average cash and marketable investment securities balances and lower percentage returns earned on our cash and marketable equityinvestment securities of $4.6 million.

Foreign currency transaction gains (losses), net. Foreign currency transaction gains (losses), nettotaled $2.1 million in losses forduring the three months ended September 30, 2023, as compared to $2.8 million in losses for the three months ended September 30, 2022March 31, 2024. The positive change of $0.7 million was primarily due to the net impact of foreign exchange rate fluctuations of certain foreign currencies in Latin America.

Other, net. Other, net totaled $11.8 million expense for the three months ended September 30, 2023, as compared to $0.3 million expense for the three months ended September 30, 2022. The increase was primarily attributable to transaction costs related to the proposed merger with DISH Network Corporation.

Table of Contents

Income tax benefit (provision), net. Income tax benefit (provision), net was $8.5 million provision for the three months ended September 30, 2023, as compared to $13.2 million provision for the three months ended September 30, 2022. Our effective income tax rate was 94.1% and 40.3% for the three months ended September 30, 2023 and 2022, respectively. The variations in our effective tax rate from the U.S federal statutory rate for the three months ended September 30, 2023 were primarily due to excluded investment impairment losses and the impact of research and development credits. The variations in our effective tax rate from the U.S. federal statutory rate for the three months ended September 30, 2022 were primarily due to excluded foreign losses where the Company carries a full valuation allowance and the impact of state and local taxes.

Net income (loss) attributable to EchoStar Corporation common stock. The following table reconciles the change in Net income (loss) attributable to EchoStar Corporation common stock:

	Amounts
Net income (loss) attributable to EchoStar Corporation for the three months ended September 30, 2022	$ 22,403
Increase (decrease) in interest income, net	12,026
Decrease (increase) in income tax benefit (provision), net	4,648
Decrease (increase) in interest expense, net of amounts capitalized	1,195
Increase (decrease) in foreign currency transaction gains (losses), net	716
Increase (decrease) in net income (loss) attributable to non-controlling interest	(141)
Decrease (increase) in equity in earnings (losses) of unconsolidated affiliates, net	(552)
Decrease (increase) in gains (losses) on investments, net	(666)
Increase (decrease) in other, net	(11,431)
Increase (decrease) in operating income (loss), including depreciation and amortization	(24,954)
Net income (loss) attributable to EchoStar Corporation for the three months ended September 30, 2023	$ 3,244

EBITDA. EBITDA is a non-GAAP financial measure and is described under Explanation of Key Metrics and Other

Items section. The following table reconciles EBITDA to Net income (loss), the most directly comparable GAAP measure in our Consolidated Financial Statements:

	For the three months ended September 30,		Variance	
	2023	2022	Amount	%
Net income (loss)	$ 532	$ 19,550	$(19,018)	(97.3)
Interest income, net	(26,209)	(14,183)	(12,026)	84.8
Interest expense, net of amounts capitalized	12,650	13,845	(1,195)	(8.6)
Income tax provision (benefit), net	8,547	13,195	(4,648)	(35.2)
Depreciation and amortization	103,028	110,233	(7,205)	(6.5)
Net loss (income) attributable to non-controlling interests	2,712	2,853	(141)	(4.9)
EBITDA	$101,260	$145,493	$(44,233)	(30.4)

Table of Contents

The following table reconciles the change in EBITDA:

	Amounts
EBITDA for the three months ended September 30, 2022	$ 145,493
Increase (decrease) in foreign currency transaction gains (losses), net	716
Decrease (increase) in net loss (income) attributable to non-controlling interests	(141)
Decrease (increase) in equity in earnings (losses) of unconsolidated affiliates, net	(552)
Increase (decrease) in gains (losses) on investments, net	(666)
Increase (decrease) in other, net	(11,431)
Increase (decrease) in operating income (loss), excluding depreciation and amortization	(32,159)
EBITDA for the three months ended September 30, 2023	$ 101,260

Segment Operating Results and Capital Expenditures

The following tables present our total revenue, capital expenditures and EBITDA by segment for the three months ended September 30, 2023, as compared to the three months ended September 30, 2022:

	Hughes	ESS	Corporate and Other	Consolidated Total
For the three months ended September 30, 2023				
Total revenue	$404,209	$6,446	$ 2,419	$ 413,074
Capital expenditures	51,214	130	27,820	79,164
EBITDA	142,204	4,868	(45,812)	101,260
For the three months ended September 30, 2022				
Total revenue	$489,565	$4,981	$ 2,841	$ 497,387
Capital expenditures	50,783	—	10,674	61,457
EBITDA	175,010	3,446	(32,963)	145,493

Capital expenditures are net of refunds and other receipts related to property and equipment.

Hughes Segment

	For the three months ended September 30,		Variance	
	2023	2022	Amount	%
Total revenue	$404,209	$489,565	$(85,356)	(17.4)
Capital expenditures	51,214	50,783	431	0.8
EBITDA	142,204	175,010	(32,806)	(18.7)

Total revenue was $404.2 million for the three months ended September 30, 2023, a decrease of $85.4 million, or 17.4%, as compared to 2022. Services and other revenue decreased primarily due to lower sales of broadband services to our consumer customers of $40.4 million. Equipment revenue decreased primarily due to a decrease in hardware sales to our enterprise customers of $43.0 million.

Capital expenditures were $51.2 million for the three months ended September 30, 2023, an increase of $0.4 million, or 0.8%, as compared to 2022.

Table of Contents

The following table reconciles the change in the Hughes Segment EBITDA:

	Amounts
EBITDA for the three months ended September 30, 2022	$ 175,010
Increase (decrease) in foreign currency transaction gains (losses), net	596
Increase (decrease) in other, net	243
Decrease (increase) in net loss (income) attributable to non-controlling interests	(142)
Decrease (increase) in equity in earnings (losses) of unconsolidated affiliates, net	(915)
Increase (decrease) in operating income (loss), excluding depreciation and amortization	(32,588)
EBITDA for the three months ended September 30, 2023	$ 142,204

ESS Segment

	For the three months ended September 30,		Variance	
	2023	2022	Amount	%

Total revenue	$ 6,446	$ 4,981	$ 1,465	29.4
Capital expenditures	130	—	130	*
EBITDA	4,868	3,446	1,422	41.3

* Percentage is not meaningful.

Total revenue was $6.4 million for the three months ended September 30, 2023, an increase of $1.5 million, or 29.4%, compared to 2022, primarily due to an increase in transponder services provided to third parties.

EBITDA was $4.9 million for the three months ended September 30, 2023, an increase of $1.4 million, or 41.3%, primarily due to the increase in overall ESS segment revenue.

Corporate and Other

	For the three months ended September 30,		Variance	
	2023	2022	Amounts	%
Total revenue	$ 2,419	$ 2,841	$ (422)	(14.9)
Capital expenditures	27,820	10,674	17,146	*
EBITDA	(45,812)	(32,963)	(12,849)	39.0

* Percentage is not meaningful.

Total revenue was $2.4 million for the three months ended September 30, 2023, which is primarily flat compared to 2022.

Capital expenditures, net of refunds were $27.8 million for the three months ended September 30, 2023, an increase of $17.1 million, as compared to 2022, primarily due to an increase in expenditures for EchoStar XXIV satellite program.

Table of Contents

The following table reconciles the change in the Corporate and Other EBITDA:

	Amounts
EBITDA for the three months ended September 30, 2022	$ (32,963)
Decrease (increase) in equity in earnings (losses) of unconsolidated affiliates, net	361
Increase (decrease) in foreign currency transaction gains (losses), net	121
Increase (decrease) in gains (losses) on investments, net	(666)
Increase (decrease) in operating income (loss), excluding depreciation and amortization	(990)
Increase (decrease) in other, net	(11,675)
EBITDA for the three months ended September 30, 2023	$ (45,812)

Table of Contents

Nine Months Ended September 30, 2023 Compared to the Nine Months Ended September 30, 2022

The following table presents our consolidated results of operations for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022:

Statements of Operations Data (1)	For the nine months ended September 30, 2023	2022	Variance Amount	%
Revenue:				
Services and other revenue	$1,108,386	$1,234,890	$(126,504)	(10.2)
Equipment revenue	197,394	263,347	(65,953)	(25.0)
Total revenue	1,305,780	1,498,237	(192,457)	(12.8)
Costs and expenses:				
Cost of sales - services and other	401,431	430,553	(29,122)	(6.8)
% of total services and other revenue	**36.2 %**	**34.9 %**		
Cost of sales - equipment	151,004	213,497	(62,493)	(29.3)
% of total equipment revenue	**76.5 %**	**81.1 %**		
Selling, general and administrative expenses	322,469	342,682	(20,213)	(5.9)
% of total revenue	**24.7 %**	**22.9 %**		
Research and development expenses	21,560	25,562	(4,002)	(15.7)
% of total revenue	**1.7 %**	**1.7 %**		

Depreciation and amortization	311,474	347,224	(35,750)	(10.3)
Impairment of long-lived assets	3,142	711	2,431	*
Total costs and expenses	1,211,080	1,360,229	(149,149)	(11.0)
Operating income (loss)	94,700	138,008	(43,308)	(31.4)
Other income (expense):				
Interest income, net	78,331	29,677	48,654	*
Interest expense, net of amounts capitalized	(39,176)	(43,125)	3,949	(9.2)
Gains (losses) on investments, net	(23,337)	48,071	(71,408)	*
Equity in earnings (losses) of unconsolidated affiliates, net	(3,075)	(4,441)	1,366	(30.8)
Other-than-temporary impairment losses on equity method investments	(33,400)	—	(33,400)	*
Foreign currency transaction gains (losses), net	4,482	(53)	4,535	*
Other, net	(2,308)	2,198	(4,506)	*
Total other income (expense), net	(18,483)	32,327	(50,810)	*
Income (loss) before income taxes	76,217	170,335	(94,118)	(55.3)
Income tax benefit (provision), net	(38,780)	(51,367)	12,587	(24.5)
Net income (loss)	37,437	118,968	(81,531)	(68.5)
Less: Net loss (income) attributable to non-controlling interests	6,005	8,736	(2,731)	(31.3)
Net income (loss) attributable to EchoStar Corporation common stock	$ 43,442	$ 127,704	$ (84,262)	(66.0)
Other data:				
EBITDA (2)	$ 354,541	$ 539,743	$ (185,202)	(34.3)
Subscribers, end of period	1,063,000	1,285,000	(222,000)	(17.3)

* Percentage is not meaningful.

(1) An explanation of our key metrics is included in Explanation of Key Metrics and Other Items.

(2) A reconciliation of EBITDA to Net income (loss), the most directly comparable GAAP measure in our Consolidated Financial Statements, is included in Results of Operations. For further information on our use of EBITDA, see Explanation of Key Metrics and Other Items.

Table of Contents

The following discussion relates to our results of operations for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022:

Services and other revenue. Services and other revenue totaled $1.1 billion for the nine months ended September 30, 2023, a decrease of $126.5 million, or 10.2%, as compared to 2022. The decrease was primarily attributable to our Hughes segment related to lower sales of broadband services to our consumer customers of $123.7 million.

Equipment revenue. Equipment revenue totaled $197.4 million for the nine months ended September 30, 2023, a decrease of $66.0 million, or 25.0%, as compared to 2022. The decrease was primarily attributable to a decrease of $37.6 million in hardware sales to our international enterprise customers and a net decrease of $33.8 million related to our North American enterprise customers due to lower hardware sales and positive adjustments on certain long-term contracts, partially offset by an increase of $7.1 million in sales to our mobile satellite system customers.

Cost of sales - services and other. Cost of sales - services and other totaled $401.4 million for the nine months ended September 30, 2023, a decrease of $29.1 million, or 6.8%, as compared to 2022. The decrease was primarily attributable to the corresponding decrease in services and other revenue.

Cost of sales - equipment. Cost of sales - equipment totaled $151.0 million for the nine months ended September 30, 2023, a decrease of $62.5 million, or 29.3%, as compared to 2022. The decrease was primarily attributable to the corresponding decrease in equipment revenue.

Selling, general and administrative expenses. Selling, general and administrative expenses totaled $322.5 million for the nine months ended September 30, 2023, a decrease of $20.2 million, or 5.9%, as compared to 2022. The decrease was primarily attributable to decreases in sales and marketing expenses of $22.4 million.

Depreciation and amortization. Depreciation and amortization expenses totaled $311.5 million for the nine months ended September 30, 2023, a decrease of $35.8 million, or 10.3%, as compared to 2022. The decrease was primarily attributable to decreases in other non-satellite depreciation expense of $37.2 million.

Impairment of long-lived assets. Impairment of long-lived assets totaled $3.1 million for the nine months ended September 30, 2023. This impairment charge was related to our EG-3 nano-satellite and other related assets abandoned during the first quarter of 2023 due to lost contact with EG-3.

Interest income, net. Interest income, net totaled $78.3 million for the nine months ended September 30, 2023, an increase of $48.7 million as compared to 2022, primarily attributable to increases in the yield on our marketable investment securities and an increase in our marketable investment securities average balance.

Interest expense, net of amounts capitalized capitalized. . "Interest expense, net of amounts capitalized, capitalized" totaled $39.2 million for $99 million during the nine three months ended September 30, 2023 March 31, 2024, an increase of $79 million compared to the same period in 2023. During the three months ended March 31, 2024, as the qualifying assets, including certain bands of wireless spectrum licenses, have been placed into service with the deployment of our 5G Network, we no longer capitalize substantially all interest on those assets and as a result, capitalized interest was reduced by $79 million, and interest expense increased. See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information.

Other, net. **"Other, net" expense totaled $26 million during the three months ended March 31, 2024, a decrease of $3.9 million, or 9.2%, as $9 million compared to 2022. The the same period in 2023. This change primarily resulted from the $29 million decrease was primarily attributable in the fair value of our option to an purchase certain of T-Mobile's 800 MHz spectrum licenses during the three months ended March 31, 2023 compared to no change during the three months ended March 31, 2024, partially offset by a net increase of $3.1 million in capitalized interest relating to the EchoStar XXIV satellite program.**

Gains (losses) on investments, net. Gains (losses) on investments, net totaled $23.3 million in losses on marketable and non-marketable investment securities. See Note 5 in the Notes to our Condensed Consolidated Financial Statements for further information.

Income tax (provision) benefit, net. Our income tax benefit was $2 million during the nine three months ended September 30, 2023 March 31, 2024, as compared to $48.1 million a provision of $94 million during the same period in gains for the nine months ended September 30, 2022, a negative change of $71.4 million. The 2023. This change was primarily related to a gain of $49.8 million on a cost-method investment from an adjustment for observable price changes and a $29.5 million gain on marketable equity securities, offset by a net loss of $28.3 million related to the exit of our investment decrease in Dish Mexico during the nine months ended September 30, 2022, compared to a loss of $24.4 million from a decline in value of an investment previously held on a cost-basis method whose fair value subsequently became determinable as a result of a merger between that entity and a publicly traded entity, and a $1.1 million gain on marketable equity securities during the nine months ended September 30, 2023.

Foreign currency transaction gains (losses), net. Foreign currency transaction gains (losses), nettotaled $4.5 million in gains for the nine months ended September 30, 2023, as compared to $0.1 million in losses for the nine months ended September 30, 2022, a positive change of $4.5 million. The change was due to the net impact of foreign exchange rate fluctuations of certain foreign currencies in Latin and Central America.

Table of Contents

Other, net. Other, net totaled $2.3 million expense for the nine months ended September 30, 2023, as compared to $2.2 million "Income (loss) before income for the nine months ended September 30, 2022. The decrease was primarily attributable to transaction costs incurred related to the proposed merger with DISH Network Corporation, partially offset by a recognized gain on the repayment of an other debt investment in April 2023.

Other-than-temporary impairment losses on equity method investments. Other-than-temporary impairment losses on equity method investments was $33.4 million for the nine months ended September 30, 2023, related to the impairment of our investment in Broadband Connectivity Solutions (Restricted) Limited (BCS) as a result of increased competition taxes" and the economic environment for this business.

Income tax benefit (provision), net. Income tax benefit (provision), net was $38.8 million provision for the nine months ended September 30, 2023, as compared to $51.4 million provision for the nine months ended

September 30, 2022. Our effective income tax rate was 50.9% and 30.2% for the nine months ended September 30, 2023 and 2022, respectively. The variations change in our effective tax rate from the U.S. federal statutory rate for the nine months ended September 30, 2023 were primarily due to excluded investment impairment losses and excluded foreign losses where the Company carries a full valuation allowance. The variations in our rate. Our effective tax rate from during the U.S. federal statutory rate for the nine three months ended September 30, 2022 March 31, 2024 was impacted by federal, state and foreign valuation allowances.

Table of Contents

Non-GAAP Performance Measures and Reconciliation

It is management's intent to provide non-GAAP financial information to enhance the understanding of our GAAP financial information, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. We believe that providing these non-GAAP measures in addition to the GAAP measures allows management, investors and other users of our financial information to more fully and accurately assess both consolidated and segment performance. The non-GAAP financial information presented may be determined or calculated differently by other companies and may not be directly comparable to that of other companies.

Consolidated EBITDA

Consolidated EBITDA is not a measure determined in accordance with GAAP and should not be considered a substitute for operating income, net income or any other measure determined in accordance with GAAP. Consolidated EBITDA is used as a measurement of operating efficiency and overall financial performance and we believe it is a helpful measure for those evaluating operating performance in relation to our competitors. Conceptually, EBITDA measures the amount of income generated each period that could be used to service debt, pay taxes and fund capital expenditures. EBITDA should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

	For the Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Net income (loss) attributable to EchoStar	$ (107,376)	$ 253,534
Interest, net	68,946	(48,153)
Income tax provision (benefit), net	(1,925)	93,885
Depreciation and amortization	485,400	347,754
Consolidated EBITDA	$ 445,045	$ 647,020

The changes in Consolidated EBITDA during the three months ended March 31, 2024, compared to the same period in 2023, were primarily due to excluded foreign losses where a result of the Company carries a full valuation allowance, factors described in connection with operating revenues and operating expenses, as well as the impact from changes in the fair value of state and local taxes. our option to purchase certain of T-Mobile's 800 MHz spectrum licenses during the three months ended March 31, 2023.

Net income (loss) attributable to EchoStar Corporation common stock. The following table reconciles the change in Net income (loss) attributable to EchoStar Corporation common stock:

		Amounts
Net income (loss) attributable to EchoStar Corporation for the nine months ended September 30, 2022	$	127,704
Increase (decrease) in interest income, net		48,654
Decrease (increase) in income tax benefit (provision), net		12,587
Increase (decrease) in foreign currency transaction gains (losses), net		4,535
Decrease (increase) in interest expense, net of amounts capitalized		3,949
Decrease (increase) in equity in earnings (losses) of unconsolidated affiliates, net		1,366
Increase (decrease) in net income (loss) attributable to non-controlling interest		(2,731)
Increase (decrease) in other, net		(4,506)
Decrease (increase) in other-than-temporary impairment losses on equity method investments		(33,400)
Increase (decrease) in operating income (loss), including depreciation and amortization		(43,308)
Increase (decrease) in gains (losses) on investments, net		(71,408)
Net income (loss) attributable to EchoStar Corporation for the nine months ended September 30, 2023	$	43,442

Table of Contents

EBITDA. EBITDA

Segment OIBDA

Segment OIBDA, which is presented below, is a non-GAAP financial measure and is described under Explanation of Key Metrics and Other Items section. The following table reconciles EBITDA does not purport to Net be an alternative to operating income (loss), as a measure of operating performance. We believe this measure is useful to management, investors and other users of our financial information in evaluating operating profitability of our business segments on a more variable cost basis as it excludes the most directly comparable GAAP measure in our Consolidated Financial Statements:

	For the nine months ended September 30,		Variance	
	2023	2022	Amount	%
Net income (loss)	$ 37,437	$118,968	$ (81,531)	(68.5)
Interest income, net	(78,331)	(29,677)	(48,654)	*
Interest expense, net of amounts capitalized	39,176	43,125	(3,949)	(9.2)
Income tax provision (benefit), net	38,780	51,367	(12,587)	(24.5)
Depreciation and amortization	311,474	347,224	(35,750)	(10.3)
Net loss (income) attributable to non-controlling interests	6,005	8,736	(2,731)	(31.3)
EBITDA	$354,541	$539,743	$(185,202)	(34.3)

* Percentage is not meaningful.

The following table reconciles the change in EBITDA:

	Amounts
EBITDA for the nine months ended September 30, 2022	$ 539,743
Increase (decrease) in foreign currency transaction gains (losses), net	4,535
Decrease (increase) in equity in earnings (losses) of unconsolidated affiliates, net	1,366
Decrease (increase) in net loss (income) attributable depreciation and amortization expenses related primarily to non-controlling interests	(2,731)
Increase (decrease) in other, net	(4,506)
Decrease (increase) in other-than-temporary impairment losses on equity method investments	(33,400)
Increase (decrease) in gains (losses) on investments, net	(71,408)
Increase (decrease) in operating income (loss), excluding depreciation and amortization	(79,058)
EBITDA for the nine months ended September 30, 2023	$ 354,541

Segment Operating Results and Capital Expenditures

The following tables present our total revenue, capital expenditures and EBITDA acquisitions for those business segments, as well as in evaluating operating performance in relation to our competitors. Segment OIBDA is calculated by segment adding back depreciation and amortization expense to business segments operating income (loss). See Note 11 to the Notes to our Condensed Consolidated Financial Statements for further information.

For the Three Months Ended March 31, 2024	Pay-TV	Retail Wireless	5G Network Deployment	Broadband and Satellite Services	Eliminations	Consolidated
			(In thousands)			
Segment operating income (loss)	$670,108	$(74,417)	$ (570,751)	$ (39,554)	$ (630)	$ (15,244)
Depreciation and amortization	85,402	56,899	237,187	118,841	(12,929)	485,400
OIBDA	$755,510	$(17,518)	$ (333,564)	$ 79,287	$ (13,559)	$ 470,156
For the Three Months Ended March 31, 2023						
Segment operating income (loss)	$675,233	$(18,207)	$ (333,603)	$ 27,705	$ 2,210	$ 353,338
Depreciation and amortization	102,575	52,845	97,627	103,118	(8,411)	347,754
OIBDA	$777,808	$ 34,638	$ (235,976)	$ 130,823	$ (6,201)	$ 701,092

The changes in OIBDA during the nine three months ended September 30, 2023 March 31, 2024, as compared to the nine months ended September 30, 2022:

	Hughes	ESS	Corporate and Other	Consolidated Total
For the nine months ended September 30, 2023				
Total revenue	$1,279,739	$18,563	$ 7,478	$ 1,305,780
Capital expenditures	142,189	130	29,932	172,251
EBITDA	440,435	14,085	(99,979)	354,541
For the nine months ended September 30, 2022				
Total revenue	$1,475,512	$14,305	$ 8,420	$ 1,498,237
Capital expenditures	176,665	—	72,709	249,374
EBITDA	546,108	9,658	(16,023)	539,743

Capital expenditures are net same period in 2023, were primarily a result of refunds the factors described in connection with operating revenues and other receipts related to property and equipment.

[Table of Contents](#)

Hughes Segment

	For the nine months ended September 30,		Variance	
	2023	2022	Amount	%
Total revenue	$1,279,739	$1,475,512	$(195,773)	(13.3)
Capital expenditures	142,189	176,665	(34,476)	(19.5)
EBITDA	440,435	546,108	(105,673)	(19.4)

Total revenue was $1.3 billion for the nine months ended September 30, 2023, a decrease of $195.8 million, or 13.3%, as compared to 2022. Services and other revenue decreased primarily due to lower sales of broadband services to our consumer customers of $123.7 million. Equipment revenue decrease was primarily attributable to a decrease of $37.6 million in hardware sales to our international enterprise customers and a net decrease of $33.8 million related to our North American customers due to lower hardware sales and positive adjustments on certain long-term contracts, partially offset by an increase of $7.1 million in sales to our mobile satellite system customers.

Capital expenditures were $142.2 million for the nine months ended September 30, 2023, a decrease of $34.5 million, or 19.5%, as compared to 2022, primarily due to decreases in expenditures associated with our consumer business and decreases in expenditures related to the construction of our satellite-related ground infrastructure.

The following table reconciles the change in the Hughes Segment EBITDA:

	Amounts
EBITDA for the nine months ended September 30, 2022	$ 546,108
Increase (decrease) in foreign currency transaction gains (losses), net	3,220
Decrease (increase) in equity in earnings (losses) of unconsolidated affiliates, net	386
Increase (decrease) in gains (losses) on investments, net	(217)
Increase (decrease) in other, net	(547)
Decrease (increase) in net loss (income) attributable to non-controlling interests	(2,731)
Decrease (increase) in other-than-temporary impairment losses on equity method investments	(33,400)
Increase (decrease) in operating income (loss), excluding depreciation and amortization	(72,384)
EBITDA for the nine months ended September 30, 2023	$ 440,435

ESS Segment

	For the nine months ended September 30,		Variance	
	2023	2022	Amount	%
Total revenue	$ 18,563	$ 14,305	$ 4,258	29.8

Capital expenditures	130	—	130	*
EBITDA	14,085	9,658	4,427	45.8

* Percentage is not meaningful.

Total revenue was $18.6 million for the nine months ended September 30, 2023, an increase of $4.3 million, or 29.8%, compared to 2022, primarily due to an increase in transponder services provided to third parties.

EBITDA was $14.1 million for the nine months ended September 30, 2023, an increase of $4.4 million, or 45.8%, as compared to 2022, primarily due to the increase in overall ESS segment revenue and lower expenses.

Table of Contents

Corporate and Other

	For the nine months ended September 30,		Variance	
	2023	2022	Amount	%
Total revenue	$ 7,478	$ 8,420	$ (942)	(11.2)
Capital expenditures	29,932	72,709	(42,777)	(58.8)
EBITDA	(99,979)	(16,023)	(83,956)	*

* Percentage is not meaningful.

Total revenue was $7.5 million for the nine months ended September 30, 2023, which is primarily flat compared to 2022.

Capital expenditures, net of refunds and other receipts related to property and equipment were $29.9 million for the nine months ended September 30, 2023, a decrease of $42.8 million, as compared to 2022, primarily due to decreases in expenditures, as well as refunds and other receipts, related to the EchoStar XXIV satellite program.

The following table reconciles the change in the Corporate and Other EBITDA:

	Amounts
EBITDA for the nine months ended September 30, 2022	$ (16,023)
Increase (decrease) in foreign currency transaction gains (losses), net	1,315
Decrease (increase) in equity in earnings (losses) of unconsolidated affiliates, net	981
Increase (decrease) in other, net	(3,959)
Increase (decrease) in operating income (loss), excluding depreciation and amortization	(11,102)
Increase (decrease) in gains (losses) on investments, net	(71,191)
EBITDA for the nine months ended September 30, 2023	$ (99,979)

Table of Contents

LIQUIDITY AND CAPITAL RESOURCES

Cash, Cash Equivalents and Current Marketable Investment Securities

We consider all liquid investments purchased with an original a remaining maturity of 90 days or less at the date of acquisition to be cash equivalents.

See Note 5 in the Notes to our Condensed Consolidated Financial Statements for further information regarding our marketable investment securities. As of September 30, 2023 our March 31, 2024 cash, cash equivalents and current marketable investment securities totaled $2.0 billion, $0.9 billion $766 million compared to $2.444 billion as of which we held as December 31, 2023, a decrease of $1.678 billion. This decrease in cash, cash equivalents and current marketable investment securities consisting of various debt and equity instruments including corporate bonds, corporate equity securities, government bonds and mutual funds.

Cash Flow Activities

The following table summarizes our cash flows provided by (used for) operating, investing and financing activities, as reflected in the Consolidated Statement of Cash Flows:

	For the nine months ended September 30,		
	2023	2022	Variance
Operating activities	$301,023	$343,317	$ (42,294)
Investing activities	88,857	115,008	(26,151)

Financing activities	(1,518)	(84,666)	83,148
Effect of exchange rates on cash and cash equivalents	1,622	(3,123)	4,745
Net increase (decrease) in cash and cash equivalents	$389,984	$370,536	$ 19,448

Cash flows provided by (used for) operating activities decreased by $42.3 million primarily attributable to decreases in net income of $81.5 million, other, resulted from capital expenditures, net of $42.1 million refunds, of $678 million (including capitalized interest related to Regulatory authorizations), depreciation and amortization the redemption of $35.8 million our 2 3/8% Convertible Notes due 2024 of $951 million, accretion the purchase of discounts on debt investments SNR Management's ownership interest in SNR HoldCo of $21.5 million, deferred tax provision, net of $20.8 million, and gain on repayment of other debt securities of $7.6 million $442 million, partially offset by other-than-temporary impairment losses on equity method investments cash generated from operating activities of $33.4 million, changes in assets $451 million.

Table of Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

Cash Flow

The following discussion highlights our cash flow activities during the three months ended March 31, 2024.

Cash flows from operating activities

For the three months ended March 31, 2024, we reported "Net cash flows from operating activities" of $451 million primarily attributable to $398 million of "Net income (loss)" adjusted to exclude the non-cash items for "Depreciation and liabilities, net of $65.8 million, amortization" expense, "Realized and unrealized losses (gains) on investments, impairments and other," "Non-cash, stock-based compensation" expense, and “Deferred tax expense (benefit).” In addition, “Net cash flows from operating activities” was impacted by the timing difference between book expense and cash payments, including income taxes.

Cash flows from investing activities

For the three months ended March 31, 2024, we reported outflows from “Net cash flows from investing activities” of $238 million primarily related to from capital expenditures, net of $71.4 million.

Cash flows provided by (used for) investing activities decreased by $26.2 million primarily attributable refunds, of $678 million (including capitalized interest related to decreases in our marketable investment securities net activities of $241.6 million and externally marketed software expenditures of $5.4 million Regulatory authorizations), partially offset by proceeds $440 million in net sales of marketable investment securities.

Cash flows from repayment financing activities

For the three months ended March 31, 2024, we reported outflows from “Net cash flows from financing activities” of $1.420 billion primarily related the redemption of our 2 3/8% Convertible Notes due 2024 of $951 million, and the purchase of SNR Management’s ownership interest in SNR HoldCo of $442 million.

Free Cash Flow

We define free cash flow as “Net cash flows from operating activities” less: (i) “Purchases of property and equipment” net of “Refunds and other receipts of purchases of property and equipment,” and (ii) “Capitalized interest related to Regulatory authorizations,” as shown on our Consolidated Statements of Cash Flows. We believe free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repay debt obligations, make investments (including strategic wireless investments), fund acquisitions and for certain other activities. Free cash flow is not a measure determined in accordance with GAAP and should not be considered a substitute for “Operating income,” “Net income,” “Net cash flows from operating activities” or any other measure determined in accordance with GAAP. Since free cash flow includes investments in operating assets, we believe this non-GAAP liquidity measure is useful in addition to the most directly comparable GAAP measure “Net cash flows from operating activities.”

Table of $148.4 million Contents

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

Free cash flow can be significantly impacted from period to period by changes in “Net income (loss)” adjusted to exclude certain non-cash charges, operating assets and liabilities, “Purchases of property and equipment,” net of “Refunds and other receipts of purchases of property and equipment,” and “Capitalized interest related to Regulatory authorizations.” These items are shown in the “Net cash flows from operating activities” and “Net cash flows from investing activities” sections on our Condensed Consolidated Statements of Cash Flows included herein. Operating asset and liability balances can fluctuate significantly from period to period and there can be no assurance that free cash flow will not be negatively impacted by material changes in operating assets and liabilities in future periods, since these changes depend upon, among other things, management’s timing of payments and control of inventory levels, and cash receipts. In addition to fluctuations resulting from changes in operating assets and liabilities, free cash flow can vary significantly from period to period depending upon, among other things, subscriber additions (losses), a decrease service revenue, subscriber churn, subscriber acquisition and retention costs including amounts capitalized under our equipment lease programs for DISH TV subscribers, operating efficiencies, increases or decreases in expenditures for purchases of property and equipment, expenditures related to our 5G Network Deployment and other factors.

The following table reconciles free cash flow to "Net cash flows from operating activities."

	For the Three Months Ended March 31,	
	2024	2023
	(In thousands)	
Net cash flows from operating activities	$ 451,259	$ 789,947
Purchases of property and equipment, net of refunds (including capitalized interest related to Regulatory authorizations)	(677,696)	(950,676)
Free cash flow	$ (226,437)	$ (160,729)

Operational Liquidity

We make general investments in property such as, among others, satellites, wireless devices, set-top boxes, information technology and facilities that support our Pay-TV, Retail Wireless and Broadband and Satellite Services segments. We are also making significant additional investments and may partner with others to, among other things, continue our 5G Network Deployment and further commercialize, build-out and integrate our Wireless spectrum licenses and related assets. Moreover, since we are primarily a subscriber-based company, we also make subscriber-specific investments to acquire new subscribers and retain existing subscribers. While the general investments may be deferred without impacting the business in the short-term, the subscriber-specific investments are less discretionary. Our overall objective is to generate sufficient cash flow over the life of $77.1 million, each subscriber to provide an adequate return against the upfront investment. Once the upfront investment has been made for each subscriber, the subsequent cash flow is generally positive, but there can be no assurance that over time we will recoup or earn a return on the upfront investment.

There are a number of factors that impact our future cash flow compared to the cash flow we generate at a given point in time. The first factor is our churn rate and how successful we are at retaining our current subscribers. To the extent we lose subscribers from our existing base, the positive cash flow from that base is correspondingly reduced. The second factor is how successful we are at maintaining our service margins. To the extent our "Cost of services" grow faster than our "Service revenue," the amount of cash flow that is generated per existing subscriber is reduced. Our Pay-TV service margins have been reduced by, among other things, higher programming costs. Our Retail Wireless service margins are impacted by, among other things, our MNSA agreement with T-Mobile and our NSA agreement with AT&T and the absence speed with which we are able to convert Wireless subscribers onto our 5G Network. The third factor is the rate at which we acquire new subscribers. The faster we acquire new subscribers, the more our positive ongoing cash flow from existing subscribers is offset by the negative upfront cash flow associated with acquiring new subscribers. Conversely, the slower we acquire subscribers, the more our operating cash flow is enhanced in that period.

Table of Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

Finally, our future cash flow is impacted by, among other things, the rate at which we complete our 5G Network Deployment, incur litigation expense, and any cash flow from financing activities. We anticipate operating expenditures for our 5G Network Deployment to increase for the India JV formation remainder of 2024 as we continue to, among other things, deploy cell sites and communication towers to commercialize our 5G Network. Since we reached our 5G Network Deployment milestone of 70% of the U.S. population, we expect our capital expenditures will decline in

2022 the near term. However, as we prepare for our next build-out requirements in 2025, we expect our capital expenditures to increase as we approach this deadline. As a result, our historical cash flow is not necessarily indicative of $7.9 million. our future cash flows. As of March 31, 2024, as a result of, among other things, capital expenditures for our 5G Network Deployment, we experienced negative free cash flow. We expect that this trend will continue in 2024 and in future periods. In addition, declines in our Pay-TV and Wireless subscriber base and any decrease in subscriber-related margins negatively impact our cash flow, and there can be no assurance that our subscriber declines will not continue.

Subscriber Base – Pay TV, Retail Wireless and Broadband and Satellite Services Segments

See "Results of Operations" above for further information.

Subscriber Acquisition and Retention Costs

We incur significant upfront costs to acquire Pay-TV, Wireless and Broadband subscribers, including, but not limited to, advertising, independent third-party retailer incentives, payments made to third parties, equipment and wireless device subsidies, installation services and/or new customer promotions. While we attempt to recoup these upfront costs over the lives of their subscription, there can be no assurance that we will be successful in achieving that objective. With respect to our DISH TV services and Boost Mobile postpaid, we employ business rules such as minimum credit requirements for prospective customers and contractual commitments. We strive to provide outstanding customer service to increase the likelihood of customers keeping their Pay-TV services and Boost Mobile postpaid over longer periods of time. Subscriber acquisition costs for SLING TV subscribers are significantly lower than those for DISH TV subscribers. Our subscriber acquisition costs may vary significantly from period to period.

We incur significant costs to retain our existing DISH TV subscribers, generally as a result of upgrading their equipment to next generation receivers, primarily including our Hopper® receivers, and by providing retention credits. As with our subscriber acquisition costs, our retention upgrade spending includes the cost of equipment and installation services. In certain circumstances, we also offer programming at no additional charge and/or promotional pricing for limited periods to existing customers in exchange for a contractual commitment to receive service for a minimum term. A component of our retention efforts includes the installation of equipment for customers who move. Retention costs for Wireless subscribers are primarily related to promotional pricing on upgraded wireless devices for qualified existing subscribers. Our DISH TV and Wireless subscriber retention costs may vary significantly from period to period.

Seasonality

Historically, the first half of the year generally produces fewer gross new DISH TV subscriber activations than the second half of the year, as is typical in the pay-TV industry. In addition, the first and fourth quarters generally produce a lower DISH TV churn rate than the second and third quarters. However, in recent years, as the pay-TV industry has matured, we and our competitors increasingly must seek to attract a greater proportion of new subscribers from each other's existing subscriber bases rather than from first-time purchasers of pay-TV services. As a result, historical trends in seasonality described above may not be indicative of future trends.

Cash flows provided by (used for) financing activities increased by $83.1 million primarily attributable to decreases in treasury share repurchases of $89.3 million.

Table of Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

Our net SLING TV subscriber additions are impacted by, among other things, certain major sporting events and other major television events. The first and third quarters generally produce higher gross new Wireless subscriber activations. The historical trends discussed above, for net DISH TV subscriber additions, net SLING TV subscriber additions and gross new Wireless subscriber activations, may not be indicative of future trends. There can be no assurance that these trends will not continue and/or accelerate.

Satellites

Pay-TV Segment. Operation of our DISH TV services requires that we have adequate satellite transmission capacity for the programming that we offer. Moreover, competitive conditions may require that we expand our offering of new programming. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited. In the event of a failure or loss of any of our owned or leased satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other satellites and use it as a replacement for the failed or lost satellite. Such a failure could result in a prolonged loss of critical programming or a significant delay in our plans to expand programming as necessary to remain competitive and cause us to expend a significant portion of our cash to acquire or lease additional satellite capacity.

Broadband and Satellite Services Segment. Operation of our Broadband and Satellite Services also requires adequate satellite transmission capacity for the services that we offer. Prior to the launch of EchoStar XXIV, we were nearing or had reached capacity in most areas of the U.S., which constrained growth within our consumer subscriber base. These constraints have been addressed by the EchoStar XXIV satellite. In the event of a failure or loss of any of our owned or leased satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other satellites and use it as a replacement for the failed or lost satellite. Such a failure could result in a prolonged loss of services.

Covenants and Restrictions Related to our Long-Term Debt

We are subject to the covenants and restrictions set forth in the indentures related to our long-term debt.

DISH Network and DISH DBS Corporation

The indentures related to our outstanding senior notes issued by DISH DBS Corporation ("DISH DBS") contain restrictive covenants that, among other things, impose limitations on the ability of DISH DBS and its restricted subsidiaries to: (i) incur additional indebtedness; (ii) enter into sale and leaseback transactions; (iii) pay dividends or make distributions on DISH DBS' capital stock or repurchase DISH DBS' capital stock; (iv) make certain investments; (v) create liens; (vi) enter into certain transactions with affiliates; (vii) merge or consolidate with another company; and (viii) transfer or sell assets. The indentures related to our outstanding DISH Network and DISH DBS senior secured notes contain restrictive covenants that, among other things, impose limitations on our ability and certain of our subsidiaries to: (i) incur additional indebtedness; (ii) enter into sale and leaseback transactions; (iii) pay dividends or make distributions on our capital stock or repurchase our capital stock; (iv) make certain investments of spectrum collateral; (v) create liens; (vi) enter into certain transactions with affiliates; (vii) merge or consolidate with another company; and (viii) transfer or sell assets. Should we fail to comply with these covenants, all or a portion of the debt under the senior notes, senior secured notes and our other long-term debt could become immediately payable. The senior notes and senior secured notes also provide that the debt may be required to be prepaid if certain change-in-control events occur. In addition, the Convertible Notes provide that, if a "fundamental change" (as defined in the related indenture) occurs, holders may require us to repurchase for cash all or part of their Convertible Notes. As of the date of filing of this Quarterly Report on Form 10-Q, we, DISH Network and DISH DBS were in compliance with the covenants and restrictions related to our respective long-term debt.

Table of Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

Hughes Satellite Systems Corporation

The indentures related to our outstanding senior notes issued by Hughes Satellite Systems Corporation ("HSSC") contain restrictive covenants that, among other things, impose limitations on the ability of HSSC and its restricted subsidiaries to: (i) incur additional indebtedness; (ii) pay dividends or make distributions on HSSC's capital stock or repurchase HSSC's capital stock; (iii) allow to exist certain restrictions on such subsidiaries' ability to pay dividends, make distributions, make other payments, or transfer assets; (iv) make certain investments; (v) create liens; (vi) enter into certain transactions with affiliates; (vii) merge or consolidate with another company; and (viii) transfer or sell assets. As of the date of filing of this Quarterly Report on Form 10-Q, we and HSSC were in compliance with the covenants and restrictions related to our respective long-term debt.

Other

We are also vulnerable to fraud, particularly in the acquisition of new subscribers. While we are addressing the impact of subscriber fraud through a number of actions, there can be no assurance that we will not continue to experience fraud, which could impact our subscriber growth and churn. Economic weakness may create greater incentive for signal theft, piracy and subscriber fraud, which could lead to higher subscriber churn and reduced revenue.

Obligations and Future Capital Requirements

Off-Balance Sheet Arrangements

We generally do not engage in off-balance sheet financing activities or use material derivative financial instruments for hedge accounting or speculative purposes.

Contractual Obligations

Letters of Credit and Surety Bonds

The following table presents the components of our letters of credit and surety bonds as of September 30, 2023**:**

		Amounts
Letters of credit secured by restricted cash	$	7,797
Surety bonds		16,246
Credit arrangement available to our foreign subsidiaries		26,846
Total letters of credit and surety bonds	$	50,889

Certain letters of credit are secured by assets of our foreign subsidiaries.

Satellites

As our satellite fleet ages, and as our business plans evolve, we will evaluate whether and to what extent to utilize replacement alternatives such as acquiring, leasing or constructing additional satellites, with or without customer commitments for capacity. We may also construct, acquire or lease additional satellites or satellite capacity

See Note 10 in the future Notes to provide satellite services at additional orbital locations, to improve the quality of our satellite services or to provide new satellites services.

Satellite Insurance

We generally do not carry in-orbit insurance on our satellites or payloads because we have assessed that the cost of insurance is not economical relative to the risk of failures. Therefore, we generally bear the risk of any in-orbit failures.

Pursuant to the terms of our joint venture agreement with Yahsat, we are required to maintain insurance Condensed Consolidated Financial Statements for the Al Yah 3 Brazilian payload during the commercial in-orbit service of such payload, subject to certain limitations on coverage. The insurance policies were procured by Yahsat, under which the Company and Yahsat are the beneficiaries of any claims in proportion to their shareholdings. An insurance claim was submitted in the second quarter of 2023 for compensation with respect to the reduction in estimated useful life of the Al Yah 3 satellite.

further information.

We will continue to assess circumstances going forward and make insurance-related decisions on a case-by-case basis.

Future Capital Requirements

We primarily rely onexpect to fund our future working capital, capital expenditures, other investments, and debt service requirements from cash generated from operations, existing cash, restricted cash, cash equivalents and marketable investment securities balances, and cash generated through raising additional capital. We may need to make significant additional investments to, among other things, continue our 5G Network Deployment and further commercialize, build-out and integrate our Wireless spectrum licenses and related assets. The amount of capital required to fund our future working capital, capital expenditure and other investment needs varies, depending on, among other things, the rate at which we complete our 5G Network Deployment, the potential purchase of additional wireless spectrum licenses and the rate at which we acquire new subscribers, and the cost of subscriber acquisition and retention. Certain of our capital expenditures for 2024 are expected to be driven by the rate of our 5G Network Deployment as well as costs associated with subscriber premises equipment. These expenditures are necessary for our 5G Network Deployment as well as to operate and maintain our DISH TV services. Consequently, we consider them to be non-discretionary.

We do not currently have the necessary cash, flow generated through our operations, cash equivalents and marketable investment securities and/or projected future cash flows to fund fourth quarter operations or the November 2024 debt maturity. To address our business. Revenue capital needs, we are in our ESS segment depends largely active discussions with funding sources to raise additional capital.

Our capital expenditures vary depending on, our ability to make continuous use among other things, the number of our available satellites leased or under construction at any point in time and could increase materially as a result of increased competition, significant satellite capacity on behalf of existing customers failures, or economic weakness and our ability to enter into commercial relationships with new customers. Consumer revenue in our Hughes segment depends on our success in adding new uncertainty. Our DISH TV subscriber base has been declining and retaining existing subscribers and driving higher ARPU. Revenue in our enterprise and equipment businesses relies heavily on global economic conditions and the competitive landscape for pricing relative to competitors and alternative technologies. There there can be no assurance that we our DISH TV subscriber base will not continue to decline and that the pace of such decline will not accelerate. In the event that our DISH TV subscriber base continues to decline, it will have positive a material adverse long-term effect on our cash flow.

Table of Contents

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – Continued

We have and expect to continue to incur expenditures in 2024 related to our 5G Network Deployment, including, but not limited to, capital expenditures associated with our 5G Network Deployment and the potential purchase of additional wireless spectrum licenses. The amount of capital required will also depend on, among other things, our available liquidity, the growth of our Retail Wireless segment and the levels of investment necessary to support potential strategic initiatives that may arise from time to time. These factors, including, but not limited to, a reduction in our available future cash flows from operations as a result of our 5G Network Deployment, will require us to raise additional capital in the future. Furthermore, if we experience negative future, which may not be available on favorable terms.

Volatility in the financial markets has made it more difficult at times for issuers of high-yield indebtedness, such as us, to access capital markets at favorable terms. These developments may have a significant effect on our cost of financing and our liquidity position.

Wireless – 5G Network Deployment

See Note 10 in the Notes to our Condensed Consolidated Financial Statements for further information.

Availability of Credit and Effect on Liquidity

The ability to raise capital has generally existed for us despite economic weakness and uncertainty. While modest fluctuations in the cost of capital will not likely impact our current operational plans, significant fluctuations could have a material adverse effect on our business, results of operations and financial condition.

Debt Issuances and Maturity

We repurchased or redeemed the principal balance of our 2 3/8% Convertible Notes due 2024 as of March 15, 2024, the instrument's maturity date.

Our 5 7/8% Senior Notes due 2024 with remaining balance of approximately $1.983 billion matures on November15, 2024. We do not currently have the necessary cash, flows, our existing cash equivalents and marketable investment securities balances may be reduced.

Table of Contents

We have a significant amount of outstanding indebtedness. As of September 30, 2023, our total indebtedness was $1.5 billion. Our liquidity requirements will continue to be significant, primarily due to our remaining debt service requirements. We may from time to time seek to repurchase amounts of our outstanding debt in open market purchases, privately negotiated transactions and/or otherwise, depending on market conditions, our liquidity needs and other factors. The amounts we may repurchase may be material. In the projected future we may require material capital expenditures to make significant acquisitions or investments in infrastructure, technologies or joint ventures to support and expand our business, or if we decide to purchase or build additional satellites or invest in other technologies or assets. Other aspects of our business operations may also require additional capital. We also expect to owe U.S. federal income tax for 2023.

We anticipate that our existing cash and marketable investment securities are sufficient flows to fund the currently anticipated operations of November 2024 debt maturity. To address our business through capital needs, we are in active discussions with funding sources to raise additional capital.

New Accounting Pronouncements

See Note 2 in the next twelve months.

Stock Repurchases

On November 2, 2021, Notes to our Board of Directors authorized us to repurchase up to $500.0 million of our Class A common stock commencing January 1, 2022 through and including December 31, 2022. In addition, on October 20, 2022, our Board of Directors authorized us to repurchase up to $500.0 million of our Class A common stock commencing January 1, 2023 through and including December 31, 2023. Purchases under our repurchase authorizations may be made through privately negotiated transactions, open market repurchases, one or more trading plans in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, or otherwise, subject to market conditions and other factors. We may elect not to purchase the maximum amount or any of the shares allowable under these authorizations and we may also enter into additional share repurchase programs authorized by our Board of Directors. During the nine months ended September 30, 2023, we repurchased zero shares of our Class A common stock under this program. Notwithstanding this authorization, Section 4.1(a)(vii) of the Amended Merger Agreement contains an interim operating covenant that prohibits us from repurchasing our stock during the period between October 2, 2023, and the Effective Time of the Merger. As a result, we do not plan to undertake any stock repurchases until after the occurrence of either (a) the Merger Effective Time, or (b) the termination of the Amended Merger Agreement.

CRITICAL ACCOUNTING POLICIES

Our critical accounting policies are described in Note 2. Summary of Significant Accounting Policies to our Condensed Consolidated Financial Statements in our Form 10-K. There have been no significant changes in our critical accounting policies from those presented in our Form 10-K. for further information.

CRITICAL ACCOUNTING ESTIMATES

Our critical accounting estimates are described in our Form 10-K under the heading Part II - Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. There have been no significant changes in our critical accounting estimates from those presented in our Form 10-K.

NEW ACCOUNTING PRONOUNCEMENTS

For a discussion of new accounting pronouncements, refer to *Note 2. Summary of Significant Accounting Policies* in our Consolidated Financial Statements.

SEASONALITY

For our Hughes segment, service revenue is generally not impacted by seasonal fluctuations other than those related to sales and promotional activities.

Our ESS segment is not generally affected by seasonal impacts.

We cannot predict with any certainty whether these trends will continue in the near future.

Table of Contents

INFLATION AND SUPPLY CHAIN

Inflation has impacted our operations as we have continued to experience increased costs in certain functional areas including field services and customer care. We are unable to predict the extent or nature of any future inflationary pressure at this time. Our ability to increase the prices charged for our products and services in future periods depends primarily on competitive pressures, contractual terms, and inflationary pressures.

Worldwide interruptions and delays in the supply of components, materials and parts, although not materially impacting our operations during the nine months ended September 30, 2023, may impact our ability to timely provide equipment deliveries in the future. Any such future interruptions and delays could increase the cost of our equipment, and we may not be able to pass these higher costs on to our customers.

Table of Contents

ITEM

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Refer to

There have been no material changes in our Form 10-K, under market risk during the heading Part II - three months ended March 31, 2024. For additional information, see Item 7A. Quantitative and Qualitative Disclosures About Market Risk for a more complete discussion in Part II of our risks. As of September 30, 2023, our market risks have not changed materially from those presented in our Annual Report on Form 10-K.

ITEM 10-K for the year ended December 31, 2023.

Item 4. CONTROLS AND PROCEDURES

Disclosure Controls

Conclusion regarding disclosure controls and Procedures

procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Principal Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended) 1934) as of the end of the period covered by this Form 10-Q. report. Based upon that evaluation, our Chief Executive Officer and Chief Principal Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Form 10-Q such that the information required to be disclosed in our Securities and Exchange Commission reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

report.

Changes in Internal Control Over Financial Reporting

internal control over financial reporting

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred 1934) during the three months ended September 30, 2023 our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We continue to review our internal control over financial reporting and may from time to time make changes aimed at enhancing its effectiveness and to ensure that our systems evolve with our business.

Table of Contents

PART II — OTHER INFORMATION

ITEM

Item 1. LEGAL PROCEEDINGS

For a discussion of

See Note 10 “*Commitments and Contingencies – Contingencies –Litigation*” in the Notes to our Condensed Consolidated Financial Statements for information regarding certain legal proceedings refer to Part I, Item 1. Financial Statements - *Note 13. Contingencies - Litigation* in this Form 10-Q.

ITEM which we are involved.

Item 1A. RISK FACTORS

The following information updates, and should be read in conjunction with, the information in Part I,

Item 1A, Risk "Risk Factors," of our Annual Report on Form 10-K for the year ended December 31, 2022.

Risks Relating to the DISH Merger

While the Merger is pending, we will be subject to business uncertainties as well as contractual restrictions under the Amended Merger Agreement that may have an adverse effect on our business.

The Merger will occur only if stated conditions are met, many of which are outside December 31, 2023 includes a detailed discussion of our control. In addition, we and DISH Network each have the right to terminate the Merger Agreement under specified circumstances. Accordingly, there may be uncertainty regarding the completion of the Merger. Further, there may be uncertainty about the effect of the Merger on employees, commercial partners and customers. Such uncertainty could cause customers and others to defer or decline entering into or extending contracts with, or making other decisions concerning, EchoStar and/or DISH Network, or to seek to change existing business relationships with either of them. Such uncertainty also may impair our and/or DISH Network's ability to retain and motivate key personnel. These uncertainties may have an adverse effect on the companies' respective businesses and, consequently, on EchoStar following the completion of the Merger. risk factors.

In addition, the Amended Merger Agreement contains customary covenants which restrict each of EchoStar and DISH Network without the consent of the other party from taking certain specified actions until the Merger closes or the Amended Merger Agreement terminates. These restrictions may prevent us and DISH Network from pursuing otherwise attractive business opportunities that may arise prior to the completion of the Merger or termination of the Amended Merger Agreement.

We will incur significant expenses in connection with the Merger, which may adversely affect our business, financial condition and results of operation.

We expect to incur significant, nonrecurring costs in connection with the completion of the Merger and the integration of the operations of the two companies, and may incur additional costs to maintain employee morale and to retain key employees. These nonrecurring costs include significant fees and expenses relating to legal, accounting and financial advisory fees, regulatory filings and other costs associated with the Merger. These expenses, certain of which are payable whether or not the Merger is completed, may not be offset by any benefits ultimately realized as a result of the Merger and could adversely affect our business, financial condition and results of operations.

The Amended Merger Agreement restricts our ability to pursue alternatives to the Merger.

The Amended Merger Agreement contains provisions that make it more difficult for us to enter into alternative transactions with third parties. The Amended Merger Agreement prohibits us from soliciting alternative acquisition proposals from third parties, providing information to third parties in connection with an alternative acquisition proposal and engaging in discussions with third parties regarding alternative acquisition proposals. These provisions could discourage a potential third-party acquirer that might have an interest in us from considering or pursuing an alternative transaction with us, or proposing such a transaction, even if it were prepared to pay consideration with a higher per share value than the total value proposed to be paid in the Merger. Further, because the required EchoStar stockholder vote was obtained by virtue of the delivery of written consents of the Ergen family stockholders, no other action by our stockholders is required to complete the Merger, and therefore we cannot solicit, initiate, facilitate or otherwise take any further action relating to any alternative acquisition proposal.

Table of Contents

Failure to attract, motivate and retain executives and other key employees could diminish the anticipated benefits of the Merger.

The success of the Merger will depend in part on the retention of personnel critical to the business and operations of EchoStar and DISH Network due to, for example, their technical skills or management expertise. Competition for qualified personnel can be intense and qualified personnel can be in high demand. Current and prospective employees of EchoStar and DISH Network may experience uncertainty about their future role until strategies with regard to these employees are announced or executed, which may impair each company's ability to attract, retain and motivate key management, technical and other personnel prior to and following the Merger. Employee retention may be particularly challenging during the pendency of the Merger. If we and DISH Network are unable to retain personnel, including key management, who are critical to the successful integration and future operations of the companies, we could face, among other risks, disruptions in operations, loss of existing customers, loss of key information, expertise or know-how, and unanticipated additional recruitment and training costs. In addition, the loss of key personnel could diminish the anticipated benefits of the Merger.

Certain of our directors, executive officers and employees have interests in the Merger that may be different from, or in addition to, the interests of our stockholders.

Certain of our directors, executive officers and employees have interests in the Merger that may be different from, or in addition to, the interests of our stockholders. These interests include, among others, Mr. Ergen's continuation as director and Chairman of EchoStar after the Merger, Hamid Akhavan, the Chief Executive Officer and President of EchoStar, serving as President and Chief Executive Officer of the combined company following the Merger, the continued employment of other of our other executive officers after the Merger, the continued positions of certain of our directors as directors of EchoStar after the Merger, and directors', executive officers' and employees' equity holdings in EchoStar. Our special transaction committee and our Board were aware of and considered these interests, among other matters, in deciding to recommend and approve the terms of the Amended Merger Agreement and the Merger.

We may be subject to lawsuits relating to the Merger, which may impact the timing of the closing and the parties' ability to close the Merger and may adversely impact our business.

We and our directors, officers and advisors may be subject to lawsuits relating to the Merger. Litigation is very common in connection with the sale of public companies, and lawsuits are often brought in an effort to enjoin the relevant merger or seek monetary relief. In particular, the interests of our directors, executive officers and employees in the Merger may increase the risk of litigation intended to enjoin or prevent the Merger and the risk of other dissident stockholder activity related thereto. In the past, and in particular following the announcement of a significant transaction, periods of volatility in the overall market or declines in the market price of a company's securities, stockholder litigation and dissident stockholder proposals have often been instituted against companies alleging conflicts of interest in business dealings with affiliated or related persons and entities. The affiliation between EchoStar and DISH Network and the interests of their respective directors, executive officers and employees in the Merger may precipitate such activities by dissident stockholders and, if instituted, such activities could result in substantial costs, a material delay or prevention of the Merger and a diversion of management's attention, even if the stockholder action is without merit or ultimately unsuccessful.

We cannot predict whether such lawsuits will be brought, or the outcome of such lawsuits or others, nor can we predict the amount of time and expense that will be required to resolve such litigation. An unfavorable resolution of any such litigation surrounding the Merger could delay or prevent the completion of the Merger, which may adversely affect our business, financial condition and results of operations. Further, the defense or settlement of any lawsuit or claim that remains unresolved at the time the Merger is completed may adversely affect our business, financial condition, results of operations and cash flows following the Merger.

Table of Contents

The market value of our Class A Common Stock may vary significantly prior to the Merger, and we therefore cannot be sure of the value of the consideration that we will pay in the Merger.

At the effective time of the Merger, (i) each share of DISH Network Class A Common Stock and DISH Network Class C Common Stock outstanding immediately prior to the Effective Time will be converted into the right to receive a number of validly issued, fully paid and non-assessable shares of EchoStar Class A Common Stock equal to the Exchange Ratio (with all shares of DISH Network Class C Common Stock outstanding, if any, treated for purposes of this calculation as if converted into DISH Network Class A Common Stock at the effective conversion rate set forth in the DISH Network Articles of Incorporation) and (ii) each share of DISH Network Class B Common Stock outstanding immediately prior to the Effective Time will be converted into the right to receive a number of validly issued, fully paid and non-assessable shares of EchoStar Class B Common Stock equal to the Exchange Ratio.

EchoStar Class B Common Stock and DISH Network Class B Common Stock are not listed or traded on a national securities exchange, and there are no shares of DISH Network Class C Common Stock outstanding. The market value of EchoStar Class A Common Stock and DISH Network Class A Common Stock at the effective time of the Merger may vary significantly from the market value of such stock on October 2, 2023 (the last full trading day before the public announcement of the signing of the Amended Merger Agreement). Because the Exchange Ratio will not be adjusted to reflect any changes in the market price of EchoStar Class A Common Stock or DISH Network Class A Common Stock, the market price of EchoStar Class A Common Stock issued to DISH Network Class A stockholders in the Merger and the market value of DISH Network Class A Common Stock converted in the Merger may each be higher or lower than the values of those shares on earlier dates. Accordingly, at any time prior to the completion of the Merger, we will not know or be able to determine the value of the EchoStar Class A Common Stock that will be paid to DISH Network Class A Stockholders as consideration in the Merger.

Changes in the market price of EchoStar Class A Common Stock and DISH Network Class A Common Stock may result from a variety of factors that are beyond the companies' control, including, but not limited to, changes in their respective businesses, operations and prospects, governmental actions, legal proceedings and developments and other matters generally affecting the securities market. Market assessments of the benefits of the Merger, the likelihood that the Merger will be completed and general and industry-specific market and economic conditions may also have an effect on the market price of EchoStar Class A Common Stock and DISH Network Class A Common Stock. Neither party is permitted to terminate the Amended Merger Agreement solely because of changes in the market prices of EchoStar Class A Common Stock or DISH Network Class A Common Stock.

The Merger is subject to a number of conditions, including receipt of certain regulatory approvals. Failure to complete the Merger could adversely affect the market price of our Class A Common Stock, as well as our business, financial condition and results of operations.

The respective obligations of EchoStar and DISH Network to consummate the transactions contemplated by the Amended Merger Agreement are subject to the satisfaction or waiver of a number of conditions, including, among others, the receipt of certain regulatory approvals. As a condition to granting the necessary approvals or clearances, governmental authorities may impose requirements, limitations or costs or place restrictions on the conduct of the business of the combined company after the completion of the Merger. Any one of these requirements, limitations, costs, or restrictions could jeopardize or delay the completion, or reduce the anticipated benefits, of the Merger. In addition, there is no guarantee that the conditions to closing will be satisfied (or, if applicable, validly waived) in a timely manner or at all, in which case the closing of the Merger may be delayed or may not occur and the benefits expected to result from the Merger may not be achieved. If the Merger is not completed for any reason, our business may be adversely affected, and we will be subject to several risks and consequences, including, but not limited to, the following:

- we will be required to pay certain costs relating to the Merger regardless of whether the Merger is completed, such as significant fees and expenses relating to financial advisory, legal, accounting, consulting and other advisory fees and expenses and regulatory filings; and

- matters relating to the Merger may require substantial commitments of time and resources by our management and the expenditure of significant funds in the form of fees and expenses, which could otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to us.

In addition, if the Merger is not completed, we may experience negative reactions from the financial markets and from our employees, commercial partners and customers.

Table of Contents

We also could be subject to litigation, including litigation related to failure to complete the Merger, or to enforce DISH Network's obligations under the Amended Merger Agreement.

If the Merger is not completed, we cannot assure you that the risks described above will not materially affect our stock price, business, financial condition and results of operations.

DISH Network currently has significant indebtedness as compared to EchoStar. Following the Merger, EchoStar stockholders will hold equity interests in a company with substantially higher leverage than EchoStar had prior to the Merger.

As of September 30, 2023, EchoStar had consolidated long-term debt outstanding of $1.5 billion in principal amount and total assets of approximately $6.2 billion, and DISH Network had consolidated long-term debt outstanding of approximately $21.2 billion in principal amount and total assets of approximately $53.7 billion. After giving effect to the Merger, EchoStar and its subsidiaries will have consolidated long-term debt of approximately $22.7 billion in principal amount on a combined basis and total consolidated assets of approximately $59.9 billion. Therefore, after the completion of the Merger, EchoStar stockholders will hold equity interests in a company with substantially higher leverage than EchoStar had prior to the Merger. DISH Network's indebtedness could have significant consequences, including, but not limited to:

- making it more difficult for EchoStar to satisfy its obligations;
- a dilutive effect on EchoStar's outstanding equity capital or future earnings;
- increasing EchoStar's vulnerability to general adverse economic conditions, including, but not limited to, changes in interest rates;
- requiring EchoStar to devote a substantial portion of its cash toward making interest and principal payments on its indebtedness, thereby reducing the amount of cash available for other purposes, resulting in limited financial and operating flexibility to changing economic and competitive conditions;

- limiting EchoStar's ability to raise additional capital because it may be more difficult for it to obtain debt financing on attractive terms or at all; and

- placing EchoStar at a disadvantage compared to its competitors that are less leveraged.

We may operate DISH Network's business different from how it has been operated in the past.

After the completion of the Merger, DISH Network will be a wholly owned subsidiary of EchoStar and will no longer be a publicly traded company. We may operate DISH Network's business in a manner different from how DISH Network has operated in the past, and may pursue different strategic objectives than DISH Network has pursued to date as a separate public company. As a result, DISH Network's prior results may not be indicative of DISH Network's future performance as a subsidiary of EchoStar, and such results should not be relied upon as an indicator of DISH Network's performance after the completion of the Merger.

Table of Contents

Risks Related to Our Business Following the Merger

The businesses of EchoStar and DISH Network may not be integrated successfully or such integration may be more difficult, time consuming or costly than expected. Operating costs, customer loss and business disruption, including, but not limited to, difficulties in maintaining relationships with employees, customers, suppliers or vendors, may be greater than expected following the Merger. Synergies from the Merger may not be realized within expected timeframes or at all.

The Merger involves the combination of two companies that, although under common control and subject to existing commercial relationships, currently operate as separate public companies. The combination of two separate companies is complex, costly and time-consuming and may require significant management attention and resources which may divert attention from our ongoing businesses and operations. The failure to meet the challenges involved in combining the two companies and to realize the anticipated benefits of the Merger could cause an interruption of, or a loss of momentum in, our activities and could adversely affect the results of operations of the combined company following the Merger. The overall combination of the two companies may also result in material unanticipated problems, expenses, liabilities, competitive responses and loss of customer and other business relationships. The difficulties of combining the operations of the companies include, among others:

- the diversion of management and employee attention to integration matters;
- difficulties in integrating operations and systems, including, but not limited to, communications systems, administrative and information technology infrastructure and financial reporting and internal control systems;
- challenges in conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the two companies;
- difficulties in integrating employees and teams of the respective businesses, and attracting and retaining key personnel;
- challenges in retaining and obtaining customers, suppliers and other commercial relationships;
- difficulties in managing the expanded operations of a larger and more complex company; and
- potential unknown liabilities, adverse consequences and unforeseen increased expenses associated with the Merger.

Many of these factors are outside of our control and any one of them could result in lower revenues, higher costs and diversion of management time and energy, which could materially impact our business, financial condition and results of operations after the Merger. In addition, even if the operations of the companies are integrated successfully, the full benefits of the Merger may not be realized, including, among others, the synergies, cost savings or sales or growth opportunities that are expected. These benefits may not be achieved within the anticipated time frame or at all. All of these factors could negatively impact the price of our Class A Common Stock following the Merger. As a result, it cannot be assured that the combination of the two companies will result in the realization of the full benefits expected from the Merger within the anticipated time frames, or at all.

Following the Merger, we will continue to be controlled by one principal stockholder.

EchoStar and DISH Network are each controlled by Mr. Ergen, who also serves as the Chairman of both companies and will continue to serve as the Chairman of EchoStar following the consummation of the Merger. Mr. Ergen beneficially owns approximately 93.4% of the total voting power of EchoStar equity securities, and also beneficially owns approximately 90.3% of the total voting power of DISH Network equity securities.

Pursuant to the amended support agreement, Mr. Ergen and the other Ergen stockholders have agreed not to vote, or cause or direct to be voted, the shares of EchoStar Class A Common Stock owned by them, other than with respect to any matter presented to the holders of EchoStar Class A Common Stock on which holders of EchoStar Class B Common Stock are not entitled to vote, for three years following the Closing, such that the Ergen Stockholders' voting power of EchoStar will be approximately 90.4% for such three-year period. Through his beneficial ownership of our equity securities, Mr. Ergen has the ability to elect a majority of the directors and to control all other matters requiring the approval of our stockholders, and will continue to have such ability following completion of the Merger. As a result of Mr. Ergen's voting power, we currently are, and following the Merger will continue to be, a "controlled company" as defined in the NASDAQ listing rules and, therefore, not subject to certain NASDAQ requirements relating to director independence and nomination and board committee composition.

[Table of Contents](#)

Following the Merger, we will continue to be controlled by our principal stockholder and it will be difficult for a third party to acquire us without Mr. Ergen's approval, even if doing so may be beneficial to stockholders.

In addition, pursuant to the amended support agreement, prior to the Merger closing, we and the Ergen stockholders will enter into a registration rights agreement providing for the registration of the Ergen stockholders' shares of our Class A Common Stock or Class B Common Stock received as part of the Merger consideration and/or our Class B Common Stock held by such stockholders immediately prior to the Merger.

ITEM

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Pursuant to a

Our stock repurchase program approved by our board of directors, we are authorized to repurchase up to $500.0 million of our Class A common stock through expired December 31, 2023. During the nine months ended September 30, 2023, we repurchased zero shares of our Class A common stock under this program. Notwithstanding this authorization, Section 4.1(a)(vii) of the Amended Merger Agreement contains an interim operating covenant that prohibits us from repurchasing our stock during the period between October 2, 2023, and the Effective Time of the Merger. As a result, we do not plan to undertake any stock repurchases until after the occurrence of either (a) the Merger Effective Time, or (b) the termination of the Amended Merger Agreement.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM

Item 5. OTHER INFORMATION

Financial Results

On November 6, 2023, we issued a press release (the “Press Release”) announcing our financial results for the quarter ended September 30, 2023. A copy of the Press Release is furnished herewith as Exhibit 99.1. The foregoing information, including the exhibit related thereto, is furnished in response to Item 2.02 of Form 8-K and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise, and shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or into any filing or other document pursuant to the Securities Exchange Act of 1934, as amended, except as otherwise expressly stated in any such filing.

Rule

10b5-1 Trading Plans

Arrangements

None of the Company's directors or Section 16 officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended September 30, 2023.

Table March 31, 2024, as such terms are defined under Item 408(a) of Contents Regulation S-K.

ITEM

Item 6. EXHIBITS

(a) *Exhibits.*

Exhibit No.	Description
31.110.1◻	Amendment No. 4 dated June 9, 2023 to the Contract between EchoStar XXIV L.L.C. and Maxar Space LLC for the JUPITER 3 Satellite Program(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 08, 2023.)*

10.2	Amendment No. 5 dated July 17, 2023 to the Contract between EchoStar XXIV L.L.C. and Maxar Space LLC for the JUPITER 3 Satellite Program(incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 08, 2023.)*
10.3	Amended and Restated Support Agreement, dated as of October 2, 2023, by and among EchoStar, DISH Network, and the Ergen Stockholders (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 03, 2023.)+

10.4	Letter Agreement, dated October 2, 2023, by and between EchoStar and Hamid Akhavan (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-4 filed on October 3, 2023)+**
10.5	Letter Agreement, dated October 2, 2023, by and between EchoStar and John W. Swieringa (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-4 filed on October 3, 2023)+**
31.1(H)	Section 302 Certification of Chief Executive Officer and Principal Financial Officer Officer.

31.2□	Section 302 Certification of Chief Financial Officer.
32.1□	Section 906 Certification of Chief Executive Officer and Principal Financial Officer Officer.
32.2□	Press release dated November 6, 2023 issued bySection 906 Certification of Chief Financial Officer.

101□	The following materials from the Quarterly Report on Form 10-Q of EchoStar Corporation regarding financial results for the period quarter ended September 30, 2023. March 31, 2024 filed on May 8, 2024 formatted in Inline eXtensible Business Reporting Language (“iXBRL”): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Condensed Consolidated Statements of Changes in Stockholders’ Equity (Deficit), (iv) Condensed Consolidated Statements of Cash Flows and (v) related notes to these financial statements.	
104101.SCH □		XBRL Taxonomy Extension Schema.

101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.
104	Cover Page Interactive Data File formatted (the cover page XBRL tags are embedded in iXBRL and contained in Exhibit 101. the Inline XBRL document).

☐ Filed herewith.

(H) Filed herewith.

(I) Furnished herewith.

+ Schedules, annexes and/or exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted schedules, annexes and/or exhibits upon request by the SEC; provided, that the Company may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") for any schedules so furnished.

* Certain portions of the exhibit have been omitted in accordance with the Securities and Exchange Commission's rules and regulations regarding confidential treatment.

** Constitutes a management contract or compensatory plan or arrangement.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Form 10-Q report to be signed on its behalf by the undersigned thereunto duly authorized.

ECHOSTAR CORPORATION

Date: November 6, 2023 By:

Hamid Akhavan
ECHOSTAR CORPORATION

By: */s/ Hamid Akhavan*
Hamid Akhavan
President and Chief Executive Officer and President Director
(Principal Executive Officer)

By: */s/ Paul W. Orban*
Paul W. Orban
Executive Vice President and Chief Financial Officer, DISH
(Principal Financial Officer and Principal Financial Accounting Officer)

Date: May 8, 2024

By: */s/ Veronika Takacs*
Veronika Takacs
Vice President, Chief Accounting Officer and Controller

(Principal Accounting Officer)

72

87

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER

Section 302 Certification

I, Hamid Akhavan, certify that:

1.

1. I have reviewed this Quarterly Report on Form 10-Q of EchoStar Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

/s/ Hamid Akhavan

President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

Section 302 Certification

I, Paul W. Orban, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EchoStar Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2024

/s/ Paul W. Orban

Principal Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Section 906 Certification

Pursuant to 18 U.S.C. § 1350, the undersigned officer of EchoStar Corporation (the "Company") hereby certifies that to the best of his knowledge the Company's Quarterly Report on Form 10-Q of EchoStar Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its

consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2023

By: *| /s/ Hamid Akhavan*

Name: Hamid Akhavan

Title: Chief Executive Officer and President

(Principal Executive Officer and Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OFCHIEF EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER

Section 906 Certifications

In connection with the quarterly report for the quarter three months ended September 30, 2023 on Form 10-Q March 31, 2024 (the "Report"), of EchoStar Corporation (the "Company") as filed with the Securities and Exchange Commission on the date hereof, I, Hamid Akhavan, Chief Executive Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; 1934 and

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

Date: November 6, 2023	Dated:	May 8, 2024	
	Name:		
By:			*/s/ Hamid Akhavan*
Name:	Hamid Akhavan		
Title:	Title:	President and Chief Executive Officer and President	
			(Principal Executive Officer and Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section § 1350 and is not being filed as part of the Annual Report or as a separate disclosure document.

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION signed original of this written statement required by Section 906, HAS BEEN PROVIDED TO THE COMPANY AND WILL BE RETAINED BY THE COMPANY AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.1

EchoStar Announces Financial Results for

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

Section 906 Certification

Pursuant to 18 U.S.C. § 1350, the Three and Nine Months Ended September 30, 2023

Englewood, CO, November 6, 2023—undersigned officer of EchoStar Corporation (Nasdaq: SATS) announced its financial results for the three and nine months ended September 30, 2023.

Three Months Ended September 30, 2023 Financial Highlights:

- Consolidated revenue of $413.1 million.
- Net income of $0.5 million, consolidated net income attributable to EchoStar common stock of $3.2 million, and basic and diluted earnings per share of common stock of $0.04.
- Consolidated Adjusted EBITDA of $125.8 million (see discussion and the reconciliation of GAAP to this non-GAAP measure below).
- Cash, cash equivalents and current marketable investment securities were $2.0 billion as of

September 30, 2023, up from $1.9 billion as of June 30, 2023.

Nine months ended September 30, 2023 Financial Highlights:

- Consolidated revenue of $1.3 billion.
- Net income of $37.4 million, consolidated net income attributable to EchoStar common stock of $43.4 million, and basic and diluted earnings per share of common stock of $0.52.
- Consolidated Adjusted EBITDA of $414.1 million (see discussion and the reconciliation of GAAP to this non-GAAP measure below).

"In the third quarter of 2023, the EchoStar team was fully engaged across our business. We received orders from new and existing customers in our enterprise, international, government, and mobility groups," said Hamid Akhavan, CEO and President of EchoStar. "Our consumer team continued to expand adoption of our low-latency HughesNet Fusion plans and the JUPITER 3/EchoStar XXIV satellite is fully functional and expected to begin commercial service in December."

Three Months Ended September 30, 2023 - Additional Information:

- Consolidated revenue decreased 17.0% or $84.3 million year over year. The decrease was driven by lower service revenues of $42.0 million primarily due to fewer broadband customers. Equipment revenue decreased $42.3 million, primarily due to lower domestic and international deployments and shipments. Most enterprise orders are recognized over several years, which can create some variation or irregularity in our revenue, which we saw in the third quarter.
- Net income decreased $19.0 million year over year. The decrease was primarily due to a decrease in operating income driven by lower revenue and higher transaction costs related (the "Company") hereby certifies that to the proposed merger with DISH. These items were partially offset by higher interest income best of $12.0 million and a favorable change of $4.7 million in our income tax provision.
- Adjusted EBITDA decreased 20.8% or $33.0 million year over year.
    - Hughes segment Adjusted EBITDA decreased $33.8 million year over year. The decrease was driven

primarily by lower service and equipment revenue, partially offset by lower sales and marketing expense from our broadband consumer business and lower research and development expenses.

  - ESS segment Adjusted EBITDA increased $1.4 million year over year, primarily due to higher revenue.
  - Corporate and Other Adjusted EBITDA remained relatively flat year over year.

- Hughes broadband subscribers totaled approximately 1,063,000, declining 165,000 from December 31, 2022. In his knowledge the U.S., our current capacity limitations, increasing bandwidth usage by

our existing subscribers, and competitive pressures are impacting our consumer subscriber levels. In Latin America, subscriber levels were tempered by our focus on more profitable consumer subscribers and by our allocation of capacity to enterprise opportunities.

- For the three months ended September 30, 2023, approximately 37% of Hughes segment revenue was attributable to our enterprise customers, decreasing from 40% in the same period last year. Despite this drop in revenue, we remain committed to growing our Enterprise market. Just recently, we announced a major deal with Delta Air Lines that will increase our backlog in the fourth quarter and diversify our business.

- The JUPITER 3/EchoStar XXIV satellite launched successfully on July 28, 2023. Currently, the satellite is in the final stages of in-orbit testing. Service launch is on schedule for December which will instantly bring over 500 Gbps of capacity over North and South America.

Set forth below is a table highlighting certain of EchoStar's segment results for the three and nine months ended September 30, 2023 and 2022 (amounts in thousands) (all US GAAP amounts reference results from operations):

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Revenue				
Hughes	$404,209	$489,565	$1,279,739	$1,475,512

EchoStar Satellite Services	6,446	4,981	18,563	14,305
Corporate and Other	2,419	2,841	7,478	8,420
Total revenue	$413,074	$497,387	$1,305,780	$1,498,237
Net income (loss)	$ 532	$ 19,550	$ 37,437	$ 118,968
Adjusted EBITDA				
Hughes	$143,730	$177,574	$ 469,007	$ 544,284
EchoStar Satellite Services	4,867	3,447	14,085	9,658
Corporate & Other	(22,788)	(22,202)	(69,042)	(61,506)
Total Adjusted EBITDA	$125,809	$158,819	$ 414,050	$ 492,436
Expenditures for property and equipment, net of refunds and other receipts	$ 79,164	$ 61,457	$ 172,251	$ 249,374

Reconciliation of GAAP to Non-GAAP Measurement (amounts in thousands):

	For the three months ended September 30,		**For the nine months ended September 30,**	
	2023	**2022**	**2023**	**2022**
Net income (loss)	$ 532	$ 19,550	$ 37,437	$118,968
Interest income, net	(26,209)	(14,183)	(78,331)	(29,677)
Interest expense, net of amounts capitalized	12,650	13,845	39,176	43,125
Income tax provision (benefit), net	8,547	13,195	38,780	51,367
Depreciation and amortization	103,028	110,233	311,474	347,224

Net loss (income) attributable to non-controlling interests	2,712	2,853	6,005	8,736
EBITDA	$101,260	$145,493	$354,541	$539,743
(Gains) losses on investments, net	10,743	10,077	23,337	(48,071)
Foreign currency transaction (gains) losses, net	2,089	2,805	(4,482)	53
Impairment of long-lived assets	—	—	3,142	711
Other-than-temporary impairment losses on equity method investments	—	—	33,400	—
Merger costs	11,717	—	11,717	—
Gain on repayment of other debt securities	—	—	(7,605)	—
License fee dispute - India, net of non-controlling interests	—	444	—	—
Adjusted EBITDA	$125,809	$158,819	$414,050	$492,436

Note on Use of Non-GAAP Financial Measures

EBITDA is defined as "Net income (loss)" excluding "Interest income, net," "Interest expense, net of amounts capitalized," "Income tax benefit (provision), net," "Depreciation and amortization," and "Net income (loss) attributable to non-controlling interests."

Adjusted EBITDA is defined as EBITDA excluding Gains and losses on investments, net, Foreign currency transaction gains (losses), net, and other non-recurring or non-operational items.

EBITDA and Adjusted EBITDA are not measures determined in accordance with US GAAP. EBITDA and Adjusted EBITDA are reconciled to Net income (loss) in the table above and should not be considered in isolation or as a substitute for operating income, net income or any other measure determined in accordance with US GAAP. Our management uses EBITDA and Adjusted EBITDA as measures of our operating efficiency and overall financial performance for benchmarking against our peers and competitors.

Management believes that these non-GAAP measures provide meaningful supplemental information regarding the underlying operating performance of our business and are appropriate to enhance an overall understanding of our financial performance. Management also believes that EBITDA and Adjusted EBITDA are useful to investors because they are frequently used by securities analysts, investors, and other interested parties to evaluate the performance of companies in our industry.

The consolidated financial statements of EchoStar for the periods ended September 30, 2023 and 2022 are attached to this press release. Detailed financial data and other information are available in EchoStar's Company's Quarterly Report on Form 10-Q for the period three months ended September 30, 2023 filed today March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and Exchange Commission. that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 8, 2024

Name: */s/ Paul W. Orban*

Title: Principal Financial Officer

EchoStar will host

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a webcast separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to discuss its earnings on Monday, November 6, 2023 at 11:00 a.m. Eastern Time. The webcast the Company and will be broadcast live in listen-only mode on EchoStar's investor relations website at ir.echostar.com. To participate via telephone and ask a question, participants must register using an online form found at: https://register.vevent.com/register/BIffe2a41bff0e4a198973106da5a17dab.

About EchoStar Corporation

EchoStar Corporation (Nasdaq: SATS) is a premier technology and networking services provider offering consumer, enterprise, operator and government solutions worldwide under its Hughes®, HughesNet® and EchoStar® brands. In Europe, EchoStar operates under its EchoStar Mobile Limited subsidiary and in Australia, retained by the Company operates as EchoStar Global Australia. For more information, visit www.echostar.com and follow EchoStar on social media.

Safe Harbor Statement under the US Private Securities Litigation Reform Act of 1995

This press release may contain statements that are forward looking, as that term is defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available furnished to management. When used in this release, the words "believe," "anticipate," "goal," "seek," "estimate," "expect," "intend," "project," "continue," "future," "will," "would," "can," "may," "plans," and similar expressions and the use of future dates are intended to identify forward-looking statements. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. We assume no responsibility for the accuracy of forward-looking statements or information or for updating forward-looking information or statements. These statements are subject to certain risks, uncertainties, and assumptions that are described under the caption "Risk Factors" in EchoStar's Annual Report on Form 10-K for the period ended December 31, 2022 and subsequent Quarterly Reports on Form 10-Q as filed with the Securities and Exchange Commission and in the other documents EchoStar files with the Securities and Exchange Commission from time to time.

###

Contact Information:

EchoStar Investor Relations	**EchoStar Media Relations**
Samantha Whirley Phone: +1 301-601-6451 Email: ir@echostar.com	Mike Tippets Phone: +1 801-772-5418 Email: mike.tippets@echostar.com

ECHOSTAR CORPORATION
Consolidated Balance Sheets
(In thousands, except share and per share amounts)

	As of	
	September 30, 2023	**December 31, 2022**
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$1,094,531	$ 704,541
Marketable investment securities	894,744	973,915
Trade accounts receivable and contract assets, net	235,421	236,479
Other current assets, net	248,241	210,446
Total current assets	2,472,937	2,125,381
Non-current assets:		
Property and equipment, net	2,144,707	2,237,617
Operating lease right-of-use assets	143,726	151,518
Goodwill	532,710	532,491
Regulatory authorizations, net	459,463	462,531
Other intangible assets, net	13,975	15,698
Other investments, net	136,455	356,705
Other non-current assets, net	326,485	317,062
Total non-current assets	3,757,521	4,073,622
Total assets	$6,230,458	$6,199,003
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	$ 82,291	$ 101,239
Contract liabilities	122,288	121,739
Accrued expenses and other current liabilities	192,100	199,853
Total current liabilities	396,679	422,831
Non-current liabilities:		
Long-term debt, net	1,497,396	1,496,777
Deferred tax liabilities, net	433,370	424,621
Operating lease liabilities	127,829	135,932
Other non-current liabilities	109,396	119,787
Total non-current liabilities	2,167,991	2,177,117

Total liabilities	2,564,670	2,599,948
Commitments and contingencies		

ECHOSTAR CORPORATION
Consolidated Balance Sheets
(In thousands, except share and per share amounts)

Stockholders' equity:		
Preferred stock, $0.001 par value, 20,000,000 shares authorized, none issued and outstanding at both September 30, 2023 and December 31, 2022	—	—
Common stock, $0.001 par value, 4,000,000,000 shares authorized:		
Class A common stock, $0.001 par value, 1,600,000,000 shares authorized, 59,532,668 shares issued and 36,219,357 shares outstanding at September 30, 2023 and 58,604,927 shares issued and 35,291,616 shares outstanding at December 31, 2022	59	59
Class B convertible common stock, $0.001 par value, 800,000,000 shares authorized, 47,687,039 shares issued and outstanding at both September 30, 2023 and December 31, 2022	48	48
Class C convertible common stock, $0.001 par value, 800,000,000 shares authorized, none issued and outstanding at both September 30, 2023 and December 31, 2022	—	—
Class D common stock, $0.001 par value, 800,000,000 shares authorized, none issued and outstanding at both September 30, 2023 and December 31, 2022	—	—
Additional paid-in capital	3,383,671	3,367,058
Accumulated other comprehensive income (loss)	(161,515)	(172,239)
Accumulated earnings (losses)	876,959	833,517

Treasury shares, at cost, 23,313,311 at both September 30, 2023 and December 31, 2022	(525,824)	(525,824)
Total EchoStar Corporation stockholders' equity	3,573,398	3,502,619
Non-controlling interests	92,390	96,436
Total stockholders' equity	3,665,788	3,599,055
Total liabilities and stockholders' equity	$6,230,458	$6,199,003

ECHOSTAR CORPORATION
Consolidated Statements of Operations
(Unaudited, in thousands, except per share amounts)

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Revenue:				
Services and other revenue	$359,349	$401,382	$1,108,386	$1,234,890
Equipment revenue	53,725	96,005	197,394	263,347
Total revenue	413,074	497,387	1,305,780	1,498,237
Costs and expenses:				
Cost of sales - services and other (exclusive of depreciation and amortization)	133,335	145,189	401,431	430,553
Cost of sales - equipment (exclusive of depreciation and amortization)	43,180	74,329	151,004	213,497
Selling, general and administrative expenses	104,988	111,421	322,469	342,682
Research and development expenses	6,463	9,181	21,560	25,562
Depreciation and amortization	103,028	110,233	311,474	347,224
Impairment of long-lived assets	—	—	3,142	711
Total costs and expenses	390,994	450,353	1,211,080	1,360,229

Operating income (loss)	22,080	47,034	94,700	138,008
Other income (expense):				
Interest income, net	26,209	14,183	78,331	29,677
Interest expense, net of amounts capitalized	(12,650)	(13,845)	(39,176)	(43,125)
Gains (losses) on investments, net	(10,743)	(10,077)	(23,337)	48,071
Equity in earnings (losses) of unconsolidated affiliates, net	(1,978)	(1,426)	(3,075)	(4,441)
Other-than-temporary impairment losses on equity method investments	—	—	(33,400)	—
Foreign currency transaction gains (losses), net	(2,089)	(2,805)	4,482	(53)
Other, net	(11,750)	(319)	(2,308)	2,198
Total other income (expense), net	(13,001)	(14,289)	(18,483)	32,327
Income (loss) before income taxes	9,079	32,745	76,217	170,335
Income tax benefit (provision), net	(8,547)	(13,195)	(38,780)	(51,367)
Net income (loss)	532	19,550	37,437	118,968
Less: Net loss (income) attributable to non-controlling interests	2,712	2,853	6,005	8,736
Net income (loss) attributable to EchoStar Corporation common stock	$ 3,244	$ 22,403	$ 43,442	$ 127,704
Earnings (losses) per share - Class A and B common stock:				
Basic	$ 0.04	$ 0.27	$ 0.52	$ 1.51
Diluted	$ 0.04	$ 0.27	$ 0.52	$ 1.51

ECHOSTAR CORPORATION
Consolidated Statements of Cash Flows
(Unaudited, in thousands)

	For the nine months ended September 30,	
	2023	**2022**
Cash flows from operating activities:		
Net income (loss)	$ 37,437	$ 118,968
Adjustments to reconcile net income (loss) to cash flows provided by (used for) operating activities:		
Depreciation and amortization	311,474	347,224
Impairment of long-lived assets	3,142	711
Losses (gains) on investments, net	23,337	(48,071)
Equity in losses of unconsolidated affiliates, net	3,075	4,441
Foreign currency transaction losses (gains), net	(4,482)	53
Deferred tax provision, net	8,088	28,901
Stock-based compensation	8,239	8,401
Amortization of debt issuance costs	619	583
Gain on repayment of other debt securities	(7,605)	—
Other-than-temporary impairment losses on equity method investments	33,400	—
Accretion of discounts on debt investments	(21,340)	159
Other, net	(6,634)	35,450
Changes in assets and liabilities, net:		
Trade accounts receivable and contract assets, net	2,940	(63,563)
Other current assets, net	(46,216)	(26,402)
Trade accounts payable	(22,817)	657
Contract liabilities	549	(13,759)
Accrued expenses and other current liabilities	(489)	(27,004)
Non-current assets and non-current liabilities, net	(21,694)	(23,432)
Net cash provided by (used for) operating activities	301,023	343,317
Cash flows from investing activities:		
Purchases of marketable investment securities	(1,015,650)	(540,447)

Sales and maturities of marketable investment securities	1,150,683	917,077
Expenditures for property and equipment	(206,862)	(249,374)
Refunds and other receipts related to capital expenditures	34,611	—
Expenditures for externally marketed software	(22,373)	(16,926)
Proceeds from repayment of other debt investment	148,448	—
India JV formation	—	(7,892)
Dividend received from unconsolidated affiliate	—	2,000
Sale of unconsolidated affiliate	—	7,500
Sales of other investments	—	3,070
Net cash provided by (used for) investing activities	88,857	115,008
Cash flows from financing activities:		
Payment of finance lease obligations	—	(114)
Payment of in-orbit incentive obligations	(3,144)	(2,422)
Proceeds from Class A common stock issued under the Employee Stock Purchase Plan	2,953	7,173
Payment of equity registration fees	(1,327)	—
Treasury share repurchase	—	(89,303)
Net cash provided by (used for) financing activities	(1,518)	(84,666)
Effect of exchange rates on cash and cash equivalents	1,622	(3,123)
Net increase (decrease) in cash and cash equivalents	389,984	370,536
Cash and cash equivalents, including restricted amounts, beginning of period	705,882	536,874
Cash and cash equivalents, including restricted amounts, end of period	$1,095,866	$907,410

8 or its staff upon request.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

REFINITIV