DISH NETWORK:

Initial Impressions on the RSA

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The Bottom Line™:

- On March 19, EchoStar filed an 8-K disclosing that EchoStar, DISH Network, DISH DBS Corporation, and certain of its subsidiaries entered into a Restructuring Support Agreement with an ad hoc group representing over 82% of holders of the outstanding DBS bonds.
- The RSA transactions are expected to significantly deleverage the DISH DBS credit.
- In this report, we provide our initial impressions on the transactions contemplated by the RSA, which are grouped into transactions that take place at the Execution Date, the Effective Date, and the AT&T Closing Date. We briefly summarize the various transactions that occur on each of these dates.
- The RSA transactions also include covenant amendments to the various DISH DBS bonds that would be implicated by a potential future business combination with DirecTV.

Overview

On March 19, 2026, as disclosed in an 8-K (the "RSA 8-K"), EchoStar Corporation ("EchoStar"), DISH Network Corporation ("DNC"), DISH DBS Corporation ("DBS"), and certain of DBS's subsidiaries entered into a Restructuring Support Agreement (the "RSA") with an ad hoc group representing more than 82% of holders of debt securities issued by DBS (the "DBS Notes"). We refer to the ad hoc group in this report as the "Consenting Creditors." The various transactions contemplated by the RSA (collectively, the "Transactions") are expected to significantly deleverage the DBS credit.

In this report, we provide our initial impressions on the RSA and the Transactions.

The Timing of the Transactions

The Transactions include a variety of corporate actions, some of which occur in connection with the Execution Date, the Effective Date, and the AT&T Closing Date, each of which are defined in the term sheet for the RSA (the "Term Sheet").[1]

The "Execution Date" is defined as the date when DBS, its affiliates, and the Consenting Creditors entered into the RSA, which was March 19, 2026.

The "Effective Date" is generally defined as the date on which the parties consummate the remaining refinancing transactions in accordance with the RSA and the Term Sheet, but the Effective Date will not occur prior to: (1) satisfaction (or waiver) of the conditions precedent specified in the RSA, (2) if DBS elects

[1] The Term Sheet is included as Exhibit B to the RSA.

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to implement the refinancing transactions through a prepackaged Chapter 11 filing, the effective date of the Chapter 11 Plan, and (3) the AT&T Closing Date.

The “AT&T Closing Date” is defined as the date of consummation of the transactions contemplated by the License Purchase Agreement dated as of August 25, 2025 between EchoStar and AT&T, pursuant to which EchoStar agreed to sell its 3.45 GHz and 600 MHz spectrum licenses for $22.65 billion.

Will the Transactions include a prepackaged Chapter 11 filing?

The Term Sheet contemplates either (1) an out-of-court restructuring or (2) a prepackaged Chapter 11 filing, solely if necessary in order to implement certain amendments to the indentures for the DBS 2028 Secured Notes, the DBS 2026 Secured Notes, and the DBS 2026 Unsecured Notes in a manner that is binding as to all holders of such Notes.

DBS (and related parties) will notify counsel to the ad hoc committee of holders of DBS Notes on or before March 31, 2026 (the “Election Date”)[2] of their intention to accomplish the Refinancing Transactions through a prepackaged Chapter 11 filing.

The prepackaged Chapter 11 filing is an alternative because the RSA provides that the optional redemption provisions of the DBS 2026 Secured Notes and the DBS 2026 Unsecured Notes will be amended to provide that the applicable DBS Notes may be redeemed at any time after March 31, 2026 at par plus accrued interest. However, amendments to any optional redemption provisions with respect to the DBS 2026 Secured Notes require the consent of each affected holder to implement, pursuant to Section 9.02(b) of the indenture for those bonds. Similarly, amendments to any optional redemption provisions with respect to the DBS 2026 Unsecured Notes require the consent of each affected holder to implement, pursuant to Section 9.02(b) of the indenture for those bonds.

Accordingly, DBS can only amend these optional redemption provisions for the holders of the DBS 2026 Secured Notes and DBS 2026 Unsecured Notes that consent to the amendment, and DBS will have to decide by the Election Date whether it will only amend the indenture provisions as to the holders that consent, or elect to pursue a prepackaged Chapter 11 filing to implement the amendments to the applicable indenture on all holders of those bonds.

Highlights of the Transactions

On or about the Execution Date, the following occurred:

- DNC paid DBS approximately $2.19 billion in full repayment of the 2024 Intercompany Loans[3];
- DBS and EchoStar agreed to pay a non-refundable $125 million Claim Settlement Amount to the Consenting Creditors. Of this amount, $75 million was paid by DBS on the Execution Date and the outstanding balance of this amount will be paid by EchoStar on June 1, 2026.

[2] This Election Date can be extended in the discretion of DBS and its affiliates, in one or more increments for up to a total of 90 days.
[3] This reflects full principal, PIK interest, and accrued but unpaid interest.

- DBS paid off all of the outstanding Term Loans due 2029 at Dish DBS Issuer ("DBS SubscriberCo") and the preferred shares at DBS SubscriberCo.

- DBS SubscriberCo and the entities that hold the SlingTV business were both consolidated with DBS such that credit support for the DBS Notes now includes (1) all of the subscribers of the DBS Pay TV business and (2) the full value of the SlingTV business.

- The indenture for the DBS 2028 Secured Notes is being amended to include a DBS Cash Sweep that requires DBS to make an offer to repurchase DBS 2028 Secured Notes on the same terms as the call right (described below), that would be added to the indenture for the DBS 2028 Secured Notes if DBS elects to pursue a prepackaged Chapter 11 filing. However, this provision is structured as a put (i.e., at the option of the bondholders) and not a mandatory redemption right (as is the case in the call redemption amendment provision).[4]

- Each of the indentures for the DBS Notes is being amended to include additional covenant provisions, including:

    - additional restrictions on upstreaming value,
    - anti-LME provisions,
    - modifications reasonably necessary to facilitate a potential combination with DirecTV, including (1) a waiver/amendment to the Change of Control definition to permit such business combination if the combined company's total net leverage ratio doesn't exceed 2.75x at the closing of the business combination and (2) a requirement that the combined company's total net leverage ratio doesn't exceed 2.75x pro forma for the combination, and
    - restrictions on the ability of DBS (and that of the combined company if the DirecTV combination is consummated) to incur any new debt for borrowed money that matures before June 30, 2029.

- The Consenting Creditors dismissed the outstanding lawsuit (the "Lawsuit") against Dish DBS with prejudice[5].

- DBS (and its affiliates) and the Consenting Creditors executed mutual releases of any and all claims relating to (or arising from) any actions or omissions taken on or prior to the Execution Date, and these mutual releases will become effective as of the Effective Date.

On or before the AT&T Closing Date, the following actions will occur:

- DNC will pay $2.845 billion (plus accrued and unpaid interest) to DBS on account of the 2021 Intercompany Loan – Tranche B, and if that payment has not been made by December 1, 2026, it will be made on that date.

[4] The consent of the holders of the DBS 2028 Secured Notes is not required to implement this amendment, as Section 9.01(g) of the indenture for those bonds allows DBS to add any additional rights or benefits to the holders of these bonds without obtaining consent.
[5] For more details on the Lawsuit, please see our previous research [here]() and [here]().

- DNC will pay or otherwise satisfy and discharge in full approximately $4.767 billion (plus accrued and unpaid interest) on account of the 2021 Intercompany Loan – Tranche A.
- Any liens with respect to the collateral securing the 2021 Intercompany Loan will be released.

On the Effective Date, the following actions will occur to permit clean-up of any remaining DBS 2026 Secured Notes, DBS 2026 Unsecured Notes, and DBS 2028 Secured Notes:

- If DBS elects the prepackaged Chapter 11 filing, then the indenture for the DBS 2026 Secured Notes will be further amended to permit a redemption at par plus accrued interest at any time after March 31, 2026.[6]

- If DBS elects the prepackaged Chapter 11 filing, the indenture for the DBS 2026 Unsecured Notes will be further amended to permit a redemption at par plus accrued interest at any time after March 31, 2026[7] and the DBS 2026 Unsecured Notes will be redeemed at par plus accrued interest on the Effective Date of the prepackaged Chapter 11 filing.[8]

- If DBS elects the prepackaged Chapter 11 filing, the indenture for the DBS 2028 Secured Notes will be further amended to require that DBS redeem DBS 2028 Secured Notes at par plus accrued interest on a quarterly basis beginning with the fiscal quarter ending March 31, 2027[9], in an amount equal to the amount of DBS' Available Cash that exceeds $500 million, with this required redemption to be suspended automatically if DBS consummates a DirecTV business combination so long as (1) the combined company reaches (and remains below) a 2.25x total net leverage ratio or (2) the aggregate principal amount of DBS 2028 Secured Notes is reduced to no more than 50% of the aggregate principal amount of those bonds outstanding as of the execution of the RSA[10].

In addition, the RSA disclosed that under certain circumstances, a further $175 million could be available from certain affiliates of DBS for the redemption of the DBS 2028 Secured Notes, the DBS 2028 Unsecured Notes, and the DBS 2029 Unsecured Notes.

We are continuing to monitor this situation, and we will publish additional research as additional developments emerge.

— *Covenant Review*

[6] The DBS 2026 Secured Notes are currently only callable at par beginning June 1, 2026 pursuant to *Section 3.07 – Optional Redemption* of the indenture for those bonds.
[7] The DBS 2026 Unsecured Notes are currently not callable prior to July 1, 2026 pursuant to *Section 3.07 – Optional Redemption* of the indenture for those bonds.
[8] DBS also plans to redeem the DBS 2026 Unsecured Notes if the indenture for those bonds is amended outside of bankruptcy.
[9] The DBS 2028 Secured Notes are currently only callable at par beginning December 1, 2027 pursuant to Section 3.07 – Optional Redemption of the indenture for those bonds.
[10] In addition, the combined company will not be permitted to make restricted payments under the indentures for the DBS 2028 Secured Notes, the DBS 2028 Unsecured Notes, and the DBS 2029 Unsecured Notes.

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